



Gary McGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

Children's Cancer Association

Consolidated Financial Statements and Other
Information as of and for the Year Ended April 30, 2016
and Report of Independent Accountants

CHILDREN'S CANCER ASSOCIATION

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REPORT OF INDEPENDENT ACCOUNTANTS

*The Board of Directors
Children's Cancer Association:*

We have audited the accompanying consolidated financial statements of Children's Cancer Association, which comprise the consolidated statement of financial position as of April 30, 2016, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated 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 organization'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Children's Cancer Association as of April 30, 2016, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules on pages 22 and 23 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Summarized Comparative Information

We have previously audited Children's Cancer Association's 2015 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated September 2, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2015 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

A handwritten signature in black ink that reads "Guyi Chen & Co. LLP". The signature is written in a cursive, flowing style.

August 11, 2016

CHILDREN'S CANCER ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

APRIL 30, 2016

(WITH COMPARATIVE AMOUNTS FOR 2015)

	2016	2015
Assets:		
Cash and cash equivalents	\$ 648,900	1,580,885
Contributions receivable (<i>note 4</i>)	219,290	151,446
Investments (<i>note 5</i>)	1,853,717	148,182
Prepaid expenses and other assets	177,322	160,435
Property and equipment (<i>note 6</i>)	1,771,885	1,834,468
Total assets	\$ 4,671,114	3,875,416
Liabilities:		
Accounts payable and accrued expenses	49,158	37,983
Accrued payroll liabilities	238,333	227,654
Deferred revenue	32,000	16,500
Note payable (<i>note 7</i>)	46,421	50,661
Total liabilities	365,912	332,798
Net assets:		
Unrestricted:		
Available for general operations and programs	1,556,977	577,254
Designated by Board (<i>note 9</i>)	500,000	500,000
Net investment in capital assets	1,771,885	1,834,468
Total unrestricted	3,828,862	2,911,722
Temporarily restricted (<i>note 9</i>)	226,180	380,736
Permanently restricted (<i>note 9</i>)	250,160	250,160
Total net assets	4,305,202	3,542,618
Commitments (<i>notes 4, 8, 13, and 14</i>)		
Total liabilities and net assets	\$ 4,671,114	3,875,416

See accompanying notes to consolidated financial statements.

CHILDREN'S CANCER ASSOCIATION

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	2016			Total	2015
	Unrestricted	Temporarily restricted	Permanently restricted		
Operating revenues, gains, and other support:					
Contributions and grants <i>(note 11)</i>	\$ 5,135,510	157,968	—	5,293,478	4,845,556
Investment income <i>(note 5)</i>	31,401	—	—	31,401	631
Other income	50,209	—	—	50,209	29,017
Total operating revenues and gains	5,217,120	157,968	—	5,375,088	4,875,204
Net assets released from restrictions for operating purposes <i>(note 10)</i>	314,078	(314,078)	—	—	—
Total operating revenues, gains, and other support	5,531,198	(156,110)	—	5,375,088	4,875,204
Expenses <i>(note 12):</i>					
Program services:					
MyMusicRx	1,735,543	—	—	1,735,543	1,741,820
Pediatric Chemo Pal					
Mentor program	411,869	—	—	411,869	436,620
Caring Cabin	222,736	—	—	222,736	256,979
Link Family Enrichment program	334,691	—	—	334,691	324,523
Education and resources	436,809	—	—	436,809	426,592
Volunteer program	295,220	—	—	295,220	293,626
Total program services	3,436,868	—	—	3,436,868	3,480,160
Supporting services:					
Management and general	400,896	—	—	400,896	406,352
Fundraising	811,215	—	—	811,215	689,340
Total supporting services	1,212,111	—	—	1,212,111	1,095,692
Total expenses	4,648,979	—	—	4,648,979	4,575,852
Increase (decrease) in net assets before non-operating activities	\$ 882,219	(156,110)	—	726,109	299,352

Continued

CHILDREN'S CANCER ASSOCIATION

CONSOLIDATED STATEMENT OF ACTIVITIES, CONTINUED

YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	2016			Total	2015
	Unrestricted	Temporarily restricted	Permanently restricted		
Non-operating activities:					
Endowment gifts	\$ —	—	—	—	12,360
Endowment investment income (<i>note 5</i>)	—	1,554	—	1,554	9,205
Contributions restricted for capital acquisition	—	24,921	—	24,921	—
Net assets released from restrictions for capital purposes (<i>note 10</i>)	24,921	(24,921)	—	—	—
In-kind capital contributions	10,000	—	—	10,000	25,946
Loss on sale and disposal of capital assets	—	—	—	—	(15,004)
Total non-operating activities	34,921	1,554	—	36,475	32,507
Increase (decrease) in net assets	917,140	(154,556)	—	762,584	331,859
Net assets at beginning of year	2,911,722	380,736	250,160	3,542,618	3,210,759
Net assets at end of year	\$ 3,828,862	226,180	250,160	4,305,202	3,542,618

See accompanying notes to consolidated financial statements.

