

Solving Kids' Cancer, Inc.
(a nonprofit New York corporation)
New York, New York

Financial Statements

December 31, 2023 and 2022

DRAFT

Solving Kids' Cancer, Inc.

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Independent Auditors' Report

To the Board of Directors
Solving Kids' Cancer, Inc.
New York, New York

Opinion

We have audited the accompanying financial statements of Solving Kids' Cancer, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Solving Kids' Cancer, Inc. as of December 31, 2023, 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. The financial statements of Solving Kids' Cancer, Inc. as of December 31, 2022 were audited by other auditors whose report dated October 11, 2023 expressed an unmodified opinion on those statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section in our report. We are required to be independent of Solving Kids' Cancer, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Solving Kids' Cancer, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Solving Kids' Cancer, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Solving Kids' Cancer, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Certified Public Accountants

Plymouth, Michigan
Date Pending

Solving Kids' Cancer, Inc.

Statements of Financial Position

December 31	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 567,892	\$ 2,347,709
Investments	1,302,883	-
Pledges receivable	65,000	93,245
Prepaid expenses	5,081	5,804
Total current assets	<u>1,940,856</u>	<u>2,446,758</u>
Property and Equipment		
Digital assets	224,392	224,392
Office equipment	5,160	5,160
Accumulated depreciation	(229,552)	(229,552)
Net property and equipment	<u>-</u>	<u>-</u>
Other Assets		
Security deposits	1,468	1,468
Right-of-use asset, net	132,999	147,253
Total other assets	<u>134,467</u>	<u>148,721</u>
Total assets	<u>\$ 2,075,323</u>	<u>\$ 2,595,479</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 21,163	\$ 4,926
Operating lease obligations, current portion	14,598	14,254
Total current liabilities	<u>35,761</u>	<u>19,180</u>
Long-Term Liabilities		
Operating lease obligations, net of current portion	<u>118,401</u>	<u>132,999</u>
Total liabilities	<u>154,162</u>	<u>152,179</u>
Net Assets		
Without donor restrictions		
Board-designated - Daniela Fund	90,310	90,310
Undesignated	340,735	543,285
Total without donor restrictions	<u>431,045</u>	<u>633,595</u>
With donor restrictions	<u>1,490,116</u>	<u>1,809,705</u>
Total net assets	<u>1,921,161</u>	<u>2,443,300</u>
Total liabilities and net assets	<u>\$ 2,075,323</u>	<u>\$ 2,595,479</u>

The accompanying Notes are an integral
part of these financial statements

Solving Kids' Cancer, Inc.

Statement of Activities

Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Operating Support			
Grants and contributions	\$ 184,289	\$ 266,224	\$ 450,513
Special event contributions	207,063	-	207,063
Net assets released from restrictions			
Satisfaction of purpose restrictions	492,568	(492,568)	-
Expiration of time restrictions	93,245	(93,245)	-
Total operating support	977,165	(319,589)	657,576
Operating Revenue			
Special event revenue, net of expenses (excludes support of \$207,063 above)	(88,370)	-	(88,370)
Total operating support and revenue	888,795	(319,589)	569,206
Operating Expenses			
Program services	732,026	-	732,026
Supporting services			
General and administrative	190,028	-	190,028
Fundraising	241,153	-	241,153
Total supporting services	431,181	-	431,181
Total operating expenses	1,163,207	-	1,163,207
Total operating support and revenue in deficit of operating expenses	(274,412)	(319,589)	(594,001)
Other Changes			
Non-investment interest income	43,954	-	43,954
Investment interest income	27,908	-	27,908
Total other changes	71,862	-	71,862
Change in Net Assets	(202,550)	(319,589)	(522,139)
Net Assets, Beginning of Year	633,595	1,809,705	2,443,300
Net Assets, End of Year	\$ 431,045	\$ 1,490,116	\$ 1,921,161

The accompanying Notes are an integral
part of these financial statements

Solving Kids' Cancer, Inc.

