

**CHILDREN'S CANCER THERAPY
DEVELOPMENT INSTITUTE**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY FINANCIAL INFORMATION**

Year Ended June 30, 2025



KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2025

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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 accompanying consolidated financial statements of Children's Cancer Therapy Development Institute (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated 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, 2025, and the changes in 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 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 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 financial statements, 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 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 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 2024 consolidated financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated November 5, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited 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 the consolidating statement of activities on pages 15 and 16 are presented for purposes of additional analysis and are not a required part of the 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
October 17, 2025

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2025

(With Comparative Amounts as of June 30, 2024)

ASSETS

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 449,502	\$ 500,017
Grants and contributions receivable	348,494	373,229
Prepaid expenses and deposits	105,525	129,612
Right of use lease asset	552,936	677,360
Property and equipment, net	<u>1,320,550</u>	<u>1,590,875</u>
Total assets	\$ <u>2,777,007</u>	\$ <u>3,271,093</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 44,005	\$ 146,613
Accrued payroll and related expenses	22,858	35,469
Right of use lease liability	<u>572,741</u>	<u>691,092</u>
Total liabilities	<u>639,604</u>	<u>873,174</u>
Net assets		
Without donor restrictions		
Available for operations	304,586	295,847
Invested in property, plant, and equipment	<u>1,320,550</u>	<u>1,590,875</u>
Total without donor restrictions	<u>1,625,136</u>	<u>1,886,722</u>
With donor restrictions	<u>512,267</u>	<u>511,197</u>
Total net assets	<u>2,137,403</u>	<u>2,397,919</u>
Total liabilities and net assets	\$ <u>2,777,007</u>	\$ <u>3,271,093</u>

See notes to the consolidated financial statements.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

(With Comparative Totals for the Year Ended June 30, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2025	2024
Grants, contributions and other support				
Individual and corporate contributions	\$ 491,304	\$ 69,507	\$ 560,811	\$ 511,142
Foundation and trust grants	104,687	1,246,000	1,350,687	744,652
Special purpose grants	-	252,167	252,167	-
Government contracts and grants	-	261,095	261,095	453,355
State equipment grant	-	-	-	1,000,000
Program revenue	-	-	-	133,703
Investment income	14,273	-	14,273	27,039
Other	-	-	-	27,769
	<u>610,264</u>	<u>1,828,769</u>	<u>2,439,033</u>	<u>2,897,660</u>
Net assets released from restrictions	<u>1,827,699</u>	<u>(1,827,699)</u>	<u>-</u>	<u>-</u>
 Total grants, contributions, and other support	 <u>2,437,963</u>	 <u>1,070</u>	 <u>2,439,033</u>	 <u>2,897,660</u>
Expenses				
Program services				
Research	2,025,987	-	2,025,987	2,119,269
Education	15,182	-	15,182	10,468
Artisan	23,681	-	23,681	2,107
Total program expenses	<u>2,064,850</u>	<u>-</u>	<u>2,064,850</u>	<u>2,131,844</u>
Supporting services				
Management and general	405,862	-	405,862	418,312
Fundraising	228,837	-	228,837	205,976
Total expenses	<u>2,699,549</u>	<u>-</u>	<u>2,699,549</u>	<u>2,756,132</u>
 Change in net assets	 (261,586)	 1,070	 (260,516)	 141,528
 Net assets, beginning of year	 <u>1,886,722</u>	 <u>511,197</u>	 <u>2,397,919</u>	 <u>2,256,391</u>
 Net assets, end of year	 \$ <u>1,625,136</u>	 \$ <u>512,267</u>	 \$ <u>2,137,403</u>	 \$ <u>2,397,919</u>

See notes to the consolidated financial statements.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

(With Comparative Totals for the Year Ended June 30, 2024)

	<u>PROGRAM SERVICES</u>				<u>SUPPORTING SERVICES</u>				
	<u>Research</u>	<u>Education</u>	<u>Artisan</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2025</u>	<u>2024</u>	
Salaries, payroll taxes, and benefits	\$ 810,350	\$ -	\$ 750	\$ 811,100	\$ 284,387	\$ 122,714	\$ 1,218,201	\$ 1,284,792	
Professional fees	198,629	13	21,495	220,137	80,404	64,355	364,896	495,803	
Software, supplies, and equipment	394,340	78	1,428	395,846	2,622	7,085	405,553	398,783	
Occupancy and utilities	194,395	1,253	-	195,648	33,514	18,896	248,058	231,674	
Depreciation and amortization	360,474	-	-	360,474	-	-	360,474	222,262	
Printing, postage, and office supplies	8,609	30	-	8,639	1,616	6,126	16,381	29,720	
Travel and related costs	34,990	91	-	35,081	60	319	35,460	43,641	
Licenses, dues, and fees	9,798	27	8	9,833	1,292	4,761	15,886	16,786	
Miscellaneous	643	-	-	643	-	2,685	3,328	-	
Marketing and communications	5,889	13,631	-	19,520	390	1,896	21,806	26,166	
Insurance	7,870	59	-	7,929	1,577	-	9,506	6,505	
Total expenses	\$ <u>2,025,987</u>	\$ <u>15,182</u>	\$ <u>23,681</u>	\$ <u>2,064,850</u>	\$ <u>405,862</u>	\$ <u>228,837</u>	\$ <u>2,699,549</u>	\$ <u>2,756,132</u>	

