

PEDIATRIC LOW GRADE ASTROCYTOMA  
FOUNDATION, INC.

D/B/A A KIDS' BRAIN TUMOR CURE FOUNDATION

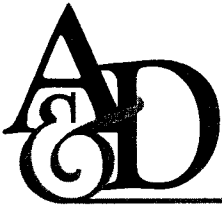
FINANCIAL STATEMENTS

DECEMBER 31, 2016

PEDIATRIC LOW GRADE ASTROCYTOMA FOUNDATION, INC.  
D/B/A A KIDS' BRAIN TUMOR CURE FOUNDATION

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# AMICHETTI, DELUCA & CO., P.C.

Anthony J. Amichetti    Edward J. DeLuca, Jr.  
Certified Public Accountant    Certified Public Accountant

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Pediatric Low Grade Astrocytoma Foundation, Inc.  
d/b/a A Kids' Brain Tumor Cure Foundation  
Needham, Massachusetts 02492

We have audited the accompanying financial statements of Pediatric Low Grade Astrocytoma Foundation, Inc. d/b/a A Kids' Brain Tumor Cure Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgement, 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 Organization'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 Pediatric Low Grade Astrocytoma Foundation, Inc. d/b/a A Kids' Brain Tumor Cure Foundation as of December 31, 2016, and their changes in its net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 10 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

Respectfully submitted,

*Amichetti, DeLuca & Co., P.C.*

Amichetti, DeLuca & Co., P.C.  
Certified Public Accountants

April 18, 2017

PEDIATRIC LOW GRADE ASTROCYTOMA FOUNDATION, INC.  
D/B/A A KIDS' BRAIN TUMOR CURE FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2016

ASSETS

	<u>Unrestricted</u>
CURRENT ASSETS:	
Cash	\$3,070,144
Prepaid Expenses	<u>4,262</u>
TOTAL CURRENT ASSETS	<u>3,074,406</u>
TOTAL ASSETS	<u>\$3,074,406</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Accrued Expenses	<u>\$ 9,717</u>
TOTAL CURRENT LIABILITIES	<u>9,717</u>
NET ASSETS:	
Unrestricted	<u>3,064,689</u>
TOTAL NET ASSETS	<u>3,064,689</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$3,074,406</u>

See independent auditor's report and notes to financial statements.

PEDIATRIC LOW GRADE ASTROCYTOMA FOUNDATION, INC.  
D/B/A A KIDS' BRAIN TUMOR CURE FOUNDATION  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Temporarily Restricted	Unrestricted	Total
REVENUES:			
Public Support including Fundraising Activities	\$ -	\$1,079,575	\$1,079,575
Interest Income	-	995	995
Realized Gains and Losses	-	(68)	(68)
TOTAL REVENUES	<u>-</u>	<u>1,080,502</u>	<u>1,080,502</u>
EXPENSES:			
Program Services	-	1,216,826	1,216,826
Management and General	-	92,372	92,372
Fundraising Activities	-	118,459	118,459
TOTAL EXPENDITURES	<u>-</u>	<u>1,427,657</u>	<u>1,427,657</u>
DECREASE IN NET ASSETS	-	(347,155)	(347,155)
NET ASSETS, BEGINNING OF YEAR	<u>-</u>	<u>3,411,844</u>	<u>3,411,844</u>
NET ASSETS, END OF YEAR	<u>\$ -</u>	<u>\$3,064,689</u>	<u>\$3,064,689</u>

See independent auditor's report and notes to financial statements.

PEDIATRIC LOW GRADE ASTROCYTOMA FOUNDATION, INC.  
D/B/A A KIDS' BRAIN TUMOR CURE FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	
Decrease in Net Assets	\$ (347,155)
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) Decrease in:	
Prepaid Expenses	(3,226)
Short Term Investments	581
Increase (Decrease) in:	
Accrued Expenses	<u>(27,720)</u>
NET CASH USED BY OPERATING ACTIVITIES	(377,520)
CASH FLOWS FROM INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>
NET DECREASE IN CASH AND EQUIVALENTS	(377,520)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,447,664</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$3,070,144</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

CASH PAID DURING THE YEAR FOR:

Interest Expense	\$ -
Income Taxes	\$ -

See independent auditor's report and notes to financial statements.

