

2020 ANNUAL REPORT



Because no family should go
through childhood cancer alone™.



Meet some of our brave warriors!



Meet Caiden

Lymphoblastic Leukemia Warrior

It was a typical spring morning when Shaniya, Caiden's mom, went to wake up her son. "Typical" immediately turned traumatic when she found her six-year-old unresponsive. She rushed him to the hospital where he underwent a treacherous brain surgery for a brain bleed. It was during the surgery that doctors discovered her little boy had acute lymphoblastic leukemia.

"The assistance has helped our family tremendously! Our lives changed overnight with Caiden getting sick and the pandemic. We thank you very much," said Shaniya.



Meet Ali

Lymphoma Warrior

Beyond the Cure Ambassador Scholarship recipients are required to give back to the childhood cancer community on behalf of the NCCS, such as participating in "Cards4Kids." Cards4Kids are handmade cards created by scholarship recipients that offer messages of hope for kids with cancer. A card is sent to a child currently receiving NCCS assistance. Ali, pictured above, is a 3x scholarship recipient and lymphoma survivor who has created over 200 inspiring cards through the program.





Dear Friends,

As with most charities, 2020 has been one of the most challenging times in the history of The National Children's Cancer Society (NCCS). With the COVID-19 pandemic impacting everyday life, we had to adapt to the unprecedented circumstances in order to serve all of the families of children with cancer that turned to us for help. We are pleased to report that we made the necessary adjustments in order to ensure their children received the lifesaving treatment they needed – whether it was across town or across the country.

During FY2020 we reached new milestones towards fulfilling our mission. Since our inception, we have now assisted more than 45,000 children with cancer and distributed over \$68,000,000 in financial assistance. In addition, the organization distributed in excess of \$23,000,000 in donated oncology pharmaceuticals and medical supplies to pediatric treatment facilities throughout the world and awarded 58 college scholarships to childhood cancer survivors.

We know that times were, and continue to be, challenging, but there are still reasons to smile.

Rhyan Loos' story is a wonderful testament on how important the NCCS is to families battling childhood cancer. We have assisted the Loos family for over four years and funded more than 20 trips to New York for Rhyan's treatment and follow-up appointments. The NCCS has been so instrumental to saving her life, Rhyan's father, Brad, joined our board of directors.

According to Rhyan's mom, she is, “. . . *CANCER FREE . . . and living her best life with friends, doing dance, playing basketball and volleyball and getting great grades!*” You can watch their story here: <https://bit.ly/3agblkb>.

While we face many future uncertainties, we pledge to continue helping families battling childhood cancer get where they need to be – physically, financially and emotionally – to give them hope, and give their children the best possible shot at survival.

Please continue supporting our efforts so that no family goes through childhood cancer alone. We hope that you stay safe and wish everyone a brighter year.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Slocomb".

Mark Slocomb
Chairman of the Board

A handwritten signature in black ink, appearing to read "Mark Stolze".

Mark Stolze
President and Chief Executive Officer



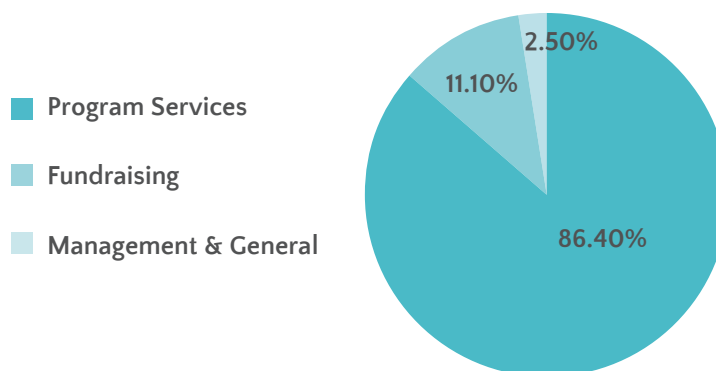
MISSION

The National Children's Cancer Society (NCCS) provides emotional, financial and educational support to children with cancer, their families and survivors.

OVERVIEW

Since its inception, the NCCS **has helped more than 45,000 children** with cancer and their families by **providing over \$68 million** in program distributions. The NCCS is a 501(c)3 non-profit organization that is proud to meet all of the Better Business Bureau's "Standards of Charity Accountability," which includes a comprehensive, in-depth evaluation of charity governance, fundraising practices, solicitations and informational materials. The organization is also a Platinum Participant on GuideStar Exchange, the world's largest source of information on nonprofit organizations.

FY2020 REVENUE ALLOCATION



BECAUSE NO FAMILY SHOULD GO THROUGH CHILDHOOD CANCER ALONE™

Pediatric oncology nurses and social workers at treatment centers across the country refer families to the NCCS. One hundred ninety two (192) treatment centers referred 1,945 families in need of assistance to the organization this fiscal year.

HOW WE HELP DURING TREATMENT

When a family is facing the tragedy of childhood cancer, the only thing they should have to focus on is getting their child well again. They shouldn't be overwhelmed with the costs of just getting their child to treatment. But, how many of us have a savings plan in place for childhood cancer?



