

The ChadTough  
Foundation



Years Ended  
December 31,  
2019 and 2018

Financial  
Statements

**Rehmann**

# THE CHADTOUGH FOUNDATION

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INDEPENDENT AUDITORS' REPORT

October 29, 2020

Board of Directors  
The ChadTough Foundation  
Saline, Michigan

We have audited the accompanying financial statements of *The ChadTough Foundation* (the "Foundation") (a non-profit corporation), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, cash flows, and functional expenses for the years 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.

*Independent Auditors' 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 auditor 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 Foundation'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 Foundation'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 ChadTough Foundation* as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Change in Accounting Principle*

As described in Note 1 to the financial statements, in 2019 the Foundation adopted Accounting Standards Update No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "Rehmann Lobson LLC". The signature is written in a cursive, flowing style.

# THE CHADTOUGH FOUNDATION

## Statements of Financial Position

	December 31	
	2019	2018
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 957,177	\$ 770,154
Contributions receivable	120,581	102,265
Investments	2,435,605	1,259,884
	3,513,363	2,132,303
Total current assets		
Other assets	12,607	-
	\$ 3,525,970	\$ 2,132,303
Total assets		
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 2,348	\$ 3,687
Current portion of research contributions payable	1,157,040	636,339
Accrued expenses	1,853	-
Deferred revenue	59,274	45,000
	1,220,515	685,026
Total current liabilities		
Research contributions payable, net of discount, less current portion	79,190	365,292
	1,299,705	1,050,318
Total liabilities		
Net assets without donor restrictions	2,226,265	1,081,985
	\$ 3,525,970	\$ 2,132,303
Total liabilities and net assets		

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

# THE CHADTOUGH FOUNDATION

## Statements of Activities

	Year Ended December 31	
	2019	2018
Support, special events and other revenue		
Support		
Contributions and gifts	\$ 1,431,779	\$ 1,282,802
In-kind contributions	96,517	75,072
Total support	<u>1,528,296</u>	<u>1,357,874</u>
Special events		
RunTough		
Direct public support	203,389	178,920
Other public support	79,833	93,177
In-kind contributions	17,500	10,000
Less: costs of direct benefit to donors	(97,165)	(76,316)
Marathon		
Direct public support	54,733	90,295
Less: costs of direct benefit to donors	(16,108)	(38,667)
Gala		
Direct public support	642,980	638,881
Other public support	450,544	472,788
In-kind contributions	263,818	265,534
Less: costs of direct benefit to donors	(432,986)	(400,259)
Coach Carr Classic		
Direct public support	107,591	-
In-kind contributions	80,000	-
Less: costs of direct benefit to donors	(97,311)	-
Other events		
Direct public support	60,219	-
Less: costs of direct benefit to donors	(31,167)	-
Net revenue from special events	<u>1,285,870</u>	<u>1,234,353</u>
Other revenue		
Net investment return (loss)	<u>133,121</u>	<u>(33,926)</u>
Total revenue, all sources	<u>2,947,287</u>	<u>2,558,301</u>
Expenses		
Program services	1,480,518	2,455,338
Management and general	104,103	97,483
Fundraising	218,386	141,960
Total expenses	<u>1,803,007</u>	<u>2,694,781</u>
Change in net assets without donor restrictions	1,144,280	(136,480)
Net assets, without donor restrictions beginning of year	<u>1,081,985</u>	<u>1,218,465</u>
Net assets without donor restrictions, end of year	<u>\$ 2,226,265</u>	<u>\$ 1,081,985</u>

