

**BEAR NECESSITIES PEDIATRIC
CANCER FOUNDATION, INC.**

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2020 AND 2019

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

YEARS ENDED JUNE 30, 2020 AND 2019

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Independent Auditors' Report

Board of Directors
Bear Necessities Pediatric Cancer Foundation, Inc.

We have audited the accompanying financial statements of Bear Necessities Pediatric Cancer Foundation, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows 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.

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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bear Necessities Pediatric Cancer Foundation, Inc. as of June 30, 2020 and 2019, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on page 20 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 audits 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ostrow Reisin Berk & Abrams, Ltd.

September 29, 2020

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

STATEMENTS OF FINANCIAL POSITION

June 30,	2020	2019
ASSETS		
Cash	\$ 535,977	\$ 494,162
Investments	519,543	630,748
Contributions receivable	500	63,221
Inventory	21,830	22,114
Prepaid expenses		12,887
Property and equipment, net	1,045,972	1,085,939
Total assets	\$ 2,123,822	\$ 2,309,071
LIABILITIES AND NET ASSETS		
Liabilities:		
Mortgage payable, less unamortized debt issuance costs of \$1,795 in 2019	\$ 387,574	\$ 411,059
Loan payable	113,000	
Accounts payable and accrued expenses	39,084	28,802
Grants payable		10,000
Deferred revenue	5,100	21,730
Total liabilities	544,758	471,591
Net assets:		
Without donor restrictions:		
Undesignated	1,009,539	1,260,780
Board-designated	525,000	525,000
Total net assets without donor restrictions	1,534,539	1,785,780
With donor restrictions	44,525	51,700
Total net assets	1,579,064	1,837,480
Total liabilities and net assets	\$ 2,123,822	\$ 2,309,071

See notes to financial statements.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

STATEMENTS OF ACTIVITIES

Years ended June 30,	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenue:						
Contributions	\$ 708,035		\$ 708,035	\$ 870,257	\$ 7,200	\$ 877,457
In-kind contributions	153,873		153,873	152,581		152,581
Special events and other fundraisers:						
Gross revenue, including in-kind contributions of \$70,264 in 2020 and \$78,518 in 2019	838,916		838,916	1,180,295		1,180,295
Less direct benefit to donors, including in-kind goods of \$70,264 in 2020 and \$78,518 in 2019	(298,657)		(298,657)	(344,150)		(344,150)
Merchandise	753		753	633		633
Net investment return	(12,588)		(12,588)	18,606		18,606
Net assets released from restrictions	7,175	\$ (7,175)		21,250	(21,250)	
Total revenue	1,397,507	(7,175)	1,390,332	1,899,472	(14,050)	1,885,422
Expenses:						
Program services	886,905		886,905	1,107,759		1,107,759
Management and general	298,131		298,131	349,076		349,076
Fundraising	463,712		463,712	296,056		296,056
Total expenses	1,648,748		1,648,748	1,752,891		1,752,891
Change in net assets	(251,241)	(7,175)	(258,416)	146,581	(14,050)	132,531
Net assets:						
Beginning of year	1,785,780	51,700	1,837,480	1,639,199	65,750	1,704,949
End of year	\$ 1,534,539	\$ 44,525	\$ 1,579,064	\$ 1,785,780	\$ 51,700	\$ 1,837,480

See notes to financial statements.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

STATEMENTS OF FUNCTIONAL EXPENSES

Year ended June 30, 2020	Program services			Management and general	Fundraising	Direct benefit to donors	Total expenses
	Bear Hugs	Bear Discoveries	Total program services				
Direct costs of Bear Hugs experiences	\$ 478,317		\$ 478,317				\$ 478,317
Event expenses					\$ 28,625	\$ 298,657	327,282
Grants		\$ 110,000	110,000				110,000
Occupancy expenses	38,434	12,353	50,787	\$ 48,042	38,434		137,263
Office expenses	7,624	2,451	10,075	9,531	10,938		30,544
Outside services	46,487	15,140	61,627	58,198	48,138		167,963
Salaries and related expenses	170,807	5,292	176,099	182,360	337,577		696,036
	741,669	145,236	886,905	298,131	463,712	298,657	1,947,405
Less expenses included with revenue on the statements of activities						(298,657)	(298,657)
Total expenses	\$ 741,669	\$ 145,236	\$ 886,905	\$ 298,131	\$ 463,712	\$ -	\$ 1,648,748

