



A S S U R A N C E D I M E N S I O N S

Financial Statements and Independent Auditor's
Report

Children's Cancer Center, Inc.

June 30, 2023 and June 30, 2022

Children’s Cancer Center, Inc.

Table of Contents

Independent Auditor’s Report.....	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets.....	4-5
Statements of Cash Flows	6
Statements of Functional Expenses	7-8
Notes to Financial Statements	9-17



Independent Auditor's Report

Board of Directors of
Children's Cancer Center, Inc.

Opinion

We have audited the accompanying financial statements of **Children's Cancer Center, Inc.** (the "Organization") which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Children's Cancer Center, Inc. as of June 30, 2022 were audited by other auditors whose report dated November 11, 2022 expressed an unmodified opinion on those statements.

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 the Organization 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 the Organization'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 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.

ASSURANCE DIMENSIONS CERTIFIED PUBLIC ACCOUNTANTS & ASSOCIATES
also d/b/a McNAMARA and ASSOCIATES, PLLC

TAMPA BAY: 4920 W Cypress Street, Suite 102 | Tampa, FL 33607 | Office: 813.443.5048 | Fax: 813.443.5053
JACKSONVILLE: 4720 Salisbury Road, Suite 223 | Jacksonville, FL 32256 | Office: 888.410.2323 | Fax: 813.443.5053
ORLANDO: 1800 Pembroke Drive, Suite 300 | Orlando, FL 32810 | Office: 888.410.2323 | Fax: 813.443.5053
SOUTH FLORIDA: 2000 Banks Road, Suite 218 | Margate, FL 33063 | Office: 754.800.3400 | Fax: 813.443.5053

www.assurancedimensions.com



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 the Organization'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 the Organization'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.

Assurance Dimensions

Tampa, Florida
November 21, 2023

Children's Cancer Center, Inc.
Statements of Financial Position
As of June 30, 2023 and 2022

	<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current Assets			
Cash and cash equivalents		\$ 2,046,490	\$ 1,339,026
Investments		1,325,847	1,269,873
Pledges receivable		25,250	16,757
Prepaid expenses and other assets		79,684	110,532
Gift cards		4,485	4,215
Total current assets		<u>3,481,756</u>	<u>2,740,403</u>
Beneficial interest in Community Foundation		14,262	13,565
Property and equipment, net		848,112	733,242
Total Assets		<u><u>\$ 4,344,130</u></u>	<u><u>\$ 3,487,210</u></u>
 <u>Liabilities and Net Assets</u>			
Current Liabilities			
Accounts payable and accrued expenses		\$ 137,389	\$ 126,515
Deferred revenue		135,488	200,594
Total Liabilities		<u>272,877</u>	<u>327,109</u>
Net Assets			
Net assets without donor restrictions:			
Undesignated		3,143,810	2,160,977
Invested in property and equipment		848,112	733,242
Board designated for financial assistance for families		-	98,000
Total net assets without donor restrictions		<u>3,991,922</u>	<u>2,992,219</u>
Net assets with donor restrictions:			
Purpose restrictions		79,331	167,882
Total net assets with donor restrictions		<u>79,331</u>	<u>167,882</u>
Total net assets		<u>4,071,253</u>	<u>3,160,101</u>
Total Liabilities and Net Assets		<u><u>\$ 4,344,130</u></u>	<u><u>\$ 3,487,210</u></u>

Children's Cancer Center, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Contributions	\$ 826,653	\$ 102,314	\$ 928,967
Grants and other agreements	220,918	-	220,918
In-kind contribution	256,443	-	256,443
Christmas card sales and donations	68,537	-	68,537
Less: cost of sales - Christmas cards	(33,767)	-	(33,767)
Net Christmas card sales and donations	34,770	-	34,770
Special events revenues	2,141,950	-	2,141,950
Less: direct costs of special events	(662,064)	-	(662,064)
Net special events	1,479,886	-	1,479,886
Total public support and revenue before releases	2,818,670	102,314	2,920,984
Net assets released from restriction	192,144	(192,144)	-
Total public support and revenue	3,010,814	(89,830)	2,920,984
Operating expenses			
Program services			
Patient and family services	1,559,680	-	1,559,680
Community relations	97,469	-	97,469
Total program services	1,657,149	-	1,657,149
Supporting services			
Management and general	173,598	-	173,598
Fundraising	264,699	-	264,699
Total supporting services	438,297	-	438,297
Total expenses	2,095,446	-	2,095,446
Net change in net assets from operating activities	915,368	(89,830)	825,538
Non-operating activities			
Other income	4,325	-	4,325
Loss on sale of property and equipment	(1,180)	-	(1,180)
Investment return, net	81,190	1,279	82,469
Total non-operating activities	84,335	1,279	85,614
Change in net assets	999,703	(88,551)	911,152
Net assets at the beginning of year	2,992,219	167,882	3,160,101
Net assets at the end of year	\$ 3,991,922	\$ 79,331	\$ 4,071,253

