

THE CHILDREN'S CANCER FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

THE CHILDREN'S CANCER FUND

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Independent Auditor's Report

Board of Directors
The Children's Cancer Fund

We have audited the accompanying statements of financial position of The Children's Cancer Fund as of December 31, 2008 and 2007 and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Children's Cancer Fund at December 31, 2008 and 2007, and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Berson+Corrado

New York, New York
September 24, 2009

THE CHILDREN'S CANCER FUND

STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31,	
	2008	2007
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 109,457	\$ 238,295
Cash - restricted	15,679	15,079
Marketable securities, at fair value	198,010	239,312
Fixed assets (net of accumulated depreciation, \$9,843 and \$7,948)	1,194	1,489
	<u> </u>	<u> </u>
Total assets	<u>\$ 324,340</u>	<u>\$ 494,175</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 11,224	\$ 19,509
Research grants payable	101,951	224,645
	<u> </u>	<u> </u>
Total liabilities	<u>113,175</u>	<u>244,154</u>
 Net assets		
Restricted	3,593	3,593
Unrestricted	207,572	246,428
	<u> </u>	<u> </u>
Total net assets	<u>211,165</u>	<u>250,021</u>
	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 324,340</u>	<u>\$ 494,175</u>

See accompanying notes.

THE CHILDREN'S CANCER FUND

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	<u>YEAR ENDED DECEMBER 31, 2008</u>			2007
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
Revenue				
Special events (net of expenses \$115,462 and \$106,076 in 2008 and 2007, respectively)	\$ 204,252	\$ --	\$ 204,252	\$ 97,257
Contributions	310,690	--	310,690	388,425
Investment income	15,563	--	15,563	23,660
Total revenue	<u>530,505</u>	<u>--</u>	<u>530,505</u>	<u>509,342</u>
Expenses				
Grants and research	530,868	--	530,868	649,617
Management and general	38,493	--	38,493	40,758
Total expenses	<u>569,361</u>	<u>--</u>	<u>569,361</u>	<u>690,375</u>
Decrease in net assets	<u>(38,856)</u>	<u>--</u>	<u>(38,856)</u>	<u>(181,033)</u>
Net assets - beginning of year	<u>246,428</u>	<u>3,593</u>	<u>250,021</u>	<u>431,054</u>
Net assets - end of year	<u>\$ 207,572</u>	<u>\$ 3,593</u>	<u>\$ 211,165</u>	<u>\$ 250,021</u>

THE CHILDREN'S CANCER FUND

STATEMENTS OF CASH FLOWS

	FOR THE YEAR ENDED DECEMBER 31,	
	2008	2007
Cash flows from operating activities		
Decrease in net assets	\$ (38,856)	\$ (181,033)
<i>Adjustments to reconcile decrease in net assets to net cash used in operating activities:</i>		
Depreciation	1,895	1,745
Realized gain on investment	--	(971)
Donated computer included in contributions	(1,600)	--
(Increase) decrease in:		
Prepaid expenses and deposits	--	1,336
Restricted cash	(600)	(1,435)
Increase (decrease) in:		
Accounts payable and accrued expenses	(8,285)	19,509
Research grants payable	(122,694)	48,111
Net cash used in operating activities	<u>(170,140)</u>	<u>(112,738)</u>
Cash flows from investing activities		
Purchase of marketable securities	(125,176)	(659,518)
Proceeds from sale of marketable securities	166,478	738,543
Net cash provided by investing activities	<u>41,302</u>	<u>79,025</u>
Net decrease in cash	(128,838)	(33,713)
Cash - beginning of year	<u>238,295</u>	<u>272,008</u>
Cash - end of year	<u>\$ 109,457</u>	<u>\$ 238,295</u>

THE CHILDREN'S CANCER FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008 AND 2007

Note 1 - Organization and Purpose

The Children's Cancer Fund ("Organization") is a Hudson Valley, New York not-for-profit Corporation that raises, receives and administers funds for the purpose of engaging in and/or funding research and patient services in the area of childhood cancers and improving the quality of life of children diagnosed with cancer. The organization was established as a public charity under Section 509(a)(2) of the Internal Revenue Code.