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

# THE CHADTOUGH FOUNDATION

## Statement of Functional Expenses

Year Ended December 31, 2019

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Expenses				
Research contributions	\$ 1,450,236	\$ -	\$ -	\$ 1,450,236
Salaries and wages	21,900	10,950	13,063	45,913
Payroll taxes	1,675	838	838	3,351
Contracted services	6,061	34,897	142,178	183,136
Advertising and event promotion	-	-	34,272	34,272
Merchant processing fees	-	-	46,217	46,217
Insurance	-	6,270	5,025	11,295
Licenses and fees	20	1,306	8,404	9,730
Printing and mailing	-	402	45,515	45,917
Professional fees	160	26,895	84,511	111,566
Supplies	-	15,012	437,321	452,333
Taxes	-	-	8,763	8,763
Software, websites and webhosting	-	783	6,742	7,525
Travel and meetings	466	2,704	5,434	8,604
Bad debt	-	-	40,000	40,000
Other	-	4,046	14,840	18,886
Total expenses by function	1,480,518	104,103	893,123	2,477,744
Less: special event expenses included with revenues on the statements of activities	-	-	(674,737)	(674,737)
Total expenses included in the expenses section of the statements of activities	<u>\$ 1,480,518</u>	<u>\$ 104,103</u>	<u>\$ 218,386</u>	<u>\$ 1,803,007</u>

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

# THE CHADTOUGH FOUNDATION

## Statement of Functional Expenses

Year Ended December 31, 2018

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Expenses				
Research contributions	\$ 2,429,201	\$ -	\$ -	\$ 2,429,201
Salaries and wages	11,089	22,179	16,162	49,430
Payroll taxes	980	1,962	981	3,923
Contracted services	7,690	31,848	100,926	140,464
Advertising and event promotion	-	-	28,910	28,910
Merchant processing fees	-	-	51,903	51,903
Insurance	-	10,347	925	11,272
Licenses and fees	-	787	21,263	22,050
Printing and mailing	470	510	31,236	32,216
Professional fees	440	25,265	28,690	54,395
Supplies	1,538	1,799	348,137	351,474
Taxes	-	-	12,758	12,758
Software, websites and webhosting	-	654	3,282	3,936
Travel and meetings	3,930	2,132	7,546	13,608
Other	-	-	4,483	4,483
Total expenses by function	2,455,338	97,483	657,202	3,210,023
Less: special event expenses included with revenues on the statements of activities	-	-	(515,242)	(515,242)
Total expenses included in the expenses section of the statements of activities	<u>\$ 2,455,338</u>	<u>\$ 97,483</u>	<u>\$ 141,960</u>	<u>\$ 2,694,781</u>

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



# THE CHADTOUGH FOUNDATION

## Statements of Cash Flows

	Year Ended December 31	
	2019	2018
Cash flows from operating activities		
Change in net assets	\$ 1,144,280	\$ (136,480)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debt expense	40,000	-
Net realized and unrealized (gain) loss on investment	(82,860)	68,013
Changes in operating assets and liabilities which provided (used) cash		
Contributions receivable	(58,316)	138,232
Other assets	(12,607)	-
Accounts payable	(1,339)	904
Accrued expenses	1,853	(2,318)
Deferred revenue	14,274	(5,813)
Research contributions payable	234,599	256,079
Net cash provided by operating activities	<u>1,279,884</u>	<u>318,617</u>
Cash flows from investing activities		
Purchases of investments	(1,142,135)	(1,036,710)
Proceeds from sale of investments	49,274	34,261
Net cash used in investing activities	<u>(1,092,861)</u>	<u>(1,002,449)</u>
Net increase (decrease) in cash and cash equivalents	187,023	(683,832)
Cash and cash equivalents, beginning of year	<u>770,154</u>	<u>1,453,986</u>
Cash and cash equivalents, end of year	<u>\$ 957,177</u>	<u>\$ 770,154</u>

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

# THE CHADTOUGH FOUNDATION

## Notes to Financial Statements

### 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Organization*

*The ChadTough Foundation* (the “Foundation”) is a Michigan non-profit corporation established in 2015. The mission of the Foundation is to inspire and fund game-changing research to discover effective treatments for pediatric brain cancer, with an emphasis on Diffuse Intrinsic Pontine Glioma (DIPG). The Foundation accomplishes its mission through fundraising and philanthropy.

The Foundation’s primary sources of revenue and support are contributions and gifts and special events revenue.

