



**CHILDREN'S CANCER & BLOOD  
FOUNDATION, INC.**

**Financial Statements**

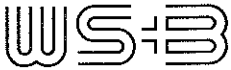
**December 31, 2013 and 2012**

**With Independent Auditors' Report**

**Children's Cancer & Blood Foundation, Inc.**  
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## **Independent Auditors' Report**

**To Children's Cancer & Blood Foundation, Inc.  
New York, New York**

We have audited the accompanying financial statements of Children's Cancer & Blood Foundation, Inc., which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and net assets, 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. 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 audits 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 auditors' 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 Children's Cancer & Blood Foundation, Inc. as of December 31, 2013 and 2012, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Withum Smith & Brown, PC*

November 3, 2014

Children's Cancer & Blood Foundation, Inc.  
 Statements of Financial Position  
 December 31, 2013 and 2012

	2013			2012		
	Operating Unrestricted	Temporarily Restricted	Permanently Restricted	Operating Unrestricted	Temporarily Restricted	Permanently Restricted
<b>Assets</b>			<b>Total</b>			<b>Total</b>
Cash and cash equivalents	\$ 393,379	\$ -	\$ 393,379	\$ 1,424,436	\$ 10,000	\$ 1,434,436
Investments, at market (cost \$3,596,879 in 2013 and \$2,037,091 in 2012)	3,317,324	-	3,317,324	2,033,000	-	2,033,000
Pledges receivable	-	306,750	306,750	-	283,893	283,893
Dividends receivable	4,090	-	4,090	7,594	-	7,594
Other assets	9,192	-	9,192	-	-	-
Donated art	98,624	-	98,624	102,943	-	102,943
<b>Total assets</b>	<b>\$ 3,822,609</b>	<b>\$ 306,750</b>	<b>\$ 4,129,359</b>	<b>\$ 3,567,973</b>	<b>\$ 273,893</b>	<b>\$ 3,841,866</b>
<b>Liabilities and Net Assets</b>						
<b>Liabilities</b>						
Accounts payable and accrued expenses	\$ 27,617	\$ -	\$ 27,617	\$ 20,000	\$ -	\$ 20,000
Grants payable	200,000	-	200,000	165,905	-	165,905
<b>Total liabilities</b>	<b>227,617</b>	<b>-</b>	<b>227,617</b>	<b>185,905</b>	<b>-</b>	<b>185,905</b>
<b>Net assets</b>	<b>3,594,992</b>	<b>306,750</b>	<b>3,901,742</b>	<b>3,382,068</b>	<b>273,893</b>	<b>3,655,961</b>
	<b>\$ 3,822,609</b>	<b>\$ 306,750</b>	<b>\$ 4,129,359</b>	<b>\$ 3,567,973</b>	<b>\$ 273,893</b>	<b>\$ 3,841,866</b>

The Notes to Financial Statements are an integral part of these statements.

**Children's Cancer & Blood Foundation, Inc.  
Statements of Activities and Net Assets  
Years Ended December 31, 2013 and 2012**

	2013			2012			
	Operating Unrestricted	Temporarily Restricted	Permanently Restricted	Operating Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and revenue							
Contributions	\$ 425,176	\$ 150,000	\$ -	\$ 379,597	\$ 7,830	\$ -	\$ 387,427
Contribution in-kind	15,000	-	-	15,000	-	-	15,000
Bequest	440,176	150,000	-	20,000	-	-	20,000
	<u>440,176</u>	<u>150,000</u>	<u>-</u>	<u>414,597</u>	<u>7,830</u>	<u>-</u>	<u>422,427</u>
Special events							
Revenue	730,018	156,750	-	808,323	164,854	-	973,677
Contributions	52,849	-	-	153,439	99,039	-	252,478
Contributions in-kind	268,612	-	-	235,150	-	-	235,150
Less related expenses	(421,589)	-	-	(441,384)	-	-	(441,384)
	<u>629,690</u>	<u>156,750</u>	<u>-</u>	<u>756,028</u>	<u>263,893</u>	<u>-</u>	<u>1,019,921</u>
Total public support	1,069,866	306,750	-	1,170,625	271,723	-	1,442,348
Interest and dividends	129,019	-	-	39,337	-	-	39,337
Realized gain (loss) on sale of investments	9,548	-	-	(48,617)	-	-	(48,617)
Income from shopping center	3,393	-	-	4,759	-	-	4,759
Net increase in fair market values of investments	166,226	-	-	49,670	-	-	49,670
Other income	-	-	-	4,533	-	-	4,533
Total other income	<u>308,186</u>	<u>-</u>	<u>-</u>	<u>49,682</u>	<u>-</u>	<u>-</u>	<u>49,682</u>
Net assets released from restrictions	273,893	(273,893)	-	138,780	(138,780)	-	-
Total support and revenue	1,651,945	32,857	-	1,359,087	132,943	-	1,492,030
Expenses							
Program services	985,003	-	-	834,648	-	-	834,648
Management and general	375,747	-	-	273,749	-	-	273,749
Fundraising	78,271	-	-	163,451	-	-	163,451
Total expenses	<u>1,439,021</u>	<u>-</u>	<u>-</u>	<u>1,271,848</u>	<u>-</u>	<u>-</u>	<u>1,271,848</u>
Increase in net assets	212,924	32,857	-	87,239	132,943	-	220,182
Net assets - beginning of year	3,352,068	273,893	445,781	3,294,829	140,950	445,781	3,881,560
Net assets - end of year	<u>\$ 3,594,992</u>	<u>\$ 306,750</u>	<u>\$ 445,781</u>	<u>\$ 3,382,068</u>	<u>\$ 273,893</u>	<u>\$ 445,781</u>	<u>\$ 4,101,742</u>

