

CURE CHILDHOOD CANCER ASSOCIATION, INC.

ROCHESTER, NEW YORK

FINANCIAL STATEMENTS

AND

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

JUNE 30, 2017 (Reviewed)

(With Comparative Totals for June 30, 2016 (Audited))



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
CURE Childhood Cancer Association, Inc.

We have reviewed the accompanying financial statements of CURE Childhood Cancer Association, Inc., which comprise the statement of financial position as of June 30, 2017 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America

Other Matter

The June 30, 2016 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated January 3, 2017. We have not performed any auditing procedures since that date. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2016 for it to be consistent with the audited financial statements from which it has been derived.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 4, 2017

CURE CHILDHOOD CANCER ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017

(With Comparative Totals for June 30, 2016)

<u>ASSETS</u>	<u>Unrestricted</u>	
	<u>Operating</u>	<u>Board Designated Endowment</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 154,459	\$ -
Investments	-	315,730
United Way contributions receivable for the next fiscal year	-	-
Prepaid expenses	1,218	-
TOTAL CURRENT ASSETS	<u>155,677</u>	<u>315,730</u>
<u>FIXED ASSETS</u>		
Land and building	179,285	-
Furniture and equipment	<u>112,463</u>	-
	291,748	-
Less accumulated depreciation	<u>165,501</u>	-
	126,247	-
TOTAL ASSETS	<u>\$ 281,924</u>	<u>\$ 315,730</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Current portion of long-term debt	\$ 8,431	\$ -
Accounts payable	1,717	-
Deferred revenue	8,930	-
Accrued expenses	<u>1,950</u>	-
TOTAL CURRENT LIABILITIES	21,028	-
<u>LONG-TERM DEBT</u> , net of unamortized loan closing costs of \$1,561 and \$1,864 at June 30, 2017 and 2016, respectively	39,630	-
<u>NET ASSETS</u>	<u>221,266</u>	<u>315,730</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 281,924</u>	<u>\$ 315,730</u>

See independent accountant's review report and accompanying notes which are an integral part of the financial statements.

Temporarily restricted	Totals	
	Year ended June 30,	
	2017	2016
	(Reviewed)	(Audited)
\$ 62,961	\$ 217,420	\$ 245,066
-	315,730	176,237
46,523	46,523	49,649
-	1,218	1,741
<u>109,484</u>	<u>580,891</u>	<u>472,693</u>
-	179,285	179,285
-	<u>112,463</u>	<u>111,739</u>
-	291,748	291,024
-	<u>165,501</u>	<u>156,590</u>
-	126,247	134,434
<u>\$ 109,484</u>	<u>\$ 707,138</u>	<u>\$ 607,127</u>
\$ -	\$ 8,431	\$ 8,083
-	1,717	5,124
-	8,930	9,890
-	<u>1,950</u>	<u>3,795</u>
-	21,028	26,892
-	39,630	47,638
109,484	<u>646,480</u>	<u>532,597</u>
<u>\$ 109,484</u>	<u>\$ 707,138</u>	<u>\$ 607,127</u>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2017
(With Comparative Totals for 2016)

	Unrestricted	
	Operating	Board Designated Endowment
Support and revenue:		
Support:		
Contributions	\$ 96,737	\$ -
Grants	27,500	-
United Way contributions for next fiscal year	-	-
Special events, net of direct costs of \$81,466 in 2017 and \$80,493 in 2016	158,694	-
TOTAL SUPPORT	282,931	-
Revenue:		
Membership dues	26,531	-
Investment income (loss)	2,179	14,654
Net assets released from restriction:		
United Way	49,649	-
Grants	54,617	-
TOTAL REVENUE	132,976	14,654
TOTAL SUPPORT AND REVENUE	415,907	14,654
Expenses		
Program services:		
Education	58,587	-
Community services	215,165	-
TOTAL PROGRAM SERVICES	273,752	-
Supporting services:		
Management and general	38,542	-
Fundraising	11,049	-
TOTAL SUPPORTING SERVICES	49,591	-
TOTAL PROGRAM AND SUPPORTING SERVICES EXPENSE	323,343	-
Depreciation	8,911	-
Interest	3,058	-
Amounts transferred to board designated endowment (from operating net assets), net	126,308	(126,308)
TOTAL EXPENSES	461,620	(126,308)
CHANGE IN NET ASSETS	(45,713)	140,962
Net assets at beginning of year	266,979	174,768
NET ASSETS AT END OF YEAR	\$ 221,266	\$ 315,730

See independent accountant's review report and accompanying notes which are an integral part of the financial statements.