Revenue is derived mainly from special events and contributions.

Note 2 - Summary of Significant Accounting Policies

Financial Statement Presentation - The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Basis of Accounting - The accounts of the Organization are maintained, and the accompanying financial statements have been prepared, on the accrual basis of accounting. Accordingly, revenue and its related assets are recognized when earned and expenses and their liabilities are recognized when incurred.

Cash and Cash Equivalents - The Organization considers all certificates of deposits, money market accounts and all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Restricted Cash - The Organization uses this account for patients and their families who can not afford transportation back and forth to treatment centers, as well as other related patient assistance.

Investments - Investments in marketable securities with readily determined fair values and all investments in debt securities are reported at their fair value in the statement of financial position. Unrealized holding gains and losses are reported in the period it is recognized.

Property and Equipment - Purchased property and equipment are stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Depreciation is being provided by the use of the straight-line method over five years.

Contributions - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is made. The gifts are reported as either temporarily or permanently restricted support if they are made with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified and unrestricted net assets are reported in the statement of activities as net assets released from restrictions.

THE CHILDREN'S CANCER FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008 AND 2007

Note 2 - Summary of Significant Accounting Policies (continued)

Contributions (continued) - Temporarily restricted net assets are those whose use by Children's Cancer Fund has been limited by donors to a specific time period or purpose.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 - Fair Value Measurements

FASB Statement No. 157, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described as follows:

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

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008 AND 2007

Note 3 – Fair Value Measurements (continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2008 and 2007.

U.S. Government Reserves and US Treasury Bonds: Valued at the closing price reported on the active market on which the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2008 and 2007:

	Asset at Fair Value as of December 31, 2008			
	Level 1	Level 2	Level 3	Total
U.S. Government Reserves	\$ 198,010	\$ --	\$ --	\$ 198,010
Total assets at fair value	\$ 198,010	\$ --	\$ --	\$ 198,010

	Asset at Fair Value as of December 31, 2007			
	Level 1	Level 2	Level 3	Total
US Treasury Bonds	\$ 124,799	\$ --	\$ --	\$ 124,799
U.S. Government Reserves	114,513	\$ --	\$ --	\$ 114,513
Total assets at fair value	\$ 239,312	\$ --	\$ --	\$ 239,312

Note 4 - Marketable Securities

The following is a summary of securities available-for-sale at December 31, 2008 and 2007:

	2008			
	Cost	Gross Unrealized Gain	Gross Unrealized (Losses)	Fair Value
US Treasury Bonds	\$ 189,285	\$ 8,725	\$ --	\$ 198,010
2007				
US Treasury Bonds	\$ 121,910	\$ 2,889	\$ --	\$ 124,799
U.S. Government Reserves	114,084	429		114,513
	\$ 235,994	\$ 3,318	\$ --	\$ 239,312

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008 AND 2007

Note 5- Special Events

Revenues from the special events for the year ended December 31, 2008 and 2007 were \$319,714 and \$203,333, respectively. The expenses for these special events for the years ended December 31, 2008 and 2007 are as follows (certain events were held in 2008 only):

	2008	2007
Dinner Dance	\$ 63,376	\$ 81,299
Walk/Run	22,709	24,777
Casino Night	23,139	--
Fashion Fundraiser	4,752	--
Tea at the Castle	769	--
Gift of Sharing	717	--
	<u>\$ 115,462</u>	<u>\$ 106,076</u>

Note 6- Research Grants Payable

Grants authorized but unpaid at year-end are reported as liabilities in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made". The gross short-term payable amounted to \$101,951 and \$224,645, for the years ended December 31, 2008 and 2007, respectively.

Note 7- Other Financial Information

The Organization maintains accounts with a financial institution. Balances may exceed the maximum coverage provided by the Federal Deposit Insurance Corporation on insured depositor accounts.

Depreciation expense for the years ended December 31, 2008 and 2007 amounted to \$1,895 and \$1,745, respectively.