Statement of Activities

Year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Operating Support			
Grants and contributions	\$ 300,500	\$ 309,543	\$ 610,043
Special event contributions	281,859	-	281,859
Net assets released from restrictions			
Satisfaction of purpose restrictions	389,764	(389,764)	-
Expiration of time restrictions	69,307	(69,307)	-
Total operating support	1,041,430	(149,528)	891,902
Operating Revenue			
Special event revenue, net of expenses (excludes support of \$281,859 above)	(37,606)	-	(37,606)
Total operating support and revenue	1,003,824	(149,528)	854,296
Operating Expenses			
Program services	748,578	-	748,578
Supporting services			
General and administrative	217,506	-	217,506
Fundraising	229,013	-	229,013
Total supporting services	446,519	-	446,519
Total operating expenses	1,195,097	-	1,195,097
Total operating support and revenue in deficit of operating expenses	(191,273)	(149,528)	(340,801)
Other Changes			
Non-investment interest income	25,663	-	25,663
Change in Net Assets	(165,610)	(149,528)	(315,138)
Net Assets, Beginning of Year	799,205	1,959,233	2,758,438
Net Assets, End of Year	\$ 633,595	\$ 1,809,705	\$ 2,443,300

The accompanying Notes are an integral
part of these financial statements

Solving Kids' Cancer, Inc.

Statement of Functional Expenses

Year ended December 31, 2023

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fundraising	Total	
Salaries and wages	\$ 187,830	\$ 64,887	\$ 88,792	\$ 153,679	\$ 341,509
Employee benefits	16,513	5,705	7,806	13,511	30,024
Payroll taxes	13,963	4,824	6,601	11,425	25,388
Total personnel costs	218,306	75,416	103,199	178,615	396,921
Grant expenses	511,773	-	-	-	511,773
Fundraising expenses	-	-	85,290	85,290	85,290
Accounting fees	-	53,543	-	53,543	53,543
Consulting	-	-	24,000	24,000	24,000
Advertising	-	-	21,006	21,006	21,006
Occupancy	-	17,618	-	17,618	17,618
Other contracted services	-	14,113	-	14,113	14,113
Dues and fees	-	9,416	-	9,416	9,416
Bank and service charges	-	666	7,658	8,324	8,324
Travel	1,947	6,168	-	6,168	8,115
Insurance	-	6,377	-	6,377	6,377
Information technology	-	4,904	-	4,904	4,904
Office expenses	-	1,054	-	1,054	1,054
Printing, publications, and postage	-	753	-	753	753
Total expenses	\$ 732,026	\$ 190,028	\$ 241,153	\$ 431,181	\$ 1,163,207

The accompanying Notes are an integral
part of these financial statements

Solving Kids' Cancer, Inc.

Statement of Functional Expenses

Year ended December 31, 2022

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fundraising	Total	
Salaries and wages	\$ 177,560	\$ 109,479	\$ 106,119	\$ 215,598	\$ 393,158
Employee benefits	28,515	3,128	9,700	12,828	41,343
Payroll taxes	18,152	1,110	9,951	11,061	29,213
Total personnel costs	224,227	113,717	125,770	239,487	463,714
Grant expenses	522,345	-	-	-	522,345
Fundraising expenses	-	-	63,437	63,437	63,437
Accounting fees	-	44,625	-	44,625	44,625
Occupancy	-	28,042	-	28,042	28,042
Consulting	-	-	24,000	24,000	24,000
Dues and fees	-	10,307	-	10,307	10,307
Advertising	-	-	8,565	8,565	8,565
Travel	2,006	6,352	-	6,352	8,358
Bank and service charges	-	630	7,241	7,871	7,871
Insurance	-	5,867	-	5,867	5,867
Information technology	-	5,537	-	5,537	5,537
Office expenses	-	1,255	-	1,255	1,255
Printing, publications, and postage	-	869	-	869	869
Conferences and meetings	-	305	-	305	305
Total expenses	<u>\$ 748,578</u>	<u>\$ 217,506</u>	<u>\$ 229,013</u>	<u>\$ 446,519</u>	<u>\$1,195,097</u>

The accompanying Notes are an integral
part of these financial statements

Solving Kids' Cancer, Inc.