#### *Risks and Economic Uncertainties*

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout the United States of America and the globe. Many State Governors issued temporary Executive Orders that, among other stipulations, effectively prohibit in-person work activities for most businesses and industries including nonprofit entities, having the effect of suspending or severely curtailing operations. As a result, the COVID-19 outbreak is disrupting and affecting the Foundation’s normal activities. The extent of the ultimate impact of the pandemic on the Foundation’s operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on funders, program recipients, future special events, employees, vendors, and other constituents, all of which cannot be reasonably predicted at this time. As a result, beginning in July 2020, the Foundation reduced hours for most of its employees, and canceled certain of its 2020 events, including the gala. The Foundation has also secured borrowings in the amount of \$51,034 through the Paycheck Protection Program (“PPP”), obtained through the federal Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), which was enacted into law on March 28, 2020, see Note 6. While management reasonably expects the COVID-19 outbreak to negatively impact the Foundation’s financial position, changes in net assets, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

#### *Basis of Presentation*

Net assets, support, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

# THE CHADTOUGH FOUNDATION

## Notes to Financial Statements

*Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Foundation does not have any net assets with donor restrictions as of December 31, 2019 and 2018.

### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the financial statements and the reported amounts of revenues, gains and other support and expenses during the year. Actual results could differ from those estimates.

### *Cash and Cash Equivalents*

The Foundation considers cash and cash equivalents to be all demand deposits and any instruments with maturity periods of three months or less. The Foundation maintains cash in bank deposit accounts, and balances generally exceed federally insured limits. Management does not believe the Foundation is exposed to any significant interest rate or other financial risk as a result of these deposits.

### *Contributions Receivable*

Contributions receivable consist of contributions and gifts due within one year. The Foundation carries its contributions at the amount the Foundation expects to collect from balances outstanding at year end. The Foundation's estimate of uncollectible accounts is based on historical collection experience and review of current status of accounts. No allowance for uncollectible accounts has been established as management believes all accounts are fully collectible at December 31, 2019 and 2018.

### *Contributions and Revenue Recognition*

Contributions and gifts are recognized when the donor makes a promise to give to the Foundation that is, insubstance, unconditional. Conditional promises to give, which have a measurable performance barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributed materials and equipment are recorded as contributions in the accompanying financial statements at their estimated fair values at date of receipt. Contributed services are reported in the accompanying financial statements at the fair value of the services received. The contribution of services is recognized if the services received: (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation.

In addition, the Foundation receives services from a large number of volunteers who give significant amounts of their time to the Foundation's programs and special events. No amounts have been reflected for these types of donated services, as they do not meet the criteria outlined above.

# THE CHADTOUGH FOUNDATION

## Notes to Financial Statements

Special events revenue, which consist of contributions and gifts donated at the events and registration fees, as applicable, is recognized in the period the event occurs. The exchange portion of the transactions for the direct costs of the benefits received by the participants is not significant. The special events revenue is reduced by the cost of direct benefits to the donors.

Deferred revenue represents sponsorships received from private funders for future fundraising events. This revenue is recognized when the future fundraising event occurs. The Foundation expects these events to occur and the related deferred revenue to be recognized within approximately one year.

### *Investments*

Investment securities purchased are carried at fair value based on published exchange market quotations as provided by brokerage statements. Income from investments, including realized and unrealized gains (losses), are reflected in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by the donor or law. Investment return is reported net of external investment expenses.

### *Research Contributions*

Research contributions and the corresponding research contributions payable are recognized in the period the contributions are approved, provided the contributions are not subject to significant future conditions. Conditional research contributions are recognized as research contributions expense and as research contributions payable in the period in which the recipient meets the terms of the conditions. Research contributions payable that are expected to be paid in future years are recorded at the present value of expected future payments. The discounts on those amounts are computed using a risk-free rate applicable to the years in which the pledges are made. Amortization of the discounts is included in program services expense.

### *Income Taxes*

The Foundation is a non-profit corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Although the Foundation was granted income tax exemption by the Internal Revenue Service, such exemption does not apply to “unrelated business taxable income.” The Foundation has been classified as not a private foundation.

