

**CHILDREN'S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

**CHILDREN'S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

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YEARS ENDED DECEMBER 31, 2018 AND 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Children's Cancer Partners of the Carolinas, Inc.
Spartanburg, South Carolina

We have audited the accompanying financial statements of the Children's Cancer Partners of the Carolinas, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the 2018 financial statements referred to above present fairly, in all material respects, the financial position of the Children's Cancer Partners of the Carolinas, Inc. as of December 31, 2018, 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.

Prior Period Financial Statements

The financial statements of the Children's Cancer Partners of the Carolinas, Inc. as of December 31, 2017, were audited by other auditors whose report dated March 20, 2018, expressed an unmodified opinion on those statements.

Greene Finney, LLP

Greene Finney, LLP
Mauldin, South Carolina
July 19, 2019

**CHILDREN'S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 AND 2017

ASSETS	2018	2017
Current Assets:		
Cash and Cash Equivalents	\$ 855,999	\$ 964,666
Investments, Current	50,324	-
Pledges Receivable, Net	-	250,000
Prepaid Expenses	2,180	2,449
Total Current Assets	<u>908,503</u>	<u>1,217,115</u>
Noncurrent Assets:		
Investments, Noncurrent	448,412	1,173,641
Property and Equipment, Net	17,573	9,693
Total Noncurrent Assets	<u>465,985</u>	<u>1,183,334</u>
TOTAL ASSETS	<u>\$ 1,374,488</u>	<u>\$ 2,400,449</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 28,107	\$ 18,352
Accrued Salaries and Benefits	23,104	15,698
Deferred Revenues	59,840	-
Total Current Liabilities	<u>111,051</u>	<u>34,050</u>
TOTAL LIABILITIES	<u>111,051</u>	<u>34,050</u>
NET ASSETS		
Without Donor Restrictions:		
Undesignated	1,202,514	1,006,706
Net Investment in Property and Equipment	17,573	9,693
With Donor Restrictions	43,350	1,350,000
TOTAL NET ASSETS	<u>1,263,437</u>	<u>2,366,399</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,374,488</u>	<u>\$ 2,400,449</u>

The notes to the financial statements are an integral part of these financial statements.
See the accompanying independent auditor's report.

**CHILDREN'S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Contributions	\$ 326,395	-	\$ 326,395
Grants	132,500	43,350	175,850
Fundraising	95,584	-	95,584
Gifts in Kind	88,307	-	88,307
Investment Returns, Net	(3,103)	-	(3,103)
Net Assets Released From Restrictions	1,350,000	(1,350,000)	-
	<u>1,989,683</u>	<u>(1,306,650)</u>	<u>683,033</u>
EXPENSES			
Program	1,521,853	-	1,521,853
Management and General	105,039	-	105,039
Fundraising	159,103	-	159,103
	<u>1,785,995</u>	<u>-</u>	<u>1,785,995</u>
CHANGE IN NET ASSETS	203,688	(1,306,650)	(1,102,962)
NET ASSETS, Beginning of Year	<u>1,016,399</u>	<u>1,350,000</u>	<u>2,366,399</u>
NET ASSETS, End of Year	<u>\$ 1,220,087</u>	<u>43,350</u>	<u>\$ 1,263,437</u>

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**CHILDREN'S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Contributions	\$ 139,883	-	\$ 139,883
Grants	67,216	-	67,216
Fundraising	42,971	-	42,971
Gifts in Kind	30,022	-	30,022
Investment Returns, Net	43,266	-	43,266
Net Assets Released From Restrictions	1,100,000	(1,100,000)	-
	<u>1,423,358</u>	<u>(1,100,000)</u>	<u>323,358</u>
Total Revenues and Other Support			
EXPENSES			
Program	901,932	-	901,932
Management and General	80,115	-	80,115
Fundraising	83,682	-	83,682
	<u>1,065,729</u>	<u>-</u>	<u>1,065,729</u>
Total Expenses			
CHANGE IN NET ASSETS	357,629	(1,100,000)	(742,371)
NET ASSETS, Beginning of Year	<u>658,770</u>	<u>2,450,000</u>	<u>3,108,770</u>
NET ASSETS, End of Year	<u>\$ 1,016,399</u>	<u>1,350,000</u>	<u>\$ 2,366,399</u>

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**CHILDREN'S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

