

**CHILDREN'S CANCER THERAPY
DEVELOPMENT INSTITUTE**

**CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

Year Ended June 30, 2020



KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7-12
OTHER FINANCIAL INFORMATION	
Consolidating Statement of Financial Position	13
Consolidating Statement of Activities	14
Consolidating Statement of Cash Flows	15

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Children's Cancer Therapy Development Institute
Beaverton, Oregon

We have audited the accompanying consolidated financial statements of Children's Cancer Therapy Development Institute (a non-profit organization), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related consolidated notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Children's Cancer Therapy Development Institute as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Children's Cancer Therapy Development Institute

Other Matters

Report on Summarized Comparative Information

We have previously audited Children's Cancer Therapy Development Institute's 2019 financial statements, and we expressed a qualified opinion on those financial statements in our report dated January 27, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Consolidated Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information presented on pages 13-15 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Kern & Thompson, LLC

Portland, Oregon
November 7, 2020

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2020

(With Comparative Amounts as of June 30, 2019)

ASSETS

	2020	2019
Cash and cash equivalents	\$ 1,208,310	\$ 370,528
Grants and contributions receivable	350,300	457,307
Prepaid expenses and deposits	17,673	16,358
Property and equipment, net	355,538	430,453
Total assets	\$ 1,931,821	\$ 1,274,646

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 66,656	\$ 110,423
Deferred rent payable	74	13,934
Refundable Advance (Paycheck Protection Program)	153,959	-
Total liabilities	220,689	124,357
Net assets		
Without donor restrictions		
Available for operations	331,072	118,808
Invested in property, plant and equipment	355,538	430,453
Total without donor restrictions	686,610	549,261
With donor restrictions	1,024,522	601,028
Total net assets	1,711,132	1,150,289
Total liabilities and net assets	\$ 1,931,821	\$ 1,274,646

See notes to the consolidated financial statements.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
			<u>2020</u>	<u>2019</u>
Grants, contributions and other support				
Individual and corporate contributions	\$ 174,288	\$ 340,943	\$ 515,231	\$ 416,426
Foundation and trust grants	191,799	1,443,248	1,635,047	1,367,196
Government contracts and grants	-	341,737	341,737	325,206
In-kind contributions	7,500	260	7,760	-
Fee for service	-	-	-	8,010
Rental income	6,613	-	6,613	5,952
Event Income	-	-	-	10,702
Other	3,724	-	3,724	4,743
	<u>383,924</u>	<u>2,126,188</u>	<u>2,510,112</u>	<u>2,138,235</u>
Net assets released from restrictions	<u>1,702,694</u>	<u>(1,702,694)</u>	<u>-</u>	<u>-</u>
Total grants, contributions and other support	<u>2,086,618</u>	<u>423,494</u>	<u>2,510,112</u>	<u>2,138,235</u>
Expenses				
Program services				
Research	1,599,299	-	1,599,299	1,688,085
Artisan	34,696	-	34,696	-
Education	15,777	-	15,777	17,732
Total program expenses	<u>1,649,772</u>	<u>-</u>	<u>1,649,772</u>	<u>1,705,817</u>
Supporting services				
Management and general	231,522	-	231,522	387,750
Fundraising	67,975	-	67,975	60,292
Total expenses	<u>1,949,269</u>	<u>-</u>	<u>1,949,269</u>	<u>2,153,859</u>
Change in net assets	137,349	423,494	560,843	(15,624)
Net assets, beginning of year	<u>549,261</u>	<u>601,028</u>	<u>1,150,289</u>	<u>1,165,913</u>
Net assets, end of year	<u>\$ 686,610</u>	<u>\$ 1,024,522</u>	<u>\$ 1,711,132</u>	<u>\$ 1,150,289</u>

See notes to the consolidated financial statements.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

