

**CURE CHILDHOOD CANCER, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

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Independent Auditor's Report .....	1
Statements of Financial Position.....	2
Statements of Activities .....	3
Statements of Functional Expenses.....	5
Statements of Cash Flows .....	7
Notes to Financial Statements.....	8



To the Board of Directors  
Cure Childhood Cancer, Inc.  
Atlanta, GA

### **Independent Auditor's Report**

We have audited the accompanying financial statements of CURE Childhood Cancer, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years 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 audits 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, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

THE LEWIS CPA FIRM, INC.

February 9, 2016

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Atlanta, GA 30328

**CURE CHILDHOOD CANCER, INC.  
STATEMENTS OF FINANCIAL POSITION**

<i>June 30,</i>	<b>2015</b>	2014
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	<b>\$1,772,843</b>	\$925,189
Accounts receivable	<b>52,645</b>	31,269
Prepaid expenses	<b>22,000</b>	58,825
Unconditional promises to give, due in one year		60,000
<b>TOTAL CURRENT ASSETS</b>	<b>1,847,488</b>	1,075,283
<b>FIXED ASSETS</b>		
Furniture and equipment	<b>19,461</b>	20,508
Equipment held under a capital lease		4,109
Allowance for depreciation	<b>(14,953)</b>	(16,233)
<b>TOTAL FIXED ASSETS</b>	<b>4,508</b>	8,384
<b>OTHER ASSETS</b>		
Investments	<b>1,023,160</b>	2,007,057
Deposit	<b>5,178</b>	5,178
Intangibles, net of amortization	<b>197</b>	535
<b>TOTAL OTHER ASSETS</b>	<b>1,028,535</b>	2,012,770
<b>TOTAL ASSETS</b>	<b>\$2,880,531</b>	\$3,096,437
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	<b>\$32,068</b>	\$114,977
Refundable advances	<b>73,075</b>	4,775
Grants payable, due in one year	<b>774,949</b>	
Capital lease obligation, current portion		443
Family funds held in trust	<b>23,938</b>	25,747
<b>TOTAL CURRENT LIABILITIES</b>	<b>904,030</b>	145,942
Grants payable, due in 2 years	<b>81,281</b>	
Deferred lease incentives	<b>13,033</b>	21,805
<b>TOTAL LIABILITIES</b>	<b>998,344</b>	167,747
<b>NET ASSETS</b>		
Undesignated	<b>37,038</b>	424,656
Board-designated quasi-endowment	<b>1,814,334</b>	2,149,263
Unrestricted	<b>1,851,372</b>	2,573,919
Temporarily restricted	<b>13,015</b>	336,971
Permanently restricted	<b>17,800</b>	17,800
<b>TOTAL NET ASSETS</b>	<b>1,882,187</b>	2,928,690
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$2,880,531</b>	\$3,096,437

*The accompanying notes are an integral part of these financial statements.*

**CURE CHILDHOOD CANCER, INC.  
STATEMENT OF ACTIVITIES**

*For the year ended June 30,*

**2015**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND OTHER REVENUE</b>				
Grants and contributions	\$2,870,208	\$475,102		\$3,345,310
Special events, net of direct benefits of \$202,444	741,288			741,288
In-kind goods and services	117,208			117,208
Program support	7,936			7,936
	<b>3,736,640</b>	<b>475,102</b>	-	<b>4,211,742</b>
Investment returns				
Interest and dividends	54,261	882		55,143
Realized gains (losses)	120,261			120,261
Unrealized gains (losses)	(189,447)			(189,447)
Investment fees	(17,408)			(17,408)
	<b>(32,333)</b>	<b>882</b>	-	<b>(31,451)</b>
Net assets released from restrictions --				
Restrictions satisfied by payments	799,940	(799,940)		-
<b>TOTAL SUPPORT AND OTHER REVENUE</b>	<b>4,504,247</b>	<b>(323,956)</b>	-	<b>4,180,291</b>
<b>EXPENSES</b>				
<b>Program Services</b>				
Research	2,727,416			2,727,416
Fellowships	411,448			411,448
Education	642,782			642,782
Patient and Family Support	935,685			935,685
<b>Total Program Services</b>	<b>4,717,331</b>			<b>4,717,331</b>
<b>Supporting Services</b>				
General and administrative expenses	298,044			298,044
Fundraising	211,419			211,419
<b>Total Supporting Services</b>	<b>509,463</b>			<b>509,463</b>
<b>TOTAL EXPENSES</b>	<b>5,226,794</b>			<b>5,226,794</b>
<b>CHANGE IN NET ASSETS</b>	<b>(722,547)</b>	<b>(323,956)</b>	-	<b>(1,046,503)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>2,573,919</b>	<b>336,971</b>	<b>\$17,800</b>	<b>2,928,690</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$1,851,372</b>	<b>\$13,015</b>	<b>\$17,800</b>	<b>\$1,882,187</b>

