

CURE CHILDHOOD CANCER ASSOCIATION, INC.

ROCHESTER, NEW YORK

AUDITED FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2016

(With Comparative Totals for June 30, 2015)



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
CURE Childhood Cancer Association, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of CURE Childhood Cancer Association, Inc., which comprise the statement of financial position as of June 30, 2016 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CURE Childhood Cancer Association, Inc. as of June 30, 2016, 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.

Report on Summarized Comparative Information

We have previously audited the CURE Childhood Cancer Association, Inc.'s June 30, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 30, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
January 3, 2017

CURE CHILDHOOD CANCER ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016

(With Comparative Totals for June 30, 2015)

<u>ASSETS</u>	<u>Unrestricted</u>	
	<u>Operating</u>	<u>Board Designated Endowment</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 203,865	\$ -
Investments	1,469	174,768
United Way contributions receivable for the next fiscal year	-	-
Prepaid expenses	<u>1,741</u>	<u>-</u>
TOTAL CURRENT ASSETS	207,075	174,768
<u>FIXED ASSETS</u>		
Land and building	179,285	-
Furniture and equipment	<u>111,739</u>	<u>-</u>
	291,024	-
Less accumulated depreciation	<u>156,590</u>	<u>-</u>
	134,434	-
<u>OTHER ASSET</u>		
Deferred financing costs, net of accumulated amortization of \$4,181 and \$3,879, respectively	<u>1,864</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 343,373</u>	<u>\$ 174,768</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Current portion of long-term debt	\$ 8,083	\$ -
Accounts payable	5,124	-
Deferred revenue	9,890	-
Accrued expenses	<u>3,795</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	26,892	-
<u>LONG-TERM DEBT</u>	49,502	-
<u>NET ASSETS</u>	<u>266,979</u>	<u>174,768</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 343,373</u>	<u>\$ 174,768</u>

The accompanying notes are an integral part of the financial statements.

Temporarily restricted	Totals	
	Year ended June 30,	
	2016	2015
\$ 41,201	\$ 245,066	\$ 60,256
-	176,237	180,891
49,649	49,649	62,255
-	1,741	4,890
<u>90,850</u>	<u>472,693</u>	<u>308,292</u>
-	179,285	179,285
-	<u>111,739</u>	<u>111,739</u>
-	291,024	291,024
-	<u>156,590</u>	<u>145,159</u>
-	134,434	145,865
-	1,864	2,166
<u>\$ 90,850</u>	<u>\$ 608,991</u>	<u>\$ 456,323</u>
\$ -	\$ 8,083	\$ 7,698
-	5,124	2,464
-	9,890	6,550
-	<u>3,795</u>	<u>4,474</u>
-	26,892	21,186
-	49,502	57,990
<u>90,850</u>	<u>532,597</u>	<u>377,147</u>
<u>\$ 90,850</u>	<u>\$ 608,991</u>	<u>\$ 456,323</u>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2016

(With Comparative Totals for Year Ended June 30, 2015)

	Unrestricted	
	Operating	Board Designated Endowment
Support and revenue:		
Support:		
Contributions	\$ 202,771	\$ -
Grants	11,000	-
United Way contributions for next fiscal year	-	-
Special events, net of direct costs of \$80,493 in 2016 and \$89,729 in 2015	138,372	-
TOTAL SUPPORT	352,143	-
Revenue:		
Membership dues	6,394	-
Investment (expense) income	(480)	(2,459)
Net assets released from restriction:		
United Way	62,255	-
Grants	69,867	-
TOTAL REVENUE	138,036	(2,459)
TOTAL SUPPORT AND REVENUE	490,179	(2,459)
Expenses		
Program services:		
Education	45,291	-
Community services	197,562	-
TOTAL PROGRAM SERVICES	242,853	-
Supporting services:		
Management and general	37,074	-
Fundraising	20,216	-
TOTAL SUPPORTING SERVICES	57,290	-
TOTAL PROGRAM AND SUPPORTING SERVICES EXPENSE	300,143	-
Depreciation and amortization	11,733	-
Interest	2,610	-
Amounts appropriated from board designated endowment (to operating net assets), net	(2,181)	2,181
TOTAL EXPENSES	312,305	2,181
CHANGE IN NET ASSETS	177,874	(4,640)
Net assets at beginning of year	89,105	179,408
NET ASSETS AT END OF YEAR	\$ 266,979	\$ 174,768

The accompanying notes are an integral part of the financial statements.