CHILDREN'S CANCER ASSOCIATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	2016					
		Program services				
	MyMusicRx	Chemo Pal Mentor program	Caring Cabin	Link program	Education and resources	Volunteer program
Salaries and related expenses	\$ 673,626	259,984	119,750	148,112	313,436	230,284
Program grants	-	-	-	-	-	-
Professional services	799,616	29,421	17,458	28,831	58,724	20,739
Occupancy	41,079	16,215	21,185	9,319	18,427	14,250
Telephone	4,749	2,108	3,249	893	1,881	1,578
Direct benefits to children	21,562	74,741	7,195	134,819	4,268	1,474
Supplies	35,437	5,922	4,259	852	2,122	4,829
Postage	2,971	531	1,355	568	591	838
Printing and publications	3,938	570	263	325	3,303	1,882
Equipment	2,726	1,064	761	606	1,209	1,574
Insurance	4,289	1,693	5,042	964	1,923	1,488
Travel	40,475	2,894	3,844	305	2,474	579
Marketing	4,199	1,421	655	810	1,615	1,249
Meetings and public relations	572	758	353	-	-	748
Bank and merchandising fees	485	-	-	-	-	-
Provision for noncollection of pledges receivable	-	-	-	-	-	-
Other	2,871	919	1,824	523	3,884	1,732
Total expenses before depreciation	1,638,595	398,241	187,193	326,927	413,857	283,244
Depreciation	96,948	13,628	35,543	7,764	22,952	11,976
Total expenses	\$ 1,735,543	411,869	222,736	334,691	436,809	295,220

See accompanying notes to consolidated financial statements.

Total	Supporting services		Total	Total	2015
	Management and general	Fund-raising			
1,745,192	245,242	501,295	746,537	2,491,729	2,362,840
–	–	–	–	–	2,000
954,789	55,734	70,374	126,108	1,080,897	1,118,713
120,475	12,978	30,171	43,149	163,624	167,733
14,458	1,497	3,017	4,514	18,972	23,473
244,059	–	–	–	244,059	223,066
53,421	3,306	64,303	67,609	121,030	83,227
6,854	453	4,998	5,451	12,305	18,116
10,281	1,853	30,660	32,513	42,794	59,886
7,940	1,523	3,056	4,579	12,519	15,477
15,399	32,200	3,150	35,350	50,749	52,871
50,571	311	8,823	9,134	59,705	34,821
9,949	1,357	2,644	4,001	13,950	–
2,431	2,309	2,694	5,003	7,434	6,785
485	6,568	35,712	42,280	42,765	38,664
–	2,121	–	2,121	2,121	58,729
11,753	20,435	24,962	45,397	57,150	50,533
3,248,057	387,887	785,859	1,173,746	4,421,803	4,316,934
188,811	13,009	25,356	38,365	227,176	258,918
3,436,868	400,896	811,215	1,212,111	4,648,979	4,575,852

CHILDREN'S CANCER ASSOCIATION

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	2016	2015
Cash flows from operating activities:		
Cash received from contributors, grantors, and others	\$ 4,518,530	4,402,264
Interest income	28,345	3,942
Cash paid to employees and suppliers	(3,643,533)	(3,537,862)
Interest expense	(490)	(2,755)
Net cash provided by operating activities	902,852	865,589
Cash flows from investing activities:		
Purchase of investments	(1,681,474)	(50,000)
Reinvested investment income	(19,451)	(3,312)
Capital expenditures	(154,593)	(61,781)
Proceeds received on the sale of property	-	103,338
Cash paid to other beneficiaries of property gift	-	(27,500)
Net cash used in investing activities	(1,855,518)	(39,255)
Cash flows from financing activities		
Proceeds from contributions		
restricted for capital acquisition	24,921	12,360
Repayment of note principal	(4,240)	(4,201)
Net cash provided by financing activities	20,681	8,159
Net increase (decrease) in cash and cash equivalents	(931,985)	834,493
Cash and cash equivalents at beginning of year	1,580,885	746,392
Cash and cash equivalents at end of year	\$ 648,900	1,580,885

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 2016

1. Organization

Children's Cancer Association ("CCA") is an Oregon nonprofit corporation established in 1995. CCA delivers innovative, award-winning programs that provide joy to seriously ill children with life-threatening illnesses and their families at no cost, offering them unique in-hospital programs, family and emotional support, access to information, use of a family retreat home, and education and resources to improve their care and quality of life.