*The accompanying notes are an integral part of these financial statements.*

**CURE CHILDHOOD CANCER, INC.**  
**STATEMENT OF ACTIVITIES**

*For the year ended June 30,*

**2014**

	Restated Unrestricted	Temporarily Restricted	Permanently Restricted	Restated Total
<b>SUPPORT AND OTHER REVENUE</b>				
Grants and contributions	\$2,389,236	\$704,538		\$3,093,774
Special events, net of direct benefits of \$195,948	557,800			557,800
In-kind goods and services	133,180			133,180
Program support	8,549			8,549
	3,088,765	704,538	-	3,793,303
Investment returns				
Interest and dividends	68,015	881		68,896
Realized gains (losses)	50,747			50,747
Unrealized gains (losses)	124,633			124,633
Investment fees	(18,388)			(18,388)
	225,007	881	-	225,888
Net assets released from restrictions --				
Restrictions satisfied by payments	1,023,445	(1,023,445)		-
<b>TOTAL SUPPORT AND OTHER REVENUE</b>	<b>4,337,217</b>	<b>(318,026)</b>	<b>-</b>	<b>4,019,191</b>
<b>EXPENSES</b>				
<b>Program Services</b>				
Research, as restated	1,656,123			1,656,123
Fellowships	483,182			483,182
Education	552,917			552,917
Patient and Family Support	654,105			654,105
<b>Total Program Services, as restated</b>	<b>3,346,327</b>			<b>3,346,327</b>
<b>Supporting Services</b>				
General and administrative expenses	254,112			254,112
Fundraising	295,461			295,461
<b>Total Supporting Services</b>	<b>549,573</b>			<b>549,573</b>
<b>TOTAL EXPENSES, as restated</b>	<b>3,895,900</b>			<b>3,895,900</b>
<b>CHANGE IN NET ASSETS</b>	<b>441,317</b>	<b>(318,026)</b>	<b>-</b>	<b>123,291</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>2,132,602</b>	<b>654,997</b>	<b>\$17,800</b>	<b>2,805,399</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$2,573,919</b>	<b>\$336,971</b>	<b>\$17,800</b>	<b>\$2,928,690</b>

*The accompanying notes are an integral part of these financial statements.*

**CURE CHILDHOOD CANCER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

*For the year ended June 30,*

**2015**

	Research	Fellowships	Education	Patient and Family Support	General and Administrative	Fundraising	Total
<b>EXPENSES</b>							
Grants	\$2,727,416	\$411,448		\$124,763			\$3,263,627
Salaries, payroll taxes, and fringe benefits			\$224,556	491,150	\$156,912	\$83,090	955,708
Professional fees			183,198		22,166	252	205,616
Community education			145,699				145,699
Events				59,448		84,838	144,286
In-kind goods and services				111,708		5,500	117,208
Occupancy			19,509	39,691	11,908	6,601	77,709
Patient and Family Support Programs				75,669			75,669
Bank charges/credit card fees					64,832		64,832
Information systems			5,133	10,444	24,241	22,844	62,662
Newsletter			53,474				53,474
Miscellaneous			2,150	4,374	12,453	728	19,705
Telephone			3,425	6,969	2,091	1,159	13,644
Supplies			2,104	4,280	1,284	5,212	12,880
Insurance			2,951	6,003	1,801	998	11,753
Depreciation			498	1,013	304	169	1,984
Amortization			85	173	52	28	338
Interest							
<b>TOTAL EXPENSES</b>	<b>\$2,727,416</b>	<b>\$411,448</b>	<b>\$642,782</b>	<b>\$935,685</b>	<b>\$298,044</b>	<b>\$211,419</b>	<b>\$5,226,794</b>
<b>INVESTMENT FEES</b>					<b>\$17,408</b>		<b>\$17,408</b>