	Program	Support Services		Total
		Management and General	Fundraising	
Advertising	\$ 17,655	6,136	8,878	\$ 32,669
Bank Charges and Fees	-	5,989	-	5,989
Client Assistance	847,778	-	-	847,778
Computer Support and Software	1,312	1,558	937	3,807
Conferences and Training	3,362	3,975	5,972	13,309
Contracted Services	10,537	13,391	23,121	47,049
Depreciation	2,563	854	854	4,271
Dues and Subscriptions	1,830	1,844	1,499	5,173
Employee Benefits	57,902	2,979	14,535	75,416
Gifts in Kind	12,507	-	-	12,507
Insurance	3,600	2,100	1,116	6,816
Outreach	176,899	-	-	176,899
Office Supplies	8,602	2,314	1,749	12,665
Payroll Taxes	22,665	4,915	4,894	32,474
Postage and Shipping	274	397	4,408	5,079
Printing and Copies	5,413	1,938	10,418	17,769
Professional Fees	8,350	4,420	2,718	15,488
Rent	21,778	6,588	6,588	34,954
Salaries and Wages	306,593	42,799	65,711	415,103
Telephone and Internet	3,196	252	285	3,733
Travel and Transportation	7,419	2,037	4,959	14,415
Utilities	1,618	553	461	2,632
	<u>\$ 1,521,853</u>	<u>105,039</u>	<u>159,103</u>	<u>\$ 1,785,995</u>

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**CHILDREN'S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017

	Program	Support Services		Total
		Management and General	Fundraising	
Advertising	\$ 29,979	10,668	12,950	\$ 53,597
Bank Charges and Fees	-	567	1,916	2,483
Client Assistance	471,521	-	-	471,521
Computer Support and Software	1,406	29	38	1,473
Conferences and Training	2,217	2,693	1,391	6,301
Contracted Services	26,494	8,063	8,647	43,204
Depreciation	1,064	354	354	1,772
Dues and Subscriptions	3,858	1,311	1,433	6,602
Employee Benefits	16,014	10,004	4,255	30,273
Gifts in Kind	30,022	-	-	30,022
Insurance	3,290	2,059	1,095	6,444
Office Supplies	4,872	2,310	1,780	8,962
Payroll Taxes	20,842	1,633	1,548	24,023
Postage and Shipping	4,383	57	2,426	6,866
Printing and Copies	5,743	406	2,039	8,188
Professional Fees	9,548	4,154	3,038	16,740
Rent	14,878	3,041	2,941	20,860
Salaries and Wages	240,955	29,187	29,187	299,329
Special Events	-	1,362	5,753	7,115
Telephone and Internet	5,090	906	822	6,818
Travel and Transportation	8,479	747	1,729	10,955
Utilities	1,277	564	340	2,181
	<u>\$ 901,932</u>	<u>80,115</u>	<u>83,682</u>	<u>\$ 1,065,729</u>

The notes to the financial statements are an integral part of these financial statements.
See the accompanying independent auditor's report.

**CHILDREN'S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (1,102,962)	\$ (742,371)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Used in Operating Activities:		
Depreciation Expense	4,271	1,772
Net Realized and Unrealized (Gains) Losses on Investments	24,905	(23,804)
Changes in Operating Assets and Liabilities:		
Decrease (Increase) in Pledges Receivable, Net	250,000	-
Decrease (Increase) in Prepaid Expenses	269	(229)
Increase (Decrease) in Accounts Payable	9,755	10,239
Increase (Decrease) in Accrued Salaries and Benefits	7,406	3,732
Increase (Decrease) in Deferred Revenue	59,840	-
NET CASH USED IN OPERATING ACTIVITIES	(746,516)	(750,661)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(12,151)	(11,466)
Contributions to the Spartanburg County Foundation	(150,000)	(5,672)
Proceeds from Maturity of Investments	1,300,000	1,200,000
Purchases of Investments	(500,000)	(150,000)
NET CASH PROVIDED BY INVESTING ACTIVITIES	637,849	1,032,862
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(108,667)	282,201
CASH AND CASH EQUIVALENTS, Beginning of Year	964,666	682,465
CASH AND CASH EQUIVALENTS, End of Year	\$ 855,999	\$ 964,666

The notes to the financial statements are an integral part of these financial statements.
See the accompanying independent auditor's report.

**CHILDREN’S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

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

Nature of Operations

The Children’s Cancer Partners of the Carolinas, Inc. (the “Organization”) was founded in 2001 and incorporated as a nonprofit corporation in 2005. The purpose of the Organization is to provide comprehensive support and loving compassion to families whose children are battling cancer to improve their overall quality of life by providing financial support, connecting those in need with those who can assist, and delivering hope to the families. The Organization assists families in South Carolina and North Carolina.

Basis of Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and are presented in accordance with FASB ASC 958-205 *Not-For-Profit Presentation of Financial Statements*.

Cash and Cash Equivalents

Cash equivalents included in these financial statements are defined as all highly liquid instruments purchased with an original maturity of three months or less.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statements of Financial Position. Investment returns are reported in the Statements of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

Receivables

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Allowances for uncollectible accounts are determined based on subsequent collections, past experience, and an assessment of economic conditions. Receivables are written off when deemed uncollectible.