2. Program Services

During the year ended April 30, 2016, Children's Cancer Association incurred program service expenses in the following major categories:

MyMusicRx® – CCA's MyMusicRx team delivers the healing power of music to the bedsides of children and teens facing cancer and other serious illnesses to reduce stress, anxiety, and the perception of pain. Serving hospitalized children since 1995, this program incorporates state-of-the-art mobile music carts stocked with specialized instruments for all ages and abilities. As an innovative digital expansion, MyMusicRx.org was launched online in 2011 with exclusive artist greetings, concerts, music lessons, and curated content from across the Web.

Chemo Pal® Mentor Program – The Chemo Pal Mentor Program matches kids and teens with a trusted adult friend, creating special bonds of friendship to relieve the loneliness and isolation experienced by children in treatment. Carefully screened and trained Chemo Pal Mentors visit children in the hospital, clinic, or at home, where together they play games, listen to music, share hobbies, or simply enjoy the comfort of companionship. CCA and its partners also host activities in the community for children and their Chemo Pal Mentors, and provide ongoing support and education for these front-line volunteers.

The Alexandra Ellis Caring Cabin™ – The Alexandra Ellis Caring Cabin provides children facing cancer and terminal illnesses and their families with a multi-day stay at a private residence, connecting them to nature and healing. Located on 24 wooded, private acres along the Oregon coast, the Caring Cabin provides an extraordinary place to retreat, relax and create once-in-a-lifetime memories outside the hospital environment.

Link Program – The Link program engages a community network of caring people and organizations to assist local families with resources and support during a difficult and often financially depleting medical journey. This program helps families with specific essential and non-reoccurring needs, connecting them to local and national resources, offering funeral assistance and bereavement support, and responds with "yes" when a child with a terminal illness has a special wish not met by other organizations.

Education and Resources – Operated in partnership with Randall Children's Hospital at Legacy Emanuel in Portland, Oregon, the Alexandra Ellis Family Resource Center provides free, 24/7 access for families and patients to specialized health information, books to loan, and resource directories. CCA also publishes national Kids' Cancer Pages and local Family Resource Pages, which are distributed to children's hospitals across the country. In addition, CCA's outreach programs include the annual Celebration of Courage, introducing an extraordinary group of CCA Heroes to the community, honoring them and their families. CCA engages in outreach and education, both online and face-to-face, collaborating with local high schools, businesses, and community leaders to inspire and connect others to its outstanding mission.

Volunteer Program – CCA is committed to helping build and maintain a strong network of support in the community by engaging others in meeting the needs of local children and teens with serious illness. Staff educates, trains, and supports volunteers, who are the heart and soul of the organization. Volunteers mentor children, share their musical talents, staff community events, host toy drives, and serve on our leadership boards. In addition, Volunteers generously commit many thousands of hours and share extensive expertise through a wide variety of services and specialized skills.

3. Summary of Significant Accounting Policies

The significant accounting policies followed by Children’s Cancer Association are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Principles of Consolidation – The accompanying financial statements include the accounts of Children’s Cancer Association and The Foundation of the Children’s Cancer Association. All significant interorganizational investments, accounts, and transactions have been eliminated.

The Foundation of the Children’s Cancer Association (the “Foundation”) was incorporated in September of 2011 to provide support to CCA, including making payments to or for the use of, or providing services and facilities for the members of the charitable class benefited by, CCA. The Foundation is a nonprofit corporation organized in accordance with the laws of the State of Oregon.

Basis of Presentation – CCA has adopted the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) No. 958-605, *Revenue Recognition* and FASB ASC No. 958-205, *Presentation of Financial Statements*. Under these provisions, net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that may be met by actions of CCA and/or the passage of time. These balances represent the unexpended portion of externally restricted contributions and investment return to be used for specific programs and activities as directed by the donor.
- *Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by CCA. Generally, the donors of these assets permit the organization to use all or part of the income earned on related investments for general or specific purposes.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. The receipt of contributions with restrictions that are satisfied in the same reporting period as received are reported as unrestricted support.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. In the opinion of management, such differences, if any, would not be significant.

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions of Long-Lived Assets – Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire property and equipment with such donor stipulations are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

Benefits Provided to Donors at Special Events – CCA conducts special fundraising events from which a portion of the gross proceeds paid by participants represents payment for the direct cost of the benefits received by participants at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the organization.

Cash Equivalents – For purposes of the financial statements, CCA generally considers liquid investments having initial maturities of three months or less to be the equivalent of cash. Cash and cash equivalents held as part of CCA's investment portfolio, and where management's intention is to use the cash to purchase investments to be held long-term, are classified as investments.

