

**CHILDREN'S CANCER THERAPY  
DEVELOPMENT INSTITUTE**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY FINANCIAL INFORMATION**

**Year Ended June 30, 2023**



**KERN ▲ THOMPSON**  
CERTIFIED PUBLIC ACCOUNTANTS

**CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE**

**CONSOLIDATED FINANCIAL STATEMENTS**

**Year Ended June 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the consolidated financial statements of Children's Cancer Therapy Development Institute (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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, 2023, 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.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Children's Cancer Therapy Development Institute and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Children's Cancer Therapy Development Institute's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Children's Cancer Therapy Development Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Children's Cancer Therapy Development Institute's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### ***Report on Summarized Comparative Information***

We have previously audited Children's Cancer Therapy Development Institute's 2022 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated October 31, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

#### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities on pages 15 and 16 are 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.



Portland, Oregon  
October 31, 2023

**CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**June 30, 2023**

(With Comparative Amounts as of June 30, 2022)

**ASSETS**

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 909,184	\$ 1,818,630
Investments	243,637	250,218
Grants and contributions receivable	391,208	368,875
Prepaid expenses and deposits	128,282	89,555
Lease right of use asset	798,860	-
Property and equipment, net	721,160	203,346
<b>Total assets</b>	<b>\$ 3,192,331</b>	<b>\$ 2,730,624</b>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 133,325	\$ 110,873
Lease liability	802,615	-
<b>Total liabilities</b>	<b>935,940</b>	<b>110,873</b>
<b>Net assets</b>		
Without donor restrictions		
Available for operations	803,423	778,003
Invested in property, plant and equipment	721,160	203,346
Total without donor restrictions	1,524,583	981,349
With donor restrictions	731,808	1,638,402
<b>Total net assets</b>	<b>2,256,391</b>	<b>2,619,751</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,192,331</b>	<b>\$ 2,730,624</b>

See notes to the consolidated financial statements.

**CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2023**

(With Comparative Totals for the Year Ended June 30, 2022)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	
			<b>2023</b>	<b>2022</b>
<b>Grants, contributions and other support</b>				
Individual and corporate contributions	\$ 349,844	\$ 345,774	\$ 695,618	\$ 1,673,331
Foundation and trust grants	134,982	967,929	1,102,911	733,281
Government contracts and grants	-	209,810	209,810	707,773
Paycheck Protection Program grant	-	-	-	154,080
In-kind contributions	44,400	-	44,400	-
Program revenue	132,889	-	132,889	102,950
Investment income	5,606	-	5,606	344
Other	3,876	-	3,876	1,742
	671,597	1,523,513	2,195,110	3,373,501
Net assets released from restrictions	2,430,107	(2,430,107)	-	-
<b>Total grants, contributions and other support</b>	<b>3,101,704</b>	<b>(906,594)</b>	<b>2,195,110</b>	<b>3,373,501</b>
<b>Expenses</b>				
Program services				
Research	2,026,539	-	2,026,539	2,104,075
Education	8,880	-	8,880	-
Artisan	4,302	-	4,302	2,389
Total program expenses	2,039,721	-	2,039,721	2,106,464
Supporting services				
Management and general	292,434	-	292,434	264,020
Fundraising	226,315	-	226,315	107,681
<b>Total expenses</b>	<b>2,558,470</b>	<b>-</b>	<b>2,558,470</b>	<b>2,478,165</b>
<b>Change in net assets</b>	<b>543,234</b>	<b>(906,594)</b>	<b>(363,360)</b>	<b>895,336</b>
Net assets, beginning of year	981,349	1,638,402	2,619,751	1,724,415
<b>Net assets, end of year</b>	<b>\$ 1,524,583</b>	<b>\$ 731,808</b>	<b>\$ 2,256,391</b>	<b>\$ 2,619,751</b>

See notes to the consolidated financial statements.

**CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2023**  
(With Comparative Totals for the Year Ended June 30, 2022)

	<u>PROGRAM SERVICES</u>				<u>SUPPORTING SERVICES</u>			<u>Total</u>	
	<u>Research</u>	<u>Education</u>	<u>Artisan</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2023</u>	<u>2022</u>	
Salaries, payroll taxes and benefits	\$ 828,329	\$ -	\$ -	\$ 828,329	\$ 183,185	\$ 103,151	\$ 1,114,665	\$ 1,083,669	
Professional fees	398,952	1,284	2,838	403,074	69,146	69,803	542,023	491,943	
Software, supplies and equipment	436,999	168	1,464	438,631	6,758	7,109	452,498	500,755	
Occupancy and utilities	144,590	771	-	145,361	25,391	19,650	190,402	161,183	
Depreciation and amortization	135,455	-	-	135,455	-	-	135,455	120,550	
Printing, postage and office supplies	41,054	187	-	41,241	2,417	6,911	50,569	31,673	
Travel and related costs	30,664	5,460	-	36,124	225	5,718	42,067	31,954	
Licenses, dues and fees	5,270	226	-	5,496	1,342	5,044	11,882	35,767	
Miscellaneous	-	-	-	-	109	-	109	12,785	
Marketing and communications	1,339	763	-	2,102	1,504	8,382	11,988	2,343	
Insurance	3,887	21	-	3,908	2,357	547	6,812	5,543	
<b>Total expenses</b>	<b>\$ <u>2,026,539</u></b>	<b>\$ <u>8,880</u></b>	<b>\$ <u>4,302</u></b>	<b>\$ <u>2,039,721</u></b>	<b>\$ <u>292,434</u></b>	<b>\$ <u>226,315</u></b>	<b>\$ <u>2,558,470</u></b>	<b>\$ <u>2,478,165</u></b>	

See notes to the consolidated financial statements.

**CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2023**

(With Comparative Totals for the Year Ended June 30, 2022)

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (363,360)	\$ 895,336
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	135,455	120,550
Realized and unrealized (gain) loss on investment	(6,412)	-
Change in measurement of leases	938	-
Changes in assets and liabilities:		
Grants and contributions receivable	(22,333)	3,794
Prepaid expenses and deposits	(38,727)	(75,595)
Accounts payable and accrued expenses	22,452	31,770
Refundable advance - PPP	-	(154,080)
<b>Net cash provided by (used in) operating activities</b>	<b>(271,987)</b>	<b>821,775</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(653,268)	-
Purchase of investments	(540,662)	(250,000)
Proceeds from sale of investments	568,238	-
Reinvestment of earnings	(11,767)	(218)
<b>Net cash provided by (used in) investing activities</b>	<b>(637,459)</b>	<b>(250,218)</b>
<b>Net change in cash and cash equivalents</b>	<b>(909,446)</b>	<b>571,557</b>
Cash and cash equivalents, beginning of year	1,818,630	1,247,073
<b>Cash and cash equivalents, end of year</b>	<b>\$ 909,184</b>	<b>\$ 1,818,630</b>

See notes to financial statements.



## CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

#### 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, 2023, the Organization elected to adopt *Accounting Standards Update No. 2016-02, Leases Topic 842 ("ASC 842")*. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities.

The Organization elected to adopt ASC 842, effective July 1, 2022, using the optional transition method to apply the transition provisions from the date of adoption, which requires the Organization to report the cumulative effect of the adoption of the standard on the date of adoption with no changes to the prior period balances.

Operating lease ROU assets and operating lease liabilities are recognized at the present value of the future lease payments over the base noncancelable lease term at the lease commencement date for each lease. The Organization elected the practical expedient allowing use of the risk free rate as the interest rate for determining the present value of the future lease payments.

##### Basis of Accounting

cc-TDI prepares its consolidated 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.

##### 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.

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

**June 30, 2023**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Statement Presentation (Continued)**

- **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, 2023.

**Revenue Recognition**

With regard to revenues from all sources, the Organization evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, the Organization recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service.
- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a release of a promisor's obligation to transfer assets.

