

### THE DRAGONFLY FOUNDATION

FINANCIAL STATEMENTS

For the Years Ended June 30, 2024 and June 30, 2023





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### **INDEPENDENT AUDITORS' REPORT**

The Board of Directors The Dragonfly Foundation Cincinnati, Ohio

### Opinion

We have audited the accompanying financial statements of The Dragonfly Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and June 30, 2023, and the related statements of activities, functional expenses, 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 The Dragonfly Foundation as of June 30, 2024 and June 30, 2023, 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 the 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 The Dragonfly Foundation and to meet our other ethical responsibilities in accordance with 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 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 The Dragonfly 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, 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 The Dragonfly 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 The Dragonfly 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.

Rudler, PSC

Fort Wright, Kentucky November 14, 2024

ASSETS	Without Donor Restrictions			Total
		Landing	Operating	
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,180,302	\$ 134,664	\$ 172,613	\$ 1,487,579
Inventory	37,115	0	0	37,115
Donations receivable	109,607	0	0	109,607
Prepaid expenses	4,331	0	0	4,331
Due from (to) other funds	420,088	(420,088)	0	0
Total Current Assets	1,751,443	(285,424)	172,613	1,638,632
PROPERTY AND EQUIPMENT, NET	356,556	2,387,853	0	2,744,409
TOTAL ASSETS	\$ 2,107,999	\$ 2,102,429	\$ 172,613	\$ 4,383,041
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 240,940	\$0	\$0	\$ 240,940
Deferred revenue	6,380	0	0	6,380
Current portion of long-term debt	0	21,628	0	21,628
Total Current Liabilities	247,320	21,628	0	268,948
LONG-TERM LIABILITIES				
Long-term debt, net of current portion	0	554,005	0	554,005
Total Liabilities	247,320	575,633	0	822,953
NET ASSETS				
Without Donor Restrictions	1,860,679	0	0	1,860,679
With Donor Restrictions	0	1,526,796	172,613	1,699,409
Total Net Assets	1,860,679	1,526,796	172,613	3,560,088
TOTAL LIABILITIES AND NET ASSETS	\$ 2,107,999	\$ 2,102,429	\$ 172,613	\$ 4,383,041

ASSETS	hout Donor estrictions	With Donor Restrictions				Total
		 Landing		perating		
CURRENT ASSETS			_	1 0		
Cash and cash equivalents	\$ 695,261	\$ 570,325	\$	146,707	\$	1,412,293
Inventory	13,955	0		0		13,955
Donation receivable	18,933	0		0		18,933
Prepaid expenses	0	0		0		0
Due from (to) other funds	 (153,561)	 153,561		0		0
Total Current Assets	 574,588	 723,886		146,707		1,445,181
PROPERTY AND EQUIPMENT, NET	 217,103	 1,721,626		0		1,938,729
TOTAL ASSETS	\$ 791,691	\$ 2,445,512	\$	146,707	\$	3,383,910
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable	\$ 54,959	\$ 0	\$	0	\$	54,959
Deferred revenue	44,463	0		0		44,463
Current portion of long-term debt	 0	 21,400		0		21,400
Total Current Liabilities	 99,422	 21,400		0		120,822
LONG-TERM LIABILITIES						
Long-term debt, net of current portion	 0	 572,027		0		572,027
Total Liabilities	 99,422	 593,427		0		692,849
NET ASSETS						
Unrestricted	692,269	0		0		692,269
Temporarily restricted	 0	 1,852,085		146,707		1,998,792
Total Net Assets	 692,269	 1,852,085		146,707		2,691,061
TOTAL LIABILITIES AND NET ASSETS	\$ 791,691	\$ 2,445,512	\$	146,707	\$	3,383,910