Children's Cancer Center, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Contributions	\$ 950,358	\$ 28,463	\$ 978,821
Grants and other agreements	202,354	-	202,354
In-kind contribution	205,927	-	205,927
Other income	3,425	-	3,425
Christmas card sales and donations	63,478	-	63,478
Less: cost of sales - Christmas cards	(26,130)	-	(26,130)
Net Christmas card sales and donations	37,348	-	37,348
Special events revenues	1,567,594	-	1,567,594
Less: direct costs of special events	(628,826)	-	(628,826)
Net special events	938,768	-	938,768
Total public support and revenue before releases	2,338,180	28,463	2,366,643
Net assets released from restriction	41,792	(41,792)	-
Total public support and revenue	2,379,972	(13,329)	2,366,643
Operating expenses			
Program services			
Patient and family services	1,252,810	-	1,252,810
Community relations	83,808	-	83,808
Total program services	1,336,618	-	1,336,618
Supporting services			
Management and general	164,145	-	164,145
Fundraising	214,906	-	214,906
Total supporting services	379,051	-	379,051
Total expenses	1,715,669	-	1,715,669
Net change in net assets from operating activities	664,303	(13,329)	650,974
Non-operating activities			
Paycheck Protection Program and ERC	218,730	-	218,730
Investment return, net	(169,501)	(13,469)	(182,970)
Total non-operating activities	49,229	(13,469)	35,760
Change in net assets	713,532	(26,798)	686,734
Net assets at the beginning of year	2,278,687	194,680	2,473,367
Net assets at the end of year	\$ 2,992,219	\$ 167,882	\$ 3,160,101

The accompanying notes are an integral part of this financial statement.

Children's Cancer Center, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 911,152	\$ 686,734
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	72,000	63,148
Unrealized (gain) loss on investments	(59,393)	191,142
Loss on disposal of property and equipment	1,180	-
Forgiveness of Paycheck Protection Program loan	-	(117,005)
Donated stock	-	(5,040)
Change in assets and liabilities:		
Pledges receivable	(8,493)	10,394
Prepays and other assets	30,848	(54,522)
Donated gift cards	(270)	545
Accounts payable and accrued expenses	10,874	47,445
Deferred revenue	(65,106)	178,386
Net cash provided by operating activities	<u>892,792</u>	<u>1,001,227</u>
Cash flows used by investing activities:		
Purchase of property and equipment	(188,050)	(2,997)
Purchases of investments	(746,283)	(276,991)
Sale of investments	749,005	38,517
Net cash used by investing activities	<u>(185,328)</u>	<u>(241,471)</u>
Net increase in cash	707,464	759,756
Cash, beginning of year	<u>1,339,026</u>	<u>579,270</u>
Cash, end of year	<u><u>\$ 2,046,490</u></u>	<u><u>\$ 1,339,026</u></u>

Children's Cancer Center, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services			Supporting Services			Total
	Patient and Family Services	Community Relations	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries	\$ 428,457	\$ 46,273	\$ 474,730	\$ 88,213	\$ 130,364	\$ 218,577	\$ 693,307
Employee benefits	44,810	4,979	49,789	6,480	16,330	22,810	72,599
Payroll taxes	30,664	3,407	34,071	6,262	9,653	15,915	49,986
Total salaries and related expenses	503,931	54,659	558,590	100,955	156,347	257,302	815,892
Family Support	333,333	-	333,333	-	-	-	333,333
Patient Support	221,051	-	221,051	-	-	-	221,051
Office expense	95,615	-	95,615	15,025	25,953	40,978	136,593
Building expense	98,794	-	98,794	6,893	9,190	16,083	114,877
Direct assistance	87,059	-	87,059	-	-	-	87,059
Scholarships	71,000	-	71,000	-	-	-	71,000
Marketing and Development	-	-	-	-	53,231	53,231	53,231
Professional fees	7,764	-	7,764	39,856	4,141	43,997	51,761
Patient camp	42,490	-	42,490	-	-	-	42,490
Community relations events	-	41,162	41,162	-	-	-	41,162
Miscellaneous	19,730	-	19,730	3,382	5,073	8,455	28,185
Training, meetings, and travel	16,993	-	16,993	2,913	4,370	7,283	24,276
Postage	-	1,648	1,648	254	634	888	2,536
Total expenses before depreciation	1,497,760	97,469	1,595,229	169,278	258,939	428,217	2,023,446
Depreciation	61,920	-	61,920	4,320	5,760	10,080	72,000
Total expenses	\$ 1,559,680	\$ 97,469	\$ 1,657,149	\$ 173,598	\$ 264,699	\$ 438,297	\$ 2,095,446