*The accompanying notes are an integral part of these financial statements.*

**CURE CHILDHOOD CANCER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

*For the year ended June 30,*

**2014**

	<b>Restated Research</b>	<b>Fellowships</b>	<b>Education</b>	<b>Patient and Family Support</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Restated Total</b>
<b>EXPENSES</b>							
Grants	\$1,656,123	\$483,182		\$127,579			\$2,266,884
Salaries, payroll taxes, and fringe benefits			\$189,979	293,117	\$100,974	\$96,020	680,090
Professional fees			131,125		22,876	67,453	221,454
Community education			142,058				142,058
Events				68,820		106,938	175,758
In-kind goods and services				83,282	43,707	6,192	133,181
Occupancy			17,240	24,488	8,102	8,591	58,421
Patient and Family Support Programs				39,407			39,407
Bank charges/credit card fees					30,581		30,581
Information systems			2,548	3,620	31,153	1,270	38,591
Newsletter			60,257				60,257
Miscellaneous			2,091	2,970	12,893	1,042	18,996
Telephone			2,814	3,996	1,322	1,402	9,534
Supplies			1,188	1,688	559	4,751	8,186
Insurance			2,455	3,488	1,154	1,223	8,320
Depreciation			541	768	254	269	1,832
Amortization			621	882	292	310	2,105
Interest					245		245
<b>TOTAL EXPENSES, as restated</b>	<b>\$1,656,123</b>	<b>\$483,182</b>	<b>\$552,917</b>	<b>\$654,105</b>	<b>\$254,112</b>	<b>\$295,461</b>	<b>\$3,895,900</b>
<b>INVESTMENT FEES</b>					<b>\$18,388</b>		<b>\$18,388</b>

*The accompanying notes are an integral part of these financial statements.*



**CURE CHILDHOOD CANCER, INC.**  
**STATEMENTS OF CASH FLOWS**

<i>For the years ended June 30,</i>	<b>2015</b>	Restated <b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	( <b>\$1,046,503</b> )	\$123,291
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Realized (gains)/losses on investments	( <b>120,261</b> )	(50,747)
Unrealized (gains)/losses on investments	<b>189,447</b>	(124,633)
Loss on disposal of fixed assets	<b>2,936</b>	
Donated Stock	( <b>25,013</b> )	
Deferred lease incentives	( <b>8,772</b> )	(9,000)
Depreciation and amortization	<b>2,322</b>	3,937
(Increase) decrease in:		
Accounts receivable	( <b>21,376</b> )	(5,688)
Prepaid expenses	<b>36,825</b>	615,809
Unconditional promises to give	<b>60,000</b>	(60,000)
Increase (decrease) in:		
Accounts payable	( <b>82,909</b> )	70,994
Grants payable	<b>856,230</b>	(195,570)
Refundable advances	<b>68,300</b>	(12,595)
Family funds held in trust	( <b>1,809</b> )	(1,693)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(90,583)</b>	354,105
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	( <b>1,044</b> )	(1,996)
Purchases of investments	( <b>337,879</b> )	(455,641)
Proceeds from sale of investments	<b>1,277,603</b>	495,738
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>938,680</b>	38,101
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital lease principal reductions	( <b>443</b> )	(1,500)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(443)</b>	(1,500)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>847,654</b>	390,706
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>925,189</b>	534,483
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$1,772,843</b>	\$925,189