	Without Donor Restrictions	With Donor Restrictions		Total
	Restrictions		perating	10101
PUBLIC SUPPORT AND REVENUE			peruting	
Contributions from organizations and individuals	\$ 733,314	\$ 289,500 \$	194,600	\$ 1,217,414
Donated materials (in kind)	363,621	0	0	363,621
Donated services (in kind)	331,861	0	0	331,861
Special events				
Special events income	1,205,961	0	0	1,205,961
Special events income (in kind)	107,326	0	0	107,326
Less: direct benefit to donor	(129,259)	0	0	(129,259)
Special events income	1,184,028	0	0	1,184,028
Investment income (loss)	21,875	0	0	21,875
Net assets released from restrictions:				
Satisfaction of program restrictions	783,483	(614,789)	(168,694)	0
Total Public Support and Revenue	3,418,182	(325,289)	25,906	3,118,799
EXPENSES				
Program services	1,462,352	0	0	1,462,352
Supporting services				
Management and general	149,547	0	0	149,547
Fundraising				
Special events expense	594,922	0	0	594,922
Other fundraising	42,951	0	0	42,951
Total Expenses	2,249,772	0	0	2,249,772
CHANGE IN NET ASSETS	1,168,410	(325,289)	25,906	869,027
NET ASSETS AT BEGINNING OF YEAR	692,269	1,852,085	146,707	2,691,061
NET ASSETS AT END OF YEAR	\$ 1,860,679	<u>\$ 1,526,796                                   </u>	172,613	\$ 3,560,088

	out Donor strictions	With Donor Restrictions			Total
		Landing	0	perating	
PUBLIC SUPPORT AND REVENUE		-			
Contributions from organizations and individuals	\$ 485,311	\$ 629,500	\$	500,663	\$ 1,615,474
Donated materials (in kind)	199,373	0		0	199,373
Donated services (in kind)	342,032	0		0	342,032
Special events					
Special events income	919,308	0		0	919,308
Special events income (in kind)	90,131	0		0	90,131
Less: Direct benefit to donor	(84,440)	0		0	(84,440)
Special events income	 924,999	0		0	924,999
Investment income (loss)	(187)	0		0	(187)
Net assets released from restrictions:					
Satisfaction of program restrictions	 531,884	 (107,576)		(424,308)	 0
Total Public Support and Revenue	 2,483,412	 521,924		76,355	 3,081,691
EXPENSES					
Program services	1,514,415	0		0	1,514,415
Supporting services					
Management and general	209,518	0		0	209,518
Fundraising					
Special events expense	437,028	0		0	437,028
Other fundraising	 218,160	 0		0	 218,160
Total Expenses	 2,379,121	 0		0	 2,379,121
CHANGE IN NET ASSETS	104,291	521,924		76,355	702,570
NET ASSETS AT BEGINNING OF YEAR	 587,978	 1,330,161		70,352	 1,988,491
NET ASSETS AT END OF YEAR	\$ 692,269	\$ 1,852,085	\$	146,707	\$ 2,691,061

# **THE DRAGONFLY FOUNDATION** STATEMENTS OF FUNCTIONAL EXPENSES For the Year Ended June 30, 2024

				Supportin						
	Program Service		•			Management and General		ndraising		Total
EXPENSES	÷	200 002	\$	7 502	\$	2 000	\$	210 476		
Program expenses	\$	200,893	Ş	7,583	Ş	2,000	Ş	210,476		
Payroll and related expenses		496,988		46,780		0		543,768		
Facilities costs		57,852		0		0		57,852		
Interest expense		27,144		0		0		27,144		
Systems		43,266		0		2,000		45,266		
Depreciation		75,813		14,215		4,738		94,766		
Legal and professional		80,119		44,922		0		125,041		
Miscellaneous other expenses		90,975		0		27,713		118,688		
Marketing		1,855		1,886		6,500		10,241		
Special event expenses (excluding in-kind)		0		0		487,596		487,596		
		1,074,905		115,386		530,547		1,720,838		
Program expenses - in-kind		129,947		9,845		0		139,792		
System - in-kind		120,000		24,316		0		144,316		
, Marketing - in-kind		137,500		0		0		137,500		
Special event expenses - in-kind		0		0		107,326		107,326		
		387,447		34,161		107,326		528,934		
TOTAL FUNCTIONAL EXPENSES	\$	1,462,352	\$	149,547	\$	637,873	\$	2,249,772		