Investments – Under the provisions of FASB ASC No. 958-320, *Investments – Debt and Equity Securities*, investments in marketable securities with readily determinable fair values, and all investments in debt securities are reported at their fair value in the statement of financial position. Net appreciation (decline) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (decline) of those investments, is reported in the statement of activities. Interest income is accrued as earned. Security transactions are recorded on a trade date basis.

Measure of Operations – The organization includes in its measure of operations all revenues and expenses that are integral to its programs and supporting activities, including net assets released from donor restrictions to support operations. The measure of operations excludes capital contributions, gains and/or losses on the disposal or sale of capital assets, endowment gifts, and endowment return.

Capital Assets and Depreciation – Property and equipment are carried at cost, and at fair value when acquired by gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which is generally 10 to 40 years for buildings and improvements, 10 years (or the length of the lease term, if less) for leasehold improvements, 5 to 7 years for furniture and equipment, and 3 years for websites.

Revenue Recognition – All contributions and grants are considered available for the unrestricted general operations of CCA unless specifically restricted by a donor. Service revenues are recognized at the time services are provided and the revenues are earned. Bequests are recorded as revenue at the time CCA has an established right to the bequest and the proceeds are measurable.

Outstanding Legacies – CCA is a beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. The organization’s share of such bequests is recorded when the probate court has declared the testamentary instrument valid and the proceeds are measurable.

Endowment Funds and Interpretation of Relevant Law – Effective January 1, 2008, the State of Oregon adopted the *Uniform Prudent Management of Institutional Funds Act* (“UPMIFA”), which governs Oregon charitable institutions with respect to the management, investment, and expenditure of donor-restricted endowment funds.

The Board of Directors has interpreted Oregon’s adoption of UPMIFA as requiring Children’s Cancer Association to adopt investment and spending policies that preserve the fair value of the original gift as of the date of gift, absent explicit donor stipulations to the contrary. Although CCA has a long-term fiduciary duty to the donor (and to others) for a fund of perpetual duration, the preservation of the endowment’s purchasing power is only one of several factors that are considered in managing and investing these funds. Furthermore, in accordance with UPMIFA, a portion of the endowment’s original gift may be appropriated for expenditure in support of the restricted purposes of the endowment if this is consistent with a spending policy that otherwise satisfies the requisite standard of prudence under UPMIFA.

As a result of this interpretation, CCA classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) subsequent gifts to the endowment, and (3) accumulations made pursuant to the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Net earnings (realized and unrealized) on the investment of endowment assets are classified as temporarily restricted until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA and until expended in a manner consistent with the purpose or time restrictions, if any, imposed by the donor. Any investment return classified as permanently restricted represents only those amounts required to be retained permanently as a result of explicit donor stipulations.

With regard to endowment losses or appropriations in excess of the fair value of the original gift, in accordance with FASB ASC No. 958-320, *Investments – Debt and Equity Securities*, the portion of a donor-restricted endowment that is classified as permanently restricted is not reduced by losses on the investments of the fund, except to the extent required by the donor, including losses related to specific investments that the donor requires CCA to hold in perpetuity. Similarly, the amount of permanently restricted net assets is not reduced by CCA’s appropriations from the fund. In the absence of donor stipulations or law to the contrary, losses or appropriations of a donor-restricted endowment reduce temporarily restricted net assets to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been satisfied before the loss or appropriation occurs. Any remaining loss or appropriation reduces unrestricted net assets.

In accordance with UPMIFA, the Board of Directors has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs and operations supported by its endowment, while also seeking to maintain the long-term purchasing power of the endowment assets. Therefore, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the organization and the fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the organization; and
- The investment policies of the organization.

During the year ended April 30, 2016, the Board of Directors did not appropriate any funds for expenditure (see note 9).

Advertising Expenses – Advertising costs are charged to expense as they are incurred.

Income Taxes – Both Children’s Cancer Association and The Foundation of the Children’s Cancer Association are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and comparable state law. Children’s Cancer Association has been recognized as a public charity under Sections 170(b)(1)(A)(vi) and 509(a)(1) of the Internal Revenue Code. The Foundation of the Children’s Cancer Association derives its public charity status as a Type I supporting organization described in IRC Section 509(a)(3).

Subsequent Events – As required by FASB ASC No. 855-10, *Subsequent Events*, subsequent events have been evaluated by management through August 11, 2016, which is the date the financial statements were available to be issued.

Concentrations of Credit Risk – CCA’s financial instruments consist primarily of cash equivalents, U.S. treasuries, corporate bonds, and mutual funds. Cash equivalents may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation (“FDIC”). In addition, the market value of securities is dependent on the ability of the issuer to honor its contractual commitments, and the investments are subject to changes in market values.

All checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to \$250,000 for each depositor, for each insured bank, for each account ownership category. At April 30, 2016, CCA had \$307,751 in cash in excess of these limits.