Temporarily restricted	Totals	
	Year ended June 30,	
	2017	2016
	(Reviewed)	(Audited)
48,946	\$ 145,683	\$ 202,771
19,050	46,550	65,684
46,523	46,523	49,649
<u>8,381</u>	<u>167,075</u>	<u>148,377</u>
122,900	405,831	466,481
-	26,531	6,394
-	16,833	(2,939)
(49,649)	-	-
<u>(54,617)</u>	<u>-</u>	<u>-</u>
<u>(104,266)</u>	<u>43,364</u>	<u>3,455</u>
18,634	449,195	469,936
-	58,587	45,291
<u>-</u>	<u>215,165</u>	<u>197,562</u>
-	273,752	242,853
-	38,542	37,074
<u>-</u>	<u>11,049</u>	<u>20,216</u>
<u>-</u>	<u>49,591</u>	<u>57,290</u>
-	323,343	300,143
-	8,911	11,431
-	3,058	2,912
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>335,312</u>	<u>314,486</u>
18,634	113,883	155,450
90,850	532,597	377,147
<u>\$ 109,484</u>	<u>\$ 646,480</u>	<u>\$ 532,597</u>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017
(With Comparative Totals for 2016)

	Program Services		
	Education	Community Services	Total
Activities	\$ -	\$ 61,028	\$ 61,028
Salaries and payroll taxes	35,894	101,152	137,046
Retirement plan contributions	493	1,384	1,877
Education liaison	2,489	-	2,489
Aid to families	-	44,858	44,858
Printing and publications	554	970	1,524
Postage	258	687	945
Professional fees	-	-	-
Supplies	-	-	-
Insurance	-	-	-
Telephone/utilities	-	-	-
Conferences	-	341	341
Employee expenses	161	451	612
Building maintenance	763	2,288	3,051
Real estate taxes	111	333	444
Marketing	12,838	1,673	14,511
Miscellaneous	5,026	-	5,026
	<u>\$ 58,587</u>	<u>\$ 215,165</u>	<u>\$ 273,752</u>

See independent accountant's review report and accompanying notes which are an integral part of the financial statements.

Supporting Services			Total Program and Supporting Services Expenses	
Management/ General	Fundraising	Total	Year ended June 30,	
			2017 (Reviewed)	2016 (Audited)
\$ -	\$ -	\$ -	\$ 61,028	\$ 48,980
10,933	11,049	21,982	159,028	154,268
301	-	301	2,178	738
-	-	-	2,489	3,294
-	-	-	44,858	35,424
1,247	-	1,247	2,771	1,732
773	-	773	1,718	2,626
13,601	-	13,601	13,601	19,436
3,487	-	3,487	3,487	869
1,596	-	1,596	1,596	1,553
5,113	-	5,113	5,113	4,497
184	-	184	525	832
98	-	98	710	2,382
763	-	763	3,814	3,306
111	-	111	555	555
335	-	335	14,846	16,767
-	-	-	5,026	2,884
<u>\$ 38,542</u>	<u>\$ 11,049</u>	<u>\$ 49,591</u>	<u>\$ 323,343</u>	<u>\$ 300,143</u>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2017
(With Comparative Totals for 2016)

	<u>Year ended June 30,</u>	
	<u>2017</u>	<u>2016</u>
	(Reviewed)	(Audited)
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 113,883	\$ 155,450
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Net (gain) loss on investments	(18,714)	4,654
Depreciation	8,911	11,431
Amortization of loan closing costs included in interest expense	303	302
Changes in certain operating assets and liabilities:		
United Way contributions receivable	3,126	12,606
Prepaid expenses	523	3,149
Accounts payable and accrued expenses	(5,252)	1,981
Deferred revenue	(960)	3,340
NET CASH PROVIDED FROM OPERATING ACTIVITIES	<u>101,820</u>	<u>192,913</u>
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of fixed assets	(724)	-
Proceeds from sale of investments	185,830	-
Purchase of investments	(306,609)	-
NET CASH USED FOR INVESTING ACTIVITIES	<u>(121,503)</u>	<u>-</u>
<u>CASH FLOWS - FINANCING ACTIVITIES</u>		
Repayments on long-term debt	(7,963)	(8,103)
NET CASH USED FOR FINANCING ACTIVITIES	<u>(7,963)</u>	<u>(8,103)</u>
NET (DECREASE) INCREASE IN CASH	(27,646)	184,810
Cash at beginning of year	<u>245,066</u>	<u>60,256</u>
CASH AT END OF YEAR	<u>\$ 217,420</u>	<u>\$ 245,066</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid during the year for interest	<u>\$ 2,755</u>	<u>\$ 2,610</u>

See independent accountant's review report and accompanying notes which are an integral part of the financial statements.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
(See Independent Accountant's Review Report)

JUNE 30, 2017 (Reviewed)
(With Comparative Totals for 2016 (Audited))

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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, 2017 the Board has designated \$315,730 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.