# THE DRAGONFLY FOUNDATION STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2023

		 Supportin			
	Program Service	nagement d General	Fu	ndraising	Total
EXPENSES					
Program expenses	\$ 478,156	\$ 5,137	\$	2,706	\$ 485,999
Payroll and related expenses	434,144	128,636		0	562,780
Facilities costs	25,934	8,837		3,088	37,859
Interest expense	24,962	1,748		0	26,710
Systems	32,113	0		1,659	33,772
Depreciation	68,248	12,797		4,266	85,311
Legal and professional	0	31,728		70,200	101,928
Miscellaneous other expenses	36,617	11,416		33,863	81,896
Marketing	1,696	1,658		6,595	9,949
Special event expenses (excluding in-kind)	0	 0		346,897	 346,897
	1,101,870	 201,957		469,274	 1,773,101
Program expenses - in-kind	220,925	7,561		1,403	229,889
System - in-kind	0	0		0	0
Marketing - in-kind	191,620	0		94,380	286,000
Special event expenses - in-kind	0	0		90,131	90,131
	412,545	7,561		185,914	 606,020
TOTAL FUNCTIONAL EXPENSES	\$ 1,514,415	\$ 209,518	\$	655,188	\$ 2,379,121

### **THE DRAGONFLY FOUNDATION** STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2024 and June 30, 2023

	June 30, 2024			June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$	869,027	\$	702,570
Adjustments to reconcile change in net assets to net cash flows				
from operating activities:		0.4.700		05.044
Depreciation		94,766		85,311
Donated inventory		(40,176)		(23,871)
Donated other assets		(891,138)		(23,098)
Distributed inventory		4,022		23,947
Obsolete inventory		12,994		6,478
Donated investments		(5,275)		(1,317)
Realized gain on investments		(182)		0
(Increase) decrease in operating assets				
Donations receivable		(90,674)		10,919
Prepaid expenses		(4,331)		3,706
Increase (decrease) in operating liabilities				
Accounts payable		185,981		(11,296)
Deferred revenue		(38,083)		(16,067)
Total Adjustments		(772,096)		54,712
Net Cash Flows From Operating Activities		96,931		757,282
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales of investments		5,457		4,471
Purchases of property and equipment		(9,308)		(272,763)
Net Cash Flows From Investing Activities		(3,851)		(268,292)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Principal payments on long-term debt		(17,794)		(16,945)
Net Cash Flows From Financing Activities		(17,794)		(16,945)
NET INCREASE IN CASH AND CASH EQUIVALENTS		75,286		472,045
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH,		4 440 000		0.40.0.10
AT BEGINNING OF YEAR		1,412,293		940,248
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, AT END OF YEAR	\$	1,487,579	\$	1,412,293
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:				
Operations	\$	1,180,302	\$	695,261
Restricted cash	_	307,277	_	717,032
Total Cash, Cash Equivalents, and Restricted Cash	\$	1,487,579	\$	1,412,293

Amounts included in restricted cash represent money designated by donors for specific foundation programs.

#### THE DRAGONFLY FOUNDATION STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2024 and June 30, 2023

	June 30, 2024		June 30, 2023	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash paid during the year for interest	\$	27,144	\$	26,710
Cash paid for taxes during the year	\$	0	\$	0
Non-cash activities:				
Donated inventory	\$	40,176	\$	23,871
Distributed inventory	\$	(4,022)	\$	(23,947)
Donated property	\$	891,138	\$	23,098

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of The Dragonfly Foundation (the "Foundation") is presented to assist in understanding the Foundation's financial statements. The financial statements are representations of the Foundation's management, which is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

### Nature of Organization

The Foundation is a not-for-profit 501(c)(3) organization established August 3, 2010. The Foundation's mission is to support families of pediatric cancer patients by:

- Building a network that connects Dragonfly families to each other and the community
- Providing programs to enhance quality of life
- Enhancing programs in partner children's hospitals

The Foundation began working in partnership with the Cancer & Blood Diseases Institute of Cincinnati Children's Hospital Medical Center ("CCHMC"). In recent years, the Foundation has expanded to partner with hospitals in Dayton, Ohio and Chicago, Illinois. They believe that emotional care makes an important difference in the outcome and is as critical as medical treatments/cures being developed and administered. A central component of the Foundation's activities include enhancing the quality of life programs at CCHMC and in our partner hospitals in Dayton and Chicago for both patients and their families. Smiles and laughter are in short supply in Hematology, Oncology, Bone Marrow Transplant and Intensive Care Units, but are necessary components of courage, strength and happiness. Further, the Foundation regularly engages in fundraising and similar activities to support achieving its ongoing objectives.