See notes to the consolidated financial statements.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2025

(With Comparative Totals for the Year Ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ (260,516)	\$ 141,528
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	360,474	222,262
Change in measurement of leases	6,073	9,977
Changes in assets and liabilities:		
Grants and contributions receivable	24,735	17,979
Prepaid expenses and deposits	25,011	(1,330)
Accounts payable and accrued expenses	(102,608)	42,320
Accrued payroll and related expenses	(12,611)	6,437
Net cash provided by (used in) operating activities	<u>-</u>	<u>439,173</u>
Cash flows from investing activities:		
Purchase of property and equipment	(22,150)	(1,091,977)
Investment in capital of LLC	(75,731)	-
Proceeds from sale of investments	6,808	243,637
Net cash provided by (used in) investing activities	<u>(91,073)</u>	<u>(848,340)</u>
Net change in cash and cash equivalents	(91,073)	(409,167)
Cash and cash equivalents, beginning of year	<u>500,017</u>	<u>909,184</u>
Cash and cash equivalents, end of year	<u>\$ 408,944</u>	<u>\$ 500,017</u>

See notes to the consolidated financial statements.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025

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.

While the main program of the Organization is research, the Organization also performs some educational support. Artisan Biopharma is developing the connection for moving breakthrough research and development at cc-TDI into transformative clinical trial.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.
- **Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met 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). cc-TDI owned 100% of the outstanding common stock of Artisan Biopharma, Inc. until it was dissolved during the year ended June 30, 2025.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Consolidation (Continued)

A new entity, Artisan Biopharma LLC, was formed during the year ended June 30, 2025. cc-TDI is the only member of this LLC. The results of operations of Artisan Biopharma, Inc., as well as Artisan Biopharma LLC, have been consolidated with those of cc-TDI. All inter-company accounts and transactions have been eliminated.

Grants and Contributions

Grants and 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 may be 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, 2025.

Grants and Contributions Receivable

Grants and pledges receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial.

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

June 30, 2025

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, 2025, all cash held was FDIC insured.

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. The Organization does not believe it has unrelated trade or business income in excess of \$1,000. cc-TDI's wholly owned subsidiary, Artisan Biopharma, Inc., was a taxable corporation and, therefore, a provision for any income taxes would be provided in the consolidated statement of activities. This entity was dissolved during the year ending June 30, 2025. Artisan Biopharma, LLC was formed during the year ending June 30, 2025, as a single member limited liability company. The limited liability company is a disregarded entity for taxation purposes.

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.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 right of use (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.

Reclassification

Certain prior year amounts have been reclassified for consistency with current year presentations. These reclassifications had no effect on the reported results of operations.

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, 2024, from which the summarized information was derived.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2025:

Building and improvements	\$ 595,891
Furniture, fixtures, and equipment	<u>1,878,022</u>
	2,473,913
Less accumulated depreciation and amortization	<u>(1,153,363)</u>
	<u>\$ 1,320,550</u>

Depreciation expense for the year ended June 30, 2025, was \$360,474.

NOTE D – 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, 2025, the Organization has conditional grants as follows:

National Institute of Health (NIH)	\$ 256,553
Cancer Research United Kingdom (CRUK)	<u>571,000</u>
	<u>\$ 827,553</u>

The CRUK grant award was made in British Pounds and is payable in British Pounds. The \$571,000 remaining conditional promise as of June 30, 2025, is an estimate based on the current pound to US Dollar exchange rate. It is "year two" of an intention by CRUK to fund targeted scientific research. The management of the Organization have considered the language of the CRUK award and feel that years 3 to 5 are best described as an intention, not a conditional grant.

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

June 30, 2025

NOTE E – LINE OF CREDIT

The Organization has a line of credit agreement with a bank, secured by all assets of the Organization. There was available credit of \$200,000 with no balance outstanding as of June 30, 2025. Amounts borrowed under this agreement bear interest at Wall Street Journal prime rate plus 1%, which was 8.5% at June 30, 2025.

NOTE F – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2025, primarily consist of support for the following funded projects:

Subject to purpose restrictions	
Cancer biobank and registry	\$ 447
Epithelioid Sarcoma	1,200
Ewing Sarcoma	1,586
Hepatoblastoma	12,547
Medulloblastoma	1,074
Osteosarcoma	29,251
Multiple cancer types	5,711
Neuroblastoma	2,023
Research, Artisan collaboration	200,859
Rhabdomyosarcoma	144,636
Sclerosing Epithelioid Fibrosarcoma	<u>112,933</u>
Total net assets with donor restrictions	\$ <u>512,267</u>

NOTE G – 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 plus a 4% employee contribution match. 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, 2025, were \$68,972.