New accounting pronouncement

In April 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-03, "*Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*". ASU 2015-03 simplifies the presentation of debt issuance costs by requiring that debt issuance costs related to a recognized debt liability be presented in the statement of financial position as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Under the previous practice, debt issuance costs were recognized as an asset. The Association has retrospectively adopted the amendments of ASU 2015-03 effective July 1, 2016. The Association revised the statement of financial position presentation of debt issuance costs from "Bond Issuance Costs" to a deduction from the carrying amount of long-term bonds payable on the statement of financial position. The amount of loan closing costs that were reclassified as of June 30, 2017, was approximately \$1,900.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2017 (Reviewed)
(With Comparative Totals for 2016 (Audited))

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

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.

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.

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, 2017 and 2016, no donated services were recognized.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2017 (Reviewed)
(With Comparative Totals for 2016 (Audited))

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Income 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.

The Association has filed for and received income tax exemptions in the various jurisdictions where they are required to do so. The Association files form 990 tax returns in the U.S. federal jurisdiction and in New York State. With few exceptions, as of June 30, 2017, the Association is no longer subject to U.S. federal or state income tax examinations by tax authorities for years ended prior to June 30, 2014. The tax returns for years ended June 30, 2014 through June 30, 2017 are still subject to potential audit by the IRS and taxing authorities in New York State. Management of the Association believes they have no material uncertain tax positions and, accordingly, they have not recognized any liability for unrecognized tax benefits.

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, 2017 and 2016 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 \$68,400 and \$61,600 for the years ended June 30, 2017 and 2016, respectively. These amounts are included in both contributions and the applicable expenses.

Comparatives for year ended June 30, 2016

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, 2016, 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 October 4, 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
(See Independent Accountant's Review Report)

JUNE 30, 2017 (Reviewed)
(With Comparative Totals for 2016 (Audited))

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, 2017 and 2016.

Money market accounts: Fair value equals costs.

Exchange traded funds and mutual funds: Valued at the closing price reported on the active market on which the individual funds are traded.

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
(See Independent Accountant's Review Report)

JUNE 30, 2017 (Reviewed)
(With Comparative Totals for 2016 (Audited))

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, 2017 and 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>June 30, 2017 (Reviewed)</u>				
Investments:				
Assets held at Courier Capital				
Investments:				
Money market funds	\$ 27,882	\$ -	\$ -	\$ 27,882
Exchange traded funds:				
Bond funds	90,412	-	-	90,412
Large cap funds	42,814	-	-	42,814
Mid cap funds	18,928	-	-	18,928
Small cap funds	12,291	-	-	12,291
International funds	35,858	-	-	35,858
Other	11,894	-	-	11,894
Total exchange traded funds	212,197	-	-	212,197
Mutual funds:				
Large cap funds	20,834	-	-	20,834
International funds	16,161	-	-	16,161
Option funds	21,626	-	-	21,626
Other	17,030	-	-	17,030
Total mutual funds	75,651	-	-	75,651
TOTAL ASSETS	<u>\$ 315,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,730</u>
 <u>June 30, 2016 (Audited)</u>				
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>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2017 (Reviewed)
(With Comparative Totals for 2016 (Audited))

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 5.25% at June 30, 2017), collateralized by the Association's assets. The Association had no outstanding balance at both June 30, 2017 and 2016.

NOTE E: LONG-TERM DEBT

Long-term debt consists of the following:

	<u>June 30,</u>	
	<u>2017</u>	<u>2016</u>
	(Reviewed)	(Audited)
Mortgage due to bank, payable in monthly installments of \$893 including interest of 5.01% through October 2022.	\$ 49,622	\$ 57,585
Less unamortized loan closing costs	1,561	1,864
Less current portion of long-term debt	<u>8,431</u>	<u>8,083</u>
	<u>\$ 39,630</u>	<u>\$ 47,638</u>

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

<u>Year ending June 30,</u>	
2018	\$ 8,486
2019	8,910
2020	9,354
2021	9,821
2022	10,311
Thereafter	<u>2,740</u>
	<u>\$ 49,622</u>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2017 (Reviewed)
(With Comparative Totals for 2016 (Audited))