Temporarily restricted	Totals	
	Year ended June 30,	
	2016	2015
\$ -	\$ 202,771	\$ 107,276
54,684	65,684	70,202
49,649	49,649	62,255
<u>10,005</u>	<u>148,377</u>	<u>139,504</u>
114,338	466,481	379,237
-	6,394	12,621
-	(2,939)	4,557
(62,255)	-	-
<u>(69,867)</u>	<u>-</u>	<u>-</u>
(132,122)	3,455	17,178
<u>(17,784)</u>	<u>469,936</u>	<u>396,415</u>
-	45,291	54,332
-	<u>197,562</u>	<u>264,952</u>
-	242,853	319,284
-	37,074	36,868
-	<u>20,216</u>	<u>13,907</u>
-	<u>57,290</u>	<u>50,775</u>
-	300,143	370,059
-	11,733	12,409
-	2,610	3,534
-	-	-
-	<u>314,486</u>	<u>386,002</u>
(17,784)	155,450	10,413
108,634	<u>377,147</u>	<u>366,734</u>
<u>\$ 90,850</u>	<u>\$ 532,597</u>	<u>\$ 377,147</u>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

(With Comparative Totals for Year Ended June 30, 2015)

	Program Services		Total
	Education	Community Services	
Activities	\$ 1,053	\$ 47,927	\$ 48,980
Salaries and payroll taxes	34,420	104,886	139,306
Retirement plan contributions	150	502	652
Education liaison	3,294	-	3,294
Aid to families	-	35,424	35,424
Printing and publications	260	606	866
Postage	394	1,050	1,444
Professional fees	-	-	-
Supplies	-	-	-
Insurance	-	-	-
Telephone/utilities	-	-	-
Conferences	-	333	333
Employee expenses	484	1,620	2,104
Building maintenance	661	1,984	2,645
Real estate taxes	111	333	444
Marketing	1,580	2,897	4,477
Miscellaneous	2,884	-	2,884
	<u>\$ 45,291</u>	<u>\$ 197,562</u>	<u>\$ 242,853</u>

The accompanying notes are an integral part of the financial statements.

Supporting Services			Total Program and Supporting Services Expenses	
Management/ General	Fundraising	Total	Year ended June 30,	
			2016	2015
\$ -	\$ -	\$ -	\$ 48,980	\$ 52,378
6,246	8,716	14,962	154,268	204,059
86	-	86	738	137
-	-	-	3,294	4,620
-	-	-	35,424	48,694
866	-	866	1,732	1,387
1,182	-	1,182	2,626	1,622
19,436	-	19,436	19,436	15,660
869	-	869	869	1,651
1,553	-	1,553	1,553	1,469
4,497	-	4,497	4,497	5,179
499	-	499	832	1,558
278	-	278	2,382	13,123
661	-	661	3,306	4,761
111	-	111	555	552
790	11,500	12,290	16,767	6,219
-	-	-	2,884	6,990
<u>\$ 37,074</u>	<u>\$ 20,216</u>	<u>\$ 57,290</u>	<u>\$ 300,143</u>	<u>\$ 370,059</u>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2016

(With Comparative Totals for Year Ended June 30, 2015)