#### **Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### **Financial Statement Presentation**

The Foundation has presented its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The Foundation administers the following classes of net assets:

Net assets without donor restrictions: These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net assets with donor restrictions: These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Revenue Recognition and Significant Judgments**

The Foundation derives its revenues primarily from contributions and fundraising events. Contributions are both voluntary and nonreciprocal and do not fall under ASC Topic 606. Grants may be considered a contribution or an exchange transaction. If the grant is considered an exchange transaction it would fall under the guidance of ASC Topic 606. Grants must be evaluated to determine if the provider receives value or a service in return for the resources transferred.

The Foundation has evaluated all material grants for the years ended June 30, 2024 and 2023 and has determined no exchange transactions exist and all grants will be treated as contributions as related to the adoption of ASC Topic 606. As stated above, the adoption of ASC Topic 606 had no material impact on the Foundation's results of operations.

#### **Accounting Estimates**

The preparation of financial statements in conformity with U.S. 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

The Foundation considers all time deposits and other highly liquid investments with original maturities of three months or less to be cash equivalents.

#### Investments

In accordance with FASB ASC 958 "Not-for-Profit-Entities," investments are recorded at fair market value with contributed investments being recorded at their fair market value on the date received. Unrealized gains and losses are included in the change in net assets. These effects are included in changes in net assets without donor restrictions because the gains and losses are unrestricted. As of June 30, 2024, substantially all of The Foundation's investments are in marketable equities. Management does not believe The Foundation is subject to adverse credit risk on its investments.

#### Inventory

Inventory consists primarily of donated toys and small electronics valued at fair market value on the date of donation as well as donated gift cards carried at face value. Purchased inventory is carried at lower of cost using the first-in, first-out (FIFO) method or net realizable value.

#### Property and Equipment

Property and equipment purchased or acquired with an original cost of \$1,000 or more are reported at historical cost. Donated equipment is recorded at the fair market value at the date the donated equipment is received. Assets are depreciated on the straight-line method over their estimated useful lives. When property and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved, and any gain or loss is included in operations.

### **In-Kind Donations**

Contributions of donated non-cash assets are recorded at their fair values in the period received.

Contributed services, which require a specialized skill and which the Foundation would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered.

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Functional Expense Allocation**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and taxes are allocated based upon time and effort expended. Office rent and occupancy expenses are allocated based upon square footage. All other expenses are allocated based upon usage of resources.

### **Revenues and Support**

Contributions and other assets are reported as with or without restrictions depending on the existence of any donor restrictions. All donor-restricted support is reported as an increase in restricted net assets. When a donor restriction expires such as when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same period as the contribution are reported as unrestricted support.

#### Fundraising

The Foundation recognizes revenue from special events, gifts and grants from their fundraising activities and incur related expenses as presented in the Statements of Activities. See Note 7 for a summary of the impact of special events on changes in net assets.

### **Advertising Costs**

The Foundation uses advertising and marketing to promote its programs and events. Advertising and marketing costs are expensed as incurred. Advertising expense was \$147,741 for the year ended June 30, 2024 and \$295,950 for the year ended June 30, 2023, the majority of which represented in-kind donations.

#### **Federal Income Tax Status**

The Foundation is a tax-exempt organization qualifying under Internal Revenue Service Code Section 501(c)(3). The Foundation is no longer subject to examination by the Internal Revenue Service for years prior to 2016 and currently there are no audits for any tax years in progress.

The Foundation follows the provision of FASB ASC 740-10-50, "Income Taxes-Overall-Disclosure." FASB ASC 740-10-50 sets forth a recognition threshold and measurement attribute for financial statement recognition of positions taken or expected to be taken in income tax returns. FASB ASC 740-10-50 had no material impact on the Foundation's financial statements.

#### **Adoption of New Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board (FASB) issued new lease accounting guidance in Accounting Standards Update ("ASU") 2016-02 *Leases* (Topic 842) (ASU 2016-02), which modifies lease accounting for lessees to increase transparency and comparability by requiring the organization to recognize a lease liability and related right-of-use assets for all leases for all leases (with the exception of short-term leases) at the commencement date of the lease and to disclose key information about leasing arrangements.