NOTE F: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	June 30,	
	2017	2016
	(Reviewed)	(Audited)
United Way contributions receivable for the next fiscal year	\$ 46,523	\$ 49,649
PADDance Phillip's Palliative Care Program	4,540	15,801
Cure Bears (formerly Jenna's Journey Program)	2,023	3,305
Hannah Metzler Memorial Fund - Agnes K. Mackey Program	-	7,000
Angel Fund	2,000	-
Meal Vouchers	5,400	3,600
Funeral Assistance	18,012	8,939
Books and Resources for Families	-	2,221
Cell phone grant	1,850	-
Roc City Sicklers	262	335
Crane Family Foundation	23,969	-
Bereavement Funds	791	-
Research	1,495	-
Parent Advocate	2,619	-
	<u>\$ 109,484</u>	<u>\$ 90,850</u>

NOTE G: RETIREMENT PLAN

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, 2017 and 2016, respectively.

Employer matching contributions to the plans described above amounted to \$2,178 and \$738 for the years ended June 30, 2017 and 2016, respectively.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2017 (Reviewed)
(With Comparative Totals for 2016 (Audited))

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, 2017 and 2016:

	<u>Unrestricted</u>
<u>June 30, 2017 (Reviewed)</u>	
Board-designated endowment funds:	
Assets held at Courier Capital:	<u>\$ 315,730</u>
<u>June 30, 2016 (Audited)</u>	
Board-designated endowment funds:	
Assets held at Rochester Area Community Foundation:	
Equity and fixed income investment pools	<u>\$ 174,768</u>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2017 (Reviewed)
(With Comparative Totals for 2016 (Audited))

NOTE H: ENDOWMENT, Cont'd

For the years ended June 30, 2017 and 2016, the Association had the following endowment-related activities:

	<u>Unrestricted</u>
Endowment net assets, July 1, 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 (Audited)	174,768
Investment return	14,654
Amounts transferred to board designated endowment	127,200
Management fees paid	<u>(892)</u>
Total change in endowment funds	<u>140,962</u>
Endowment net assets, June 30, 2017 (Reviewed)	<u>\$ 315,730</u>

Return Objectives and risk parameters

CURE Childhood Cancer Association, Inc. adopted investment and spending policies for endowment assets that attempt to create a stream of investment returns which treat equitably, in inflation adjusted terms, the present and future needs of the Association while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that minimizes year-to-year volatility of the portfolio through broad diversification among the major asset classes as well as mitigating investment related expenses.

The Fund's investment portfolio is expected to generate returns that are comparable to the returns in the capital markets. The investment goal of the Fund is to achieve a total return (income and appreciation) of 5% after inflation, over a full market cycle (3-5 years).

Investment theory and historical capital market return data suggest that, over long periods of time, there is a relationship between the level of risk assumed and the level of return that can be expected in an investment program. In general, higher risk (i.e. volatility of return) is associated with higher return.

Given this relationship between risk and return, a fundamental step in determining the investment policy for the portfolio is the determination of an appropriate risk tolerance. The three primary factors that affect this determination are the financial ability to accept risk (specifically, dramatic negative short term performance), the psychological ability to accept risk, and the long-term investment return requirements.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2017 (Reviewed)
(With Comparative Totals for 2016 (Audited))

NOTE H: ENDOWMENT, Cont'd

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy which investments returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association recognizes that asset allocation is keyed to investment growth and that diversification across and within asset classes moderates risks. The specific investment asset classes included for investment, as well as their respective target allocations and ranges, are identified below:

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Money Market Funds	3%	10%
Equities	40%	80%
Fixed income	10%	20%

The Association has reviewed potential outcomes for the portfolios with these asset allocations and has determined the risk profile is prudent relative to the potential returns based on historical risk and return characteristics. Moreover, this allocation provides a reasonable opportunity for the Fund to meet the spending requirements, plus all related costs associated with management and maintenance of the Fund.

Spending policy and how the investment objectives relate to spending policy

The distributions from the Endowment Fund are relatively consistent and predictable. The Association periodically reviews the effect of the spending policy and rate on the investment policies, to maintain, in real terms, the purchasing power of the Fund. For purposes of establishing the total return objective, the spending rate is up to 5% of the total market value of the Endowment Fund as of the last business day of the preceding year. The spending percentage is applied on the three-year average for the December market value. The dollar amount and timing of any distribution from the investment account will be left up to the discretion of the Board Chairperson and Treasurer.