The Foundation analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions, to identify potential uncertain tax positions.

The Foundation has evaluated its income tax filing positions for the years 2016 through 2019, the years which remain subject to examination as of December 31, 2019. The Foundation concluded that there are no significant uncertain tax positions requiring recognition in these financial statements. The Foundation does not expect the total amount of unrecognized tax benefits (“UTB”) (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Foundation does not have any amounts accrued for interest and penalties related to UTBs at December 31, 2019 or 2018, and is not aware of any claims for such amounts by federal or state income tax authorities.

# THE CHADTOUGH FOUNDATION

## Notes to Financial Statements

### *Advertising Expenses*

The costs of advertising and event promotion, which are expensed as incurred, were \$34,272 and \$28,910 during 2019 and 2018, respectively.

### *Fair Value Measurements*

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (level 1) and the lowest priority to unobservable data (level 3).

A description of each category in the fair value hierarchy is as follows:

- Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

For a further discussion of Fair Value Measurements, refer to Note 3 to the financial statements.

### *Functional Allocation of Expenses*

The costs of providing program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain indirect costs have been allocated between the program and supporting services benefited based on management's estimates. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

# THE CHADTOUGH FOUNDATION

## Notes to Financial Statements

### *New Accounting Pronouncement*

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*, in June 2018, which was effective for the Foundation for the year ended December 31, 2019 related to contributions received and will be effective for the Fund's year ending December 31, 2020 related to contributions made. The amendments in ASU No. 2018-08 provides additional guidance for entities to use to evaluate whether transactions should be accounted for as contributions (nonreciprocal transactions) or exchange (reciprocal) transactions and to determine whether the transaction is conditional. On January 1, 2019, the Foundation adopted the standard on its contributions received using the modified prospective basis and elected to apply the standard only to agreements that were not completed as of that date. There was no impact to the timing or amount of revenue recognized as a result of this adoption. Management is evaluating the impact of the adoption of this new standard related to contributions made and its effects on the financial position and results of operations of the Foundation.

### *Subsequent Events*

In preparing these financial statements, the Foundation has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2019, the most recent statement of financial position presented herein, through October 29, 2020, the date these financial statements were available to be issued. No significant such events or transactions were identified, other than the economic uncertainties matter described above and the matter described in Note 6.

## 2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following for the years ended December 31:

	2019	2018
Financial assets at year-end		
Cash and cash equivalents	\$ 957,177	\$ 770,154
Contributions receivable	120,581	102,265
Investments	<u>2,435,605</u>	<u>1,259,884</u>
Total financial assets available for general use within one year	<u>\$ 3,513,363</u>	<u>\$ 2,132,303</u>

The Foundation manages its financial assets to provide sufficient liquidity for operations. As part of liquidity management, the Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations become due. The Foundation receives certain revenues and support without donor restrictions throughout the year that is also available for general expenditures. The Foundation invests excess cash mainly in cash, cash equivalents and mutual funds.

# THE CHADTOUGH FOUNDATION

## Notes to Financial Statements

### 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Foundation utilizes fair value measurements to record fair value adjustments to investments and to determine fair value disclosures. Investments are recorded at fair value on a recurring basis.

Following is a description of the valuation methodologies and key inputs used to measure investments recorded at fair value.

#### *Investments*

The carrying amounts of cash and short-term instruments approximate fair values.

Shares held in mutual funds are valued at quoted market prices that represent the net asset value (“NAV”) of shares held by the Foundation at year end and are classified as Level 1.