*The accompanying notes are an integral part of these financial statements.*

**CURE CHILDHOOD CANCER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

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**NOTE A – NATURE OF ACTIVITIES**

CURE Childhood Cancer, Inc. (CURE) is a nonprofit organization CURE is dedicated to conquering childhood cancer through funding targeted research and through support of patients and their families. CURE was incorporated on November 26, 1975 under the laws of the state of Georgia. CURE is located in Georgia; substantially serves Georgia; and, is substantially supported through grants and contributions. Program activities include the following:

**Research** – CURE is focused on supporting childhood cancer experts, locally and nationally, who are working daily to discover the ultimate solution. While most organizations are focused on treatment, facilities, education or a program related to what today’s knowledge and medicine can offer, CURE is focused on expanding the platform of research to uncover new treatments that speed healing, are less invasive and less damaging, and that can eradicate the cancer itself. CURE has close co-operative relationships with many international and national groups involved in childhood cancer including The National Institute of Health, The National Cancer Institute, and The Children’s Oncology Group.

**Fellowships** – Because the future for children with cancer rests on the doctors and researchers who are being trained today, CURE fully funds two pediatric oncology fellows and building towards endowing a third at the Emory University School of Medicine. CURE believes it is crucial to have new teams of skilled researchers prepared to carry on the search for the cure.

**Education** – CURE is committed to furthering education on issues surrounding childhood cancer. We publish The CURE Report three times each year and we publish a monthly electronic newsletter. We have a robust education program directed to survivorship and wellness of our families and directed to educating the public about childhood cancer, research and the needs of families.

**Patient and Family Support** – CURE supports children with cancer and their families as well as the frontline caregivers whose compassionate care and skill are instrumental to a child’s health and healing. **Early Outreach** assists families with a new diagnosis in facing their fear and anxiety by providing practical information, encouragement, and other items useful to families throughout their journey. **Critical Needs Care** is dedicated to addressing the most critical and urgent needs of childhood cancer patients and their families. **Family Emergency Funds** provide emergency financial assistance; **Open Arms** delivers meals to both the Egleston and Scottish Rite campuses of the AFLAC Cancer Center at Children’s Healthcare of Atlanta and Children’s Memorial Hospital of Savannah (CMH); **Bereavement Care** provides essential bereavement support to families who have lost a child to cancer; and, **Partners in Caring** counseling program that provides professional counseling services to families at minimal to no cost. **Caring for the Caregiver** is aimed at addressing the emotional strain felt by the frontline caregivers of children with cancer and their families at the two campuses of CHOA and CMH.

**CURE CHILDHOOD CANCER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

<b>Advertising</b>	Advertising costs and media campaigns are expensed as paid which approximates when an advertisement first takes place; or when the program production and related broadcasting is completed. During the fiscal years ended June 30, 2015 and 2014, CURE expensed advertising and media campaign costs approximating \$140,000 and \$155,000 respectively.
<b>Accounts Receivable</b>	Accounts receivable are stated at the amount management expects to collect from outstanding balances. Balances that are still outstanding after management has used reasonable collection efforts are written off.
<b>Cash and Cash Equivalents</b>	CURE considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.
<b>Contributions and Donations</b>	<p>In-kind support is recognized for professional services received if those services (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.</p> <p>Donations of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses or assets.</p> <p>Contributions are recorded at fair market value as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.</p>
<b>Receivables from Estate</b>	Receivables from estates are recognized as contribution revenue in the period CURE receives notification that the court has deemed the will of the donor's estate to be valid and all conditions have been substantially met and are stated at the amount which management estimates to collect.
<b>Grants Payable</b>	CURE records a liability for grants when they have been approved by the Board of Directors and communicated to the grantees. Grants which are conditional are recorded as liabilities when the conditions to the grants have been substantially met. CURE evaluates the facts and circumstances to determine if a discount related to grants payable is necessary.