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

**June 30, 2023**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Estimates**

The preparation of consolidated 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.

**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, 2023, nearly all cash held was FDIC insured.

**Investments and Fair Value Measurements**

The Organization has equity securities which are carried at fair value based on quoted market prices using prevailing financial market information. All gains and losses on equity securities, realized and unrealized, are recognized in investment income. The investments are reviewed annually for impairment by management. No impairments were recognized by the Organization during the year ended June 30, 2023.

Investments are the only assets measured at fair value on a recurring basis. Valuation techniques used to measure fair value are prioritized into the following hierarchy:

**Level 1** – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments and cash equivalents.

**Level 2** – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies.

**Level 3** – Unobservable inputs that reflect management's assumptions and best estimates based on available data.

Investments in common stock, mutual funds and exchange traded funds are carried at fair value based on quoted prices in active markets in the Statement of Financial Position. The money market fund is reported at cost, which approximates fair value. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

**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

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

**June 30, 2023**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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. cc-TDI'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. cc-TDI 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.

**Leases**

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically for the exercise of the right to substitute the asset are not considered to be or contain a lease because the Organization determines it does not have the right to contract and direct the use of the identified asset.

In evaluating its contracts, the Organization separately identifies lease and nonlease components, such as fixed common area and other fixed maintenance costs, in calculating the ROU assets and lease liabilities for its office buildings. Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date. At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives.

The Organization uses a risk free discount rate for its leased office space. The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Organization has elected not to record leases with an initial term of 12 months or less on the statement of financial position.

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

**June 30, 2023**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Prior Year Summarized Financial Information**

The consolidated 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 consolidated financial statements for the year ended June 30, 2022, from which the summarized information was derived.

**NOTE C – INVESTMENTS**

Fair values of investments as of June 30, 2023 consist of brokered certificates of deposit. These are Level 2 investments.

**NOTE D – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30, 2023:

Building and improvements	\$ 595,891
Furniture, fixtures, and equipment	798,316
	<u>1,394,207</u>
Less accumulated depreciation and amortization	(673,047)
	<u>\$ 721,160</u>

Depreciation expense for the year ended June 30, 2023 was \$135,455.

**NOTE E – CONDITIONAL PROMISES TO GIVE**

A portion of the Organization's revenue is derived from cost-reimbursable federal contracts and other grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. As of June 30, 2023, the Organization has conditional grants totaling \$238,629, whose conditions have not been met.

In addition, the Organization has agreed to the terms of several sponsored cooperative research agreements, the proceeds of which cannot be readily estimated as payments are conditioned upon achieving certain milestones beyond the Organization's control. The proceeds will be recorded at the time the specified milestones have been achieved.

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

**June 30, 2023**

**NOTE F – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of June 30, 2023 primarily consist of support for the following funded projects:

Subject to purpose restrictions		
Sclerosing Epithelioid Fibrosarcoma	\$	188,396
Rhabdomyosarcoma		127,484
Cancer Biobank & Registry		15,180
Medulloblastoma		24,534
Hepatoblastoma		75,000
Ewing Sarcoma		51,712
Neuroblastoma		30,307
Epithelioid Sarcoma		15,133
Osteosarcoma		10,068
Wilms' Tumor		51,588
Technology -multiple cancer types		72,141
Equipment and new lab		3,670
Other		<u>66,595</u>
Total net assets with donor restrictions	\$	<u><u>731,808</u></u>

**NOTE G – LEASE COMMITMENTS**

The Organization has a lease for office space that expires in August, 2029. The lease includes an escalating fee schedule of about three percent per year.