See notes to financial statements.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

Year ended June 30, 2019	Program services			Management and general	Fundraising	Direct benefit to donors	Total expenses
	Bear Hugs	Bear Discoveries	Total program services				
Direct costs of Bear Hugs experiences	\$ 425,204		\$ 425,204				\$ 425,204
Event expenses					\$ 40,283	\$ 334,482	374,765
Grants		\$ 310,000	310,000				310,000
Occupancy expenses	37,850	12,166	50,016	\$ 47,313	37,851		135,180
Office expenses	15,354	4,935	20,289	19,192	18,908	9,668	68,057
Outside services	61,056	19,296	80,352	67,110	58,406		205,868
Salaries and related expenses	170,974	50,924	221,898	215,461	140,608		577,967
	710,438	397,321	1,107,759	349,076	296,056	344,150	2,097,041
Less expenses included with revenue on the statements of activities						(344,150)	(344,150)
Total expenses	\$ 710,438	\$ 397,321	\$ 1,107,759	\$ 349,076	\$ 296,056	\$ -	\$ 1,752,891

See notes to financial statements.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

STATEMENTS OF CASH FLOWS

Years ended June 30,	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ (258,416)	\$ 132,531
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	41,762	40,148
Bad debt expense	4,994	24,754
Net realized and unrealized (gain) loss on investments	23,504	(10,022)
(Increase) decrease in operating assets:		
Contributions receivable	57,727	(54,221)
Inventory	284	(12,494)
Prepaid expenses	12,887	(7,887)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	10,282	7,648
Grants payable	(10,000)	10,000
Deferred revenue	(16,630)	14,430
Net cash provided by (used in) operating activities	(133,606)	144,887
Cash flows from investing activities:		
Purchases of investments	(1,000,762)	(368,451)
Proceeds from sale of investments	1,088,463	449,937
Net cash provided by investing activities	87,701	81,486

See notes to financial statements.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

STATEMENTS OF CASH FLOWS (CONTINUED)

Years ended June 30,	2020	2019
Cash flows from financing activities:		
Proceeds from loan payable	\$ 113,000	
Proceeds from mortgage payable	397,027	
Payments on mortgage payable	(422,307)	\$ (37,911)
Net cash provided by (used in) financing activities	87,720	(37,911)
Net increase in cash	41,815	188,462
Cash, beginning of year	494,162	305,700
Cash, end of year	\$ 535,977	\$ 494,162
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 22,097	\$ 24,179

See notes to financial statements.

BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

1. Foundation and purpose

Bear Necessities Pediatric Cancer Foundation, Inc. (the Foundation) is an Illinois nonprofit foundation, with the purpose of granting funds to encourage, supplement and initiate research related to pediatric cancer diseases, as well as to supplement patient, parent and hospitals' specific needs.

The Bear Hugs Program supports cancer patients (ages 0-19), as well as their immediate families that face the many challenges that accompany the diagnosis and treatment of pediatric cancer. The Foundation's outreach serves both in state and out of state children that are being treated at some of the major Chicago area hospitals with pediatric oncology departments. A Bear Hug is a customized experience that brightens the life of a child going through cancer. The Bear Hugs Program also provides immediate family support for financial burden and essential needs.

Bear Discoveries awards medical research grants nationwide each year primarily to junior investigative researchers who make meaningful advancements and discoveries towards finding a cure and therapies for various types of pediatric cancer. Research grants awarded were \$110,000 and \$300,000 for the years ended June 30, 2020 and 2019, respectively.