	<u>Year ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 155,450	\$ 10,413
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Net investment return	4,654	(2,785)
Depreciation and amortization	11,733	12,409
Changes in certain operating assets and liabilities:		
Contributions receivable	-	100
United Way contributions receivable	12,606	4,034
Prepaid expenses	3,149	(2,285)
Accounts payable and accrued expenses	1,981	(1,305)
Deferred revenue	3,340	1,506
NET CASH PROVIDED FROM OPERATING ACTIVITIES	192,913	22,087
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of fixed assets	-	(6,867)
NET CASH USED FOR INVESTING ACTIVITIES	-	(6,867)
<u>CASH FLOWS - FINANCING ACTIVITIES</u>		
Repayments on long-term debt	(8,103)	(7,178)
NET CASH USED FOR FINANCING ACTIVITIES	(8,103)	(7,178)
NET INCREASE IN CASH	184,810	8,042
Cash at beginning of year	60,256	52,214
CASH AT END OF YEAR	<u>\$ 245,066</u>	<u>\$ 60,256</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid during the year for interest	<u>\$ 2,610</u>	<u>\$ 3,534</u>

The accompanying notes are an integral part of the financial statements.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(With Comparative Totals for Year Ended June 30, 2015)

NOTE A: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

CURE Childhood Cancer Association, Inc. (“CURE” or the “Association”) was chartered in 1977 as a non-affiliated, not-for-profit organization. Its purpose is to provide: a structure for parental involvement, discussion and support; public education regarding childhood cancer; funds to major pediatric research centers in Western New York for the development of childhood cancer research and financial assistance to families in need.

Financial statement presentation

The Association presents its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets: Represents all resources over which the Governing Board has discretionary control to use in carrying on the Association’s operations in accordance with the guidelines established for the Association. The Board may designate portions of the current unrestricted net assets for specific purposes, projects or investment. As of June 30, 2016 the Board has designated \$174,768 as a Board Designated endowment.

Temporarily Restricted Net Assets: Consists of all resources currently available for use, but limited by donor imposed restrictions that expire by the passage of time or can be fulfilled or otherwise removed by actions of the Association.

Permanently Restricted Net Assets: Represents the principal amount of gifts and bequests accepted with the donor-stipulation that the principal be maintained intact in perpetuity and that only the investment income earned may be expended for general purposes. The Association has no permanently restricted net assets.

Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Association. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restriction.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2016

(With Comparative Totals for Year Ended June 30, 2015)

NOTE A: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,

Cont'd

Cash

Cash balances are maintained at financial institutions located in Upstate New York and are insured by the FDIC up to \$250,000 at each institution. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Association has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note C for discussion of fair value measurements.

Fixed assets

Fixed assets are stated at cost or estimated fair value at the date of donation and are depreciated on a straight-line basis over the assets estimated useful lives, generally three to twenty years for furniture and equipment and 39 years for the building.

Repairs and maintenance are charged to expense as incurred while renewals and betterments, which significantly extend the useful lives of existing equipment, are capitalized. Gains or losses on disposition of fixed assets are reflected in CURE's statement of activities and changes in net assets as realized.

Deferred financing costs

Deferred financing costs relate to the refinancing of a building and are being amortized on a straight-line basis over the twenty year term of the mortgage.

Contributed services

The Association receives donated services from volunteers within the community. These services are not valued in the financial statements unless they require specialized skills and typically would be purchased if they were not contributed. During the years ended June 30, 2016 and 2015, no donated services were recognized.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2016

(With Comparative Totals for Year Ended June 30, 2015)

NOTE A: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,

Cont'd

Taxes

CURE is a not-for-profit organization exempt from Federal taxation under Section 501(c)(3) of the Internal Revenue Code. The Association is also exempt for state income tax purposes. The Association files tax returns in the U.S. federal jurisdiction and in New York State.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at June 30, 2016 and 2015 and the reported amounts of support, revenue and expenses for the years then ended. Actual results could differ from those estimates.