The Notes to Financial Statements are an integral part of these statements.

Children's Cancer & Blood Foundation, Inc.  
 Statements of Functional Expenses  
 Years Ended December 31, 2013 and 2012

	2013				2012			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Grants to New York Presbyterian Hospital, Division of Pediatric Hematology and Oncology	\$ 985,003	\$ -	\$ -	\$ 985,003	\$ 834,648	\$ -	\$ -	\$ 834,648
Payroll and related expenses	-	207,733	59,744	267,477	-	183,081	120,844	303,925
Salaries	-	13,709	9,571	23,280	-	13,709	17,257	30,966
Payroll taxes and related expenses	-	221,442	69,315	290,757	-	196,790	138,101	334,891
Other expenses	-	-	2,150	2,150	-	-	650	650
Dues and subscriptions	-	4,323	-	4,323	-	10,322	-	10,322
Insurance	-	2,445	-	2,445	-	2,423	-	2,423
Meetings and conferences	-	113,439	2,235	115,674	-	26,478	18,838	45,316
Office and miscellaneous expenses	-	15,000	-	15,000	-	15,000	-	15,000
Rent	-	19,098	-	19,098	-	22,736	-	22,736
Professional fees	-	-	4,571	4,571	-	-	5,862	5,862
Publications and printing	-	154,305	8,956	163,261	-	76,959	25,350	102,309
Total other expenses	-	375,747	78,271	454,018	-	273,749	163,451	437,200
	\$ 985,003	\$ 375,747	\$ 78,271	\$ 1,439,021	\$ 834,648	\$ 273,749	\$ 163,451	\$ 1,271,848

The Notes to Financial Statements are an integral part of these statements.

**Children's Cancer & Blood Foundation, Inc.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2013 and 2012**

	2013	2012
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 245,782	\$ 220,182
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Increase in fair market value of investments	(166,226)	(49,670)
Realized (gain) loss from investments	(9,548)	48,617
Stock contribution	(9,871)	(5,120)
Increase in pledges receivable	(42,857)	(132,943)
Decrease (increase) in dividends receivable	3,504	(2,857)
Decrease in donated art	4,138	60,731
Increase in other assets	(9,192)	-
(Decrease) increase in accounts payable and accrued expenses	(52,154)	61,398
Increase in grants payable	93,865	29,135
Net cash provided by operating activities	<u>57,441</u>	<u>229,473</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(3,295,754)	(2,072,414)
Proceeds from sale of investments	<u>1,751,295</u>	<u>824,156</u>
Net cash (used in) investing activities	<u>(1,544,459)</u>	<u>(1,248,258)</u>
Net decrease in cash	(1,487,018)	(1,018,785)
<b>Cash and cash equivalents - beginning of year</b>	<u>1,880,217</u>	<u>2,899,002</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 393,199</u>	<u>\$ 1,880,217</u>

The Notes to Financial Statements are an integral part of these statements.



**Children's Cancer & Blood Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2013 and 2012**

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**1. Organization and Purpose**

Children's Cancer & Blood Foundation, Inc. ("CCBF") provides funds that support the medical treatment and research for childhood blood disorders and cancers through the Division of Pediatric Hematology and Oncology at New York Presbyterian Hospital. CCBF's primary sources of funds are contributions from the general public.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The accounts of CCBF are maintained, and the accompanying financial statements have been prepared, on the accrual basis of accounting. Accordingly, revenue and its related assets are recognized when earned and expenses and their related liabilities are recognized when incurred.

**Cash and Cash Equivalents**

CCBF has defined cash and cash equivalents to include short-term investments with original maturities of three months or less. Cash and cash equivalents include a money market fund of \$96,775 and \$120,158 at December 31, 2013 and 2012, respectively.

**Pledges Receivable**

Unconditional pledges are recorded at their net realizable value. Management evaluates the pledges receivable for the purposes of establishing an allowance for doubtful accounts. Pledges will be written-off if and when deemed uncollectible.

