

**PEDIATRIC ONCOLOGY
TREASURE CHEST FOUNDATION**

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

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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, 2021, and 2020. 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, 2021 and 2020, 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 out 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 11, 2022

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

	<u>Assets</u>	
	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and cash equivalents	\$ 248,902	\$ 169,890
Inventory	158,887	43,237
Prepaid/Deposit	5,506	2,768
Total current assets	<u>413,295</u>	<u>215,895</u>
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	16,419	16,419
Less: accum. Depreciation	(106,164)	(95,954)
Property and Equipment - Net	<u>190,209</u>	<u>200,419</u>
Total Assets	<u>\$ 603,505</u>	<u>\$ 416,314</u>
	<u>Liabilities & Net Assets</u>	
Current Liabilities		
Accounts payable	\$ 10,793	\$ 9,242
Notes Payable	13,643	15,463
Paid Payroll Protection Loan	32,652	-
Total current liabilities	<u>57,088</u>	<u>24,705</u>
Long-Term Liabilities		
Notes payable	51,172	65,036
Total long-term liabilities	<u>51,172</u>	<u>65,036</u>
Total Liabilities	<u>108,261</u>	<u>89,741</u>
Net Assets		
With Donor Restrictions	60,493	51,146
Without Donor Restrictions	434,751	275,427
Total Net Assets	<u>495,244</u>	<u>326,573</u>
Total Liabilities and Net Assets	<u>\$ 603,505</u>	<u>\$ 416,314</u>

The accompanying notes are an integral part of this statement

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

Statement of Activities

December 31,

<u>Support & Revenue</u>	2021	2020
Contribution	\$ 350,361	\$ 306,302
Building Fund Donations - with donor restrictions	190	1,225
Other Income	2,400	12,202
PPP loan forgiveness	-	33,068
Donated Toys	190,556	236,181
Total Support & Revenue	<u>543,507</u>	<u>588,978</u>
<u>Expenses</u>		
Program Services	303,387	396,115
Management & General	59,718	65,250
Fundraising	1,521	17,935
Total Expenses Before Depreciation	<u>364,625</u>	<u>479,300</u>
Change in Net Assets Without Donor Restrictions Before Depreciation	178,881	109,678
Depreciation	<u>(10,210)</u>	<u>(10,674)</u>
Change in Net Assets Without Donor Restrictions After Depreciation	168,671	99,004
Net Assets, Beginning of Year	<u>326,573</u>	<u>227,569</u>
Net Assets, End of Year	<u>\$ 495,244</u>	<u>\$ 326,573</u>

The accompanying notes are an integral part of this statement

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION
FOR YEAR ENDED DECEMBER 31, 2021

Description	Programs	Mgt & General	Fund Raising	Total
Salaries	\$ 140,869	\$ 35,217	\$ -	\$ 176,086
Payroll Taxes	11,133	2,783	-	13,916
Client Gift Certificates	5,998	-	-	5,998
Disposal Services	614	154	-	768
Donated Toys Distributed	103,777	-	-	103,777
Dues and Subscriptions	2,608	1,118	-	3,725
Fundraising	-	-	1,521	1,521
Insurance	9,834	6,028	-	15,861
Interest	1,085	2,531	-	3,615
Legal & Accounting	-	1,755	-	1,755
Licenses / Fees	556	835	-	1,391
Office Expense	2,254	5,259	-	7,513
Repairs & Maintenance	-	-	-	-
Shipping / Printing	15,065	1,674	-	16,739
Telephone	2,597	866	-	3,463
Toys	4,033	-	-	4,033
Travel	470	157	-	626
Utilities	2,495	1,343	-	3,838
Total Expenses before depreciation	<u>\$ 303,387</u>	<u>\$ 59,718</u>	<u>\$ 1,521</u>	<u>\$ 364,625</u>
Depreciation	5,105	5,105	-	10,210
Total Expenses after depreciation	<u>\$ 308,492</u>	<u>\$ 64,823</u>	<u>\$ 1,521</u>	<u>\$ 374,835</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>2021</u>	<u>2020</u>
Change in Net Assets	\$ 168,671	\$ 99,004
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,210	10,674
Changes in operating assets and liabilities:		
Prepaid items	(2,738)	2,738
Inventory	(115,650)	(32,406)
Change in payables and accrued expenses	<u>1,551</u>	<u>(195)</u>
Net cash (used) provided by operating activities	<u>\$ 62,044</u>	<u>\$ 79,815</u>
FINANCING ACTIVITIES		
Repayment of Notes payable	(15,684)	(14,954)
Proceeds from loan	32,652	-
Net cash provided by (used by) financing activities		
Increase/Decrease in cash	79,012	64,861
Cash at beginning of year	<u>169,890</u>	<u>105,029</u>
Cash at end of year	<u>\$ 248,902</u>	<u>\$ 169,890</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	<u>\$ 3,615</u>	<u>\$ 1,300</u>

The accompanying notes are an integral part of this statement

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

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, 2021 and 2020, the Organization had net assets with donor restrictions of \$60,493 and \$51,146 respectively and net assets without donor restrictions of \$333,406 and \$275,427 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 CHES T FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

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, 2021

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, 2021 and 2020 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, 2021 and 2020.

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, 2021 and 2020, 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>2020</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	\$62,118	\$75,202
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	\$5,297
Total	<u>\$64,815</u>	<u>\$80,499</u>
Less Current Portion	(\$13,643)	(\$15,463)
Long Term Debt	<u>\$51,172</u>	<u>\$65,036</u>

PEDIATRIC ONCOLOGY TREASURE CHEST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 11, 2022, the date the financial statements were available to be issued.

The evolving COVID-19 pandemic has affected the Foundation's receipt of toy donations at its physical location. The effect of a continued pandemic may continue to impact the Foundation's receipt of toys. Management is currently evaluating the impact of the COVID-19 pandemic on the general environment and has concluded that while it is reasonably possible that the virus could have a negative effect on the Foundation's financial position, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.