Functional expense allocations

The costs of providing program services of the Association have been summarized on a functional basis in the accompanying statement of functional expenses. Certain costs have been allocated among the program and supporting services based upon certain statistics and estimates made by the Association's management.

Donated materials

Donated materials are reflected in the accompanying financial statements in both support and revenue and in expenses at their estimated fair market values at the date of the receipt. Total donated materials recorded in the accompanying financial statements approximated \$61,600 and \$65,000 for the years ended June 30, 2016 and 2015, respectively. These amounts are included in both contributions and the applicable expenses.

Comparatives for year ended June 30, 2015

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

Subsequent events

The Association has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through January 3, 2017, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2016

(With Comparative Totals for Year Ended June 30, 2015)

NOTE B: INVESTMENTS

Investments consist of the following:

	June 30, 2016		
	<u>Market</u>	<u>Cost</u>	<u>Unrealized gain</u>
Assets held at Rochester Area Community Foundation:			
Equity and fixed income investment pools	\$ 174,768	*	*
Income mutual funds	<u>1,469</u>	1,238	231
	<u>\$ 176,237</u>		
	June 30, 2015		
	<u>Market</u>	<u>Cost</u>	<u>Unrealized loss</u>
Assets held at Rochester Area Community Foundation:			
Equity and fixed income investment pools	\$ 179,408	*	*
Income mutual funds	<u>1,483</u>	1,238	245
	<u>\$ 180,891</u>		

* Information not available.

Realized and unrealized gains and losses are reflected in the statement of activities and changes in net assets. Investments are exposed to various risks, such as interest rate, market and credit risk. Due to the risks associated with investments, it is at least reasonably possible that changes in risks could materially affect the Association.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2016

(With Comparative Totals for Year Ended June 30, 2015)

NOTE C: FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 Valuation is based upon:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability'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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016 and 2015.

Assets Held at Rochester Area Community Foundation and Mutual funds: Valued at the net asset value of shares held by the Association at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2016

(With Comparative Totals for Year Ended June 30, 2015)

NOTE C: FAIR VALUE MEASUREMENTS, Cont'd

The following table presents by level, within the fair value hierarchy, the Association's assets as of June 30, 2016 and 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>June 30, 2016</u>				
Assets:				
Investments:				
Assets held at Rochester Area Community Foundation:				
Equity and fixed income investment pools	\$ -	\$ 174,768	\$ -	\$ 174,768
Income mutual funds	1,469	-	-	1,469
TOTAL ASSETS	<u>\$ 1,469</u>	<u>\$ 174,768</u>	<u>\$ -</u>	<u>\$ 176,237</u>
 <u>June 30, 2015</u>				
Assets:				
Investments:				
Assets held at Rochester Area Community Foundation:				
Equity and fixed income investment pools	\$ -	\$ 179,408	\$ -	\$ 179,408
Income mutual funds	1,483	-	-	1,483
TOTAL ASSETS	<u>\$ 1,483</u>	<u>\$ 179,408</u>	<u>\$ -</u>	<u>\$ 180,891</u>

The investment assets held at the Rochester Area Community Foundation consist of a blend of approximately 70% large blend equity investments and approximately 30% high credit quality medium interest rate sensitivity fixed income investments.

NOTE D: LINE OF CREDIT

The Association has a secured \$40,000 line of credit with a bank, with interest at prime plus 1% (effective rate of 4.50% at June 30, 2016), collateralized by the Association's assets. The Association had no outstanding balance at both June 30, 2016 and 2015.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2016

(With Comparative Totals for Year Ended June 30, 2015)

NOTE E: LONG-TERM DEBT

Long-term debt consists of the following:

	<u>June 30,</u>	
	<u>2016</u>	<u>2015</u>
Mortgage due to bank, payable in monthly installments of \$890 including interest of 4.88% through October 2022.	\$ 57,585	\$ 65,688
Less current portion of long-term debt	<u>8,083</u>	<u>7,698</u>
	<u>\$ 49,502</u>	<u>\$ 57,990</u>