**Contributions**

Contributions, including promises to give cash and other assets, are reported at fair value at the date the contributions are received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. Contributions received with donor imposed restrictions that are met within the same year in which the contributions are received are classified as unrestricted contributions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and are reported in the statement of activities and net assets as net assets released from restrictions. Temporarily restricted net assets comprise time and purpose restricted pledges.

**Donated Services and Rent**

Many board members volunteer their time to the various activities of CCBF. No amounts have been reflected in the financial statements for the value of these services. CCBF also utilizes space that is provided at no charge by the New York Presbyterian Hospital. The fair value of rent provided in this manner to CCBF was included in the statement of activities and net assets at its estimated value of \$15,000 for the years ended December 31, 2013 and 2012.

**Use of Estimates in Financial Statements**

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 the date of financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates relate to the allocation of costs between management and general and fund raising expenses and estimates relating to the collectability of pledges, valuation of gifts in-kind and pledge receivables.

**Children's Cancer & Blood Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2013 and 2012**

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**Income Taxes**

CCBF qualifies as a tax-exempt organization, pursuant to Section 501(c)(3) of the Internal Revenue Code, and is classified as an organization that is a publicly supported charity under Section 509(a)(1) of the Internal Revenue Code. Donors are entitled to the maximum income tax benefits permitted under present federal law.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by CCBF and recognize a tax liability (or asset) if CCBF has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by CCBF, and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. CCBF is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. CCBF is no longer subject to US federal and state income tax examinations by tax authorities for years before 2010. In addition, there are no tax related interest or penalties for periods presented in these financial statements.

**Investments**

Securities received as contributions generally are immediately sold. These securities are recorded at their fair value at the dates of contributions, or if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of value at the dates of contribution).

**Net Increase in Fair Market Value of Investments**

Net increase (decrease) in fair market value of investments includes both realized gains (losses) on investments sold and unrealized gains (losses) on investments held.

The change in unrealized gains (losses) on investments represents the difference between the market value and cost of investments at the end of the year and the market value and cost of investments at the beginning of the year or the date of purchase, whichever is later.

**Grants**

Grants are recorded when approved by the Board of Directors and all conditions are met.

**Functional Allocation of Expenses**

The costs of providing CCBF's programs and supporting services have been summarized on a functional basis in the accompanying statement of activities and net assets.

**3. Pledges Receivable**

At June 30, 2013 and 2012, pledges receivable due in less than one year are \$206,750 and \$263,893 respectively. Pledges receivable in two to three years are \$100,000 in 2013.

**4. Investments**

Accounting principles generally accepted in the United States of America define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

Accounting principles generally accepted in the United States of America establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the securities based on market data obtained from sources independent of CCBF. Unobservable inputs reflect CCBF assumptions about the inputs market participants would use in pricing the security developed based on the best information available in the circumstances.

**Children's Cancer & Blood Foundation, Inc.**  
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The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that CCBF has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair market valuations are based on quoted prices in active markets for identical assets that CCBF has the ability to access (Level 1). Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

The aggregate fair value of investments by type is as follows:

	2013	2012
Marketable Securities	\$ 580,196	\$ 231,112
Mutual Funds	<u>3,182,909</u>	<u>1,801,888</u>
	<u>\$ 3,763,105</u>	<u>\$ 2,033,000</u>

**5. Related Party Transactions**

Contributions and special event income from members of the Board of Directors amounted to approximately \$540,000 and \$371,000 for the years ended December 31, 2013 and 2012, respectively.

**6. Permanently Restricted Net Assets**

Permanently restricted net assets consist of endowment fund investments to be held indefinitely, the income from which is expendable to fund one or more fellowships in pediatric hematology research.

The Board of Directors of CCBF 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, the CCBF classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (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, if applicable. In accordance with SPMIFA, CCBF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) duration and preservation of the fund, (2) purposes of the CCBF and the donor-restricted endowment fund, (3) general economic conditions, (4) possible effect of inflation and deflation, (5) expected total return from income and the appreciation of investments, (6) other resources of CCBF and (7) investment policies of CCBF.

**Children's Cancer & Blood Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2013 and 2012**

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There was no change in endowment net assets for the years ended December 31, 2013 and 2012.

**7. Concentrations of Credit Risk and Other Information**

Cash held at two financial institutions exceeds the Federal Deposit Insurance Corporation ("FDIC") limits, which exposes CCBF to a concentration of credit risk. At December 31, 2013 and 2012, the excess amounted to \$128,000 and \$671,000, respectively.

Three pledges receivable aggregated approximately 85% and 63% of the total pledges receivable at December 31, 2013 and 2012, respectively.

**8. Subsequent Events**

The Foundation has evaluated subsequent events through November 3, 2014, the date the financial statements were available for distribution. Based on this evaluation, CCBF has determined that no events have occurred subsequent to the balance sheet date that would require adjustment to or disclosure in the financial statements.