NOTE H – RELATED PARTY TRANSACTIONS

The Organization's Science Director is both a voting board member as well as a compensated employee. He was compensated \$316,478 along with other employee benefits of \$32,458 during the year ending June 30, 2025.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025

NOTE I – LEASE COMMITMENTS

The Organization has a lease for office space that expires in August, 2029. The lease includes an escalating fee schedule of approximately three percent per year. The lease data included below does not include common area charges and utilities.

Annual lease cost	\$ <u>140,097</u>
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from leases	\$ <u>134,024</u>
Weighted-average remaining lease term	4 years
Weighted-average discount rate	2.50%

Future minimum lease payments and reconciliation to the statement of financial position are as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2026	\$ 138,048
2027	142,192
2028	146,456
2029	150,848
2030	<u>25,640</u>
Total future undiscounted lease payments	603,184
Less present value discount	<u>(30,443)</u>
Lease liability	\$ <u><u>572,741</u></u>

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, 2025:

Financial assets at year-end	
Cash and cash equivalents	\$ 449,502
Grants and contribution receivables	<u>348,494</u>
Total financial assets	\$ <u><u>797,996</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.

CHILDREN'S CANCER THERAPY DEVELOPMENT INSTITUTE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025

NOTE J – LIQUIDITY (CONTINUED)

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets 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, 2025, the level of liquidity and reserves were managed within the policy requirements.

NOTE K – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 17, 2025, 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, 2025

ASSETS

	<u>ccTDI</u>	<u>(Corporation) Artisan Biopharma</u>	<u>(LLC) Artisan Biopharma</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and cash equivalents	\$ 416,375	\$ -	\$ 33,127	\$ -	\$ 449,502
Investment in subsidiary	33,127	-	-	(33,127)	-
Grants and contributions receivable	348,494	-	-	-	348,494
Prepaid expenses and deposits	105,525	-	-	-	105,525
Right of use lease asset	552,936	-	-	-	552,936
Property and equipment, net	<u>1,320,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,320,550</u>
Total assets	\$ <u>2,777,007</u>	\$ <u>-</u>	\$ <u>33,127</u>	\$ <u>(33,127)</u>	\$ <u>2,777,007</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 44,005	\$ -	\$ -	\$ -	\$ 44,005
Accrued payroll and related expenses	22,858	-	-	-	22,858
Right of use lease liability	572,741	-	-	-	572,741
Total liabilities	<u>639,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>639,604</u>
Net assets					
Common stock	-	-	-	-	-
Without donor restrictions	1,625,136	-	33,127	(33,127)	1,625,136
With donor restrictions	512,267	-	-	-	512,267
Total net assets	<u>2,137,403</u>	<u>-</u>	<u>33,127</u>	<u>(33,127)</u>	<u>2,137,403</u>
Total liabilities and net assets	\$ <u>2,777,007</u>	\$ <u>-</u>	\$ <u>33,127</u>	\$ <u>(33,127)</u>	\$ <u>2,777,007</u>

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, 2025

	ccTDI	(Corporation) Artisan Biopharma	(LLC) Artisan Biopharma	Eliminations	Consolidated
Public support and related revenues					
Individual and corporate contributions	\$ 560,811	\$ -	\$ -	\$ -	\$ 560,811
Foundation and trust grants	1,350,687	-	-	-	1,350,687
Special purpose grants	252,167	-	-	-	252,167
Government contracts and grants	261,095	-	-	-	261,095
Investment income	14,273	-	-	-	14,273
Artisan Biopharma loss	(75,731)	-	-	75,731	-
Total grants, contributions and other support	<u>2,363,302</u>	<u>-</u>	<u>-</u>	<u>75,731</u>	<u>2,439,033</u>
Expenses					
Program services					
Research	2,025,987	-	-	-	2,025,987
Education	15,182	-	-	-	15,182
Artisan Biopharma pass through loss	-	-	23,681	-	23,681
Total program expenses	<u>2,041,169</u>	<u>-</u>	<u>23,681</u>	<u>-</u>	<u>2,064,850</u>
Supporting services					
Management and general	405,862	-	-	-	405,862
Fundraising	228,837	-	-	-	228,837
Total expenses	<u>2,675,868</u>	<u>-</u>	<u>23,681</u>	<u>-</u>	<u>2,699,549</u>
Change in net assets	<u>(312,566)</u>	<u>-</u>	<u>(23,681)</u>	<u>75,731</u>	<u>(260,516)</u>
Liquidating dividend	6,808	(6,808)	-	-	-
Liquidation	-	75,731	-	(75,731)	-
LLC Loss	(23,679)	-	56,808	(33,129)	-
Net assets, beginning of year	<u>2,466,842</u>	<u>(68,923)</u>	<u>-</u>	<u>-</u>	<u>2,397,919</u>
Net assets, end of year	<u>\$ 2,137,405</u>	<u>\$ -</u>	<u>\$ 33,127</u>	<u>\$ (33,129)</u>	<u>\$ 2,137,403</u>

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