Expected annual maturities of long-term debt are as follows:

Year ending June 30,

2017	\$ 8,083
2018	8,486
2019	8,909
2020	9,354
2021	9,821
Thereafter	<u>12,932</u>
	<u>\$ 57,585</u>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2016

(With Comparative Totals for Year Ended June 30, 2015)

NOTE F: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	June 30,	
	2016	2015
United Way contributions receivable for the next fiscal year	\$ 49,649	\$ 62,255
PADDance Phillip's Palliative Care Program	15,801	14,874
Cure Bears (formerly Jenna's Journey Program)	3,305	3,892
Hannah Metzler Memorial Fund - Agnes K. Mackey Program	7,000	-
Angel Fund	-	682
Meal Vouchers	3,600	-
Emergency Family Assistance	-	5,000
Funeral Assistance	8,939	4,492
Books and Resources for Families	2,221	3,095
Software Grant	-	1,500
Roc City Sicklers	335	-
Parent Advocate	-	12,844
	<u>\$ 90,850</u>	<u>\$ 108,634</u>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2016

(With Comparative Totals for Year Ended June 30, 2015)

NOTE G: RETIREMENT PLAN

During 2014, the Association had a 401(k) plan which covered all eligible employees. Individual contributions were based upon defined percentages subject to IRS limitations. The Plan provided for the Association to make matching contributions up to 6% of eligible compensation. The Plan terminated on November 5, 2014.

In January 2015 the Association established a SIMPLE IRA plan for eligible employees. The Plan provides for the Association to make matching contributions up to 3% and 1.25% of eligible compensation for the years ended June 30, 2016 and 2015, respectively.

Employer matching contributions to the plans described above amounted to \$738 and \$137 for the years ended June 30, 2016 and 2015, respectively.

NOTE H: ENDOWMENT

The Association's endowment consists of funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Board of Directors of the Association has determined the requirements of the New York Prudent Management of Institutional Funds Act (NYPMIFA), which was enacted to replace and update the New York State Uniform Management of Institutional Funds Act (UMIFA) do not apply to the Association as the Association's endowment does not include any donor-restricted gifts.

Endowment net asset composition by type of fund as of June 30, 2016 and 2015:

	<u>Unrestricted</u>
<u>June 30, 2016</u>	
Board-designated endowment funds:	
Assets held at Rochester Area Community Foundation:	
Equity and fixed income investment pools	<u>\$ 174,768</u>
<u>June 30, 2015</u>	
Board-designated endowment funds:	
Assets held at Rochester Area Community Foundation:	
Equity and fixed income investment pools	<u>\$ 179,408</u>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2016

(With Comparative Totals for Year Ended June 30, 2015)

NOTE H: ENDOWMENT, Cont'd

For the years ended June 30, 2016 and 2015, the Association had the following endowment-related activities:

	<u>Unrestricted</u>
Endowment net assets, July 1, 2014	\$ 176,686
Investment return	4,190
Management fees paid	<u>(1,468)</u>
Total change in endowment funds	<u>2,722</u>
Endowment net assets, June 30, 2015	179,408
Investment return	(2,459)
Management fees paid	<u>(2,181)</u>
Total change in endowment funds	<u>(4,640)</u>
Endowment net assets, June 30, 2016	<u>\$ 174,768</u>

Return objectives and risk parameters

CURE Childhood Cancer Association, Inc. has not formally adopted an investment and spending policy for its endowment assets. The Association has attempted to invest the endowment in assets that provide a predictable stream of funding for the intended programs while seeking to maintain the purchasing power of the endowment assets. The Board of Directors has directed the funds to be invested in a fund established by the Rochester Area Community Foundation.

Spending policy and how the investment objectives relate to spending policy

CURE Childhood Cancer Association, Inc. has no formal policy on spending the earnings of the endowment. The earnings are directed by the Board of Directors in a manner consistent with the Association's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.