Certain receivables may also, from time to time, subject the organization to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, the organization’s management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

Summarized Financial Information for 2015 – The accompanying financial information as of and for the year ended April 30, 2015 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

4. Contributions Receivable

Grants and contributions receivable consist of unconditional promises expected to be collected in less than one year and total \$219,290 at April 30, 2016.

In addition, during the year ended April 30, 2015, the organization was awarded a grant for which a portion is conditioned upon the organization satisfying matching fund requirements. The conditional portion of the grant totaled \$34,000. This amount has not yet been reflected in the accompanying financial statements because the associated conditions had not been satisfied as of April 30, 2016.

5. Investments

Investments, at fair value, consist of the following at April 30, 2016:

U.S. Treasuries	\$ 525,977
Corporate bonds	463,143
Large-cap funds	407,197
Mid-cap funds	164,160
Exchange-traded funds	33,530
Small-cap funds	10,157
Accrued income	7,368
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Investments, at fair value	1,611,532
Money market funds	242,185
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	\$ 1,853,717
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Included in investments at April 30, 2016 is \$259,896 in funds restricted for endowment, consisting of \$250,160 of endowment corpus and \$9,736 of unappropriated endowment earnings. See note 9.

Total return on investments for the year ended April 30, 2016 is as follows:

Interest income	\$ 28,345
Net appreciation in the fair value of investments	4,610
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Total investment return	\$ 32,955
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Total investment return is attributed to the following fund groups:

Unrestricted Board-designated and general operating funds	\$ 31,401
Endowment funds	1,554
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Total investment return	\$ 32,955
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6. Property and Equipment

A summary of property and equipment at April 30, 2016 is as follows:

Land	\$ 150,000
Caring Cabin	964,369
Caring Cabin furnishings	57,220
Furniture and equipment	767,331
Leasehold improvements	649,101
Websites	446,099
Trademark	2,201
<hr/>	
	3,036,321
Less accumulated depreciation	(1,264,436)
<hr/>	
	\$ 1,771,885
<hr/>	

7. Note Payable

During the year ended April 30, 2007, CCA issued a promissory note in the amount of \$56,600 to the Portland Development Commission in return for a loan under its "Quality Jobs Program." The loan is for a term of 20 years, with no interest accrued through December 1, 2008. Beginning January 1, 2009, interest-only payments were due monthly through December 1, 2013. Principal and interest payments were due monthly beginning on January 1, 2014, and are payable until the note is retired. Interest is calculated at 1.0% if CCA is fully compliant with certain job creation benefits.

The following table summarizes the maturities of note principal for the five years subsequent to April 30, 2016 and thereafter:

<i>Years ending April 30,</i>	
2017	\$ 4,194
2018	4,236
2019	4,368
2020	4,406
2021	4,460
Thereafter	24,757
	<hr/>
	\$ 46,421

Interest expense on the above note totaled \$490 for the year ended April 30, 2016.

8. Line of Credit

Children's Cancer Association had available a line of credit in the amount of \$250,000, secured by all of the organization's assets and bearing interest at the bank's prime rate. The line expires on July 28, 2018. There was no balance outstanding under this agreement as of April 30, 2016.

9. Restrictions and Limitations on Net Asset Balances

The following summarizes the donor-imposed and Board-designated limitations on net assets as of April 30, 2016:

Board-Designated Net Assets

At April 30, 2016, \$500,000 of CCA's unrestricted net assets has been designated by the Board of Directors for the following purposes:

Caring Cabin	\$ 350,000
Future growth/2020 fund	150,000
	<hr/>
	\$ 500,000

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at April 30, 2016:

Restricted resources held for:	
MyMusicRx Expansion	\$ 50,742
Information Technology Staff	88,902
Link Family Enrichment	23,790
Other restricted programs and purposes	41,220
Purpose-restricted endowment earnings not yet appropriated	9,736
Contributions and grants for general purposes in future periods	11,790
	<hr/>
	\$ 226,180

Continued

Permanently Restricted Net Assets

At April 30, 2016, CCA held \$250,160 in donor-restricted endowment funds. These funds represent the portion of the organization's endowment required to be retained permanently, either by explicit donor stipulation or by UPMIFA. The total investment return on the balances of these permanently restricted net assets is restricted for the following:

CCA Children Fund ¹	\$ 149,778
Make It Last Fund ²	100,382
	<hr/>
	\$ 250,160

¹ Restricted for families of children not likely to survive.

² Restricted to the annual operating and capital improvements for the Caring Cabin.

Endowment Summary

CCA's endowment consists of two individual funds. As required by generally accepted accounting principles, net assets associated with endowment are classified and reported based on the existence or absence of donor-imposed restrictions.