	<u>PROGRAM SERVICES</u>				<u>SUPPORTING SERVICES</u>			<u>Total</u>	
	<u>Research</u>	<u>Artisan</u>	<u>Education</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2020</u>	<u>2019</u>	
	Salaries, payroll taxes and benefits	\$ 676,124	\$ -	34	\$ 676,158	\$ 112,522	\$ 32,705	\$ 821,385	\$ 901,213
Professional fees	223,297	32,565	20	255,882	89,537	15,825	361,244	446,823	
Software, supplies and equipment	441,723	1,500	140	443,363	4,543	6,818	454,724	420,560	
Occupancy and utilities	83,916	-	810	84,726	11,668	3,479	99,873	109,347	
Depreciation and amortization	129,792	-	81	129,873	1,298	349	131,520	102,857	
Printing, postage and office supplies	12,376	631	90	13,097	2,596	931	16,624	49,887	
Travel and related costs	15,496	-	7	15,503	2,175	1,249	18,927	42,613	
Licenses, dues and fees	10,612	-	88	10,700	802	2,530	14,032	41,752	
Miscellaneous	617	-	14,450	15,067	621	1,637	17,325	18,228	
Marketing and communications	-	-	-	-	495	2,207	2,702	15,788	
Bad debt	-	-	-	-	4,443	-	4,443	-	
Insurance	5,346	-	57	5,403	822	245	6,470	4,791	
Total expenses	\$ 1,599,299	\$ 34,696	15,777	\$ 1,649,772	\$ 231,522	\$ 67,975	\$ 1,949,269	\$ 2,153,859	

See notes to the consolidated financial statements.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash received from grantors, contributors and others	\$ 2,609,619	\$ 2,328,211
Cash paid to employees and suppliers	(1,876,691)	(1,985,190)
Cash received as a refundable advance	153,959	-
Net cash provided by (used in) operating activities	<u>886,887</u>	<u>343,021</u>
Cash flows from investing activities:		
Disposal of property and equipment	907	-
Purchase of property and equipment	(50,012)	(287,804)
Net cash provided by (used in) investing activities	<u>(49,105)</u>	<u>(287,804)</u>
Net change in cash and cash equivalents	837,782	55,217
Cash and cash equivalents, beginning of year	<u>370,528</u>	<u>315,311</u>
Cash and cash equivalents, end of year	<u>\$ 1,208,310</u>	<u>\$ 370,528</u>

See notes to the consolidated financial statements.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

NOTE A – DESCRIPTION OF ORGANIZATION

Children's Cancer Therapy Development Institute, (cc-TDI or the Organization) is a non-profit corporation in Portland, Oregon, created to translate scientific discovery into clinical trials by understanding and proving new disease-specific treatment options for children with cancer. cc-TDI was created with one aim: to make childhood cancer universally survivable, regardless of diagnosis. cc-TDI's research team explores and tests state-of-the-art treatment options for the most urgent issues facing children with cancer. cc-TDI performs basic science and translational research in an industrial modern lab site. By proving these methods in the laboratory, cc-TDI delivers smart, hope-filled discoveries to be prioritized in clinical trials.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Pronouncement

During the year ended June 30, 2020, the Organization adopted two new accounting pronouncements: *Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09") and *Accounting Standards Update No. 2018-08, Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08").

ASU 2018-08 clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

The change in accounting principle resulting from ASU 2018-08 was adopted on a modified prospective basis during the year ending June 30, 2020. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of June 30, 2019.

ASU 2014-09 outlines a single, comprehensive model for accounting for revenue from contracts with customers. Revenue streams applicable to the Organization that qualify as exchange transactions could include program revenue.

Management of the Organization has analyzed the provisions of ASC Topic 606, *Revenue from Contracts with Customers*, and has concluded that no changes are necessary to conform with the new standard.

Basis of Accounting

cc-TDI prepares its financial statements on the accrual basis of accounting; consequently, certain revenues are reflected in the accounts in the period in which they are considered earned, rather than received, and expenses are recorded when incurred, rather than when paid. Assets and liabilities are presented on the basis of historical cost rather than estimated current values and amounts.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of Artisan Biopharma, Inc. (a C corporation with a June 30 year-end). Children's Cancer Therapy Development Institute owns 100% of the outstanding common stock of Artisan Biopharma, Inc. The results of operations of Artisan Biopharma, Inc. have been consolidated with those of Children's Cancer Therapy Development Institute. All inter-company accounts and transactions have been eliminated.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, the type of contribution, and the nature of the fund-raising activity. Management has determined that no allowance for uncollectible accounts is necessary at June 30, 2020.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

cc-TDI considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. cc-TDI maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. cc-TDI has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash and cash equivalents. At June 30, 2020, uninsured cash held was \$699,155.

Property and Equipment

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and improvements	40 years
Furniture, fixtures, and equipment	5 to 7 years
Computer software	3 years

Income Taxes

cc-TDI has been approved as a tax exempt organization under the Internal Revenue Code Section 501(c)(3) and applicable state laws. ccTDI's wholly-owned subsidiary, Artisan Biopharma, is a taxable corporation and, therefore, a provision for any income taxes would be provided in the consolidated statement of activities. ccTDI does not believe it has unrelated trade or business income in excess of \$1,000.