PEDIATRIC LOW GRADE ASTROCYTOMA FOUNDATION, INC.  
D/B/A A KIDS' BRAIN TUMOR CURE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 1 - PURPOSE OF THE ORGANIZATION:

Nature of Business

Pediatric Low Grade Astrocytoma Foundation, Inc. (the Organization) was organized June 30, 2007 in Massachusetts exclusively for charitable, educational, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The Organization's policy is to prepare its financial statements on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers investments in highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to credit risk include cash on deposit with a financial institution, which was insured for up to \$250,000 by the Securities Investors Protection Corporation. The remaining balance is insured by Lloyd's of London. There is risk that the core cash account may lose value.

Fair Value of Financial Instruments

The carrying value of cash and short and long-term debt is a reasonable estimate of the fair value based on instruments with similar terms and maturities.

Income Taxes

The Organization is exempt from income taxes as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, the financial statements do not reflect a provision for income taxes.

The Organization's tax returns for 2013, 2014 and 2015 are still open for examination by federal and state tax agencies.

The Organization recognizes interest and penalties in the Schedule of Functional Expenses in the management and general category. For the year ended December 31, 2016 there were no interest and penalties recognized in the financial statements.



PEDIATRIC LOW GRADE ASTROCYTOMA FOUNDATION, INC.  
D/B/A A KIDS' BRAIN TUMOR CURE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 3 - PRINCIPAL SOURCE OF REVENUE:

The principal source of revenue was from donations from the general public.

NOTE 4 - SUBSEQUENT EVENTS:

The Company evaluates events or transactions that occur subsequent to year end for potential recognition or disclosure in the financial statements through the date on which the financial statements are available to be issued. The financial statements were approved by management and available to be issued on April 18, 2017.

NOTE 5 - TEMPORARILY RESTRICTED CASH:

As of December 31, 2016, the Organization had no temporarily restricted cash from donations restricted for future programs.

NOTE 6 - SUMMARY OF RESTRICTED GRANTS:

During 2016, the Organization gave a \$65,000 grant to Solving Kids' Cancer to collaboratively fund a clinical trial for high-risk pediatric cancer.

During 2016, the Organization gave a \$30,000 grant to Camp Sunshine to sponsor 15 families to attend the Low Grade Glioma Brain Tumor session on July 24 through July 29, 2016.

During 2016, the Organization gave a \$300,000 grant to The Johns Hopkins University to conduct research in the field of Using Human Neural Stem Cells to Create Genetically Accurate Models of PLGG, Developing PLGG Models Using Patient-Derived Tumor Tissue, Dual mTOR/NOTCH inhibition as a Therapeutic Strategy for PLGG.

During 2016, the Organization paid \$20,000 to The Brain Tumor Institute of the Children's National Health System to sponsor the Low Grade Glioma (LGG) Consensus Conference

During 2016, the Organization, under the terms of a three year grant for \$742,540 to the German Cancer Research Center, funded the second year in the amount of \$154,714 to conduct a SIOP LGG 201X Accompanying Biomarker Program entitled "Prospective Assessment of Predictive/Prognostic Molecular Biomarkers in the SIOP-LGG 201X Adaptive Phase III Clinical Trial Cohort. Funding for year three will be assessed based upon the parties mutually agreed upon milestones.

During 2016, the Organization, under the terms of a three year grant for \$102,981 to the Aix-Marseille University, funded the second year in the amount of \$38,940 to conduct a multi-institutional Phase III clinical trial study entitled "Prospective Assessment of Predictive/Prognostic Molecular Biomarkers in the SIOP-LGG 201X Adaptive". Funding for year three will be assessed based upon the parties mutually agreed upon milestones.