The following summarizes the organization's endowment-related activities for the year ended April 30, 2016:

	Temporarily restricted	Permanently restricted	Total
Endowment net assets at beginning of year	\$ 8,182	250,160	258,342
Investment earnings	1,554	—	1,554
Endowment net assets at end of year	\$ 9,736	250,160	259,896

10. Net Assets Released from Restrictions

During the year ended April 30, 2016, the organization incurred \$338,999 in expenses in satisfaction of the restricted purposes specified by donors, or satisfied the restrictions by the occurrence of other events, as follows:

Operating purposes	\$ 314,078
Capital purposes	24,921
	<hr/>
	\$ 338,999

11. Contributions and Grants

Contributions and grants for the year ended April 30, 2016 totaled \$5,293,478 as follows:

<i>Contributions:</i>	
Contributions	\$ 1,649,156
Grants	259,747
	<hr/>
	1,908,903

<i>In-kind contributions:</i>	
Contributed services – operations ¹	831,892
Contributed services – special events ¹	10,376
Materials and supplies – operations ²	256,140
Materials and supplies – special events ²	40,221
Free use of facilities – operations	11,148
	<hr/>
	1,149,777

Continued

Special events:

Celebration of Courage Series	1,051,410
Valentine-A-Thon	545,195
Other internally-sponsored events	675,506
Other externally-sponsored events	341,772
Less direct expenses incurred	(379,085)
	<hr/>
	2,234,798
	<hr/>
	\$ 5,293,478

¹ Consistent with the requirements of FASB ASC No. 958-605, *Revenue Recognition*, CCA reports as revenue the fair value of contributed services received where the services require specialized skills, are provided by individuals possessing these skills, and represent services that would have been purchased had they not been donated. During the year ended April 30, 2016, CCA recorded \$842,268 in total contributed services, including contributed services related to special events.

² In-kind contributions of materials and supplies are recorded where there is an objective basis upon which to value these gifts and where the contributions are an integral part of CCA's activities. During the year ended April 30, 2016, CCA recorded \$296,362 in total donated materials and supplies, including donated materials and supplies related to special events.

In addition to these contributions and grants, the organization regularly receives contributed services from a large number of volunteers who assist in fundraising and other efforts through their participation in a range of events and by working with members of CCA's staff in a variety of capacities. Consistent with FASB ASC No. 958-605, *Revenue Recognition*, the value of such services, which the organization considers not practicable to estimate, have not been recognized in the accompanying financial statements.

Also excluded from the preceding table are gifts received by CCA for the acquisition of capital assets and other non-operating support received during the year.

12. Expenses

The costs of providing the various programs and other activities of the organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses by their natural classification are presented in the consolidated statement of functional expenses.

13. Operating Lease Commitments

CCA has entered into a noncancelable operating lease agreement for its administrative offices that expires in October of 2023. CCA also leases certain office equipment through operating leases that expire in various years through 2019.

Annual lease commitments under these leases for the five years subsequent to April 30, 2016 and thereafter are payable as follows:

<i>Years ending April 30,</i>	
2017	\$ 155,440
2018	159,831
2019	156,485
2020	160,459
2021	165,277
Thereafter	434,527
	<hr/>
	\$ 1,232,019

Rent expense of the above leases for the year ended April 30, 2016 totaled \$151,166.

14. Employee Retirement Benefits

CCA has established a Simple IRA deferred savings plan for its employees. Employees become eligible to participate in the plan on the first of the month following their date-of-hire and may elect to contribute up to the statutory limit allowed. The organization matches all employee contributions up to 3.0% of participating employees' compensation. Matching contributions are 100% vested as contributed. Contributions to the plan totaled \$44,712 for the year ended April 30, 2016.

15. Fair Value Measurements

The accompanying financial statements report the organization's investments at fair value. These assets have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC No. 820, *Fair Value Measurements and Disclosures*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3).

At April 30, 2016, CCA's financial assets that are reported at fair value on a recurring basis consist of investments totaling \$1,611,532 (see note 5), which are measured at fair value on a recurring basis using quoted prices for identical assets (i.e., Level 1).

16. Reclassification of 2015 Comparative Totals

Certain 2015 amounts presented herein have been reclassified to conform to the 2016 presentation.