Property and Equipment

The Organization capitalizes property and equipment costing more than \$1,000, while lesser amounts are usually expensed. Purchased property and equipment are stated at cost. Donated property and equipment are recorded at their estimated fair value at the date of receipt. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

**CHILDREN'S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

**NOTE A—NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Assets

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* are net assets available for use in general operations and not subject to donor-imposed restrictions. The Board, at its discretion, may designate a portion of the net assets without donor restrictions to be used for specific purposes.
- *Net Assets With Donor Restrictions* are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by the actions of the Organization or the passage of time. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. If a restriction is fulfilled during the same year in which the contribution is received, the Organization reports that support as an increase in net assets without donor restrictions.

Revenues

Contributions and grants, including unconditional promises to give, are recognized when received and are considered to be available for general use unless specifically restricted by the contributor or grantor. Amounts received that are designated for future periods or restricted by the donor or grantor for specific purposes that are not fulfilled during the current year are reported as increases to net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due unless the contribution is clearly intended to support the activities of the current fiscal year. Conditional promises to give are not included as support until conditions are substantially met. Event sponsorship revenues received in advance are deferred to the applicable period in which the event relates.

Contributed Services and In-kind Contributions

Local businesses and organizations have contributed significant amounts of services to the Organization. In addition, a number of unpaid volunteers have made significant contributions of their time to the Organization. For those contributed services that did not create or enhance non-financial assets or require specialized skills or that would not have been purchased if not donated, no amounts have been reflected in the financial statements for these services, since these services do not meet the criteria for recognition as contributed services. Services that meet the criteria for recognition as contributed services and in-kind contributions are recorded as contributions at their estimated fair market value. There was approximately \$88,000 and approximately \$30,000 in contributed services or in-kind contributions relating to program activities recorded in the years ended December 31, 2018 and 2017, respectively.

Outreach and Advertising Costs

The Organization uses outreach and advertising to promote its programs and fundraising activities. These costs are recorded as expenses when incurred. Outreach and advertising costs totaled approximately \$210,000 and approximately \$54,000 for the years ended December 31, 2018 and 2017, respectively.

**CHILDREN'S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

**NOTE A—NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Certain categories of expenses are attributable to both program services and supporting activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Allocated costs include salaries and wages, employee benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort, and depreciation, rent, utilities, office supplies, and other occupancy related costs, which are generally allocated on a usage of building basis.

Income Tax Status

The Organization has obtained exemption from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. In addition, the Organization is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. Management is not aware of any transactions or events that would disqualify its tax-exempt status. Therefore, no provision for income taxes has been included in the financial statements. The Organization's tax returns for the past three years remain open for examination by taxing authorities.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

Effective January 1, 2018, the Organization adopted Accounting Standards Update ("ASU") 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), which revises the way that all not-for-profits present financial statements. Key measures of this ASU included:

1. The reduction of the three existing net asset classes (unrestricted, temporarily restricted, and permanently restricted) to two net asset classes: net assets without donor restrictions and net assets with donor restrictions.
2. An analysis of expenses both by function and natural classification either in a separate statement or within the notes to the financial statements.
3. Enhancing disclosures surrounding donor restrictions and Board designations and providing information on the not-for-profit's financial assets and their liquidity.
4. Presentation of investment expenses netted against investment return.
5. Removing the requirement to show a reconciliation of the direct method of cash flows with the indirect method of cash flows within the statement of cash flows.

The adoption of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the periods presented. Net assets previously reported unrestricted are now reported as net assets without donor restrictions. Likewise, net assets previously reported as temporarily restricted are now reported as net assets with donor restrictions. The Organization did not have any permanently restricted net assets.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**CHILDREN’S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE B—LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures (those without donor or other restrictions limiting their use) within the year following December 31, 2018 consist of the following:

Cash and Cash Equivalents	\$	855,999
Investments*		150,598
		<u>\$ 1,006,597</u>

* Excludes the Organization's beneficial interest in assets held by the Spartanburg County Foundation of \$348,138 as these funds are not available for general expenditures.

In addition to the above amounts, the Organization anticipates being able to meet its liquidity needs during the upcoming year with contribution revenues received from donors of the Organization, grant revenues, and revenues generated by fundraising.

NOTE C—CONCENTRATION OF CREDIT RISK

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit (“CDs”) with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts.

NOTE D—PLEDGES RECEIVABLE

There were no pledges receivable as of December 31, 2018. Pledges receivable as of December 31, 2017 consisted of \$250,000 due from a special donor in which quarterly installments were made. The Organization considered this amount to be collectible and did not believe an allowance for uncollectible accounts was necessary.

NOTE E—INVESTMENTS

The fair value framework under generally accepted accounting principles requires the categorization of assets and liabilities into three levels based upon the assumptions used to value the assets or liabilities. The fair value 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 one measurements) and the lowest priority to unobservable inputs (level three measurements). The three levels of the fair value hierarchy are described below:

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

Level 2 – 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; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Significant unobservable inputs.