Children's Cancer Center, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services			Supporting Services			Total
	Patient and Family Services	Community Relations	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries	\$ 372,988	\$ 41,443	\$ 414,431	\$ 71,111	\$ 105,495	\$ 176,606	\$ 591,037
Employee benefits	33,806	3,756	37,562	4,842	10,839	15,681	53,243
Payroll taxes	27,025	3,003	30,028	5,432	7,647	13,079	43,107
Total salaries and related expenses	433,819	48,202	482,021	81,385	123,981	205,366	687,387
Family Support	232,129	-	232,129	-	-	-	232,129
Patient Support	156,174	-	156,174	-	-	-	156,174
Office expense	65,678	-	65,678	11,258	16,889	28,147	93,825
Direct assistance	89,590	-	89,590	-	-	-	89,590
Professional fees	11,091	-	11,091	55,898	5,546	61,444	72,535
Scholarships	71,500	-	71,500	-	-	-	71,500
Building expense	61,235	-	61,235	4,272	5,696	9,968	71,203
Marketing and Development	-	-	-	-	46,111	46,111	46,111
Training, meetings, and travel	25,421	-	25,421	4,358	6,537	10,895	36,316
Patient camp	35,125	-	35,125	-	-	-	35,125
Community relations events	-	33,556	33,556	-	-	-	33,556
Miscellaneous	16,741	-	16,741	2,870	4,305	7,175	23,916
Postage	-	2,050	2,050	315	789	1,104	3,154
Total expenses before depreciation	1,198,503	83,808	1,282,311	160,356	209,854	370,210	1,652,521
Depreciation	54,307	-	54,307	3,789	5,052	8,841	63,148
Total expenses	\$ 1,252,810	\$ 83,808	\$ 1,336,618	\$ 164,145	\$ 214,906	\$ 379,051	\$ 1,715,669

Children's Cancer Center, Inc.

Notes to Financial Statements

June 30, 2023 and June 30, 2022

Note A – Nature of Business and Organization

Children's Cancer Center, Inc. ("the Organization") is a not-for-profit corporation organized in 1974 to support children who suffer from cancer and chronic blood disorders by offering the following services:

Patient and Family Services provide emotional, education and financial support for patients and their families. Family recreational activities, peer support and arts and crafts are ways for the child and family to have an emotional outlet. The education programs help children understand their illnesses and financial assistance is available for travel, medications, funeral and additional expenses on an as needed basis.

Community Relations works with the medical and psychological staff in community hospitals to create a supportive environment for pediatric hematology / oncology patients and their families. Through this program, a representative meets with newly diagnosed patients and their families to introduce them to the services of the Center.

Note B – Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP"). Net assets, revenues, expenses, and gains and losses are classified based on the existence or absence of donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors (the "Board") has designated, from net assets without donor restrictions, net assets for various reasons. Invested in property and equipment includes resources invested in property and equipment.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Recently Issued Accounting Standards Adopted

In February 2016, the FASB issued Accounting Standards Update, *Leases* (Topic 842), intended to improve financial reporting about leasing transactions. The ASU affects all companies and other organizations that lease assets such as real estate, airplanes, and manufacturing equipment. Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with current Generally Accepted Accounting Principles (GAAP), the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. However, unlike current GAAP—which requires only capital leases to be recognized on the statement of assets, liabilities, and members' equity (deficit)—the new ASU will require both types of leases to be recognized on the statement of assets, liabilities, and members' equity (deficit). The ASU on leases will take effect for all non-public companies for fiscal years beginning after December 15, 2021. Adoption of this standard did not have a significant impact on the financial statements.