The COVID-19 pandemic has impacted the Foundation's operations by way of a reduction of revenue received, which has led to fewer medical research grants awarded, as well as staff furloughs and layoffs during the year ended June 30, 2020. The extent to which the COVID-19 pandemic impacts the Foundation's future operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted. These developments include, but are not limited to, the effects of the COVID-19 pandemic on the Foundation's donors. Even after the COVID-19 pandemic has subsided, the Foundation may experience adverse impacts to its operations as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Foundation cannot reasonably estimate the impact on the year ending June 30, 2021.

2. Summary of significant accounting policies

The significant accounting policies of the Foundation are summarized below.

Basis of accounting:

The Foundation's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Basis of presentation:

Net assets, 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 to finance the general operations of the Foundation. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation and the environment in which it operates. Board-designated net assets includes assets over which the Board of Directors retains control and may, at its discretion, subsequently use to support the mission of the Foundation.

Net assets with donor restrictions – Some donor-imposed restrictions are temporary in nature, such that they 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. The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Tax status:

The Foundation is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. In addition, the Internal Revenue Service (IRS) has determined that the Foundation is not a private foundation within the meaning of Section 509(a) of the Code.

Management has determined that the Foundation was not required to record a liability related to uncertain tax positions as of June 30, 2020 and 2019.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Cash:

The Foundation maintains its cash in bank accounts which, at times, may exceed federally-insured limits. At June 30, 2020 and 2019, the Foundation's uninsured cash balances totaled \$186,259 and \$388,098, respectively. Management believes that the Foundation is not subject to any significant credit risk on cash.

Merchandise sales:

The Foundation recognizes revenue, net of sales tax, when inventory items are sold.

Fair value measurements:

The Foundation utilizes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- | | |
|---------|--|
| Level 1 | Quoted prices for identical instruments in active markets. |
| Level 2 | Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. |
| Level 3 | Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable. |

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Investments:

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2020 and 2019:

June 30,	2020	2019
	Level 1	
Equity securities	\$ 137,018	\$ 296,880
U.S. government obligations	27,652	56,385
Domestic corporate bonds		34,636
Mutual funds:		
Equity funds	354,873	71,268
Fixed income funds		127,517
Other		44,062
Total investments at fair value	\$ 519,543	\$ 630,748

Realized and unrealized investment gains and losses and other investment income are reflected in the statements of activities as changes in net assets without donor restrictions.

The Foundation has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. The strategy's primary goal is capital appreciation and stability as a secondary goal. The assets are invested in a portfolio which consists of equities, U.S. government obligations, corporate bonds, and mutual funds. The objective of the investment portfolio is to maximize long-term returns consistent with prudent levels of risk. In establishing the investment objectives of the investment portfolio, the Board of Directors has taken into account the time horizon available for investment, the nature of the investment portfolio's cash flows and liabilities and other factors that affect the portfolio's risk tolerance. The Foundation expects its assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount.

External and direct internal expenses relating to investment revenues amounted to \$9,153 and \$11,553 and have been netted against investment revenues in the accompanying statements of activities for the years ended June 30, 2020 and 2019, respectively.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Contributions receivable:

Contributions receivable include unconditional promises to give net of an allowance for doubtful accounts. The Foundation estimates the allowance based on an analysis of specific donor history and experience. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

An allowance for doubtful accounts is considered unnecessary and is not provided for the years ended June 30, 2020 and 2019.

Inventory:

The Foundation maintains an inventory of various clothing and toys. The Foundation states inventory at the lower of cost or net realizable value.

Property and equipment:

The Foundation capitalizes all expenditures in excess of \$1,000 for property and equipment at cost or, if donated, at fair value at the date of donation. Depreciation of property and equipment is provided over the estimated useful lives of the assets using the straight-line method, ranging from five to thirty-nine years.

