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PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

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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, 2018, 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.

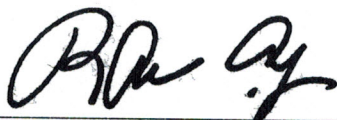
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2018, 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
July 10, 2019

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018

ASSETS

Current Assets:	
Cash and cash equivalents	54,311
Inventory	53,758
Prepaid/Deposit	5,506
Total current assets	113,575
Property and Equipment	
Building	214,686
Land	23,854
Equipment/Transportation	34,936
Furniture/Fixtures	6,478
Leasehold Improvements	16,419
Less: accum. depreciation	(74,576)
Property and Equipment - Net	221,797
Total Assets	335,372

LIABILITIES & NET ASSETS

Current Liabilities:	
Accounts payable	9,386
Notes payable	14,259
Total current liabilities	23,645
Long-Term Liabilities:	
Notes payable	95,453
Total long-term liabilities	95,453
Total Liabilities	119,098
Net Assets:	
Donated Property	25,000
Unrestricted	191,274
Total Net Assets	216,274
Total Liabilities and Net Assets	335,372

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

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

Support & Revenue

Contributions - temporarily restricted	316,732
Building Fund Donations - temporarily restricted	6,950
Growth Program - restricted funds	28,698
Donated Toys	<u>280,713</u>
 Total Support & Revenue	 <u>633,093</u>

Expenses

Program Services	546,738
Management & General	63,546
Fundraising	<u>47,117</u>
 Total Expenses Before Depreciation	 <u>657,401</u>
 Change in Unrestricted Net Assets Before Deprec.	 (24,308)
 Depreciation	 <u>(5,394)</u>
 Change in Unrestricted Net Assets After Deprec.	 <u>(29,702)</u>
 Net Assets, Beginning of Year	 220,976
Net Assets, End of Year	<u><u>191,274</u></u>

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

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

<u>DESCRIPTION</u>	<u>PROGRAMS</u>	<u>MGT & GENERAL</u>	<u>FUND- RAISING</u>	<u>TOTAL</u>
Salaries	131,848	32,962	-	164,810
Payroll Taxes	12,208	3,052	-	15,260
Client Gift Certificates	1,246	-	-	1,246
Disposal Services	526	132	-	658
Donated Toys - Distributed	365,842	-	-	365,842
Dues and Subscriptions	1,978	848	-	2,825
Fundraising	-	-	47,117	47,117
Insurance	11,851	7,264	-	19,115
Interest	1,571	3,667	-	5,238
Legal & Accounting	-	4,800	-	4,800
Licenses/Fees	147	220	-	367
Office Expense	2,240	5,226	-	7,465
Repairs & Maintenance	585	1,755	-	2,340
Shipping/Printing	8,201	911	-	9,112
Telephone	3,533	1,178	-	4,710
Toys	1,991	-	-	1,991
Travel	326	109	-	434
Utilities	2,646	1,425	-	4,071
Total Exp. Before Deprec.	546,738	63,546	47,117	657,401
Depreciation	3,490	1,904	-	5,394
Total Exp. After Deprec.	550,228	65,450	47,117	662,795

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, 2018

OPERATING ACTIVITIES

Change in Net Assets	\$ (29,702)
Adjustments to reconcile change in net assets To net cash provided by operating activities:	
Depreciation	5,394
Changes in operating assets and liabilities:	
Change in accounts receivable and prepaids	85,129
Change in payables and accrued expenses	<u>285</u>
Net cash (used) provided by operating activities	<u>\$ 61,106</u>

INVESTING ACTIVITIES

Fixed Assets	(10,678)
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FINANCING ACTIVITIES

Notes payable	(13,295)
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Adjustment	<u>2,729</u>
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Increase/<Decrease> in cash	39,862
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Cash at beginning of year	<u>14,449</u>
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Cash at end of year	<u>\$ 54,311</u>
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See Independent Auditor's Report and Notes to Financial Statements.

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets (if applicable). At December 31, 2018, the Organization had unrestricted net assets and temporarily restricted net assets of \$191,274 and \$25,000 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, 2018

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, 2018

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, 2018 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, 2018.

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, 2018, 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 \$99,489, of which \$11,841 is current and \$87,648 is long-term.

During the year ending December 31, 2018, 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 positions amounts to \$10,223, of which \$2,418 is current and \$7,805 is long-term.

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 5 - PRIOR PERIOD ADJUSTMENT

During the period ended December 31, 2017, Pediatric Oncology Treasure Chest Foundation determined that expenses for 2017 were overstated by \$2,729. These corrections resulted in a prior period adjustment of \$2,729, and an increase of net assets, and a restatement of the December 31, 2017 balances to reflect the changes as follows:

	Original	Change	Restated
Expenses	\$ <u>475,763</u>	<u><2,729></u>	\$ <u>473,034</u>
Unrestricted Net Assets	<u>218,247</u>	<u>2,729</u>	<u>220,976</u>

NOTE 6 - SUBSEQUENT EVENTS

Management of Pediatric Oncology Treasure Chest Foundation has reviewed and evaluated subsequent events from December 31, 2018, the financial statement date, through July 10, 2019, 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.