

**BEAR NECESSITIES PEDIATRIC
CANCER FOUNDATION**

FINANCIAL STATEMENTS

**June 30, 2024
And for the Year Then Ended**

**(With Summarized Comparative
Information for 2023)**

**BEAR NECESSITIES PEDIATRIC
CANCER FOUNDATION**

Annual Financial Report

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D&A

Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

To the Board of Directors of
Bear Necessities Pediatric Cancer Foundation
Chicago, IL

Opinion

We have audited the accompanying financial statements of Bear Necessities Pediatric Cancer Foundation (a nonprofit Foundation), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bear Necessities Pediatric Cancer Foundation as of June 30, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bear Necessities Pediatric Cancer Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bear Necessities Pediatric Cancer Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bear Necessities Pediatric Cancer Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bear Necessities Pediatric Cancer Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Bear Necessities Pediatric Cancer Foundation's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 26, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Desmond & Aher, Ltd.

November 19, 2024
Chicago, IL

BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION
STATEMENT OF FINANCIAL POSITION
As of June 30, 2024 (comparative totals for 2023)

<u>Assets</u>	2024	2023
Current Assets		
Cash and cash equivalents	\$ 478,057	\$ 839,154
Investments	780,932	538,452
Contributions receivable, net	130,750	41,250
Inventory	11,142	16,485
Prepaid expenses	15,517	834
Total current assets	<u>1,416,398</u>	<u>1,436,175</u>
Other Assets		
Property and equipment, net	889,978	928,449
Contributions receivable, net	95,264	186,039
Total other assets	<u>985,242</u>	<u>1,114,488</u>
Total Assets	<u><u>\$ 2,401,640</u></u>	<u><u>\$ 2,550,663</u></u>
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable	\$ 32,956	\$ 35,274
Credit card payable	11,798	15,749
Grants payable - scholarship	-	10,000
Accrued expenses	8,600	-
Deferred revenue	43,568	12,566
Mortgage payable, current	56,718	56,718
Total current liabilities	<u>153,640</u>	<u>130,307</u>
Long-Term Liabilities		
Mortgage payable, net of current portion	<u>103,984</u>	<u>160,702</u>
Total Liabilities	<u><u>257,624</u></u>	<u><u>291,009</u></u>
Net Assets		
Without donor restrictions		
Undesignated	1,413,756	1,421,066
Board-designated	<u>525,000</u>	<u>525,000</u>
Total without donor restrictions	<u>1,938,756</u>	<u>1,946,066</u>
With donor restrictions		
Total net assets	<u>205,260</u>	<u>313,588</u>
Total Liabilities and Net Assets	<u><u>\$ 2,401,640</u></u>	<u><u>\$ 2,550,663</u></u>

See independent auditor's report and notes to financial statements.

BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024 (with summarized comparative totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
<u>Support and Revenues</u>				
Special events	\$ 780,835	\$ -	\$ 780,835	\$ 1,035,888
Less: cost of direct benefits to donors, including in-kind goods of \$47,443	(300,644)	-	(300,644)	(407,366)
Net revenues from special events	480,191	-	480,191	628,522
Contributions	603,580	37,200	640,780	925,672
In-kind donations and goods	161,804	-	161,804	131,673
Investment income, net	40,081	-	40,081	24,298
Merchandise sales, net	-	-	-	257
Other income	15,085	-	15,085	49,686
Net assets released from restrictions	145,527	(145,527)	-	-
Total public support and revenue	1,446,268	(108,327)	1,337,941	1,760,108
<u>Expenses</u>				
Program services	1,010,969	-	1,010,969	912,575
Management and general	192,654	-	192,654	237,180
Fundraising	249,956	-	249,956	257,821
Total expenses	1,453,579	-	1,453,579	1,407,576
Change in net assets	(7,311)	(108,327)	(115,638)	352,532
Net assets, beginning of year	1,946,067	313,587	2,259,654	1,907,122
Net assets, end of year	\$ 1,938,756	\$ 205,260	\$ 2,144,016	\$ 2,259,654

See independent auditor's report and notes to financial statements.

BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024 (with summarized comparative totals for 2023)

	Program Services	Management and General	Fundraising	2024 Total	2023 Total
<u>Functional Expenses</u>					
Salaries and wages	\$ 344,750	\$ 58,729	\$ 165,604	\$ 569,083	\$ 563,781
Payroll taxes and employee benefits	49,314	8,401	23,688	81,403	74,546
	<u>394,064</u>	<u>67,130</u>	<u>189,292</u>	<u>650,486</u>	<u>638,327</u>
Program supplies	435,614	-	-	435,614	418,149
Professional fees	23,038	74,846	11,066	108,950	96,174
Occupancy	45,906	7,820	22,052	75,778	82,252
Depreciation	23,303	3,970	11,194	38,467	38,467
Grants and scholarships	55,000	-	-	55,000	35,182
Information technology	10,435	1,778	5,012	17,225	23,812
Office expenses	14,530	2,475	6,980	23,985	23,582
Bank and merchant fees	-	13,259	-	13,259	13,568
Interest	-	8,570	-	8,570	12,037
Dues and subscriptions	4,261	726	2,046	7,033	9,530
Insurance	1,550	264	745	2,559	7,066
Marketing and advertising	1,766	301	848	2,915	3,790
Miscellaneous	-	759	-	759	1,853
Bad debt	-	10,500	-	10,500	1,809
Travel and meetings	1,129	192	542	1,863	1,129
Event expenses	-	-	-	-	630
Training and development	373	64	179	616	219
Total Expenses	<u>\$ 1,010,969</u>	<u>\$ 192,654</u>	<u>\$ 249,956</u>	<u>\$ 1,453,579</u>	<u>\$ 1,407,576</u>

See independent auditor's report and notes to financial statements.

BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION
STATEMENT OF CASH FLOW
For the Year Ended June 30, 2024 (with summarized comparative totals for 2023)

	<u>2024</u>	<u>2023</u>
<u>Cash Flows from Operating Activities</u>		
Changes in net assets	\$ (115,638)	\$ 352,532
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	38,467	38,467
Net unrealized and realized (gains) losses	(45,499)	(30,851)
Interest and dividends	90	25,273
Donated stock	(43,288)	-
Sale of donated stock	43,263	-
Changes in assets - (increase) decrease		
Accounts receivable	1,275	(193,415)
Inventory	5,343	4,474
Prepaid expenses	(14,683)	5,789
Changes in liabilities - increase (decrease)		
Accounts payable	(2,318)	6,820
Credit card payable	(3,951)	(21,980)
Accrued expenses	8,600	-
Grant payable	(10,000)	(40,000)
Deferred revenue	31,002	(5,113)
Net cash (used in) provided by operating activities	<u>(107,337)</u>	<u>141,996</u>
<u>Cash Flows from Investing Activities</u>		
Purchases of investments	(268,553)	(262,963)
Proceeds from sale of investments	71,511	235,990
Net cash used in investing activities	<u>(197,042)</u>	<u>(26,973)</u>
<u>Cash Flows from Financing Activities</u>		
Payment to mortgage note payable	(56,718)	(56,718)
Net cash used in financing activities	<u>(56,718)</u>	<u>(56,718)</u>
Net (decrease) increase in cash and cash equivalents	(361,097)	58,305
Cash and cash equivalents, beginning of year	839,154	780,849
Cash and cash equivalents, end of year	<u>\$ 478,057</u>	<u>\$ 839,154</u>

See independent auditor's report and notes to financial statements.

BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Foundation

Bear Necessities Pediatric Cancer Foundation (the “Foundation”) is an Illinois not-for-profit corporation with the purpose of providing direct services to pediatric cancer patients patient and their immediate family members. The Foundation also grants funds to encourage, supplement and initiate research related to pediatric cancer diseases. The Foundation completes its mission through programs such as Bear Hugs (dream experiences and family support), Bear Discoveries (research), Scholarship and Counseling programs and special events such as Bear Tie Ball, Golf for the Bear, Walk for the Bear, Purple Affair for the Bear, Sip and Sail, and YPB memberships.

Basis of Accounting

The accounts and financial statements are maintained on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities in conformity with accounting principles generally accepted in the U.S. and applicable to non-profit Foundations.

Basis of Presentation

The Foundation is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions, as required by Generally Accepted Accounting Principles. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Items that affect this net asset category principally consist of gifts without restrictions, including restricted gifts whose donor-imposed restrictions were met during the year.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Foundation or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Restrictions that have been met on net assets with donor restrictions are reported as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as without donor restrictions. As of June 30, 2024, there was \$205,261 of net assets with donor restrictions.