The preceding methods described may produce a fair value calculation that may not be reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of investments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the recorded amount of investments measured at fair value on a recurring basis as of December 31:

2019 Asset category	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash	\$ 164,327	\$ -	\$ -	\$ 164,327
Mutual funds				
Domestic equities	218,493	-	-	218,493
International equity	80,191	-	-	80,191
Domestic fixed income	1,972,594	-	-	1,972,594
<b>Total assets at fair value</b>	<b>\$ 2,435,605</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,435,605</b>
2018 Asset category	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash	\$ 72,191	\$ -	\$ -	\$ 72,191
Mutual funds				
Domestic equities	162,414	-	-	162,414
International equity	71,048	-	-	71,048
Domestic fixed income	954,231	-	-	954,231
<b>Total assets at fair value</b>	<b>\$ 1,259,884</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,259,884</b>

# THE CHADTOUGH FOUNDATION

## Notes to Financial Statements

### 4. IN-KIND CONTRIBUTIONS

In 2019 and 2018, the Foundation received donated event shirts in support of its RunTough for ChadTough event valued at \$10,000.

In 2019 and 2018, the Foundation received auction items, supplies and other items, and services in support of its Gala event valued at \$243,818 and \$265,534, respectively.

In 2019, the Foundation received donated golf fees and supplies in support of its Coach Carr Classic event valued at \$80,000.

In 2019 and 2018, the Foundation received donated print, online advertising, public service airings and other marketing services valued at \$85,000 and \$45,000, respectively.

In 2019 and 2018, the Foundation received other goods and donated services from individuals possessing specialized skills in support of their operations valued at \$39,017 and \$30,072, respectively.

### 5. RESEARCH CONTRIBUTIONS PAYABLE

In 2018, the Foundation pledged \$300,000 to the Regents of the University of California for the benefit of the Medical School's Department of Neurological Surgery & Pediatrics ("Neurological Department"). The Foundation's pledge is to be paid in three equal annual installments of \$100,000. The amount of the pledge is to be used for Long Non-coding RNA as a therapeutic target in DIPG in the Neurological Department. The first and second installments of \$100,000 were paid by the Foundation in 2019 and 2018, respectively, and were allocated to this research fund.

In 2018, the Foundation pledged \$272,911 to the Regents of the University of Michigan for the benefit of the Medical School's Department of Radiology ("Radiology Department"). The Foundation's pledge is to be paid in installments of \$77,123 by December 20, 2018, \$99,998 by December 20, 2019 and \$95,791 by December 20, 2020. The amount of the pledge is to be used to fund a research fund for Targeting Cancer Stem Cells in DIPG in the Radiology department. The first installment of \$77,123 and a portion of the second installment was paid by the Foundation in 2018. The remaining amount of the second installment and the third installment of \$95,791 were paid in 2019, and was allocated to this research fund.

In 2018, the Foundation pledged \$600,000 to the Regents of the University of Michigan for the benefit of the Medical School's Department of Pathology ("Pathology Department"). The Foundation's pledge is to be paid in three equal annual installments of \$200,000. The amount of the pledge is to be used to fund a research fund for Targeting Metabolic Regulation of the Epigenome in DIPG in the Pathology Department. The first and second installments of \$200,000 were paid by the Foundation in 2019 and 2018, respectively, and were allocated to this research fund.

In 2019, the Foundation pledged \$300,000 to the Dana-Farber Cancer Institute to finance the costs of conducting a research project entitled, *Dependence of DIPGs on DNA Polymerase Theta for DNA Repair Defines a New Therapeutic Target*. The Foundation's pledge is to be paid in three equal annual payments of \$100,000, beginning in 2020.

During 2019, the Foundation approved \$657,040 in additional investigator grants to various recipients that are scheduled to be paid in 2020.



# THE CHADTOUGH FOUNDATION

## Notes to Financial Statements

Research contributions payable consist of the following at December 31, 2019:

Year	Amount
2020	\$ 1,157,040
2021	<u>100,000</u>
Total gross research contributions payable	1,257,040
Less: discount at a rate of 1.59% to 2.65%	<u>20,810</u>
Research contributions payable, net of discount	<u><u>\$ 1,236,230</u></u>

### 6. SUBSEQUENT EVENT

In May 2020, the Foundation secured borrowings in the amount of \$51,034 through the Paycheck Protection Program ("PPP"). The loan has a two year maturity and is subject to a 1% interest rate. There are certain provisions which may permit the Foundation to have this loan forgiven based on specific stipulations prescribed by the PPP.

