

Band of Parents, Inc.

Financial Statements

With

Independent Auditors' Report

For the Year Ended December 31, 2019

(With Comparative Totals for the Year ended December 31, 2018)

BAND OF PARENTS, INC.
DECEMBER 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Band of Parents, Inc.

We have audited the accompanying financial statements of Band of Parents, Inc. (the "Organization") (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2019, 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 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 from material misstatement.

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

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

INDEPENDENT AUDITORS' REPORT - CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Organization as of December 31, 2019, 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.

Report on the 2018 Summarized Comparative Information and Audit Adjustment

The 2018 financial statements of the Organization were audited by other auditors who expressed an unmodified audit opinion on those audited financial statements in their report dated October 21, 2019.

As part of our audit of the 2019 financial statements, we also audited the adjustment described in Note 2 that was applied to restate the Organization's 2018 summarized comparative information presented herein.

In our opinion, such adjustment is appropriate and has been properly applied. We were not engaged to audit, review, or apply any procedures to the 2018 financial statements or 2018 the summarized comparative information of the Company presented herein, other than with respect to the adjustment, and accordingly we do not express an opinion or any other form of assurance on the 2018 financial statements as a whole or on the 2018 summarized comparative information.



Rotenberg Meril Solomon Bertiger & Guttilla, P.C.
Saddle Brook, New Jersey
October 13, 2020

BAND OF PARENTS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019
(With Comparative Totals for December 31, 2018)

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 404,361	\$ 964,220
Investments	546,270	-
Prepaid expenses	9,232	9,217
Equipment, net of accumulated depreciation of \$141 and \$374	914	275
TOTAL ASSETS	\$ 960,777	\$ 973,712
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ 7,600	\$ 9,692
Deferred revenue	47,406	28,599
TOTAL LIABILITIES	55,006	38,291
NET ASSETS:		
Without donor restrictions	905,771	935,421
TOTAL NET ASSETS	905,771	935,421
TOTAL LIABILITIES AND NET ASSETS	\$ 960,777	\$ 973,712

See Accompanying Notes to Financial Statements

BAND OF PARENTS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	<u>2019</u>	<u>2018</u>
SUPPORT AND REVENUES:		
Fundraising events	\$ 764,115	\$ 401,157
Direct public support	221,962	208,605
Unrealized gain on investments	11,318	-
Contributed services	<u>6,000</u>	<u>6,000</u>
TOTAL SUPPORT AND REVENUES	<u>1,003,395</u>	<u>615,762</u>
OPERATING EXPENSES:		
Program services	<u>788,335</u>	<u>450,929</u>
Support services:		
Management and general	130,172	99,418
Fundraising	<u>130,477</u>	<u>179,912</u>
Total support services	<u>260,649</u>	<u>279,330</u>
TOTAL OPERATING EXPENSES	<u>1,048,984</u>	<u>730,259</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(45,589)</u>	<u>(114,497)</u>
OTHER INCOME (EXPENSE)		
Investment income	16,147	14,644
Other income (expense)	<u>(208)</u>	<u>56</u>
TOTAL OTHER INCOME (EXPENSE)	<u>15,939</u>	<u>14,700</u>
CHANGE IN NET ASSETS	<u>(29,650)</u>	<u>(99,797)</u>
NET ASSETS, BEGINNING OF THE YEAR	<u>935,421</u>	<u>1,035,218</u>
NET ASSETS, END OF THE YEAR	<u>\$ 905,771</u>	<u>\$ 935,421</u>

See Accompanying Notes to Financial Statements

BAND OF PARENTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	Program Services	Support Services		Total 2019	Total 2018
		Management and General	Fundraising		
Grants given	\$ 788,335	\$ -	\$ -	\$ 788,335	\$ 450,929
Professional fees	-	114,473	-	114,473	86,738
Evening of Hope event	-	-	53,443	53,443	60,705
Dream for a Cure	-	-	35,857	35,857	34,968
Play it Like a Pro	-	-	28,711	28,711	62,457
Salaries and wages	-	6,000	-	6,000	6,000
Website	-	-	3,997	3,997	3,790
Postage and mailings	-	-	3,407	3,407	3,265
Insurance	-	2,758	-	2,758	2,542
Travel and meetings	-	-	2,533	2,533	6,402
Advertising	-	-	2,404	2,404	6,898
Office supplies and printing	-	2,262	-	2,262	1,252
Bank fees	-	2,190	-	2,190	2,438
Hiring	-	1,922	-	1,922	-
Miscellaneous	-	394	-	394	318
Depreciation	-	173	-	173	130
Taxes and fees	-	-	125	125	275
Fundraising general expenses	-	-	-	-	915
Telephone	-	-	-	-	237
TOTAL EXPENSES	\$ 788,335	\$ 130,172	\$ 130,477	\$ 1,048,984	\$ 730,259