Note B – Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, certificates of deposit that are purchased with original maturities of three months or less, and money market funds. At times, cash may be in excess of FDIC insurance limits. As of June 30, 2023 and 2022, cash balances exceeded FDIC insurance limits by approximately \$1,600,000 and \$836,000, respectively. The Company has not experienced any losses in such accounts and does not believe that it is exposed to significant risks from excess deposits.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization performs periodic evaluations of the collectability of its receivables and does not require collateral on its accounts receivable. Losses on uncollectible receivables are provided for in the financial statements based on management's expectations. At June 30, 2023 and 2022, the Organization did not record an allowance for doubtful accounts.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair values. Unrealized gains and losses are included in the statement of activities. Restrictions on investment earnings are reported as increases in unrestricted net assets if the restrictions expire or are otherwise satisfied in the fiscal year in which the earnings are recognized.

Property and Equipment

Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, ranging from 3 to 39 years. Acquisitions of property and equipment in excess of \$500 are capitalized. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in the statements of activities as an increase or decrease in net assets without donor restriction.

Revenue Recognition

All revenues and support are recorded in accordance with either ASC 958, *Not-for-Profit Entities*, as contributions with or without donor restrictions or in accordance with ASC 606, *Revenue from Contracts with Customers*, where revenue is recognized when: (i) a contract with a customer has been identified, (ii) the performance obligation(s) in the contract have been identified, (iii) the transaction price has been determined, (iv) the transaction price has been allocated to each performance obligation in the contract, and (v) the Organization has satisfied the applicable performance obligation over time or at a point in time.

Special Events: These are revenues from special fundraising events and are recorded at a point in time when the event takes place. There are no specific payment terms. Payments received in advance are recorded as deferred revenue until the event takes place and the revenue is recognized.

Contributions of financial assets: These are recognized in the period the commitment is made and are recorded as either with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a time restriction ends or a purpose restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the accompanying statements of activities as net assets released from restrictions.

Contributions of nonfinancial assets: This includes contributed professional services, supplies and assets. These are recorded as contributions at their fair values at the date of receipt and reported as expense when utilized.

Note B – Significant Accounting Policies (continued)

Revenue Recognition (continued)

Grants: The Organization earns revenue from state, and other grants in the form of performance and expense reimbursement contracts. Support and revenue related to government and other grants is recognized when donor-imposed conditions are met. These revenues are subject to right of return if funds are not spent and have other performance and/or control barriers that must be met to be entitled to the funds. For this reason, the Organization's grant revenues are considered to be conditional, and revenue is recognized as funds are utilized for programmatic activities specified in the grant agreement.

Deferred revenues relate to special event payments received in advance of the events. Deferred revenue was approximately \$135,000 as of June 30, 2023. Deferred revenue of approximately \$201,000 as of June 30, 2022 was recorded into revenue in fiscal year 2023.

Functional Allocation of Expenses

Expenses are shown by natural expense classification and function in the accompanying statement of functional expenses for each year presented. Expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. Allocations are based on direct usage or management's estimate of the benefit derived by each activity. Management's estimates may be based on factors such as time and effort, square footage, clients served, or any other reasonable basis. The expenses that are allocated on the basis of estimates of time and effort are salaries, payroll taxes and employee benefits. Building expense and depreciation are allocated on a square footage basis. Client assistance and program supplies are allocated on the basis of clients served.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization periodically assesses whether it has incurred income tax expense or related interest or penalties in accordance with accounting for uncertain tax positions. No such amounts were recognized for the years ending June 30, 2023 and 2022, respectively.

The Organization follows the income tax standard for uncertain tax positions. The Organization has evaluated their tax positions and determined they have no uncertain tax positions as of June 30, 2023. Should the Organization's tax-exempt status be challenged in the future, the Organization's 2021, 2022, and 2023 tax years are open for examination by the IRS.

Use of Estimates

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

Note C – Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of operations.

The Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Children's Cancer Center, Inc.
Notes to Financial Statements
June 30, 2023 and June 30, 2022

Note C – Investments (continued)

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in the active market that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The method used for assets measured at fair value for investments available for sale including, equity securities and mutual fund securities, are valued at the closing price reported on the active market in which the securities are traded.