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2023	2022
Cash Flows From Operating Activities		
Change in net assets	\$ (522,139)	\$ (315,138)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Amortization of treasury bills discount recorded as interest income	(20,343)	-
Increase (decrease) from changes in assets and liabilities		
Pledges receivable	28,245	(23,938)
Prepaid expenses	723	1,223
Security deposits	-	2,117
Accounts payable	16,237	(10,935)
Net cash used by operating activities	<u>(497,277)</u>	<u>(346,671)</u>
Cash Flows From Investing Activities		
Net purchases of investments	<u>(1,282,540)</u>	<u>-</u>
Net cash used by investing activities	<u>(1,282,540)</u>	<u>-</u>
Net Decrease in Cash and Cash Equivalents	(1,779,817)	(346,671)
Cash and Cash Equivalents, Beginning of Year	2,347,709	2,694,380
Cash and Cash Equivalents, End of Year	\$ 567,892	\$ 2,347,709

Solving Kids' Cancer, Inc.

Notes to Financial Statements

December 31, 2023 and 2022

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. Solving Kids' Cancer, Inc. ("the Organization") is a non-profit organization whose purpose is to find, fund, and advocate for breakthrough treatment options to cure children with the most fatal pediatric cancers through a patient-centric approach. The Organization works to improve survival of the deadliest childhood cancers by accelerating the delivery of breakthrough treatments through clinical research, influencing research priorities and empowering families. The Organization extends their reach globally by driving international collaborations to foster the development of innovative clinical trials that bring more effective treatments to children in the U.S., Europe and beyond.

Basis of Accounting. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents. The Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments. The Organization's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization's management determines the valuation policies utilizing information provided by the investment advisors and custodians.

Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair Value Measurements. The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, provides the 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 under FASB ASC 820 are described below:

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

Solving Kids' Cancer, Inc.

Notes to Financial Statements

December 31, 2023 and 2022

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Fair Value Measurements (continued).

Level 2. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- 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 methodology used for assets measured at fair value on a recurring basis:

Treasury Bills. The Organization values treasury bills with readily determinable market values at fair value as determined by quoted market prices from active market makers and inter-dealer brokers.

The method described above may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization 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. There have been no changes in the methodologies used at December 31, 2023 and 2022.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

Solving Kids' Cancer, Inc.

Notes to Financial Statements

December 31, 2023 and 2022

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Pledges Receivable. Unconditional promises to give are recognized as support in the period received. Pledges receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible pledges. The allowance for uncollectible pledges is estimated based on management's review of specific pledges outstanding. Management believes that all pledges receivable are fully collectible at December 31, 2023 and 2022, and accordingly, no allowance for doubtful pledges has been recorded. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment. It is the Organization's policy to capitalize property at cost while repair and maintenance items are charged to expense. Donations of property, if any, are capitalized at their estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset for a specific purpose. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the assets, which is currently calculated at three to seven years for digital assets and three to five years for office equipment. Depreciation expense for each of the years ended December 31, 2023 and 2022 was \$0.

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that property, equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended December 31, 2023 and 2022.

Right-of-Use Assets and Leases. The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") lease assets, current portion of lease obligations, and long term lease obligations on the Organization's statements of financial position. ROU lease assets represent the Organization's right to use an underlying asset for the lease term and lease obligations represent the Organization's obligation to make lease payments arising from the lease. Operating ROU lease assets and obligations are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization's lease does not provide an implicit rate, therefore, the Organization uses a risk-free borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The ROU lease asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Basis of Net Asset Presentation. The Organization reports information regarding its financial position and activities according to two classes of net assets, net assets without donor restrictions and net assets with donor restrictions:

Net Assets Without Donor Restrictions. Net assets resulting from revenues generated, receiving contributions that have no donor stipulations, providing services, and receiving interest and other income, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Solving Kids' Cancer, Inc.

Notes to Financial Statements

December 31, 2023 and 2022

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Basis of Net Asset Presentation (continued).

Net Assets With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated net assets until the donor restriction expires, that is, until the stipulated time restriction ends or the purpose restriction is accomplished.

Revenue Recognition.

The Organization's revenue consists of ticket sales for special fundraising events (see Note 6).

Timing of Satisfaction. The Organization satisfies its performance obligations for event tickets at the time of the event occurrence.

Grants and Contributions. Grants and contributions are recognized when donations are received. Donor-restricted grants and contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Grants and contributions that are restricted by the grantor or donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the grants and contributions are recognized.