See Accompanying Notes to Financial Statements

BAND OF PARENTS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (29,650)	\$ (99,797)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	173	130
Unrealized gains on investments	(11,318)	-
Loss on disposal of asset	243	-
Changes in operating assets and liabilities:		
Increase in prepaid expenses	(15)	(9,068)
Decrease in accounts payable and accrued expense	(2,092)	(1,808)
Increase in deferred revenue	18,807	28,599
Decrease in grants payable	-	(50,000)
Net cash used in operating activities	<u>(23,852)</u>	<u>(131,944)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(1,055)	-
Purchase of investments	<u>(534,952)</u>	<u>-</u>
Net cash used in investing activities	<u>(536,007)</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(559,859)	(131,944)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>964,220</u>	<u>1,096,164</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 404,361</u>	<u>\$ 964,220</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for taxes	\$ 125	\$ 275

See Accompanying Notes to Financial Statements

THE BAND OF PARENTS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - ORGANIZATION:

The Band of Parents, Inc. (the "Organization") is a non-profit organization established in 2007. The primary goal of the Organization is to fund and support innovative research and clinical trials at major pediatric cancer centers throughout the world, relating to the study of pediatric cancer including, but not limited to, neuroblastoma. The Organization is also a support network for the newly diagnosed and their families as they go through treatment. The Organization's goal is to fast-track a cure using less toxic, targeted therapies which can be implemented in a clinical setting immediately.

The Organization receives no government assistance and is supported solely through the generosity of individual, corporate, and foundation donors, as well as local and statewide special events. Management and an active Board of Directors guides the Organization in its mission, while a core of volunteers assists with helping families, raising funds, and increasing awareness.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. At December 31, 2019, there are no net assets subject to donor restrictions.

The Organization adopted an unclassified balance sheet presentation as of December 31, 2019 and has retrospectively applied that presentation to the statement of financial position as of December 31, 2018.

THE BAND OF PARENTS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Reclassification Adjustments to Summarized Comparative Information

The Organization determined that its money market account was classified as a long term investment instead of a cash equivalent in its 2018 financial statements, and accordingly the Organization has reclassified \$932,399 from Investments to Cash and Cash Equivalents in the accompanying statement of financial position as of December 31, 2018. The statement of cash flows for the year ended December 31, 2018 was also restated to account for this reclassification.

Use of Estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

FASB ASC 820, "Fair Value Measurements and Disclosures" specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

- ❖ Level 1, is defined as observable inputs being quoted prices in active markets for identical assets;
- ❖ Level 2, is defined as observable inputs including quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset; and
- ❖ Level 3, is defined as unobservable inputs in which little or no market data exists, therefore requiring assumptions based on the best information available.

FASB ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

The Organization's investments at December 31, 2019 are classified within Level 1 of the fair value hierarchy.

THE BAND OF PARENTS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Contributions

The Organization records contributions of revenue when they are received. Contributions of noncash assets (including marketable securities) are recorded at fair value on the date received.

Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. For the year ended December 31, 2019, there are no contributions subject to donor restrictions.

Contributed Services

Contributed professional services are recorded at the fair value of the services provided by professional volunteers if the services create or enhance non-financial assets and/or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The approximate fair value of \$6,000 in contributed services for the year ended December 31, 2019 is recorded as donated services and as an expense in the accompanying statements of activities.

The Organization also received donated services from unpaid volunteers who perform a variety of tasks that support the Organization's activities. No amounts have been recognized for these services in the statement of activities since the criteria for recognition under FASB ASC 958-606, "Revenue Recognition," have not been satisfied.

Income Tax Status

The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The Organization files federal and New York tax returns subject to varying statutes of limitations. The 2016 through 2019 tax years generally remain subject to examination by federal and New York tax authorities

THE BAND OF PARENTS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents at December 31, 2019 consisted primarily of money fund accounts at a broker.

Investments

Investments in equity securities with readily determinable fair values are reported at their fair value based on quoted market prices in the statements of financial position. The Organization follows FASB ASC 958, Accounting for Certain Investments Held by Not-for-Profit Organizations. In accordance with this standard, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in investment returns including investment fees in the statements of activities.

A decline in the market value of an investment security below its cost that is designated to be other than temporary is recognized through an impairment charge. That impairment charge would be included in the statements of activities and a new cost basis would be established. For the year ended December 31, 2019, the Organization did not record any impairment charges in the statements of activities.