The NCCS offers two programs to ease the financial strain of a childhood cancer diagnosis. Our **Transportation Assistance Fund** alleviates some of the travel expenses incurred to get a child to treatment such as mileage, airfare and lodging when the best place for treatment is away from home.



The **Emergency Assistance Fund** provides an annual stipend to families who have a child who has been inpatient or away from home for 15 consecutive days within the past three months. Assistance may be used for many daily expenses families face including mortgage payments, rent, utility bills and other treatment-related costs such as prescriptions and parking.



In addition to the financial impact of childhood cancer, the emotional toll can be devastating. Our **Family Support Program** helps ease the emotional strain that accompanies a childhood cancer diagnosis by providing an NCCS case manager who stands by a family's side from diagnosis through survivorship. These dedicated individuals are specially trained to offer practical and emotional support during difficult times, educate parents and caregivers on how to best advocate for their child and provide referrals when needed.

THE NCCS ASSISTED FAMILIES BATTLING CHILDHOOD CANCER AT THE FOLLOWING PEDIATRIC ONCOLOGY FACILITIES ACROSS THE U.S. :

ALABAMA

Children's of Alabama, Birmingham
St. Jude Affiliate Clinic-Women & Children,
Huntsville Hospital, Huntsville
USA Children's & Women's Hospital, Mobile

ARIZONA

Banner Health-Banner Children's at Desert,
Mesa
Banner Health University Medical Center,
Tucson
Banner Thunderbird Medical Center,
Glendale
Phoenix Children's Hospital, Phoenix

ARKANSAS

Arkansas Children's Hospital, Little Rock
Arkansas Children's Northwest, Springdale

CALIFORNIA

Children's Hospital Los Angeles, Los Angeles
CHOC Children's, Orange
City of Hope, Duarte
Cottage Children's Medical Center,
Santa Barbara
Kaiser Permanente, Fontana
Kaiser Permanente, Los Angeles
Kaiser Permanente, Roseville
Kaiser Permanente, Sacramento
Kaiser Permanente, San Diego
Loma Linda University Children's Health,
Loma Linda
Loma Linda University Children's Health,
San Bernardino
Miller Children's & Women's Hospital,
Long Beach
Rady Children's Hospital, San Diego
Stanford Children's Health at CA Pacific
Medical Center, San Francisco
Stanford Children's Health-Lucile Packard
Children's Hospital, Palo Alto
Sutter Medical Center, Sacramento
UC Davis Medical Center, Sacramento
UCSF Benioff Children's Hospital,
Oakland
UCSF Benioff Children's Hospital San
Francisco
Valley Children's Healthcare, Madera
Ventura County Medical Center, Ventura

COLORADO

Children's Hospital Colorado, Aurora
Children's Hospital Colorado, Denver
Children's Hospital Colorado, Colorado
Springs
Rocky Mountain Hospital for Children,
Denver

CONNECTICUT

Connecticut Children's, Hartford

DELAWARE

Nemours/Alfred I. duPont Hospital for
Children, Wilmington

DISTRICT OF COLUMBIA

Children's National, Washington, DC

FLORIDA

AdventHealth for Children, Orlando
Ascension Sacred Heart Hospital, Pensacola
Florida Hospital Cancer Institute, Orlando
Golisano Children's Hospital-SW Florida,
Ft. Myers
Jackson Health System, Miami
Joe DiMaggio Children's Hospital,
Hollywood
Johns Hopkins All Children's Hospital,
St. Petersburg
Johns Hopkins All Children's Hospital,
Tampa
Kids Cancer Foundation, Loxahatchee
Moffitt Cancer Center, Tampa
Nemours Children's Clinic, Jacksonville
Nemours Children's Health System, Orlando
Nicklaus Children's Health System, Miami
Orlando Health Arnold Palmer Hospital for
Children, Orlando
St. Joseph's Children's Hospital, Tampa
St. Mary's Medical Center, West Palm Beach
Sylvester Comprehensive Cancer Center,
Miami
Tampa General, Tampa
UF Health Proton Therapy Institute,
Jacksonville
UF Health Shands Children's Hospital,
Gainesville
Wolfson Children's Hospital, Jacksonville

GEORGIA

Children's Healthcare of Atlanta,
Atlanta
Children's Healthcare of Atlanta at
Egleston, Atlanta
Children's Healthcare of Atlanta at
Scottish Rite, Atlanta
Children's Hospital of Georgia, Augusta
Emory Children's Clinic, Atlanta
Memorial Health Dwaine & Cynthia Willett
Children's Hospital, Savannah
Navicent Health, Macon

HAWAII

Kapi'olani Medical Center for Women
& Children, Honolulu

ILLINOIS

Advocate Children's Hospital, Oak Lawn
Advocate Children's Hospital, Park Ridge
Ann & Robert H. Lurie Children's Hospital
of Chicago, Chicago
Rush University Medical Center, Chicago
SIU School of Medicine, Springfield
St. Jude Midwest Affiliate, Peoria
UChicago Medicine Comer Children's,
Chicago

INDIANA

Beacon Children's Hospital, South Bend
Indiana University Health North Hospital,
Carmel
Peyton Manning Children's Hospital
at Ascension St. Vincent, Indianapolis
Riley Hospital for Children, Indianapolis