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 disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Income Taxes

The Foundation was granted an exemption from federal income taxes by the Internal Revenue Service pursuant to the provisions of Internal Revenue Code Section 501(c)(3). The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as a Foundation that is not a private foundation under Section 509(a)(2). The tax-exempt purpose of the Foundation and the nature in which it operates is described above. Management believes the Foundation continues to operate in compliance with its tax-exempt purpose.

The Foundation's annual information and income tax returns filed with the federal and state governments are subject to examination by the IRS, generally for three years after they were filed. The Foundation has adopted the requirements for accounting for uncertain tax positions and management has determined that it was not required to record a liability related to uncertain tax positions as of June 30, 2024.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits in federally insured accounts. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid debt instruments, if any, purchased with an original maturity of three months or less to be cash equivalents. The Foundation paid no taxes and \$8,570 of interest during the year ended June 30, 2024.

Contributions Receivable

Contributions are recognized when received or when the donor makes an unconditional promise to the Foundation. Contributions of cash and other assets are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. Unconditional promises to give, due in the subsequent years, are reported at the present value of their net realized value, using risk-free interest rates applicable to the years in which the promises are to be received. The Foundation does not accrue interest in past due accounts. There was a \$10,000 allowance for doubtful accounts is recorded in the accompanying financial statements at June 30, 2024. Receivables are written off only after all collection attempts have failed and are based on individual credit evaluation and the specific circumstances of each individual.

Investments

The Foundation's investments are reported at fair value. Realized and unrealized gains and losses and any investment fees incurred are reflected in the Statement of Activities. Investment transactions are recorded as of the trade date. Interest and dividends are recorded when received. The Foundation paid \$5,508 in investment fees for the year ended June 30, 2024.

BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Inventory

Inventory, which consists of merchandise, is stated at the lower of cost, using the first-in, first-out (FIFO) method, or net realizable value.

Prepaid Expenses and Other Assets

Prepaid expenses consist of expenses that have been paid before incurred primarily related to office and event expenses.

Property and Equipment

Expenditures for property and equipment, and items which substantially increase the useful lives of existing assets are capitalized at costs. Depreciation is computed using the straight-line method over the estimated useful lives of these assets ranging from five to thirty-nine years. The Foundation capitalizes all expenditures and contributions of property and equipment over \$1,000. Depreciation expenses for the year ended June 30, 2024, amounted to \$38,467.

Deferred Revenue

The Foundation received payment for special events not yet held, therefore, deferred to the date on which the underlying event takes place. The Foundation has deferred revenues of \$43,568 as of June 30, 2024.

Support and Revenue

The Foundation recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the Foundation reports the support as unrestricted.

The Foundation reports gifts of land, buildings, and equipment as without donor restriction support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, The Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. During the year ending June 30, 2024 no such gifts of land, buildings, or equipment were received.

BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

The Foundation recognizes contract revenue at an amount that reflects consideration to which the Foundation expects to be entitled to in exchange for transferring goods or services to a customer. Due to the nature and varying performance obligations of these contracts, the timing and methods of recognizing revenue from these contracts will vary. All contracts recognize revenue in accordance with ASU No. 2014-09 (Topic ASC 606, Revenue from Contracts with Customers). There was no contract revenue recorded in 2024 for any performance obligations met in the prior year.

Donated Services

Contributions of services are generally recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the year ended June 30, 2024, the Foundation did not receive any contributed services that met these criteria.

In-Kind Contributions

In addition to receiving cash contributions, the Foundation may receive in-kind contributions and donated facilities from various donors. It is the policy of the Foundation to record the estimated fair market value of certain in-kind donations as an expense in its financial statements, and similarly increase donations by a like amount. For the year ending June 30, 2024, the Foundation received \$161,804 of in-kind donations.

Adoption of New Accounting Standard

On July 01, 2023, Bear Necessities Pediatric Cancer Foundation adopted FASB Accounting Standards Update 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including accounts receivable. There was no material impact on the Foundation's results of operations or financial condition upon adoption of the new standard.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributable to the specific program or supporting function. Expenses related to more than one function are allocated to program expenses and supporting services as the basis of periodic time and expense reviews made by management. The expenses that are allocated include salaries and wages, payroll taxes, fringe benefits, and insurance which are allocated on the basis of estimates of time.

**BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Subsequent Events

Accounting principles generally accepted in the United States of America establish general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Foundation has evaluated subsequent events through November 19, 2024, which is the date the statements were available to be issued. No subsequent events have been identified that are required to be disclosed as of that date.