17. Reconciliation of Statement of Cash Flows

The following presents a reconciliation of the increase in net assets (as reported on the statement of activities) to net cash provided by operating activities (as reported on the statement of cash flows):

Increase in net assets	\$ 762,584
<hr/>	
<i>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</i>	
Depreciation	227,176
Net appreciation in the fair value of investments	(4,610)
Provision for non-collection of contributions receivable	2,121
Proceeds from contributions restricted for long-term investment	(24,921)
In-kind capital contributions	(10,000)
<i>Net changes in:</i>	
Contributions receivable	(69,965)
Prepaid expenses and other assets	(16,887)
Accounts payable and accrued expenses	11,175
Accrued payroll liabilities	10,679
Deferred revenue	15,500
<hr/>	
Total adjustments	140,268
<hr/>	
Net cash provided by operating activities	\$ 902,852
<hr/>	

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CHILDREN'S CANCER ASSOCIATION

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

APRIL 30, 2016

	Children's Cancer Association	The Foundation of the Children's Cancer Association	Consolidating elimination entries	Total
Assets:				
Cash and cash equivalents	\$ 623,116	25,784	—	648,900
Contributions receivable	219,290	—	—	219,290
Investments	1,524,799	328,918	—	1,853,717
Prepaid expenses and other assets	175,720	1,602	—	177,322
Property and equipment	781,204	990,681	—	1,771,885
Total assets	\$ 3,324,129	1,346,985	—	4,671,114
Liabilities:				
Accounts payable and accrued expenses	49,158	—	—	49,158
Accrued payroll liabilities	238,333	—	—	238,333
Deferred revenue	32,000	—	—	32,000
Note payable	46,421	—	—	46,421
Total liabilities	365,912	—	—	365,912
Net assets:				
Unrestricted	2,741,773	1,087,089	—	3,828,862
Temporarily restricted	216,444	9,736	—	226,180
Permanently restricted	—	250,160	—	250,160
Total net assets	2,958,217	1,346,985	—	4,305,202
Total liabilities and net assets	\$ 3,324,129	1,346,985	—	4,671,114

CHILDREN'S CANCER ASSOCIATION
CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED APRIL 30, 2016

	Children's Cancer Association	The Foundation of the Children's Cancer Association	Consolidating elimination entries	Total
Operating revenues, gains, and other support:				
Contributions and grants	\$ 5,293,085	393	-	5,293,478
Investment income	30,462	428	-	30,890
Other income	50,688	30,032	(30,000)	50,720
Total operating revenues, gains, and other support	5,374,235	30,853	(30,000)	5,375,088
Expenses:				
Program services:				
MyMusicRx	1,735,543	-	-	1,735,543
Pediatric Chemo Pal Mentor program	411,869	-	-	411,869
Caring Cabin	218,935	33,801	(30,000)	222,736
Link Family Enrichment program	334,691	-	-	334,691
Education and resources	436,809	-	-	436,809
Volunteer program	295,220	-	-	295,220
Total program services	3,433,067	33,801	(30,000)	3,436,868
Supporting services:				
Management and general	398,277	2,619	-	400,896
Fundraising	811,215	-	-	811,215
Total supporting services	1,209,492	2,619	-	1,212,111
Total expenses	4,642,559	36,420	(30,000)	4,648,979
Increase (decrease) in net assets before non-operating activities	731,676	(5,567)	-	726,109
Non-operating activities:				
Endowment investment income	-	1,554	-	1,554
Contributions restricted for capital acquisition	24,921	-	-	24,921
In-kind capital contributions	10,000	-	-	10,000
Total non-operating activities	34,921	1,554	-	36,475
Increase (decrease) in net assets	766,597	(4,013)	-	762,584
Net assets at beginning of year	2,191,620	1,350,998	-	3,542,618
Net assets at end of year	\$ 2,958,217	1,346,985	-	4,305,202

CHILDREN'S CANCER ASSOCIATION

GOVERNING BOARD, MANAGEMENT, AND STAFF

AS OF AUGUST, 2016

Board of Directors

CHILDREN'S CANCER
ASSOCIATION

Andy Lytle, *Board Chair*
Division Vice President –
Western U.S.
Jackson Family Wines

Jeff Paustain, *Secretary and*
Treasurer, Finance Chair
Managing Director, Investments
JGP Wealth Management
Group of Wachovia Securities

Paul Gulick, *Board Chair*
Emeritus, 2008 to 2010
Co-Founder, In-Focus
Founder, Clarity Visual Systems
(Retired)

Clare Hamill, *Founding Board*
Chair, 1996 to 2005
Vice President, Nike Growth
Initiatives
Nike, Inc.

Paula Barran
Partner
Barran Liebman, LLP

Scott Burton
Director of Community
and Business Relations
Regence BlueCross
BlueShield of Oregon

Mark Byrum
Owner and Operator
Urban Restaurant Group

Laura Caldwell
Senior Business Affairs Manager
Wieden + Kennedy

Rosemary Colliver
Head of Legal & Business Affairs
LAIKA, Inc.

Aaron Cooper
Innovation Design Director
Nike, Inc.

Tim Cooper
Senior Vice President
Brown & Brown Northwest

Andrea Corradini
Senior Director –
Multi Sportstyle Footwear
Nike, Inc.