Contributed Services. Contributed services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills and would not typically need to be purchased if not provided by donation. Certain other volunteer services are not recorded in these financial statements as they do not meet the criteria for recognition. The Organization did not receive any contributions of contributed services for the years ended December 31, 2023 and 2022.

Functional Allocation of Expenses. Direct expenses have been allocated to the applicable program for which the expense was incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Advertising. The Organization expenses advertising costs, including donated advertising, as incurred. For the years ended December 31, 2023 and 2022, total advertising expense was \$21,006 and \$8,565, respectively.

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Reclassifications. Certain amounts have been reclassified from the prior year financial statements to conform to the current year presentation without affecting total net assets as of December 31, 2022.

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through **Date Pending**, the date at which the financial statements were available for release.

Solving Kids' Cancer, Inc.

Notes to Financial Statements

December 31, 2023 and 2022

Note 2 – Fair Value Measurements

The following table summarizes the Organization's fair value of assets measured on a recurring basis by fair value hierarchy as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Treasury Bills	<u>\$ 1,302,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,302,883</u>

The Organization did not have any investments as of December 31, 2022.

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2023, there were no significant transfers in or out of fair value levels.

Net investment earnings consisted of the following for the year ended December 31, 2023:

Interest income	<u>\$ 27,908</u>
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Note 3 – Right-of-Use Asset

Right-of-use asset consists of the following at December 31:

	2023	2022
Right-of-use asset under operating lease (office space)	<u>\$ 156,568</u>	<u>\$ 156,568</u>
Less accumulated amortization	<u>(23,569)</u>	<u>(9,315)</u>
Net right-of-use asset	<u>\$ 132,999</u>	<u>\$ 147,253</u>

For the years ended December 31, 2023 and 2022, amortization of the right-of-use asset was \$14,254 and \$9,315, respectively.

Solving Kids' Cancer, Inc.

Notes to Financial Statements

December 31, 2023 and 2022

Note 4 – Leases and Commitments

Operating lease obligations consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Operating lease agreement for office space; monthly payment of \$1,468; 120-month lease term expiring March 2032, net of unamortized present value discount	\$ 132,999	\$ 147,253
Less current portion	<u>(14,598)</u>	<u>(14,254)</u>
Operating lease obligations, net of current portion, net of unamortized present value discount	<u>\$ 118,401</u>	<u>\$ 132,999</u>
Weighted average discount rate	2.39%	2.39%
Weighted average remaining lease term	8.20	9.20

Future annual lease payments required under operating leases are as follows at December 31, 2023:

Year ended December 31	Lease obligations	Present value discount	Net of unamortized discount
2024	\$ 17,618	\$ (3,020)	\$ 14,598
2025	17,618	(2,667)	14,951
2026	17,618	(2,306)	15,312
2027	17,618	(1,990)	15,628
2028	17,618	(1,557)	16,061
Thereafter	57,257	(808)	56,449
Total	<u>\$ 145,347</u>	<u>\$ (12,348)</u>	<u>\$ 132,999</u>

Solving Kids' Cancer, Inc.

Notes to Financial Statements

December 31, 2023 and 2022

Note 5 – Net Assets with Donor Restrictions

The following summarizes the balances of net assets with donor restrictions at December 31, 2023:

	January 1, 2023	Additions	Releases	December 31, 2023
<i>Time restrictions</i>	\$ 93,245	\$ 65,000	\$ 93,245	\$ 65,000
<i>Purpose restrictions</i>				
Medullo General Clinical Research	1,036,359	9,092	137,787	907,664
Bibi Fund	570,248	9,862	193,482	386,628
Ultra High Risk NB	25,105	-	-	25,105
ETMR - One	25,000	125,000	150,000	-
Indolent NB	25,000	-	-	25,000
TLC Brain Tumor Fund	23,449	-	-	23,449
Ph. 1 Clin Trial, oncolytic virotherapy for high-risk brain tumors	9,092	-	9,092	-
Neuroblastoma Phi/ii ALKi	2,207	-	2,207	-
Ph. I/II Clin Trial – personalized therapy using organotypic slice culture for high-risk brain tumors	-	57,270	-	57,270
	<u>\$ 1,809,705</u>	<u>\$ 266,224</u>	<u>\$ 585,813</u>	<u>\$ 1,490,116</u>

Solving Kids' Cancer, Inc.