IOWA

Blank Children's Hospital, Des Moines
University of Iowa Stead Family
Children's Hospital, Iowa City

KANSAS

Wesley Children's Hospital, Wichita

KENTUCKY

Norton Children's Hospital, Louisville
U of L Physicians, Louisville
UK HealthCare Kentucky Children's Hospital,
Lexington

LOUISIANA

Children's Hospital New Orleans,
New Orleans
Ochsner Medical Center, New Orleans
Our Lady of the Lake Children's Hospital,
Baton Rouge
St. Jude Baton Rouge Affiliate Clinic,
Baton Rouge

MARYLAND

Johns Hopkins Children's Center, Baltimore

MASSACHUSETTS

Baystate Medical Center, Springfield
Boston Children's Hospital, Boston
Dana-Farber Cancer Institute, Boston

MICHIGAN

Children's Hospital of Michigan, Detroit
Helen DeVos Children's Hospital,
Grand Rapids
Hurley Medical Center, Flint
University of Michigan Medical Center,
Ann Arbor
William Beaumont Hospital, Royal Oak

MINNESOTA

Children's Minnesota-Minneapolis Hospital,
Minneapolis
Essentia Health-St. Mary's Medical Center,
Duluth
Mayo Clinic Hospital, St. Mary's, Rochester
Mayo Eugenio Litta Children's Hospital,
Rochester
University of Minnesota Masonic Children's
Hospital, Minneapolis

MISSOURI

Children's Hospital-St. Louis, St. Louis
Children's Mercy, Kansas City
Mercy Clinic Children's Cancer &
Hematology, St. Louis
Mercy Hospital, St. Louis
Mercy Kids, Springfield
SSM Health Cardinal Glennon Children's
Hospital, St. Louis

MONTANA

Montana Children's, Kalispell

NEBRASKA

Children's Hospital & Medical Center,
Omaha

NEVADA

Cure 4 the Kids Foundation, Las Vegas
Nevada Childhood Cancer Foundation,
Las Vegas
Summerlin Hospital Medical Center,
Las Vegas
Sunrise Children's Hospital, Las Vegas

NEW HAMPSHIRE

Children's Hospital at Dartmouth-
Hitchcock, Lebanon

NEW JERSEY

Hackensack University Medical Center,
Hackensack
ProCure Proton Therapy Center,
Somerset
Robert Wood Johnson Medical Center,
New Brunswick
Rutgers Cancer Institute of New Jersey,
New Brunswick

NEW MEXICO

Presbyterian Hospital, Albuquerque
UNM Children's Hospital, Albuquerque

NEW YORK

Cohen Children's Medical Center,
New Hyde Park
Maria Fareri Children's Hospital, Valhalla
Memorial Sloan Kettering Cancer
Center, New York
New York-Presbyterian Morgan Stanley
Children's Hospital, New York
Roswell Park Comprehensive Cancer
Center, Buffalo
Upstate Golisano Children's Hospital,
Syracuse

NORTH CAROLINA

Duke University Medical Center, Durham
East Carolina University, Greenville
Levine Children's Hospital, Charlotte
Mission Health System, Asheville
UNC Health Care, Chapel Hill
Vidant Medical Center, Greenville
Wake Forest Baptist Health,
Winston-Salem

NORTH DAKOTA

Sanford Medical Center, Bismarck
Sanford Roger Maris Cancer Center, Fargo

OHIO

Akron Children's Hospital, Akron
Cincinnati Children's, Cincinnati
Cleveland Clinic Children's, Cleveland
Dayton Children's, Dayton
Mercy Health- Children's Hospital, Toledo
Nationwide Children's, Columbus
ProMedica Toledo Children's Hospital,
Toledo
University Hospitals Rainbow Babies &
Children's, Cleveland

OKLAHOMA

St. Francis Healthcare, Tulsa
The Children's Hospital at OU Medicine,
Oklahoma City

OREGON

OHSU Doernbecher Children's Hospital,
Portland
Randall Children's Hospital at Legacy
Emanuel, Portland

PENNSYLVANIA

Children's Hospital of Philadelphia,
Philadelphia
Geisinger Medical Center, Danville
St. Christopher's Hospital for Children,
Philadelphia
UPMC Children's Hospital of Pittsburgh,
Pittsburgh

SOUTH CAROLINA

Greenville Memorial Hospital, Greenville
MUSC Children's Health, Charleston
Palmetto Health Children's Hospital -
Richland, Columbia

SOUTH DAKOTA

Sanford Children's Hospital Sioux Falls,
Sioux Falls

TENNESSEE

Children's Hospital at Erlanger,
Chattanooga
East Tennessee Children's Hospital,
Knoxville
Le Bonheur Children's Hospital, Memphis
Monroe Carell Jr. Children's Hospital at
Vanderbilt, Nashville
Niswonger Children's Hospital,
Johnson City
St. Jude Children's Research Hospital,
Memphis
St. Jude Tri Cities Affiliate Clinic,
Johnson City
The Children's Hospital at TriStar
Centennial, Nashville