**CURE CHILDHOOD CANCER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Functional Expense**

**Allocations**

Costs of providing programs and services have been summarized on a functional basis on the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes**

CURE is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. CURE is also exempt from Georgia income taxes. Income which is not related to exempt purposes, less applicable deductions, is subject to federal and Georgia corporate income taxes. For the years ended June 30 2015 and 2014, CURE did not have any net unrelated business income.

Management of CURE considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to its status as a not-for-profit entity. Management believes CURE met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax; therefore no provision for income taxes has been provided in these financial statements. CURE's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

**Investments**

Investments are accounted for in accordance with authoritative guidance which states that investments in equity securities with readily determinable fair market values and all debt securities should be reported at fair market value with gains and losses included in the statement of activities.

Investments are made according to the Investment Policy Statements adopted by CURE's Board of Directors. These guidelines provide for investments in equities, fixed income, and other securities with performance measured against appropriate indices. Outside parties are contracted by CURE for the purpose of providing investment management and consulting.

**Fair Value**

**Measurement**

CURE measures fair value at the price that would be received upon sale of an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**CURE CHILDHOOD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Fair Value  
Measurement  
-continued**

Authoritative guidance establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values, requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets.

Level 2: Unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Significant unobservable inputs for the asset or liability.

Management has determined that the carrying values of cash, receivables, investments, other assets, accounts payable, accrued expenses, grants payable, refundable advances, and Family Funds Held in Trust approximate fair value.

**Net Assets**

CURE reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Property and  
Equipment**

Property and equipment are carried at cost except for donated items, which are recorded at estimated fair market value when donated. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from 5 to 7 years. Expenditures of \$1,000 or more for major renewals and betterments which increase the value or materially extend the life of the related assets are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

**Unconditional  
Promises to Give**

Promises to give are recognized as support when the donor makes a promise to give to CURE that is, in substance, unconditional. Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate applicable to the year in which the pledge is made.

**CURE CHILDHOOD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Use of Estimates**            Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**Reclassifications**        Certain amounts in the 2014 financial statements have been reclassified to conform to the 2015 classifications. These reclassifications have no material effect on total net assets.

**Subsequent Events**        CURE evaluated subsequent events for potential required disclosures through February 9, 2016 which is the date the financial statements were available to be issued.

**NOTE C – INVESTMENTS**

The following table summarizes CURE’s investments at their fair value measurements, all of which are Level 1 investments, in accordance with authoritative guidance as of June 30:

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	<b>2015</b>	2014
Government Obligations	<b>\$158,709</b>	\$243,569
Domestic Debt Mutual Funds	<b>109,737</b>	211,345
Hedged Mutual Funds	<b>260,555</b>	500,276
Domestic Equity Mutual Funds	<b>188,171</b>	552,481
International Equity Mutual Funds	<b>161,882</b>	266,572
Domestic Public Real Estate Mutual Funds	<b>49,624</b>	87,144
Commodity Mutual Funds	<b>94,482</b>	145,670
Total Investments	<b>\$1,023,160</b>	\$2,007,057
Marketable Securities, above	<b>\$1,023,160</b>	\$2,007,057
Cash and Cash Equivalents	<b>847,358</b>	172,138
Total Investment Portfolio	<b>\$1,870,518</b>	\$2,179,195

During the fiscal year ended June 30, 2015, CURE expended \$300,000 for research in accordance with the Spending Policy of the Quasi-Endowment.

**CURE CHILDHOOD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE D - ENDOWMENT**

CURE's endowment includes one donor-restricted endowment fund and a quasi-endowment fund designated by the Board of Directors to function similarly to an endowment. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function similarly to an endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Endowment Net Asset Composition by Type of Fund as of June 30, 2015:**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-restricted		<b>\$13,015</b>	<b>\$17,800</b>	<b>\$30,815</b>
Board-designated	<b>\$1,814,334</b>			<b>1,814,334</b>
<b>Total</b>	<b>\$1,814,334</b>	<b>\$13,015</b>	<b>\$17,800</b>	<b>\$1,845,149</b>