Andy Delaporte
Vice President &
General Manager
Meredith Corporation's KPTV
Fox 12 Oregon and PDX TV

Bill Dolan
Senior Philanthropic Advisor
Charitable Services Group
U.S. Bank

Katherine Durham
Vice President, Individual
Disability Insurance & Corporate
Marketing & Communications
The Standard

Analia Earhart
Community Leader and
Philanthropist

Regina Ellis
Founder & Chief Executive Officer
Children's Cancer Association

Chris Funk
Artist, Musician, Producer
The Decemberists/Black Prairie

Mike Golub
Chief Operating Officer
Portland Timbers

John Grothe
Head PGA Professional
Oregon Golf Association

Sharon Gueck
Portfolio Manager &
Financial Planner
Becker Capital

Grant Hammersley
Chief Executive Officer
Opus Events Agency

Scott Hix
Co-Founder
SOL Republic

Paul Hogan
Principal
Jesuit High School

Macie House
Vice President
Northwest Capital Management

Todd Jessup
Financial Services Executive

Drew Klonsky
*Entrepreneur and Founder
+Citizen, Inc.*

Matt Lounsbury
*Vice President
Stumptown Coffee Roasters*

Suman Malempati, M.D.
*Associate Professor, Dept. of
Pediatrics, Division of Pediatric
Hematology/Oncology
OHSU, Doernbecher
Children's Hospital*

Albert A. Menashe
*Attorney and Shareholder
Gevurtz Menashe*

Suzann Murphy
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(w)here, inc.*

Ron Penner-Ash
*Winemaker and Owner
Penner-Ash Wine Cellars*

Serene Perkins, M.D.
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Clinical Research
Legacy Research Institute
Legacy Health*

Bob Proffitt
*President and Chief
Operating Officer
Alpha Media*

Tom Sand
*Partner
Miller Nash Graham &
Dunn, LLP*

Sonja Steves
*Senior Vice President of
Human Resources
Legacy Health*

Jon Thomsen
*Chief Executive Officer
Atmosera*

Dara Wilk
*Management Consulting
The Wilk Group*

Cliff Ellis, *Honorary Board Member*
*Co-Founder
Children's Cancer Association*

THE FOUNDATION OF THE
CHILDREN'S CANCER
ASSOCIATION

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*Chief Executive Officer
Phillips & Company*

Regina Ellis, *Board President*
*Founder & Chief Executive Officer
Children's Cancer Association*

Clare Hamill, *Board Secretary*
*Vice President, Nike Growth
Initiatives
Nike, Inc.*

Paul Gulick
*Co-Founder, In-Focus
Founder, Clarity Visual Systems
(Retired)*

Management and Staff

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Founder & Chief Executive Officer

Megan Byrtek
*President & Chief Operating
Officer*

Abby Guyer
*Vice President, Brand &
Communications*

Jennifer O'Bryan
Vice President, Development

Maura Boyce
Director of Programs

Marsha Brockmeyer
*Director of National
Expansion*

Camrick Clark
*Director of Digital
Communications*

Courtney Jenkins
*Senior Director of Philanthropy
& Strategic Alliances*

Nicole McDonald
Director of Finance

Joe Williams
*Director of Information
Technology*

Cliff Ellis
Caring Cabin Site Manager

Amy Krieger
Human Resource Manager

Angela Long
Accounting Manager

Christine Mebesius
Special Events Manager

Marian O'Hara
Database Manager

Chris Rubeo
MyMusicRx Supervisor

Kacy Smerke
Senior Programs Manager

Kelly Tenuta
*Corporate & Community
Partnerships Manager*

Caitlin Broderick
MyMusicRx Specialist

Emily Calhoun
Events Specialist

Kelly Carmody
Administrative Program Support

Lauren Carter
Chemo Pal Program Specialist

Victoria Garcia
Chemo Pal Program Specialist

Carrie Grant
Graphic Design Specialist

Christina Heesacker
Chemo Pal Program Specialist

Tyson Heesacker
Database Support

Cheryl Kanekoa
Communications Specialist

Rachel Marks
Office Administrator

Kristina Palmer
Human Resource Specialist

Jeannie Ross
Chemo Pal Program Specialist

Brian Stitt
MyMusicRx Specialist

Bree Thompson
Chemo Pal Program Specialist

Samantha Thompson
Donor Relations Specialist

Rachel Trindle
*Volunteer & Community
Outreach Specialist*

Jacquelyn Westfall
MyMusicRx Specialist

Marlena Willette
Executive Assistant

CHILDREN'S CANCER ASSOCIATION

INQUIRIES AND OTHER INFORMATION

CHILDREN'S CANCER ASSOCIATION
1200 N. W. Naito Parkway, Suite 140
Portland, Oregon 97209

(503) 244-3141
(503) 892-1922 Fax
office@JoyRx.org

Website

www.JoyRx.org