PEDIATRIC LOW GRADE ASTROCYTOMA FOUNDATION, INC.  
D/B/A A KIDS' BRAIN TUMOR CURE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 6 - SUMMARY OF RESTRICTED GRANTS: (Continued)

During 2016, the Organization, under the terms of a two year grant for \$333,996 to the Massachusetts General Hospital, funded the second year in the amount of \$161,998 to conduct a research project entitled "Identification of Critical Pathways in Medulloblastoma through Epigenomic Analysis".

During 2016, the Organization paid the second \$50,000 of a \$100,000 grant to Children's Hospital Medical Center to conduct research in the field of Comprehensive Genomic Analysis of Matched Primary and Progressive, Recurrent or Malignantly Transformed Pediatric Low Grade Glioma.

During 2016, the Organization, under the terms of a three year grant for \$102,981 to the University of Rome, funded the second year in the amount of \$38,940 to conduct a multi-institutional Phase III clinical trial study entitled "Prospective Assessment of Predictive/Prognostic Molecular Biomarkers in the SIOP-LGG 201X Adaptive". Funding for years two and three will be assessed based upon the parties mutually agreed upon milestones.

During 2016, the Organization gave a \$312,232 grant to Dana Farber Cancer Institute to fund the clinical trial titled Phase I/II study of MEK162 for children with progressive or recurrent low-grade gliomas and other central nervous system tumors.

During 2016, the Organization gave (2) \$2,000 grants to individuals requesting their expertise to work on a scientific advisory board to evaluate the DFCI's PLGA Research Program. The individuals that received the grants are Ingo Mellnghoff and Neal Rosen. At December 31, 2016 both of the checks were cashed.

Total Grants	\$ 1,175,826
Contract Labor	<u>41,000</u>
Total Program Services	<u>\$ 1,216,826</u>

NOTE 7 - RELATED PARTY TRANSACTIONS:

The Organization paid Samy, LLC, a company related to the executive director, \$34,000 to perform bookkeeping and advancement duties for the Organization. The transaction was authorized by the Board of Directors.

The Organization paid Samy, LLC, a company related to the executive director, \$41,000 to perform grant and program management duties for the Organization. The transaction was authorized by the Board of Directors.

PEDIATRIC LOW GRADE ASTROCYTOMA FOUNDATION, INC.  
D/B/A A KIDS' BRAIN TUMOR CURE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 8 - DONATED GOODS AND SERVICES:

During the year ended December 31, 2016, the Organization received the following donated goods and services:

Bike Ride Fundraiser	\$ 16,570
Membership	<u>26,796</u>
	<u>\$ 43,366</u>

PEDIATRIC LOW GRADE ASTROCYTOMA FOUNDATION, INC.  
D/B/A A KIDS' BRAIN TUMOR CURE FOUNDATION  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Program Service Fees	\$1,175,826	\$ -	\$ -	\$1,175,826
Program Management Fees	41,000	-	-	41,000
Contract Labor	-	34,000	33,268	67,268
Insurance	-	1,560	-	1,560
Supplies and Office Equipment	-	9,683	-	9,683
Computer Software	-	2,950	7,575	10,525
Charity	-	250	-	250
Professional Fees	-	6,650	-	6,650
Bank and Credit Card Fees	-	203	29,607	29,810
Dues and Memberships	-	27,891	-	27,891
Fundraising				
Other Fundraising	-	-	20,917	20,917
Bike Ride	-	-	23,399	23,399
PMC Shirts	-	-	3,693	3,693
Travel and Meetings	-	4,565	-	4,565
Business Filing Fee	-	4,620	-	4,620
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$1,216,826</u>	<u>\$ 92,372</u>	<u>\$ 118,459</u>	<u>\$1,427,657</u>

See independent auditor's report on supplemental information.