TEXAS

Children's Medical Center Dallas, Dallas
Cook Children's Medical Center,
Ft. Worth
Covenant Health System, Lubbock
Dell Children's Medical Center of Central
Texas, Austin
Driscoll Children's Hospital, Corpus Christi
McLane Children's Baylor Scott & White,
Temple
Medical City Children's Hospital, Dallas
Texas Children's Hospital, Houston
The Children's Hospital of San Antonio,
San Antonio
The University of Texas MD Anderson
Cancer Center, Houston
University Hospital, San Antonio
Vannie E. Cook Jr. Children's Cancer and
Hematology Clinic, McAllen

UTAH

Primary Children's Hospital,
Salt Lake City

VERMONT

The University of Vermont Children's
Hospital, Burlington

VIRGINIA

Carilion Children's Hospital, Roanoke
Children's Hospital of The King's
Daughters, Norfolk
The University of Virginia, Charlottesville
University Hospital, Charlottesville
Virginia Commonwealth University,
Richmond

WASHINGTON

Mary Bridge Children's, Tacoma
MultiCare Deaconess Hospital, Spokane
Providence Sacred Heart Medical Center &
Children's Hospital, Spokane
Seattle Cancer Care Alliance, Seattle
Seattle Children's, Seattle

WEST VIRGINIA

CAMC Women and Children's Hospital,
Charleston
West Virginia University Medicine
Children's, Morgantown

WISCONSIN

Children's Wisconsin, Milwaukee
UW Health American Family Children's
Hospital, Madison

BEYOND THE CURE



Beyond the Cure is the NCCS survivorship program which prepares survivors and their families for life after cancer.

One of the largest issues survivors face are post-treatment physical and cognitive issues known as “late effects.” Most survivors will experience one or more late effects in their lifetime which are caused more from the treatment than the disease, itself.

Our **Late Effects After Treatment Tool (LEATT)** is a valuable resource that provides survivors with a private, customized online assessment of potential late effects based on their diagnosis and treatment. The assessment includes important information that can be shared with a survivor’s healthcare team throughout their lifetime.

The LEATT was developed in collaboration with NCCS board member, Robert Hayashi, MD, Professor of Pediatrics, Director, Late Effects Clinic, St. Louis Children’s Hospital/Washington University School of Medicine.

Beyond the Cure also awards college scholarships to childhood cancer survivors through the **Beyond the Cure Ambassador Scholarship Program**. Fifty-eight college-bound childhood cancer survivors around the country received scholarships totaling \$203,000 during FY2020.

First-time applicants are required to submit an essay addressing how cancer has affected their lives and future, as well as how they plan to give back to the childhood cancer community.

More than \$1.4 million has been distributed to survivors to help them achieve their educational goals. The NCCS is deeply grateful to **Centene Corporation** and the **Engelhardt Family Foundation** for their generous support of the program.

SURVIVORSHIP CONFERENCES

Beyond the Cure co-sponsors survivorship conferences with long term follow-up clinics across the country. Due to the COVID-19 pandemic, only one conference was held in FY20 at Advocate Children’s Hospital in Chicago, IL.

EDUCATIONAL PUBLICATIONS

The organization distributed 2,159 free publications during FY2020. The NCCS publication library includes an activity book that provides a creative outlet for patients to learn about themselves and their cancer treatment, coloring books for young children, information for college-bound survivors and in-depth guides for both survivors and their families.

MICHELE HERTLEIN GLOBAL OUTREACH PROGRAM



Michele Hertlein
July 15, 1968 – August 5, 2020

The organization suffered a personal and professional loss this year with the passing of Michele Hertlein. For the past 24 years, Michele worked tirelessly to secure and ship donated pharmaceuticals and medical supplies to pediatric treatment centers around the world. Tragically, Michele lost her own battle with cancer after fighting valiantly for over ten years. She will be greatly missed.



Over \$23 million in donated pharmaceuticals and medical supplies were sent free of charge to eight pediatric oncology treatment centers in eight countries this fiscal year.

Since its inception, this unique program has distributed in excess of \$416 million in donated pharmaceuticals to 65 facilities in 42 countries, helping to save the lives of an estimated 167,000 children with cancer across the globe.

To honor and memorialize the person who made it the success it is today, the NCCS renamed the program the “Michele Hertlein Global Outreach Program.”

WORLDWIDE FACILITY PARTNERS

AFRICA

CHU Gabriel Toure –
Unite d' Oncologie Pediatrique
Bamako, Mali

EL SALVADOR

Centro Médico Fundación Ayúdame a
Vivir San Salvador

GUATEMALA

Fundacion Ayudame a Vivir, Unidad
Nacional de Oncologia Pediatrica,
Guatemala City

HAITI

Nos Petits Freres et Soeurs, Hospital
St. Damien, Port-au-Prince

HONDURAS

Fundacion Hondurena para el Nino
con Cancer Hospital, Tegucigalpa
Escuela Materno Infantil, Tegucigalpa

KYRGYZSTAN

National Center of Oncology, Bishkek

MOROCCO

Service d'Hematologie et
d'Oncologie Pediatrique–
Hopital 20 aout 1953,
Casablanca
Unite d'Hematologie-Oncologie
Pediatrique Hopital d'Enfants de
Rabat, Rabat

NICARAGUA

MINSA – Hospital Infantil la Mascota,
Managua

ZIMBABWE

Children's Cancer Relief – Kidzcan
Zimbabwe, Harare



CliftonLarsonAllen LLP
CLAAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
The National Children's Cancer Society, Inc.
St. Louis, Missouri

We have audited the accompanying financial statements of The National Children's Cancer Society, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, 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.

