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PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To The Officers and Members
of The Board of Directors
Pediatric Oncology Treasure
Chest Foundation
Chicago, Illinois

I have audited the accompanying financial statements of Pediatric Oncology Treasure Chest Foundation, (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pediatric Oncology Treasure Chest Foundation, as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Ralph A. Land, CPA
Chicago, Illinois
September 4, 2020

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019

ASSETS

Current Assets:	
Cash and cash equivalents	105,029
Inventory	10,831
Prepaid/Deposit	5,506
Total current assets	121,366
Property and Equipment	
Building	214,686
Land	23,854
Equipment/Transportation	34,936
Furniture/Fixtures	6,478
Leasehold Improvements	16,419
Less: accum. depreciation	(85,280)
Property and Equipment - Net	211,093
Total Assets	332,459
<u>LIABILITIES & NET ASSETS</u>	
Current Liabilities:	
Accounts payable	9,437
Notes payable	13,643
Total current liabilities	23,080
Long-Term Liabilities:	
Notes payable	81,810
Total long-term liabilities	81,810
Total Liabilities	104,890
Net Assets:	
Donated Property	25,000
With Donor Restrictions	67,403
Without Donor Restrictions	135,166
Total Net Assets	227,569
Total Liabilities and Net Assets	332,459

See Independent Auditor's Report and Notes to Financial Statements.

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

<u>Support & Revenue</u>	
Contributions	283,461
Contributions - with donor restrictions	33,481
Building Fund Donations - with donor restrictions	3,922
Growth Program - with donor restrictions	30,000
Other Income	10,800
Donated Toys	290,642
	290,642
 Total Support & Revenue	 652,306
 <u>Expenses</u>	
Program Services	523,416
Management & General	64,700
Fundraising	42,191
	42,191
 Total Expenses Before Depreciation	 630,307
 Change in Net Assets Without Donor Restrictions Before Deprec.	21,999
 Depreciation	 (10,704)
 Change in Net Assets Without Donor Restrictions After Deprec.	 11,295
 Net Assets, Beg. of Year	216,274
Net Assets, End of Year	227,569

See Independent Auditor's Report and Notes to Financial Statements.

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

<u>DESCRIPTION</u>	<u>PROGRAMS</u>	<u>MGT & GENERAL</u>	<u>FUND- RAISING</u>	<u>TOTAL</u>
Salaries	132,158	33,039	-	165,197
Payroll Taxes	11,966	2,991	-	14,957
Client Gift Certificates	6,998	-	-	6,998
Disposal Services	535	134	-	669
Donated Toys - Distributed	333,570	-	-	333,570
Dues and Subscriptions	2,608	1,117	-	3,725
Fundraising	-	-	42,191	42,191
Insurance	11,835	7,254	-	19,089
Interest	1,511	3,527	-	5,038
Legal & Accounting	-	4,980	-	4,980
Licenses/Fees	190	285	-	475
Office Expense	2,660	6,206	-	8,866
Repairs & Maintenance	479	1,438	-	1,917
Shipping/Printing	10,402	1,156	-	11,558
Telephone	2,348	783	-	3,131
Toys	2,618	-	-	2,618
Travel	563	188	-	751
Utilities	2,975	1,602	-	4,577
Total Exp. Before Deprec.	523,416	64,700	42,191	630,307
Depreciation	5,352	5,352	-	10,704
Total Exp. After Deprec.	528,768	70,052	42,191	641,011

See Independent Auditor's Report and Notes to Financial Statements.

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

OPERATING ACTIVITIES

Change in Net Assets	\$ 11,295
Adjustments to reconcile change in net assets To net cash provided by operating activities:	
Depreciation	10,704
Changes in operating assets and liabilities:	
Change in accounts receivable and prepaids	42,927
Change in payables and accrued expenses	<u>(565)</u>
Net cash (used) provided by operating activities	<u>\$ 64,361</u>

FINANCING ACTIVITIES

Notes payable	(13,643)
Increase/<Decrease> in cash	50,718
Cash at beginning of year	<u>54,311</u>
Cash at end of year	<u>\$ 105,029</u>

See Independent Auditor's Report and Notes to Financial Statements.

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Pediatric Oncology Treasure Chest Foundation is an Illinois not-for-profit entity incorporated under the General Not-For-Profit Corporation Act of Illinois in 2002. The Organization's mission is to provide comfort and distraction from painful procedures for children who have been diagnosed with cancer by providing small gifts from a treasure chest supervised by the nursing staff.

Basis of Accounting

In accordance with generally accepted accounting principles, the financial statements have been prepared on the accrual basis of accounting, whereas, revenues are recognized when earned and expenses are recognized when incurred.

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, Financial Statements of Not-For-Profit Organizations. Under this guideline, Pediatric Oncology Treasure Chest Foundation is required to report information regarding its financial position according to ASU 2016-14 within two classes of net assets: without donor restrictions or with donor restrictions. At December 31, 2019, the Organization had net assets with donor restrictions and net assets without donor restricts of \$67,403 and 160,166 respectively.

Property and Equipment

The property and equipment fund is to account for funds restricted for property and equipment acquisitions and the subsequent expenditure of those funds. Property and equipment fund acquisitions are financed through current operations. Assets are valued at cost or at estimated value on date of donation. Depreciation is provided on a straight-line basis over estimated useful lives ranging from 3 - 31 years.

Income Taxes

Pediatric Oncology Treasure Chest Foundation is exempt from Federal income tax under Section 501c(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deductions under Section 170(b)(1)(a)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

See Independent Auditor's Report and Notes to Financial Statements.

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Estimates

The preparation of the Organization's financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Contributed Services and Materials

When applicable, donated materials are recorded as support at their estimated fair value at the date of donation. Donated services are recorded at their estimated fair value at a comparable rate for such services that would have otherwise been purchased.

Support and Revenue

Contributions are considered available for unrestricted use unless specifically restricted by the donors. The Organization 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 time period in which the contribution is received, the Organization reports the support as unrestricted.

The Organization reports gifts of land, buildings, and equipment as unrestricted 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 Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

See Independent Auditor's Report and Notes to Financial Statements.

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

NOTE 2 - FINANCIAL INSTRUMENTS

The corporation's financial instruments at December 31, 2019 consist of actual cash balances. The corporation maintains its cash balances in two (2) financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The corporation had no uninsured cash balance at December 31, 2019.

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments, if any, purchased with an original maturity of three months or less to be cash equivalents.

NOTE 3 - RELATED PARTY TRANSACTIONS

During the year ending December 31, 2019, Pediatric Oncology Treasure Chest Foundation did not enter into any significant related party transactions.

NOTE 4 - NOTES PAYABLE

During the year ending December 31, 2012, Pediatric Oncology Treasure Chest Foundation bought a building with a loan from The Sharon L. Denning Revocable Trust. The Organization's mortgage payable as reflected on the statement of financial position amounts to \$87,648, of which \$11,225 is current and \$76,423 is long-term.

During the year ending December 31, 2019, Pediatric Oncology Treasure Chest Foundation bought a vehicle with a loan from Bettenhausen Fiat. The Organization's note payable as reflected on the statement of financial position amounts to \$7,805, of which \$2,418 is current and \$5,387 is long-term.

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 - SUBSEQUENT EVENTS

Management of Pediatric Oncology Treasure Chest Foundation has reviewed and evaluated subsequent events from December 31, 2019, the financial statement date, through September 4, 2020, the date the financial statements were available to be issued. No subsequent events have been identified that are required to be disclosed through that date.

See Independent Auditor's Report and Notes to Financial Statements.