**Endowment Net Asset Composition by Type of Fund as of June 30, 2014:**

Donor-restricted		\$12,133	\$17,800	\$29,933
Board-designated	\$2,149,263			2,149,263
<b>Total</b>	<b>\$2,149,263</b>	<b>\$12,133</b>	<b>\$17,800</b>	<b>\$2,179,196</b>

**CURE CHILDHOOD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE D - ENDOWMENT - (continued)**

**Changes in Endowment Net Assets for the fiscal year ended June 30, 2015 and 2014:**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets, at June 30, 2013	\$1,927,097	\$11,252	\$17,800	\$1,956,149
Investment return:				
Investment income	68,105	881		68,896
Net appreciation (depreciation) (realized and unrealized)	175,380			175,380
Investment fees	(16,862)			(18,388)
Total investment return	225,007	881		225,888
Endowment assets appropriated for expenditure	(2,841)			(2,841)
Endowment net assets, at June 30, 2014	\$2,149,263	\$12,133	\$17,800	\$2,179,196
Investment return:				
Investment income	52,021	882		52,903
Net appreciation (depreciation) (realized and unrealized)	(69,542)			(69,542)
Investment fees	(17,408)			(17,408)
Total investment return	(34,929)	882		(34,047)
Endowment assets appropriated for expenditure	(300,000)			(300,000)
Endowment net assets, at June 30, 2015	<b>\$1,814,334</b>	<b>\$13,015</b>	<b>\$17,800</b>	<b>\$1,845,149</b>



**CURE CHILDHOOD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

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**NOTE D - ENDOWMENT - (continued)**

**Interpretation of Relevant Law**

The Board of Directors has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, CURE classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of June 30, 2015 or 2014.

**Return Objectives and Risk Parameters**

CURE has adopted investment and spending policies for endowment assets that strive to expand the purchasing power of the endowment fund (Fund) while providing for distributions based on its spending policy. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Directors, the endowment assets are invested in a manner that is intended to produce results that approximate the stated spending objectives plus the consumer price index assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount with the primary objective for the Fund being preservation and growth of principal.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, CURE relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

**CURE CHILDHOOD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE D - ENDOWMENT - (continued)**

**Strategies Employed for Achieving Objectives – (continued)**

The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

CURE has a policy of distributing annually 5 percent of the endowment fund's previous 12 month average balance. However, the Board of Directors have the right in any given year to spend any amount in excess or below this stated amount, as they deem appropriate. The Board has set a minimum balance for the fund at \$1,000,000. The fund can be reduced below this threshold only with approval from both the Finance Committee and the Executive Committee.

**NOTE E- INTANGIBLE ASSETS**

Intangible assets include software totaling \$1,014 and \$14,213; and, accumulated amortization of \$817 and \$13,678 as of June 30, 2015 and 2014, respectively. Current year amortization of \$338 and \$1,283 for fiscal years 2015 and 2014, respectively, was determined using the straight-line method over a 36-month period.

**NOTE F – FAMILY FUNDS HELD IN TRUST**

From time to time CURE enters into agreements to receive and administer funds on behalf of families impacted by pediatric cancer. Agreements have a three-year term and may be extended by mutual agreement; upon expiration or termination any unused funds are then considered a donation to CURE.

**NOTE G– TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets include the following as of June 30,	<b>2015</b>	2014
Research Funds		\$324,838
Meli Arant Memorial Research Fund - Unappropriated Income	<b>\$13,015</b>	12,133
	<b>\$13,015</b>	\$336,971

**NOTE H– PERMANENTLY RESTRICTED NET ASSETS**

In 1988 the Meli Arant Memorial Research Fund (The Fund) was established to honor the memory of Raymel Eugenia (Meli) Arant. The Fund was established as a perpetual fund and is maintained in the amount of cumulative gifts made to the Fund. Income shall be used to support leukemia research and such other related purposes deemed appropriate.