The following table provides information about the Organization's financial assets measured at fair value on a recurring basis as of June 30, 2023 and 2022:

	2023			
	Assets Measured at Fair Value at 6/30/2023	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Mutual Funds	\$ 702,934	\$ 702,934	\$ -	\$ -
Equity securities	277,807	277,807	-	-
Exchange-traded products	303,106	303,106	-	-
	<u>1,283,847</u>	<u>1,283,847</u>	<u>-</u>	<u>-</u>
Beneficial interests in:				
Assets held by community foundation	14,262	-	-	14,262
Total financial assets measured at fair value	<u>\$ 1,298,109</u>	<u>\$ 1,283,847</u>	<u>\$ -</u>	<u>\$ 14,262</u>

Children's Cancer Center, Inc.
Notes to Financial Statements
June 30, 2023 and June 30, 2022

Note C – Investments (continued)

	2022			
	Assets Measured at Fair Value at 6/30/2022	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Mutual Funds	\$ 758,532	\$ 758,532	\$ -	\$ -
Equity securities	125,682	125,682	-	-
Exchange-traded products	320,644	320,644	-	-
	1,204,858	1,204,858	-	-
Beneficial interests in:				
Assets held by community foundation	13,565	-	-	13,565
Total financial assets measured at fair value	<u>\$ 1,218,423</u>	<u>\$ 1,204,858</u>	<u>\$ -</u>	<u>\$ 13,565</u>

Included in short term investments on the Statement of Financial Position at June 30, 2023 and 2022 are cash and cash equivalents of approximately \$42,000 and \$65,000 that are not required to be included in the fair value hierarchy.

Investment income of the Organization for the years ended June 30, 2023 and 2022 is as follows:

	2023	2022
Interest and dividends	\$ 37,945	\$ 24,246
Investment expenses	(14,869)	(16,074)
Net realized and unrealized gains (losses)	59,393	(191,142)
Total investment income (loss)	<u>\$ 82,469</u>	<u>\$ (182,970)</u>

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2023 and 2022:

	2023	2022
	Assets Held by Foundations	Assets Held by Foundations
Beginning balance	\$ 13,565	\$ 15,357
Change in beneficial interests	697	(1,792)
Ending balance	<u>\$ 14,262</u>	<u>\$ 13,565</u>

Note D – Beneficial Interest in Community Foundation

The Community Foundation of Tampa Bay, Inc. (Community Foundation) holds funds for which the earnings have been restricted for the benefit of the Organization. Assets contributed to the Community Foundation for the benefit of the Organization are recorded as assets of the Organization in accordance with professional standards. These “agency restricted funds” are pooled with the other assets of the Community Foundation for investment purposes.

“Agency restricted funds” which were established for the Organization within the Community Foundation had fair values of approximately \$14,000 at June 30, 2023 and 2022 and are recorded as net assets with donor restrictions.

Children's Cancer Center, Inc.
Notes to Financial Statements
June 30, 2023 and June 30, 2022

Note E – Property and Equipment

A summary of property and equipment and accumulated depreciation for the years ended June 30, 2023 and 2022, is as follows:

	2023	2022
Building and land	\$ 775,883	\$ 749,025
Motor vehicles and equipment	171,038	105,847
Furniture and fixtures	231,403	211,562
Building improvements	710,021	635,041
Total property and equipment	1,888,245	1,701,475
Less: accumulated depreciation	(1,040,233)	(968,233)
Property and equipment, net	<u>\$ 848,112</u>	<u>\$ 733,242</u>

Depreciation expense for the years ended June 30, 2023 and 2022, was approximately \$72,000 and \$63,000, respectively.

Note F – Paycheck Protection Program

During the year ended June 30, 2020, the Organization obtained a Paycheck Protection Program loan under the CARES Act in the amount of \$117,004 to help keep the workforce employed during the COVID-19 crisis. For the year ended June 30, 2022, the Organization recognized \$117,004 in grant revenue as all the conditions of the program were determined to have been met. In August 2021, the entire amount of the loan was forgiven and recognized the forgiveness as other income in the accompanying statements of activities.

Note G – Employee Retention Credits

The Organization is eligible for the Employee Retention Credit (ERC) under the CARES Act. During the year ended June 30, 2022, the Organization recognized \$101,725 in grant revenue for refund payments received related to the Form 941 Employer Quarterly Federal Tax Return for the quarters ended September 30, 2020, December 31, 2020 and March 31, 2021.

Note H – Contributions of Nonfinancial Assets

The Organization received the following goods and services recognized as in-kind support for the years ended June 30, 2023 and 2022:

	2023	2022
Patient and family services	\$ 256,443	\$ 205,927
Special events	-	20,450
Christmas card sales	9,601	3,735
	<u>\$ 266,044</u>	<u>\$ 230,112</u>

The Organization recognized contributed nonfinancial assets within revenue, including patient and family services, special events, and Christmas card sales. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed patient and family services were used in various events intended to support the children of the Organization and surrounding community. In valuing patient and family services, the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Children's Cancer Center, Inc.

