



**Financial Statements and  
Independent Auditor's Report  
Year Ended December 31, 2018**

# The Brain Tumor Network, Inc.

## Contents

---

### Independent Auditor's Report

### Financial Statements

Statements of Financial Position .....	4
Statement of Activities .....	5
Statement of Functional Expenses .....	6
Statement of Cash Flows.....	7
Notes to Financial Statements .....	8



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Brain Tumor Network, Inc.  
Ponte Vedra Beach, Florida

We have audited the accompanying financial statements of The Brain Tumor Network, Inc., which comprise the statement of financial position as of December 31, 2018 and 2017 and the related statements of activities, functional expenses, and cash flows for the year ended December 31, 2018, 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 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 audit to obtain reasonable assurance about whether the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Brain Tumor Network, Inc., as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the year ended December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

*Pivot CPAs*

Ponte Vedra Beach, Florida  
February 28, 2019

**The Brain Tumor Network, Inc.**  
**Statements of Financial Position**  
December 31, 2018 and 2017

<b>ASSETS</b>	<b>2018</b>	<b>2017</b>
Cash and cash equivalents	\$ 117,569	\$ 6,216
Short-term investments	4,762,637	-
Unconditional promises to give without donor restrictions	-	35,000
<b>TOTAL ASSETS</b>	<b>\$ 4,880,206</b>	<b>\$ 41,216</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 8,735	\$ 13,423
<b>Total liabilities</b>	<b>8,735</b>	<b>13,423</b>
<b>Net Assets</b>		
With donor restrictions	-	-
Without donor restrictions	4,871,471	27,793
<b>Total net assets</b>	<b>4,871,471</b>	<b>27,793</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,880,206</b>	<b>\$ 41,216</b>

*The accompanying notes are an integral part of these financial statements*

# The Brain Tumor Network, Inc.

## Statement of Activities Year Ended December 31, 2018

<b>Revenue and Support</b>	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Contributions	\$ 5,573,833	\$ -	\$ 5,573,833
Interest and investment income	20,170	-	20,170
Net change in unrealized gain/(loss) on investments	(65)	-	(65)
<b>Total Revenue and Support</b>	<b>5,593,938</b>	<b>-</b>	<b>5,593,938</b>
<b>Functional Expenses</b>			
Program Services	670,442	-	670,442
Management and general	69,909	-	69,909
Fundraising	9,909	-	9,909
<b>Total Functional Expenses</b>	<b>750,260</b>	<b>-</b>	<b>750,260</b>
<b>Change in net assets</b>	<b>4,843,678</b>	<b>-</b>	<b>4,843,678</b>
<b>Net assets, beginning of year</b>	<b>27,793</b>	<b>-</b>	<b>27,793</b>
<b>Net assets, end of year</b>	<b>\$ 4,871,471</b>	<b>\$ -</b>	<b>\$ 4,871,471</b>

*The accompanying notes are an integral part of these financial statements*

The Brain Tumor Network, Inc.

Statement of Functional Expenses

Year Ended December 31, 2018

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries, payroll taxes, and other related expenses	\$ 516,962	\$ 31,784	\$ -	\$ 548,746
Management fees	-	12,000	-	12,000
Occupancy	39,460	1,179	-	40,639
Insurance	-	5,132	-	5,132
Travel and meeting	6,933	57	-	6,990
Contract services and professional fees	65,786	19,321	4,764	89,871
Computer and website	26,975	318	-	27,293
Other expenses	14,326	118	5,145	19,589
<b>Total functional expenses</b>	<b>\$ 670,442</b>	<b>\$ 69,909</b>	<b>\$ 9,909</b>	<b>\$ 750,260</b>

*The accompanying notes are an integral part of these financial statements*

# The Brain Tumor Network, Inc.

## Statement of Cash Flows Year Ended December 31, 2018

	2018
Cash flows from operating activities:	
Change in net assets	\$ 4,843,678
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized losses on investments	65
Decrease in unconditional promises to give	35,000
Decrease in accounts payable	(4,688)
<b>Net cash provided by operating activities</b>	<b>4,874,055</b>
Cash flows from investing activities:	
Purchase of investments	(5,016,452)
Proceeds from sale of investments	253,750
<b>Net cash used by investing activities</b>	<b>(4,762,702)</b>
<b>Net increase in cash and cash equivalents</b>	<b>111,353</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>6,216</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 117,569</b>