Auditors' 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 of 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 The National Children's Cancer Society, Inc., as of September 30, 2020, 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.

CliftonLarsonAllen LLP

St. Louis, Missouri
December 22, 2020



STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020

ASSETS

CURRENT ASSETS

Cash	\$ 342,329
Accounts Receivable, Net	252,174
Inventory	22,769
Prepaid Expenses and Other Assets	33,251
Total Current Assets	<u>650,523</u>

NONCURRENT ASSETS

Investments	4,458,356
Property and Equipment, Net	4,925
Total NonCurrent Assets	<u>4,463,281</u>

Total Assets	<u><u>\$ 5,113,804</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 1,440,804
Annuities Payable	14,971
Payroll Protection Program Loan	295,130
Accrued Expenses	194,246
Unearned Revenue	6,434
Line of Credit	252,627
Total Current Liabilities	<u>2,204,212</u>

LONG-TERM LIABILITIES

Annuities Payable	81,032
Total Long-Term Liabilities	<u>81,032</u>

NET ASSETS

Without Donor Restrictions	2,220,079
With Donor Restrictions	608,481
Total Net Assets	<u>2,828,560</u>

Total Liabilities and Net Assets	<u><u>\$ 5,113,804</u></u>
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See accompanying Notes to Financial Statements.

STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions	\$ 7,589,691	\$ -	\$ 7,589,691
List Rental Income	85,920	-	85,920
Event Revenue	419,913	-	419,913
Less Direct Costs of Events	(162,495)	-	(162,495)
In-Kind Contributions	23,566,723	-	23,566,723
Investment Income	311,135	8,101	319,236
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	9,690	(9,690)	-
Total Public Support and Revenue	<u>31,820,577</u>	<u>(1,589)</u>	<u>31,818,988</u>
EXPENSES			
Program Services:			
Division of Patient and Family Services	25,874,352	-	25,874,352
Supplemental Family Support	1,198,779	-	1,198,779
Public Information and Education	329,635	-	329,635
Total Program Services	<u>27,402,766</u>	<u>-</u>	<u>27,402,766</u>
Supporting Services:			
Management and General	796,602	-	796,602
Fundraising	3,509,083	-	3,509,083
Total Supporting Services	<u>4,305,685</u>	<u>-</u>	<u>4,305,685</u>
Total Expenses	<u>31,708,451</u>	<u>-</u>	<u>31,708,451</u>
OTHER EXPENSE			
Change in Value of Annuities	14,074	-	14,074
NET CHANGE IN NET ASSETS	98,052	(1,589)	96,463
Net Assets - Beginning of Year	<u>2,122,027</u>	<u>610,070</u>	<u>2,732,097</u>
NET ASSETS -END OF YEAR	<u><u>\$ 2,220,079</u></u>	<u><u>\$ 608,481</u></u>	<u><u>\$ 2,828,560</u></u>

See accompanying Notes to Financial Statements.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

	Program Services			Supporting Services		
	Division of Patient and Family Services	Supplemental Family Support	Public Information and Education	Management and General	Fundraising	Total
Aid Grants	\$ 23,566,723	\$ 1,061,261	\$ -	\$ -	\$ -	\$ 24,627,984
Production Services	-	-	-	470,429	3,041,232	3,511,661
Family Services and Education	1,352,966	978	2,345	-	-	1,356,289
Salary Expense	485,053	78,875	189,067	187,081	228,446	1,168,522
Insurance	92,078	14,973	35,891	35,513	43,366	221,821
Professional Services	88,344	14,366	34,436	34,074	41,608	212,828
Direct Costs of Events	-	-	-	-	162,495	162,495
Rent and Utilities	51,341	8,349	20,011	19,802	24,180	123,683
In-Kind Program Shipping	113,909	-	-	-	-	113,909
Other Expenses	40,850	6,642	15,921	15,754	19,237	98,404
Payroll Taxes	34,950	5,683	13,623	13,480	16,461	84,197
Cause Related Marketing	-	-	-	-	72,391	72,391
Retirement	21,765	3,539	8,484	8,395	10,251	52,434
Telephone	7,535	1,225	2,937	2,905	3,549	18,151
Postage, Shipping and Handling	4,450	724	1,735	1,716	2,096	10,721
Office Supplies and Services	3,219	524	1,255	3,562	1,516	10,076
Depreciation Expense	3,820	621	1,489	1,474	1,799	9,203
Meetings and Travel	3,239	527	1,261	1,249	1,525	7,801
Equipment Rental	3,028	492	1,180	1,168	1,426	7,294
Shipping and Procurement	1,082	-	-	-	-	1,082
Total	25,874,352	1,198,779	329,635	796,602	3,671,578	31,870,946
Less: Direct Costs of Events	-	-	-	-	(162,495)	(162,495)
Total Expenses	\$ 25,874,352	\$ 1,198,779	\$ 329,635	\$ 796,602	\$ 3,509,083	\$ 31,708,451

See accompanying Notes to Financial Statements.

STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Net Change in Net Assets	\$ 96,463
Adjustments to Reconcile Net Change in Net Assets to	
Net Cash Used by Operating Activities	
Depreciation	9,203
Change in Value of Annuities	14,074
Unrealized Gain on Investments	(108,648)
Realized Gain of Investments	(99,356)
(Increase) Decrease in:	
Accounts Receivable	60,753
Inventory	(6,014)
Prepaid Expenses and Other Assets	380
Increase (Decrease) in:	
Accounts Payable	(353,622)
Annuity Payable	3,048
Accrued Expenses	(7,645)
Unearned Revenue	(600)
Net Cash Used by Operating Activities	(391,964)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property and Equipment	(701)
Proceeds from Sale of Investments	2,896,999
Purchases of Investments	(2,914,282)
Net Cash Used by Investing Activities	(17,984)

CASH FLOWS FROM FINANCING ACTIVITIES

Net Proceeds on Line of Credit	32,507
Proceeds on Notes Payable	295,130
Net Cash Provided by Financing Activities	327,637

NET CHANGE IN CASH (82,311)

Cash - Beginning of Year 424,640

CASH - END OF YEAR **\$ 342,329**

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The National Children's Cancer Society, Inc. (the Organization) was incorporated in November 1987 to serve children with cancer and their families. Program services are categorized as follows: Division of Patient and Family Services, Supplemental Family Support and Public Information and Education. The Organization provides a Family Support Program, Transportation Assistance Fund, and Emergency Assistance Fund for families with children in treatment, a Beyond the Cure Program for cancer survivors, and a Global Outreach Program.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). The Organization is required to report 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. As of September 30, 2020, the Organization had \$608,481 in net assets with donor restrictions.

Basis of Accounting

The 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 (U.S. GAAP).

Concentration of Credit Risk

The majority of the Organization's cash and cash equivalents are maintained at three banks. The bank provides a maximum protection under regulations issued by the Federal Deposit Insurance Corporation. At September 30, 2020, no deposits at the bank were in excess of federally insured limits.

Cash and Cash Equivalents

Cash includes demand deposits and highly liquid financial instruments purchased with original maturities of three months or less. The carrying amount of cash equivalents approximates fair value.

Certain cash balances are required to be held in separate bank accounts in accordance with contractual arrangements.

Accounts Receivable

Receivables consist of amounts due to the Organization related to the direct mail, telemarketing, and royalty programs. Management writes off receivables when it determines that an amount will not be collected and considers all receivables at September 30, 2020 to be collectible. Therefore, no allowance for doubtful accounts is recorded at September 30, 2020. All receivables are considered current at September 30, 2020; therefore, no discount has been recorded.

Investments

In accordance with accounting standards, investments in marketable securities with readily determinable fair values are reported at fair value in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Inventory

Inventory consists of program literature and patient and family service items and is stated at cost, determined on the first-in, first out method.

Property and Equipment

Furniture and equipment is recorded at cost. Maintenance and repairs are charged to operations when incurred. Betterments and renewals in excess of \$500 are reviewed individually by management and are capitalized.

Donations of furniture and equipment are recorded as support at their estimated fair value. Such donations are reported as without donor restricted support unless the donor has restricted the donated asset to a specific purpose.

Depreciation and amortization are provided on a straight-line basis over the following periods:

Furniture and Fixtures	7 Years
Equipment	3 to 7 Years
Software	3 Years
Leasehold Improvements	7 Years

Compensated Absences

Employees of the Organization are entitled to paid vacation days depending on length of service. Amounts accrued for compensated absences are included in accounts payable and accrued expenses in the accompanying statement of financial position.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

In accordance with accounting standards, contributions received by the Organization are recorded as with donor restriction or without donor restriction support, depending on the existence and nature of any donor restrictions. 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 statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire within the fiscal year the contributions are recognized.

Annuities Payable

Annuities payable represents an annuity obligation for gift annuities received by the Organization. Gift annuities provide for payment to named annuitants over their lifetimes. The payment is guaranteed by the Organization through an agreement. An annuities payable liability is recorded until the projected termination of the annuity payment obligation based upon the present value of the expected payments over the life expectancy of the annuitants. The current annuity values are valued at fair value. The Organization reviews AFR in determining the discount rate to apply for the present value calculation. A discount rate of 0.4% was applied to determine the liability at September 30, 2020. Fair value at September 30, 2020 is \$194,427, while the recorded liability is \$96,003.

Unearned Revenue

Unearned revenue consists of payments received in advance that relate to donated items to be sold by a third party in a future period and are deferred and recognized as revenue in the period earned.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP 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 support, revenues, and expenses during the reporting period, including grant and contract revenues subject to review by applicable funding agencies. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

The Organization measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine 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 (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Organization may use valuation techniques consistent with the market, income and cost approaches to measure fair value.