The Organization records realized gains and losses on the trade date and changes in unrealized gains and losses recognized in the statements of activities as of the statements of financial position date. Other types of income that the Organization will continue to report in its statement of activities will be investment income such as interest and dividends, which are recognized on an accrual basis.

Equipment

Equipment is stated at cost less accumulated depreciation. Depreciation was computed using the straight-line method over the estimated useful lives of the assets (five to seven years). Depreciation expense for the year ended December 31, 2019 was \$173.

Deferred Revenue

Deferred revenue represents net proceeds received in advance for fundraising events that occur in the following year.

Functional Allocation of Expenses

The costs of providing the various programs and other activities 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.

THE BAND OF PARENTS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

New Accounting Pronouncement

In June 2018, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made" ("ASU 2018-08"). ASU 2018-08 impacts all organizations that receive or make contributions of cash or other assets and includes specific criteria to consider when determining whether a contract or agreement should be accounted for as a contribution or as an exchange transaction. It also provides a framework for determining whether a contribution is conditional or unconditional, which will impact the timing of revenue recognition. The determining factor for whether an organization will account for a grant/contract/agreement as a contribution or an exchange transaction is whether the asset provider is receiving commensurate value in return for those assets. If commensurate/proportionate value is received, the contribution will be accounted for as an exchange transaction and revenue recognition or other applicable standards will be followed. If commensurate value is not received by the asset provider, the contribution is accounted for as a contribution and will follow contribution standards. If some value but not commensurate value is received, then the contribution will be accounted for as both an exchange transaction and a contribution. For resource recipients, the new standard was effective for annual financial statements beginning after December 15, 2018 and for resource providers, the net standard was effective for annual financial statements beginning after December 15, 2019. The Organization adopted ASU No. 2018-08 effective January 1, 2019 and concluded that the impact of this guidance did not have a material impact on its financial statements.

Subsequent Events

The Organization has evaluated subsequent events through October 13, 2020, which is the date the financial statements were available to be issued.

Subsequent to December 31, 2019, the effects of COVID-19 and the response to the virus have negatively impacted financial markets and overall economic conditions. These potential impacts, while uncertain, could adversely affect the Organization's ability to collect donations and affect the fair value of the Organization's investments. However, the related financial impact and duration cannot be reasonably estimated at this time.

NOTE 3 - AVAILABILITY AND LIQUIDITY:

The following represents the Organization's financial assets at December 31, 2019:

Cash and cash equivalents	\$ 404,361
Investments	<u>546,270</u>
Total financial assets	<u><u>\$ 950,631</u></u>
Financial assets to meet general expenditures over the next twelve months	<u><u>\$ 950,631</u></u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in investments, including money market accounts and certificates of deposit.

THE BAND OF PARENTS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 4 - INVESTMENTS, AT FAIR VALUE:

Investments, at fair value, December 31, 2019 are summarized as follows:

Investment Type	December 31, 2019			Fair Value (Level 1)
	Cost Basis	Unrealized Gains	Unrealized Losses	
Exchange Trade Funds	\$ 294,032	\$ 8,186.00	\$ -	\$ 302,218
Mutual Funds	106,672	2,977.00	-	109,649
Bond Funds	134,248	155.00	-	134,403
	<u>\$ 534,952</u>	<u>\$ 11,318</u>	<u>\$ -</u>	<u>\$ 546,270</u>

Net investment return consists of the following for the year ended December 31, 2019:

Net unrealized gain on investments	\$ 11,318
Interest income	12,751
Dividend income	3,396
	<u>\$ 27,465</u>

NOTE 5 - CONCENTRATION OF CREDIT RISK:

The Organization maintains cash accounts at two financial institutions. At times, such deposits may exceed insured limits. The exposure to the Organization is solely dependent upon daily balances and the respective strength of the financial institutions. The Organization has not experienced any losses in these accounts. At December 31, 2019, there were no amounts in excess of insured limits. The Organization also maintains investments in an uninsured brokerage account which are subject to fluctuations in the securities markets.

NOTE 6 - DIRECT PUBLIC SUPPORT:

For the year ended December 31, 2019, the organization received the following direct public support:

Corporation contributions	\$ 25,510
Foundation contributions	123,850
Individual contributions	72,602
Total	<u><u>\$ 221,962</u></u>

THE BAND OF PARENTS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 7 - FUNDRAISING EVENTS:

For the year ended December 31, 2019, the Organization sponsored and received the following from fundraising events:

Evening of Hope	\$ 186,353
Play like a Pro	154,993
Dream of a Cure	59,156
Other Local Fundraisers	<u>363,613</u>
Total	<u><u>\$ 764,115</u></u>