Notes to Financial Statements

June 30, 2023 and June 30, 2022

Note H – Contributions of Nonfinancial Assets (continued)

Contributed special events were used in the Organization's special events during the year intended to support the children of the Organization and surrounding community. In valuing patient and family services, the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed Christmas cards were used in the Organization's holiday event during the year intended to support the children of the Organization and surrounding community. In valuing patient and family services, the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

In addition, numerous volunteers have donated significant amounts of their time and performed a variety of tasks that assist the Organization in meeting its objectives, but these services do not meet the criteria for recognition as contributed services.

Note I – Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	2023	2022
The Community Foundation of Tampa Bay – investment purposes	\$ 14,262	\$ 13,565
Building and backyard renovations	15,465	63,575
Scholarships and educational initiatives for patients and siblings	22,552	28,463
Playground fund	27,052	62,279
	<u>\$ 79,331</u>	<u>\$ 167,882</u>

Net assets were released from restrictions satisfying the purpose restrictions specified as follows:

	2023	2022
Purpose restriction accomplished:		
Building and backyard renovations	\$ 48,160	\$ -
Educational initiatives for patients and siblings	105,911	4,301
Playground fund	37,490	37,491
Community Foundation	583	-
Total amount released from restriction	<u>\$ 192,144</u>	<u>\$ 41,792</u>

Children's Cancer Center, Inc.

Notes to Financial Statements

June 30, 2023 and June 30, 2022

Note J – Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position date. These financial assets are required to be reduced by those not available for general use within one year of the statement of financial position date.

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 2,046,490	\$ 1,339,026
Investments	1,325,847	1,269,873
Pledges receivable	25,250	16,757
Gift cards	4,485	4,215
Beneficial interest in Community Foundation	14,262	13,565
	<u>3,416,334</u>	<u>2,643,436</u>
Less those unavailable for general expenditure within one year due to:		
Donor imposed restrictions	<u>(79,331)</u>	<u>(167,882)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,337,003</u>	<u>\$ 2,475,554</u>

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due and strives to operate within a prudent range of financial soundness and stability, maintain adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged. Financial assets in excess of daily cash requirements may be invested in certificates of deposit, money market funds or other short-term investments.

The Organization receives significant contributions restricted by donors. The Organization 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. For the years ended June 30, 2023 and 2022, contributions restricted for scholarships and educational initiatives for patients and siblings totaling approximately \$100,000 and \$28,000, respectively, are considered to be available to meet cash needs for general expenditures within one year.

Note K – Retirement Plan

The Organization adopted a 403(b) retirement plan effective January 1, 2020 that is available to substantially all employees who choose to participate. The Organization may make discretionary matching contributions and nonelective contributions. For the years ended June 30, 2023 and 2022, no contributions were made by the Organization. Employees are fully vested in the Organization's contributions after six years of service. Administrative amounts were immaterial.

Note L – Commitments and Contingencies

Litigation

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Organization but which will only be resolved when one or more future events occur or fail to occur. The Organization's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Organization or unasserted claims that may result in such proceedings, the Organization's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

Children's Cancer Center, Inc.

Notes to Financial Statements June 30, 2023 and June 30, 2022

Note L – Commitments and Contingencies (continued)

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Organization's financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

The Organization has an active lawsuit filed against them by a former volunteer relating to an injury suffered while volunteering at the Organization. The Organization's legal counsel has evaluated this case and determined that there is a 35% to 40% likelihood of an unfavorable outcome of the Organization. If the Organization were to lose this case, the legal counsel has estimated that they could face a settlement of up to \$700,000. As an unfavorable outcome is not probable, no accrual has been made for this case in the Organization's financial statements. The Organization is covered by a sufficient general liability insurance policy to cover this amount if the outcome is unfavorable.

Lines of credit

During the years ended June 30, 2023 and 2022, the Organization had a revolving line of credit in the amount of \$50,000. Borrowings under the agreement are payable in monthly installments of interest only. Interest rates on the line of credit are .50% over prime rate with a floor of 5.25% (prime rate was 8.25% and 4.75% at June 30, 2023 and 2022, respectively). The line of credit is secured by all assets of the Organization. At June 30, 2023 and 2022, there were no amounts outstanding on the line of credit.

Note M – Subsequent Events

Subsequent to year end, in August 2023, the Organization signed a construction contract for approximately \$189,000 related to renovations on their office space.

Subsequent events have been evaluated through November 21, 2023, which is the date the financial statements were available to be issued.