The inputs used to measure fair value are categorized into the following three categories:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds that the Organization has the ability to access as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the Organization's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market mutual funds, certain mutual funds, and equities. If quoted market prices are not available, then fair values are estimated by using pricing models or quoted prices of securities

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

with similar characteristics. These Level 2 securities include mortgaged and asset-backed securities, corporate and municipal bonds, U.S. government agencies, hedge funds and managed futures. Inputs used to value Level 2 securities include interest rates for similar debt securities, Treasury obligations with similar maturities and net asset values provided by funds is utilized as a practical expedient. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy and include hedge funds. The net asset value (or its equivalent) provided by the fund is utilized, as a practical expedient, to determine fair value of these Level 3 investments. The funds are classified as Level 3 if they may not be redeemable in the short-term.

Any transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date.

Development Costs

The Organization periodically incurs substantial costs for the continued development of a contributor list. In accordance with U.S. GAAP, the Organization recognizes these costs as they are incurred against operations, even though the contributor lists are expected to provide significant benefit to future periods.

Functional Expense Allocations

The costs of providing various program and other activities of the Organization have been summarized on a functional basis in the statement of functional expenses. Expenses are charged to program services, fundraising or management and general based on actual costs incurred by the program or supportive service, as well as on management's best estimate of time spent in the functional expense categories. Management and general expenses include those expenses that are not directly identifiable with any other specific section but provide for the overall support and direction of the Organization.

Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. However, the Organization is liable for federal income taxes on certain unrelated business income.

Management analyzed the tax positions taken by the Organization and concluded that, as of September 30, 2020, there were no uncertain tax positions taken or are expected to be taken. Accordingly, no interest or penalties related to uncertain tax positions have been accrued in the accompanying financial statements.

Change in Accounting Principle

June 2018, FASB issued Accounting Standards (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as an exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization adopted this ASU on October 1, 2019, with no changes resulting.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 22, 2020, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, this is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at September 30, 2020:

Cash and Cash Equivalents	\$ 342,329
Accounts Receivable	252,174
Investments	4,458,356
Total Current Financial Assets	5,052,859
Less: Net Assets With Donor Restrictions Relating to Current Financial Assets	(608,481)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 4,444,378</u>

The Organization classifies investments as noncurrent assets due to the intended purpose of holding them long-term but could be used as a source of current liquidity. The Organization receives significant contributions without donor restrictions, and are considered for programs which are ongoing, major, and central to its annual operations. Contributions without donor restrictions are to be available to meet cash needs for general expenditures, which include administrative and general expenses, fund raising expenses, and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Organization's fiscal year. The Organization also has a line of credit with available credit of \$2,723,439 that could be used if needed.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 3 INVESTMENTS

Investments consist of the following at September 30, 2020:

Government and Agency Securities	\$ 528,295
Equity Securities	2,949,280
Mutual Funds	980,781
Total Investments	<u>\$ 4,458,356</u>

Investment return for the year ended September 30, 2020, is summarized as follows:

Interest and Dividend Income	\$ 111,232
Unrealized Gain on Equity Securities	108,648
Realized Gain on Sale of Investments	99,356
Total Investment Income	<u>\$ 319,236</u>

NOTE 4 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization values all other assets and liabilities refer to Note 1 – Organization and Summary of Significant Accounting Policies.

The following table presents the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of September 30, 2020:

	Total	(Level 1)	(Level 2)	(Level 3)
Government and Agency Bonds	\$ 528,295	\$ —	\$ 528,295	\$ —
Equity Securities	2,949,280	2,949,280	—	—
Mutual Funds	980,781	980,781	—	—
Total	<u>\$ 4,458,356</u>	<u>\$ 3,930,061</u>	<u>\$ 528,295</u>	<u>\$ —</u>

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at September 30, 2020 consist of:

Purpose Restriction For Cancer Treatment in Minnesota	\$ <u>608,481</u>
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Assets released from restrictions for the year ended September 30, 2020 are as follows:

Satisfaction of Purpose Restriction	\$ <u>9,690</u>
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NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30, 2020:

Furniture and Fixtures	\$ 17,878
Equipment	46,038
Software	298,611
Leasehold Improvements	6,800
Total	<u>369,327</u>
Less: Accumulated Depreciation	<u>(364,402)</u>
Property and Equipment	<u>\$ 4,925</u>

Depreciation expense was \$9,203 for the year ended September 30, 2020.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 7 ALLOCATION OF JOINT COSTS

The Organization combines the costs of its joint activities that combine fundraising appeals with other functions, and allocates those costs to their functional classifications. Such costs include printing, caging, donor search, public information, computer expenses, list development, direct mail expense, postage, and production fees. The physical units method is used to allocate these costs. This allocation process is based on lines of print from the documents and scripts used in the joint activities. Each line of print is analyzed and a determination is made as to its purpose. The number of lines for each objective is totaled and weighed against the total number of lines in the document as well as the frequency of use of the document.

The Organization's total joint costs incurred and functional classifications are as follows:

Functional Classification:	
Program Services	\$ 1,356,289
Management and General	470,429
Fundraising	<u>3,041,232</u>
Total Joint Costs	<u>\$ 4,867,950</u>
Type of Activity:	
Direct Mail	\$ 4,795,111
Telemarketing	<u>72,839</u>
Total Joint Costs	<u>\$ 4,867,950</u>

The Organization follows standards for accounting and reporting costs of joint activities that combine fundraising appeals with other functions including definitions for the criteria of purpose, audience, and content. In accordance with the standard, the compensation structure of the joint activity is considered, as well as the target audience of the activity and the content of the information conveyed. If any of the criteria of purpose, audience, and content is not met, all costs of the joint activity are considered fundraising.