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.

**CHILDREN’S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE E—INVESTMENTS (CONTINUED)

The Organization’s CDs, which are traded in the financial markets, are valued by the custodians of the securities using observable market data and are classified as level 2. The fair value of the Organization’s beneficial interest in assets held by the Spartanburg County Foundation (“Foundation”) is based on the fair value of fund investments as reported by the Foundation. This is considered to be level 3. There have been no changes in the methodologies used at December 31, 2018.

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of December 31, 2018.

	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ -	150,598	-	\$ 150,598
Assets Held by the Spartanburg County Foundation	-	-	348,138	348,138
Total	<u>\$ -</u>	<u>150,598</u>	<u>348,138</u>	<u>\$ 498,736</u>

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of December 31, 2017.

	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ -	950,000	-	\$ 950,000
Assets Held by the Spartanburg County Foundation	-	-	223,641	223,641
Total	<u>\$ -</u>	<u>950,000</u>	<u>223,641</u>	<u>\$ 1,173,641</u>

The following is a reconciliation of the beginning and ending balance of the Organization’s beneficial interest in assets held by the Spartanburg County Foundation measured at fair value using significant unobservable inputs (level 3) for the years ended December 31, 2018 and 2017:

	2018	2017
Fair Value, Beginning of Year	\$ 223,641	\$ 194,164
Contributions	150,000	-
Dividends & Interest	6,289	3,821
Realized Capital Gains (Losses)	(404)	(879)
Unrealized Capital Gains (Losses)	(27,905)	22,964
Fundraising Revenue	-	5,673
Fee Expense	(3,483)	(2,102)
Fair Value, End of Year	<u>\$ 348,138</u>	<u>\$ 223,641</u>

The Organization’s assets held at the Foundation are held, managed, administered, applied, and disbursed, as a special fund under the general powers and duties of the Foundation. The principal and net income of the fund shall be devoted to the annual collection and distribution of community resources to support the operations of the Organization to include but not necessarily be limited to the basic needs of the families and children. Variance power has been granted to the Foundation to terminate the agreement and transfer the residue to some suitable entity.

**CHILDREN’S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE F—PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	Useful Life	2018	2017
Equipment	5 years	\$ 14,666	\$ 2,515
Software	3 years	8,950	8,950
		23,616	11,465
Less Accumulated Depreciation		(6,043)	(1,772)
		<u>\$ 17,573</u>	<u>\$ 9,693</u>

NOTE G—NET ASSETS

Net assets with donor restrictions were restricted for the following purposes or periods at December 31:

	2018	2017
Subject to the Passage of Time:		
Pledges Receivable Which Are Unavailable for Expenditure Until Future Years	\$ -	\$ 250,000
Special Gift for 2018 Operations and Christmas	-	1,100,000
Subject to Expenditure for Specified Purpose:		
Technology Upgrades	18,350	-
Kidz in Lids	25,000	-
	<u>\$ 43,350</u>	<u>\$ 1,350,000</u>

Net assets were released from donor restrictions during 2018 and 2017 by incurring expenses satisfying the restricted purposes, by the occurrence of other events specified by donors, or by being released from restrictions by the donors. During the years ended December 31, 2018 and 2017, \$1,350,000 and \$1,100,000, respectively, were released from donor restrictions.

NOTE H—RETIREMENT PLAN

Employees are eligible to participate in the Organization’s Simple IRA program maintained through an investment firm. The Organization will match employee withholdings up to three percent. For the years ended December 31, 2018 and 2017, employer contributions totaled approximately \$11,000 and approximately \$8,000, respectively.

NOTE I—COMMITMENTS

In April 2018, the organization entered into a lease agreement for office space. The agreement commenced in May 2018 and ends in April 2021. The terms of the agreement call for rent to be paid monthly. Rent payments are expected to be approximately \$31,000 in 2019, \$32,000 in 2020, and \$11,000 in 2021. Rent expense for the years ended December 31, 2018 and 2017 was approximately \$35,000 and approximately \$21,000, respectively.

NOTE J—SUBSEQUENT EVENTS

In January 2019, the Organization entered into an agreement for software development services. This project will increase operational efficiency by centralizing day to day processes in to one software module. The estimated cost of the project is approximately \$18,000. The Organization received funding during 2018 to assist in covering the cost of this project.

In March 2019, the Organization received a contribution from a donor in the amount of \$1,200,000.

**CHILDREN'S CANCER PARTNERS OF THE CAROLINAS, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE J—SUBSEQUENT EVENTS (CONTINUED)

In June 2019, the Organization purchased a van for approximately \$26,000, which was fully funded through a grant.

Subsequent events have been evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.