

PEDIATRIC ONCOLOGY
TREASURE CHEST FOUNDATION

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows	6
Notes to Financial Statements.....	7-10



Independent Auditor's Report

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

Opinion

We 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, 2022, and 2021. The related statements of activities, and cash flows for the years 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 Pediatric Oncology Treasure Chest Foundation, as of December 31, 2022 and 2021, 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.

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 Pediatric Oncology Treasure Chest 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 these 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 misstatements, 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 Pediatric Oncology Treasure Chest 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 Responsibilities 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by reasonable users 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, 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 Pediatric Oncology Treasure Chest Foundation internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of the 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pediatric Oncology Treasure Chest Foundation 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.

Adducci Vega Financial Group LLC

Palos Heights, IL 60463

November 09, 2023

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
STATEMENT OF FINANCIAL POSITION
December 31.

	<u>Assets</u>	
	2022	2021
Current Assets		
Cash and cash equivalents	\$ 267,307	\$ 248,902
Inventory	336,808	158,887
Prepaid/Deposit	5,749	5,506
Total current assets	609,864	413,295
Property and Equipment		
Building	214,686	214,686
Land	23,854	23,854
Equipment / Transportation	34,936	34,936
Furniture/Fixtures	6,478	6,478
Leasehold Improvements	26,961	16,419
Less: accum. Depreciation	(105,539)	(106,164)
Property and Equipment - Net	201,376	190,209
Total Assets	\$ 811,240	\$ 603,504
	<u>Liabilities & Net Assets</u>	
Current Liabilities		
Accounts payable	\$ 9,808	\$ 10,793
Notes Payable	14,456	13,643
Paid Payroll Protection Loan	-	32,652
Total current liabilities	24,264	57,088
Long-Term Liabilities		
Notes payable	48,366	51,172
Total long-term liabilities	48,366	51,172
Total Liabilities	72,630	108,260
Net Assets		
With Donor Restrictions	52,378	60,493
Without Donor Restrictions	686,232	434,751
Total Net Assets	738,610	495,244
Total Liabilities and Net Assets	\$ 811,240	\$ 603,504

The accompanying notes are an integral part of this statement

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

Statement of Activities

December 31,

<u>Support & Revenue</u>	<u>2022</u>	<u>2021</u>
Contribution	\$ 332,452	\$ 350,361
Building Fund Donations - with donor restrictions	-	190
Other Income	16,762	2,400
PPP loan forgiveness	-	-
Donated Toys	336,808	190,556
Total Support & Revenue	<u>686,022</u>	<u>543,507</u>
<u>Expenses</u>		
Program Services	337,781	303,387
Management & General	68,658	59,718
Fundraising	15,929	1,521
Total Expenses Before Depreciation	<u>422,368</u>	<u>364,626</u>
Change in Net Assets Without Donor Restrictions Before Depreciation	263,654	178,881
Depreciation	<u>(20,288)</u>	<u>(10,210)</u>
Change in Net Assets Without Donor Restrictions After Depreciation	243,366	168,671
Net Assets, Beginning of Year	<u>495,244</u>	<u>326,573</u>
Net Assets, End of Year	<u>\$ 738,610</u>	<u>\$ 495,244</u>

The accompanying notes are an integral part of this statement

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
FOR YEAR ENDED DECEMBER 31, 2022

Description	Programs	Mgt & General	Fund Raising	Total
Salaries	\$ 133,922	\$ 33,479		\$ 167,401
Payroll Taxes	11,070	2,768		13,838
Client Gift Certificates	2,196			2,196
Disposal Services	561	140		701
Donated Toys Distributed	144,627			144,627
Dues and Subscriptions	613	263		876
Fundraising			15,929	15,929
Insurance	11,321	6,939		18,260
Interest	862	2,010		2,872
Legal & Accounting		6,102		6,102
Licenses / Fees	704	470		1,174
Office Expense	3,884	9,060		12,944
Repairs & Maintenance	849	2,547		3,396
Storage	3,600			3,600
Shipping / Printing	13,932	1,548		15,480
Telephone	759	253		1,012
Toys	2,838			2,838
Travel	847	282		1,129
Utilities	5,196	2,797		7,993
Total Expenses before depreciation	<u>\$ 337,781</u>	<u>\$ 68,658</u>	<u>\$ 15,929</u>	<u>\$ 422,368</u>
Depreciation	10,144	10,144	-	20,288
Total Expenses after depreciation	<u>\$ 347,925</u>	<u>\$ 78,802</u>	<u>\$ 15,929</u>	<u>\$ 442,656</u>

The accompanying notes are an integral part of this statement

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

Statement of Cash Flows

December 31,

OPERATING ACTIVITIES	<u>2022</u>	<u>2021</u>
Change in Net Assets	\$ 243,366	\$ 168,671
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	20,288	10,210
Changes in operating assets and liabilities:		
Prepaid items	(243)	(2,738)
Inventory	(187,184)	(115,650)
Change in payables and accrued expenses	<u>(985)</u>	<u>1,551</u>
Net cash (used) provided by operating activities	<u>\$ 75,242</u>	<u>\$ 62,044</u>
 FINANCING ACTIVITIES		
Repayment of Notes payable	(13,643)	(15,684)
Purchase of fixed asset	(10,542)	-
Proceeds from loan	(32,652)	32,652
Net cash provided by (used by) financing activities		
Increase/Decrease in cash	18,405	79,012
Cash at beginning of year	<u>248,902</u>	<u>169,890</u>
Cash at end of year	<u>\$ 267,307</u>	<u>\$ 248,902</u>
 Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	<u>\$ 2,872</u>	<u>\$ 3,615</u>

The accompanying notes are an integral part of this statement

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

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 1997. The Organization's mission is to provide comfort and distraction from painful procedures for children who have been diagnosed with cancer by providing toys, gifts and gift cards 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 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, 2022 and 2021, the Organization had net assets with donor restrictions of \$ and \$60,493 respectively and net assets without donor restrictions of \$ and \$333,406 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).

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

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 with donor restrictions 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, with donor restrictions net assets are reclassified to without donor restrictions 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 without donor restrictions.

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 with donor restrictions.

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.

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

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.

Financial Instruments

The corporation's financial instruments at December 31, 2022 and 2021 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, 2022 and 2021.

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.

Related Party Transactions

During the year ending December 31, 2022 and 2021, Pediatric Oncology Treasure Chest Foundation did not enter into any significant related party transactions.

Notes Payable

Balances as of December 31 consist of the following:	<u>2021</u>	<u>2021</u>
A 5.00% note payable to bank due in monthly installments of \$1,378.85 including interest with a final payment due February 2, 2026	\$62,822	\$62,118
A 3.64% note payable to bank due in monthly installments of \$1,167.15 including interest with a final payment due December 14, 2022.	-	\$2,697
Total	<u>\$62,822</u>	<u>\$64,815</u>
Less Current Portion	<u>(\$14,456)</u>	<u>(\$13,643)</u>
Long Term Debt	<u>\$48,366</u>	<u>\$51,172</u>

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 09, 2023, the date the financial statements were available to be issued.