Functional Allocation of Expenses

The costs of providing the programs and supporting services have been summarized in the statement of Activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort.

Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with cc-TDI's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is calculated over the estimated useful lives of the assets. The straight-line method is used for depreciation. The Organization capitalizes assets, with an estimated useful life exceeding one year and a cost great then \$5,000. Depreciation expense for the year ended June 30, 2020 was \$131,519.

Building and improvements	\$	46,108
Furniture, fixtures, and equipment		679,740
		<u>725,848</u>
Less accumulated depreciation and amortization		<u>(370,310)</u>
	\$	<u><u>355,538</u></u>

NOTE D – CONCENTRATION OF REVENUE

During the year ended June 30, 2020, the Organization received about \$341,737 of funding from the National Institutes of Health (NIH) in support of certain projects. This represents about 14% of overall funding.

NOTE E – LEASE COMMITMENTS

The Organization has renewed its lease with additional space at its current location, with a term of August 1, 2020 through July 31, 2024. The lease agreement provides for flat base rent payments of \$126,000 per year over the life of the lease, with additional amounts to cover shared property costs under the triple net lease. Total payments required over the term of the lease are charged to expenses on the straight-line basis resulting in an annual lease expense of \$126,000 with no deferred rent. Rent expense for the year ended June 30, 2020 was \$72,305.

Future minimum rental payments under the lease will be as follows:

Year Ending June 30,		
2021	\$	126,000
2022		126,000
2023		126,000
2024		126,000
2025		<u>10,500</u>
	\$	<u><u>514,500</u></u>

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE F - REFUNDABLE ADVANCE (PAYCHECK PROTECTION PROGRAM LOAN)

In response to the global economic impact caused by the coronavirus pandemic, the US Small Business Administration (SBA) created the Paycheck Protection Program (PPP) "forgivable loan" to assist nonprofit organizations and for-profit enterprises with eligible payroll and certain specified operating costs. The loans are funded by the SBA through participating banks and are subject to specific conditions, which if met, will result in forgiveness of all or part of the loan. The Organization qualified for and received a PPP loan for \$153,959 on May 4, 2020. The terms of the PPP loan include interest at 1% and maturity on April 30, 2022.

The Organization has concluded that although the legal form of the PPP is a loan, it believes the criteria has been met and the SBA will approve its forgiveness application. Accordingly, the PPP loan represents, in substance, a conditional grant and has therefore been recorded as a refundable advance under the accounting guidance of ASC 958-605.

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2020 primarily consist of support for the following funded projects:

Subject to purpose restrictions:	
Sclerosing Epithelioid Fibrosarcoma	\$ 207,215
Rhabdomyosarcoma	123,293
Cancer Biobank & Registry	141,939
Hepatoblastoma	102,283
Ewing Sarcoma	75,905
Wilms Tumor	13,897
Epithelioid Sarcoma	11,993
ETMR	11,784
Other - Multiple cancers	<u>336,213</u>
Total net assets with donor restrictions:	<u>\$ 1,024,522</u>

NOTE H – RETIREMENT PLAN

cc-TDI offers a tax-deferred 401(k) plan (the Plan) for all eligible employees. cc-TDI provides a safe-harbor contribution of 3% of employee compensation. The Organization can elect to provide additional profit-sharing contributions in excess of the 3% safe-harbor amount. Employer contributions to the Plan for the year ended June 30, 2020 were \$19,070.

NOTE I – RELATED PARTY TRANSACTIONS

The Organization's Science Director is both a voting board member as well as a compensated employee. He was compensated \$168,096 along with other employee benefits of \$8,263 during the year ending June 30, 2020.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE J – LIQUIDITY

The following represents the Organization's financial assets available to meet cash needs for general expenditures within one year of June 30, 2020:

Financial assets at year-end	
Cash and cash equivalents	\$ 1,208,310
Grants and contribution receivables	<u>350,300</u>
 Total financial assets	 <u><u>1,558,610</u></u>

The Organization receives significant contributions and promises to give that are donor restricted, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid asset to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these targets, the Organization forecasts its future cash flows, monitors its liquidity monthly and monitors its reserves annually. During the fiscal year ended June 30, 2020, the level of liquidity and reserves were managed within the policy requirements.

NOTE K – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 7, 2020, which is the date the financial statements were available to be issued.

Beginning in January 2020, an outbreak of a coronavirus necessitated that many employees work from home and provided for social distancing measure. The effects of these events may continue for some time, including disruptions to or restrictions on employees' ability to work and on the ability of donors, sponsors, and members to fully participate in programs and continue their current level of financial support to the Organization. At the present time, the ultimate future effects of these issues are unknown.