Grants payable:

Unconditional grants payable are recorded when approved by the Board of Directors. Grants payable represent amounts due to medical investigative researchers for pre-approved studies in the following year and pediatric oncology facilities and foundations for service grants. Grants are only awarded for one year.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Donated goods and services:

Donated goods and services are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Foundation recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Donated goods and services of the following are included as in-kind contributions revenue under special events and other fundraisers in the statements of activities:

Years ended June 30,	2020	2019
Event expenses	\$ 70,264	\$ 78,518
Bear Hugs	153,873	140,181
Professional fees		12,400
Total donated goods and services	\$ 224,137	\$ 231,099

Many individuals volunteer their time and perform tasks that assist the Foundation. No amounts have been reflected in the financial statements for those donated services because the criteria for financial statement recognition were not met.

Advertising:

Advertising costs are expensed as incurred and totaled \$22,836 and \$32,804 for the years ended June 30, 2020 and 2019, respectively.

Functional allocation of expenses:

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Personnel related expenses are allocated on the basis of estimates of time and effort. Depreciation and amortization and occupancy expenses are allocated by the percentage of personnel related expenses in each functional category to total personnel related expenses. Certain costs directly attributable to one program or receiving supporting function are charged directly to that function.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Debt issuance costs:

The Foundation included unamortized debt issuance costs as a reduction of the mortgage payable on the statements of financial position. In addition, amortization of debt issuance costs is included in occupancy expenses on the statements of functional expenses. The debt issuance costs were being amortized ratably over the term of the debt. Amortization expense totaled \$1,795 and \$215 for the years ended June 30, 2020 and 2019, respectively.

Use of 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.

Subsequent events:

Management of the Foundation has reviewed and evaluated subsequent through September 29, 2020, the date the financial statements were available to be issued.

3. Liquidity and availability

The majority of the Foundation's contributions are received without donor restrictions and are used for annual funding needs. The remainder of the Foundation's contributions are restricted and are used in accordance with the associated purpose and/or time restrictions.

The Foundation considers appropriated earnings from Board-designated (quasi) endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Liquidity and availability (continued)

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments and obligations under quasi endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The Foundation's Board of Directors meets annually to review and approve grant commitments that have been reviewed and scored by the Foundation's Scientific Committee. The Foundation strives to maintain financial assets available to meet general expenditures at a level that represents over 100% of annual expenses for administrative, general, and fundraising expenses plus an amount that represents the expected payment for grant commitments approved by the Board of Directors.

The following represents the Foundation's financial assets available to meet general expenditures at June 30, 2020 and 2019:

June 30,	2020	2019
Financial assets at year-end:		
Cash	\$ 535,977	\$ 494,162
Investments	519,543	630,748
Contributions receivable	500	63,221
Total financial assets	1,056,020	1,188,131
Less amounts not available to be used within one year:		
Donor-imposed restrictions	(44,525)	(51,700)
Internal designations - Board-advised funds	(525,000)	(525,000)
Total amounts not available to be used within one year	(569,525)	(576,700)
Financial assets available to meet general expenditures within one year	\$ 486,495	\$ 611,431

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Major donors

Two donors accounted for 79% of contributions receivable at June 30, 2019.

5. Property and equipment

The following is a summary of property and equipment:

June 30,	2020	2019
Buildings and building improvements	\$ 1,500,220	\$ 1,500,220
Furniture and equipment	9,378	10,694
	1,509,598	1,510,914
Less accumulated depreciation	463,626	424,975
Property and equipment, net	\$ 1,045,972	\$ 1,085,939

Depreciation expense for the years ended June 30, 2020 and 2019 was \$39,967 and \$39,933, respectively.

6. Mortgage payable

The Foundation has a mortgage. The mortgage balance at June 30, 2020 and 2019 was \$387,574 and \$412,854, respectively. In April 2020, the Foundation paid off the remaining \$397,027 on the mortgage and took out a new mortgage note in the amount of \$397,027. The Foundation incurred a prepayment penalty of \$11,491 during the refinancing.