Note 2 – Financial Assets and Liquidity

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As of June 30, 2024, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

Financial assets, at year-end:	
Cash and cash equivalents	\$ 478,057
Investments	780,932
Contribution receivable	<u>130,750</u>
Total financial assets, at year-end	1,389,739
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>(205,260)</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$ 1,184,479</u>

In addition to financial assets available to meet general expenditure over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The Finance Committee monitors the Foundations liquidity throughout the year at their meetings.

BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 3 – Fair Value Measurements

Generally accepted accounting principles define fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Foundation's principal or most advantageous market in an orderly transaction between market participants on the measurement date.

Generally accepted accounting principles establish a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The following is a description of the valuation methodologies used to measure the Foundation's financial instruments at fair value. There have been no changes in the methodologies used on June 30, 2024 from the prior year.

Equities, fixed income and exchange traded funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Government-backed mortgage securities: Valued at the fair value of the mortgage-back security adjusted by quoted prices on a specific date. This is approximated by using similar pricing models and historical data. Mortgage-back securities represent claims on the money generated by mortgage loans.

BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 3 – Fair Value Measurement (cont.)

Assets Measured on a Recurring Basis

Assets measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at June 30, 2024		
	Level 1	Level 2	Level 3
Mutual funds	\$ 707,935	\$ -	\$ -
Equities and ETFs	67,382	-	-
Government-backed mortgage securities	-	5,615	-
Total	<u>\$ 775,317</u>	<u>\$ 5,615</u>	<u>\$ -</u>

Note 4 – Net Investment Income

Investment income consists of the following components for the year ended June 30, 2024:

Realized gain (loss)	\$ 18,216
Unrealized gain (loss)	27,283
Interest and dividend income	90
Fees	(5,508)
Net investment income	<u>\$ 40,081</u>

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

Note 5 – Property and Equipment

The following is a summary of property and equipment as of June 30, 2024:

Building and improvements	\$ 1,500,220
Furniture and fixtures	8,752
Computers and software	626
Less: accumulated depreciation	(619,620)
Property and equipment, net	<u>\$ 889,978</u>

For the year ended June 30, 2024, depreciation expense was \$38,467.

BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 6 – Contribution Receivable

Contributions receivables are short and long-term commitments from various donors without restriction as to purpose but with donor restriction until received in future periods. At June 30, 2024 total net short-term contribution receivables were \$130,750 while total net long-term contribution receivables were \$95,264. Contributions receivable with due dates extending beyond one year are discounted using Treasury bill rates at 4.76% annual rate of interest at June 30, 2024.

As of June 30, 2024, the Foundation has committed funds of:

Total contributions	\$ 230,750
Less: discount to present value	(4,736)
Net contributions	<u>\$ 226,014</u>
 Amounts due in:	
One to two years	\$ 130,750
Two to five years	100,000
Total contributions	<u>\$ 230,750</u>

Note 7 – Mortgage Note Payable

The Foundation entered into a mortgage note payable in April 2020 with a balance of \$397,027. The 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 April 2027. The mortgage is collateralized by the underlying property. The interest expenses for the year ended June 30, 2024, were \$8,271. As of June 30, 2024, the remaining balance of the mortgage note payable is \$160,702.

Future minimum principal payments are as follows:

2025	56,718
2026	56,718
2027	47,266
	<u>\$ 160,702</u>

Note 8 – Board-Designated Net Assets

The Board of Directors 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 is included in net assets without donor restrictions, total \$525,000 as of June 30, 2024.

BEAR NECESSITIES PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 9 – Net Assets with Donor Restrictions

Net assets with donor restrictions for the year ended June 30, 2024 available in future periods are as follows:

Bear Hugs - Naples Chapter	\$ 23,808
Scholarships	90,677
Time Restricted	<u>90,775</u>
	<u><u>\$ 205,260</u></u>

Note 10 – Special Events

The Foundation hosts multiple events during the year to raise funding and awareness. The following is a summary of the events held for the year ended June 30, 2024:

Special events	
Bear Tie Ball	\$ 424,956
Golf for the Bear	100,089
Walk for the Bear	68,182
Third Party Event	63,840
Sip and Sail	66,368
YPB events & memberships	57,400
Less: Cost of direct benefits to donors, including in-kind goods of \$47,443	(300,644)
Net revenues from special events	<u><u>\$ 480,191</u></u>