*The accompanying notes are an integral part of these financial statements*

# The Brain Tumor Network, Inc.

## Notes to Financial Statements

---

### 1. Nature of Activities and Summary of Significant Accounting Policies

#### *Nature of Activities*

The Brain Tumor Network, Inc. (“BTN”) was incorporated in the State of Florida on July 26, 2013 and began operations in late 2014. BTN is an independent 501(c)(3) organization that provides compassionate and personalized high-touch navigation to adult patients and caregivers in the United States who seek information about treatment options for primary brain tumors beyond the standard of care. BTN was launched by The Sontag Foundation in response to unmet informational needs voiced by individuals and family members of those diagnosed with primary brain tumors. Patient navigation services are the core program of BTN. With the scarcity of personalized treatment information available to individuals in the USA diagnosed with primary brain tumors, BTN provides important informational/navigation services to patients, caregivers, and care providers. A team of nurse navigators and social workers respond to online requests and telephone inquiries to meet patients/families wherever they are in their brain tumor treatment journey, and to help them gather the information they need to explore their next steps with their healthcare providers. Services provided include: conducting personalized clinical trial searches, assistance ascertaining eligibility for participation in identified trials, facilitating second opinions and consultations, identifying specialty providers near patients’ home communities, and obtaining and reviewing patient records. BTN does not provide medical advice but does provide information to equip patients and care providers to participate in important conversations with their healthcare professionals.

#### *Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting.

#### *Cash and cash equivalents*

Cash and cash equivalents consist of interest-bearing bank deposits with two financial institutions, which may at times exceed federally insured limits. Money market funds and other cash equivalents, held as a portion of BTN’s investment portfolio, are classified as Investments in the accompanying Statement of Financial Position. Interest income on cash deposits are included in interest and investment income on the accompanying Statement of Activities.

#### *Promises to Give*

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. At December 31, 2018 and 2017, there were \$0 and \$35,000, respectively, of contributions receivable included in promises to give in the accompanying statement of financial position.

BTN uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years’ experience and management’s analysis of specific promises made.

# The Brain Tumor Network, Inc.

## Notes to Financial Statements

---

### 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

#### *Income Taxes*

BTN is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state taxes under similar provisions of the Florida statutes. Accordingly, no provision for federal and state income taxes has been recorded in the accompanying financial statements.

BTN files the required annual federal informational return for tax-exempt organizations which are subject to examination by the taxing authorities. BTN is subject to federal tax examinations for a period of three years after the respective filing of those returns.

#### *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### *Functional Allocation of Expenses*

The financial statements report certain categories of expenses that are attributable to both program services and supporting activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are done so based on estimates of time and effort.

### 2. Short-Term Investments

Short term investments consist certificates of deposit held for the investment of excess operating cash. The certificates of deposit are held by a high-quality financial institution and have maturity dates of less than one year. During 2018 short term investments earned \$20,170 which is included in the accompanying statement of activities.

### 3. Net Assets

At December 31, 2018, all unrestricted net assets are undesignated as to their use.

# The Brain Tumor Network, Inc.

## Notes to Financial Statements

---

### 4. Liquidity and Availability of Financial Assets

The following reflects BTN's financial assets available within one year of the balance sheet date.

	2018
Cash and cash equivalents	\$ 117,569
Short-term investments	4,762,637
	<hr/>
	\$ 4,880,206

All net assets without donor restrictions are available to meet cash needs for general expenditures of the organization within one year. As part of BTN's liquidity management, it invests cash in excess of monthly requirements in short-term investments, typically certificates of deposit.

### 5. Related Party Transactions

#### *Description of Cost Sharing Agreement*

BTN, The Sontag Foundation ("SF") and Spring Bay Management, LLC ("SBM") are related parties and share various expenses according to a cost sharing agreement whereby common services, common expenses, and general overhead expenses are allocated to each organization on an equitable and fair basis. Management reviews the sharing allocation method periodically (generally annually) to determine any required adjustments and applies the changes prospectively.

#### *Description of Leasing Arrangement*

BTN currently operates out of office space leased by SBM. SBM allocates the pro-rata lease expense to BTN on the basis of square footage.

### 6. Evaluation of Subsequent Events

BTN has evaluated subsequent events through February 28, 2019, the date which the financial statements were available to be issued.