The new mortgage is payable in monthly principal installments of \$4,726 plus interest calculated at a fixed interest rate of 4.25% per annum and the loan is due in April 2027. The mortgage is collateralized by the underlying property. Interest expense totaled \$22,097 and \$24,179 for the years ended June 30, 2020 and 2019, respectively.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. Mortgage payable (continued)

Future minimum principal payments are as follows:

Year ending June 30:	Amount
2021	\$ 56,718
2022	56,718
2023	56,718
2024	56,718
2025	56,718
Thereafter	103,984
Total	\$ 387,574

7. Loan payable

On April 17, 2020, the Foundation qualified for and received a loan pursuant to the Paycheck Protection Program (PPP), a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from its primary bank, for an aggregate principal amount of \$113,000. The loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred through October 2020, has a term of two years, and is uncollateralized and guaranteed by the U.S. Small Business Administration. The principal amount of the loan is subject to forgiveness upon the Foundation's request to the extent that the loan proceeds are used to pay allowable expenses, including payroll costs, covered rent, and covered utility costs. The Foundation intends to apply for forgiveness of the loan with respect to these covered expenses during the year ending June 30, 2021. To the extent that all or part of the loan is not forgiven, the Foundation will be required to pay principal and interest payments, commencing in November 2020 through the maturity date of April 17, 2022.

Future minimum principal payments are as follows:

Year ending June 30:	Amount
2021	\$ 50,222
2022	62,778
Total	\$ 113,000

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. Board-designated net assets

The Board of Directors of the Foundation has designated an endowment fund of \$525,000, known as the Bear Fund, as a general endowment to support the mission of the Foundation. It is the policy of the Board of Directors to use the income and dividends from the designated endowment fund to support the Foundation's general activities.

The Board-designated endowment balance, which are included in net assets without donor restrictions, totaled \$525,000 at June 30, 2020 and 2019.

9. Net assets with donor restrictions

As of June 30, 2020 and 2019, net assets with donor restrictions are restricted for the following purpose restrictions:

June 30,	2020	2019
Purpose-restricted funds:		
Bear Hugs - Naples chapter	\$ 44,525	\$ 51,700

Net assets were released from donor restrictions by the passage of time or by incurring expenses satisfying purpose or time restrictions as follows:

Years ended June 30,	2020	2019
Purpose-restricted funds:		
Bear Hugs - Naples chapter	\$ 7,175	
Time-restricted funds:		
Necessities 100		\$ 21,250
Total net assets released from donor restrictions	\$ 7,175	\$ 21,250

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

SCHEDULES OF FUNDRAISING EVENTS AND MERCHANDISE SALES

Years ended June 30,	2020				2019			Excess of
Event	Revenue	Direct benefit to donors expense	Non-direct benefit to donors expense	Excess of revenue over expense	Revenue	Direct benefit to donors expense	Non-direct benefit to donors expense	revenue over expense (expense over revenue)
Bear Tie Ball	\$ 447,039	\$ 148,693	\$ 52,199	\$ 246,147	\$ 770,413	\$ 217,546	\$ 68,467	\$ 484,400
Golf for the Bear	88,324	41,720	2,496	44,108	67,673	30,476	2,494	34,703
Bear Walk	109,299	31,920		77,379	60,747	27,529		33,218
Little Black Dress	22,591	7,301		15,290		2,427		(2,427)
Other fundraising events	170,573	69,023		101,550	157,116	53,665	30	103,421
Total fundraising events	837,826	298,657	54,695	484,474	1,055,949	331,643	70,991	653,315
Merchandise sales	753		259	494	633		2,359	(1,726)
Total fundraising events and merchandise sales	\$ 838,579	\$ 298,657	\$ 54,954	\$ 484,968	\$ 1,056,582	\$ 331,643	\$ 73,350	\$ 651,589