NOTE 8 OPERATING LEASES

The Organization leases office space, office equipment, and a vehicle under operating leases. The Organization's office lease has escalating lease payments ranging from \$9,521 to \$11,996 per month over the remaining term of the lease expiring April 30, 2027.

The future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of September 30, 2020 are as follows:

Year Ending September 30,	Amount
2021	\$ 135,627
2022	135,557
2023	133,374
2024	133,451
2025	137,328
Thereafter	<u>225,175</u>
Total	<u>\$ 900,511</u>

Total rental expense under operating leases with a term in excess of one month was \$109,530 for the year ended September 30, 2020.

NOTE 9 COMMITMENTS AND CONTINGENCIES

At September 30, 2020, the Organization is committed to several contracts for fundraising and program services, which are scheduled to expire on various dates through March 2021. Payments under these contracts are to be made by the Organization based on hourly rates with certain minimum performance guarantees. These contracts are a principal funding source of the Organization.

NOTE 10 RETIREMENT PLAN

The Organization has a defined contribution retirement plan covering substantially all of its employees. Contributions to the plan and related expenses were \$52,433 for the year ended September 30, 2020.

NOTE 11 AID GRANTS

The Organization receives and disburses both cash and in-kind grants to individuals and organizations. During the year ended September 30, 2020, the Organization recognized and disbursed \$23,566,723 of in-kind contributions, consisting primarily of pharmaceuticals and medical supplies. The grants were recorded at their estimated fair value in the financial statements based on valuations provided by the donors, primarily manufacturers or distributors, and comparison with other industry sources.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 12 RISKS AND UNCERTAINTIES

The Organization's assets include investments in various securities which, in general, are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is reasonably possible that changes in risks in the near term would materially affect the amounts reported in the balance sheets and the statements of activities.

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses and communities. Specific to the Organization, COVID-19 may impact various parts of its 2021 operations and financial results. Management believes the organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

NOTE 13 LINE OF CREDIT

The Organization has a Loan Management Account Agreement with a bank which allows the Organization to borrow under a revolving line of credit arrangement. Available credit is subject to borrowing base limitations determined by the bank based upon the market value of pledged securities. Advances under the agreement can be made under variable rate, fixed rate and term advances agreed upon at the time of the advance. Advances are due upon demand. Investments held by Merrill Lynch are pledged as collateral. Available credit under the agreement at September 30, 2020 was \$2,723,439. At September 30, 2020, borrowings under the agreement were \$252,627, all in principal. The balance is subject to interest at a variable rate of LIBOR plus the spread. The interest rate as of September 30, 2020 is 2.15%.

Cash paid for interest on the line of credit was \$7,904 for the year ended September 30, 2020.

NOTE 14 PAYROLL PROTECTION PROGRAM LOAN

The Organization also entered into a loan agreement with a financial institution pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) administered by the U.S. Small Business Administration. The Seminary received total proceeds of \$295,130. The loan is scheduled to mature on April 13, 2022 and has a 1.00% interest rate and is subject to terms and conditions applicable to loans administered by the U.S. Small Business Administration under the CARES act. Subject to certain conditions, the loan may be forgiven in whole or in part by applying for forgiveness pursuant to the CARES Act and the PPP.

The amount of loan proceeds eligible for forgiveness is based on a formula based on a number of factors, including the amount of loan proceeds used by the Organization during the eight-week period after the loan origination for certain purposes, including payroll costs, interest on certain mortgage obligations, rent payments on certain leases, and certain qualified utility payments, provided that, among other things, at least 75% of the loan amount is used for eligible payroll costs, the employer maintaining or rehiring employees, and maintaining salaries at certain levels. In accordance with the requirements of the CARES Act and the PPP, the Company intends to use the proceeds from the SBA Loans primarily for payroll costs. Management believes forgiveness will be granted, and the loan is presented as short term in the statement of financial position.

NOTE 15 RELATED PARTY TRANSACTIONS

During the year ended September 30, 2020, the Organization received \$83,877 in contributions from various members of the board of directors (Directors). In addition, during the year ended September 30, 2020, the Organization received \$136,500 from companies in which Directors serve as a director or officer. At September 30, 2020, there were no receivables from related parties. The Organization also did not receive any In-Kind gifts from various board members of the board of directors during the year ended September 30, 2020.

One of the asset custodians is a financial institution for which a member of the board of the National Children's Cancer Society is an officer. The amount paid to the asset custodian during the year ended September 30, 2020 totaled \$47,857. The board member was not directly compensated for services provided.



BOARD OF DIRECTORS

Mark Slocumb
Chairman / Vice Chairman

Scott Stringer
Vice Chairman

Sue Engelhardt
Secretary/Treasurer

Mark Stolze
President & CEO

Dr. Timothy Dilg

Michael Gallagher

Tom Guebert

Scott Hammack

Robert Hayashi, M.D.

Brad Loos

Jeff Michalski, M.D.

Harry Mueller

Timm Schowalter



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