Notes to Financial Statements

December 31, 2023 and 2022

Note 5 – Net Assets with Donor Restrictions (continued)

The following summarizes the balances of net assets with donor restrictions at December 31, 2022:

	January 1, 2022	Additions	Releases	December 31, 2022
<i>Time restrictions</i>	\$ 69,307	\$ 93,245	\$ 69,307	\$ 93,245
<i>Purpose restrictions</i>				
Medullo General Clinical Research	955,738	125,000	44,379	1,036,359
Bibi Fund	657,101	-	86,853	570,248
Ph. I Pilot Study - TNF inhibition + nivolumab turning cold tumors hot in medulloblastoma	125,000	-	125,000	-
Ph. III Clin Trial, integration of Lorlatinib into frontline neuroblastoma Clin Trial (TITAN)/treatment protocol in a COG (US) + SIOPEX (EU) collaboration	37,500	-	37,500	-
TLC Brain Tumor Fund	37,435	-	13,986	23,449
Ph. I Clin Trial, MiNivAN: triplet combination therapy	36,014	13,986	50,000	-
Ultra High Risk NB	32,046	25,105	32,046	25,105
Ph. I Clin Trial, oncolytic virotherapy for high-risk brain tumors	9,092	-	-	9,092
ETMR - One	-	25,000	-	25,000
Indolent NB	-	25,000	-	25,000
Neuroblastoma Phi/ii ALKi	-	2,207	-	2,207
	<u>\$ 1,959,233</u>	<u>\$ 309,543</u>	<u>\$ 459,071</u>	<u>\$ 1,809,705</u>

Note 6 – Special Events

The Organization derived net income from the following special fundraising events during the year ended December 31, 2023:

	Spring	Hamptons	Total
Contributions	\$ 182,858	\$ 2,632	\$ 185,490
Ticket sales	79,885	21,005	100,890
Auction sales	21,574	-	21,574
Direct costs	(177,510)	(11,751)	(189,261)
	<u>\$ 106,807</u>	<u>\$ 11,886</u>	<u>\$ 118,693</u>

Solving Kids' Cancer, Inc.

Notes to Financial Statements

December 31, 2023 and 2022

Note 6 – Special Events (continued)

The Organization derived net income from the following special fundraising events during the year ended December 31, 2022:

	Spring	Hamptons	Total
Contributions	\$ 253,746	\$ 13,255	\$ 267,001
Ticket sales	108,300	8,116	116,416
Auction sales	14,859	-	14,859
Direct costs	(146,166)	(7,857)	(154,023)
	<u>\$ 230,739</u>	<u>\$ 13,514</u>	<u>\$ 244,253</u>

Note 7 – Liquidity and Availability of Resources

The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a goal to maintain current financial assets less current liabilities at a minimum of three months budgeted operating expenses. To achieve this target, the Organization forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended December 31, 2023 and 2022, the level of liquidity and reserves was managed within the policy requirements.

The Organization's financial assets available for general expenditures within one year are as follows at December 31:

	2023	2022
Financial assets at year-end:		
Cash and cash equivalents	\$ 567,892	\$ 2,347,709
Investments	1,302,883	-
Pledges receivable	65,000	93,245
	<u>\$ 1,935,775</u>	<u>\$ 2,440,954</u>
Less amounts not available to be used within one year:		
Net assets subject to donor restrictions	(1,490,116)	(1,809,705)
Board-designated net assets	(90,310)	(90,310)
Estimated releases	-	127,000
	<u>(1,580,426)</u>	<u>(1,773,015)</u>
Financial assets available for general expenditures within one year	<u>\$ 355,349</u>	<u>\$ 667,939</u>

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Notes to Financial Statements

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Note 8 – Concentration of Credit Risk

Major Donors. During the years ended December 31, 2023 and 2022, respectively, approximately 27% and 22% of the Organization's support and revenue was derived from two donors.

Receivables Concentration. 100% of the Organization's receivables were derived from two donors as of December 31, 2023. 80% of the Organization's receivables were derived from three donors as of December 31, 2022.

Bank Deposits. The Organization maintained cash balances in excess of federally insured limits at certain times during the years ended December 31, 2023 and 2022.

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