**CURE CHILDHOOD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE I- OPERATING LEASE**

In January 2014 CURE amended and extended the noncancellable lease commencing in November 2010; the lease now expires on or about June 2017. Future minimum lease payments are:

For the Year Ended June 30,	Amounts
2016	\$93,707
2017	96,028
	<b>\$189,735</b>

For the year ended June 30, 2015 and 2014 rent expense was \$77,709 and \$58,422, respectively. Deferred lease incentives represent waived rent that is recognized ratably over the term of the lease; the lease deferral recognized during each year ended June 30, 2015 and 2014 was \$8,771 and \$9,000.

**NOTE J- ALLOCATION OF JOINT COSTS**

During the fiscal year ended June 30, 2015 and 2014, CURE conducted activities that included requests for contributions, as well as program components. The costs of conducting certain events included joint costs which are not specifically attributable to particular components of the activities. These joint costs were allocated as follows:

	2015	2014
Fundraising Program:	\$38,259	\$57,768
Patient and Family Support	39,369	49,994
Total	\$77,628	\$107,762

**NOTE K- RETIREMENT PLAN**

CURE sponsors a SIMPLE IRA Plan for its employees. During the year ended June 30, 2015 and 2014, respectively, matching contributions approximated \$17,300 and \$12,000.

**NOTE L- CONCENTRATIONS**

CURE maintains its cash balances in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2015 and 2014, respectively, amounts held at financial institutions in excess of the FDIC limits approximated \$721,000 and \$468,000.

During the fiscal years ended June 30, 2015 and 2014, CURE generated approximately 15% and 13%, respectively, of its total support and revenue from fundraising activities attributable to one event.

**CURE CHILDHOOD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE M – RELATED PARTY TRANSACTIONS**

During the year ended June 30, 2015 and 2014, respectively, CURE received donations approximating \$420,000 and \$600,000 from board members, their related entities, or from donor advisor funds directed by them.

During the fiscal years ended June 30, 2015 and 2014, CURE received marketing services through a business in which a current Board Member is a majority owner. The amounts paid for those services, including the applicable pass-through expenses paid by them to other providers, approximated \$230,000 and \$185,000 for 2015 and 2014, respectively. During the fiscal year ended June 30, 2015, CURE compensated a board member approximately \$24,000 for special event coordination services.

**NOTE N – DONATED GOODS AND SERVICES**

The community provides in-kind goods and services throughout the year in support of the various activities conducted by CURE. Following are the functional allocations.

For the fiscal year ended June 30,	2015	2014
Fundraising	\$5,500	\$6,192
General and Administration Program:		43,707
Patient and Family Support	111,708	83,282
Total	<b>\$117,208</b>	\$133,181

**NOTE O – GRANTS PAYABLE AND OTHER COMMITMENTS**

Funding commitments are approved by CURE’s Board of Directors based on recommendations provided by CURE’s Scientific Advisory Council. Upon notification to grant recipients, CURE reports as a grant payable those awards that are in substance unconditional. Grants are due and payable as follows:

For the fiscal year ended June 30,	2016	2017	Total
Children’s Healthcare of Atlanta/Emory University	\$194,659		\$194,659
The Children’s Hospital of Philadelphia	249,211		249,211
Children’s Cancer Therapy Development Institute	81,281	\$81,281	162,562
Memorial Sloan Kettering Cancer Center	124,798		124,798
Total	\$774,948	\$81,281	\$856,229

Commitments to The AFLAC Cancer Center and Blood Disorders Service of Children’s Healthcare of Atlanta for the fiscal year ending June 30, 2016 totaled \$1,469,719.

**CURE CHILDHOOD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

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**NOTE P– RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

The financial statements for the fiscal years ended June 30, 2014 and June 30, 2013 were restated to properly report certain multi-year grant awards as unconditional promises to give in the year awarded.

The cumulative effect of those changes on beginning net assets for June 30, 2014 was a decrease in unrestricted net assets of \$195,570 with a corresponding increase in beginning grants payable and total current liabilities. For the fiscal year ended June 30, 2014 research expenses decreased by \$195,570 with a corresponding increase in net changes to net assets and to unrestricted and total net assets. Accordingly, there was no cumulative effect on ending net assets as of June 30, 2014.