Annual Lease Cost	\$	<u>140,100</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from leases	\$	<u>42,944</u>
Right-of-use assets obtained in exchange for new operating lease liabilities	\$	<u>828,836</u>
Weighted-average remaining lease term		6 years
Weighted-average discount rate		2.50%

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

**June 30, 2023**

**NOTE G – LEASE COMMITMENTS (CONTINUED)**

Year Ending June 30,	Operating Leases
2023	\$ 130,122
2024	134,026
2025	138,047
2026	142,188
2027	146,454
2028	150,847
2029	25,639
Total future undiscounted lease payments	867,323
Less present value discount	(64,708)
Lease liability	\$ 802,615

**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, 2023 were \$25,161.

**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 \$211,180 along with other employee benefits of \$12,085 during the year ending June 30, 2023.

**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, 2023:

Financial assets at year-end	
Cash and cash equivalents	\$ 909,184
Investments	243,637
Grants and contribution receivables	391,208
Total financial assets	\$ 1,544,029

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

**June 30, 2023**

**NOTE J – LIQUIDITY (CONTINUED)**

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, 2023, the level of liquidity and reserves were managed within the policy requirements.

**NOTE K – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 31, 2023, which is the date the consolidated financial statements were available to be issued.



**SUPPLEMENTARY FINANCIAL INFORMATION**

**CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**June 30, 2023**

**ASSETS**

	<b>Nonprofit</b>	<b>Subsidiary</b>	<b>Eliminations</b>	<b>Consolidated</b>
Cash and cash equivalents	\$ 900,269	\$ 8,915	\$ -	\$ 909,184
Investments	319,368	-	(75,731)	243,637
Contributions and grants receivable	391,208	-	-	391,208
Prepaid expenses and deposits	128,282	-	-	128,282
Lease Right of Use Asset	798,860	-	-	798,860
Property and equipment, net	721,160	-	-	721,160
<b>Total assets</b>	<b>\$ 3,259,147</b>	<b>\$ 8,915</b>	<b>\$ (75,731)</b>	<b>\$ 3,192,331</b>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 133,325	\$ -	\$ -	\$ 133,325
Lease liability	802,615	-	-	802,615
<b>Total liabilities</b>	<b>935,940</b>	-	-	<b>935,940</b>
<b>Net assets</b>				
Common stock	-	75,731	(75,731)	-
Without donor restrictions (deficit)	1,591,399	(66,816)	-	1,524,583
With donor restrictions	731,808	-	-	731,808
<b>Total net assets</b>	<b>2,323,207</b>	<b>8,915</b>	<b>(75,731)</b>	<b>2,256,391</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,259,147</b>	<b>\$ 8,915</b>	<b>\$ (75,731)</b>	<b>\$ 3,192,331</b>

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

**CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2023**

	<b>Nonprofit</b>	<b>Subsidiary</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Public support and related revenues</b>				
Individual and corporate contributions	\$ 695,618	\$ -	\$ -	\$ 695,618
Foundation and trust grants	1,102,911	-	-	1,102,911
Government contracts and grants	209,810	-	-	209,810
In-kind contributions	44,400	-	-	44,400
Program revenue	132,889	-	-	132,889
Investment income	5,606	-	-	5,606
Other	3,876	-	-	3,876
<b>Total grants, contributions and other support</b>	<b>2,195,110</b>	<b>-</b>	<b>-</b>	<b>2,195,110</b>
 <b>Expenses</b>				
Program services				
Research	2,026,539	-	-	2,026,539
Education	8,880	-	-	8,880
Artisan	-	4,302	-	4,302
Total program expenses	2,035,419	4,302	-	2,039,721
Supporting services				
Management and operations	292,434	-	-	292,434
Development and fundraising	226,315	-	-	226,315
<b>Total expenses</b>	<b>2,554,168</b>	<b>4,302</b>	<b>-</b>	<b>2,558,470</b>
 <b>Change in net assets</b>	<b>(359,058)</b>	<b>(4,302)</b>	<b>-</b>	<b>(363,360)</b>
Net assets, beginning of year	2,682,265	(62,514)	-	2,619,751
<b>Net assets, end of year</b>	<b>\$ 2,323,207</b>	<b>\$ (66,816)</b>	<b>\$ -</b>	<b>\$ 2,256,391</b>

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