OTHER FINANCIAL INFORMATION

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2020

ASSETS				
	<u>Nonprofit</u>	<u>Subsidiary</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and cash equivalents	\$ 1,189,775	\$ 18,535	\$ -	\$ 1,208,310
Investments	53,231	-	(53,231)	-
Contributions and grants receivable	350,300	-	-	350,300
Prepaid expenses and deposits	17,673	-	-	17,673
Property and equipment, net of depreciation	-	-	-	-
	<u>355,538</u>	<u>-</u>	<u>-</u>	<u>355,538</u>
Total assets	<u>\$ 1,966,517</u>	<u>\$ 18,535</u>	<u>\$ (53,231)</u>	<u>\$ 1,931,821</u>
LIABILITIES AND NET ASSETS				
Accounts payable and accrued expenses	\$ 66,656	\$ -	\$ -	\$ 66,656
Deferred revenue	74	-	-	74
Note payable	153,959	-	-	153,959
Total liabilities	<u>220,689</u>	<u>-</u>	<u>-</u>	<u>220,689</u>
Net assets				
Common stock	-	53,231	(53,231)	-
Without donor restrictions (deficit)	721,306	(34,696)	-	686,610
With donor restrictions	1,024,522	-	-	1,024,522
Total net assets	<u>1,745,828</u>	<u>18,535</u>	<u>(53,231)</u>	<u>1,711,132</u>
Total liabilities and net assets	<u>\$ 1,966,517</u>	<u>\$ 18,535</u>	<u>\$ (53,231)</u>	<u>\$ 1,931,821</u>

The accompanying notes and independent auditors' report
should be read in conjunction with the supplemental schedules.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

	<u>Nonprofit</u>	<u>Subsidiary</u>	<u>Eliminations</u>	<u>Consolidated</u>
Public support and related revenues				
Individual and corporate contributions	\$ 515,231	\$ -	\$ -	\$ 515,231
Foundation and trust grants	1,635,047	-	-	1,635,047
Government contracts and grants	341,737	-	-	341,737
In-kind contributions	7,760	-	-	7,760
Fee for service	-	-	-	-
Rental income	6,613	-	-	6,613
Event Income	-	-	-	-
Other	3,724	-	-	3,724
	2,510,112	-	-	2,510,112
Total public support and related revenue				
Expenses				
Program services				
Research	1,599,299	-	-	1,599,299
Artisan	-	34,696	-	34,696
Education	15,777	-	-	15,777
Total program expenses	1,615,076	34,696	-	1,649,772
Supporting services				
Management and operations	231,522	-	-	231,522
Development and fund-raising	67,975	-	-	67,975
Total expenses	1,914,573	34,696	-	1,949,269
Change in net assets (see Notes H and I)	595,539	(34,696)	-	560,843
Net assets (deficit), beginning of year	1,150,289	-	-	1,150,289
Net assets (deficit), end of year	\$ 1,745,828	\$ (34,696)	\$ -	\$ 1,711,132

The accompanying notes and independent auditors' report should be read in conjunction with the supplemental schedules.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended June 30, 2020

	<u>Nonprofit</u>	<u>Subsidiary</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash flows from operating activities:				
Cash received from grantors, contributors and others	\$ 2,609,619	\$ -	\$ -	\$ 2,609,619
Cash paid to employees and suppliers	(1,841,995)	(34,696)	-	(1,876,691)
Cash received as refundable advance	153,959	-	-	153,959
Net cash provided by (used in) operating activities	<u>921,583</u>	<u>(34,696)</u>	<u>-</u>	<u>886,887</u>
Cash flows from investing activities:				
Purchase of capital stock in subsidiary	(53,231)	53,231	-	-
Disposal of property and equipment	907	-	-	907
Purchase of property and equipment	(50,012)	-	-	(50,012)
Net cash provided by (used in) investing activities	<u>(102,336)</u>	<u>53,231</u>	<u>-</u>	<u>(49,105)</u>
Net change in cash and cash equivalents	819,247	18,535	-	837,782
Cash and cash equivalents, beginning of year	<u>370,528</u>	<u>-</u>	<u>-</u>	<u>370,528</u>
Cash and cash equivalents, end of year	<u>\$ 1,189,775</u>	<u>\$ 18,535</u>	<u>\$ -</u>	<u>\$ 1,208,310</u>

The accompanying notes and independent auditors' report should be read in conjunction with the supplemental schedules.