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Adoption of New Accounting Pronouncements (Continued)

Effective July 1, 2022, the Foundation adopted ASU 2016-02. The Foundation determines if an arrangement contains a lease at inception based on whether the Foundation has the right to control the asset during the contract period and other facts and circumstances. The Foundation has elected a policy to account for short-term leases, defined as any lease with a term less than twelve months, by recognizing all components of the lease payment in the statements of income and comprehensive income in the period in which the obligation for the payments is incurred. As of June 30, 2023 the new standard has no effect on the financial statements

In June 2016, the Financial Accounting Standards Board (FASB) issued new credit loss accounting guidance in Accounting Standards Update ("ASU") 2016-13 Financial Instruments Credit Losses ("ASC 326"). The Foundation has adopted the Current Expected Credit Losses (CECL) accounting standard, as per Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments – Credit Losses (Topic 326)." The standard introduces a new model for estimating credit losses on financial instruments. After a thorough evaluation, management has determined that the impact of adopting the CECL standard on the financial statements is immaterial. The Foundation has considered factors such as historical loss experience, current economic conditions, and other relevant factors in its credit loss estimation process. As a result, the adoption of the CECL standard has not had a material impact on the Foundation's financial position, results of operations, or cash flows. The Foundation will continue to monitor developments related to the CECL standard and will provide updates as necessary in future financial statement disclosures.

### Reclassifications

Certain prior year balances or presentation have been reclassified to conform to the current year presentation. The reclassification did not affect the representation of the Foundation's overall performance.

#### NOTE 2 - LIQUIDITY AND AVAILABILITY

The Foundation is substantially supported by contributions and gifts. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table presents the financial assets available to meet cash needs for general expenditures within one year at June 30, 2024 and June 30, 2023 reduced by amounts not available for general expenditures within one year.

Financial assets:	June 30, 2024	June 30, 2023
Cash and cash equivalents	\$ 1,487,579	\$ 1,412,293
Donations receivable	109,607	18,933
Total financial assets Less amounts with purpose restrictions	1,597,186 307,277	1,431,226 717,032
Financial assets available to meet cash needs		
for general expenditures within one year.	\$ 1,289,909	\$ 714,194

### NOTE 3 - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist of cash, which may at times exceed federally insured limits. The Foundation places its cash with quality financial institutions.

The cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor in each institution. As of June 30, 2024, the amount that exceeded the \$250,000 insured by the FDIC was \$1,015,290 and as of June 30, 2023 the amount that exceeded the \$250,000 insured by the FDIC was \$1,168,007.

### NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction consisted of the following at June 30, 2024:

	Landing	Operating
Care Bags	\$ 0	\$ 53,478
I Am Still Me	0	4,015
Patient and Family Gifting	0	62,178
Beads of Courage Program	0	23,722
Technology	0	12,501
Patient and Family Events	0	5,594
Hospital Support	0	11,125
Landing- Capital Campaign	1,526,796	0
Total Net Assets with Donor Restrictions	\$ 1,526,796	\$ 172,613

Net assets with donor restriction consisted of the following at June 30, 2023:

	Landing	Operating
Care Bags	\$ 0	\$ 68,582
I Am Still Me	0	1,659
Patient and Family Gifting	0	12,679
Beads of Courage Program	0	26,365
Technology	0	24,921
Hospital Support	0	12,501
Landing- Capital Campaign	1,852,085	0
Total Net Assets with Donor Restrictions	\$ 1,852,085	\$ 146,707

## NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets released from net assets with donor restrictions are as follows at June 30, 2024:

	Landing	Operating
Care Bags	\$ 0\$	17,104
Adopt a Family	0	1,659
I Am Still Me	0	8,664
Patient and Family Gifting	0	15,686
Beads of Courage Program	0	6,199
Patient and Family Events	0	75,407
Hospital Support	0	18,875
Urgent Need	0	25,100
Landing- Capital Campaign	614,789	0
Total Released from Net Assets with Donor Restrictions	\$ 614,789 \$	168,694

Net assets released from net assets with donor restrictions are as follows at June 30, 2023:

	_	Landing	Operating
Care Bags	\$	0\$	25,272
Adopt a Family		0	26,139
I Am Still Me		0	24,834
Patient and Family Gifting		0	50,319
Beads of Courage Program		0	4,391
Technology		0	5,125
Patient and Family Events		0	235,000
Hospital Support		0	44,228
Urgent Need		0	9,000
Landing- Capital Campaign	_	107,576	0
Total Released from Net Assets with Donor Restrictions	\$	107,576 \$	424,308

## NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following for the year ended June 30, 2024 and June 30, 2023:

		June 30, 2024	June 30, 2023
Depreciable:			
Building	\$	2,595,766	\$ 1,867,296
Computers and related equipment and			
software		167,870	136,671
Furniture and fixtures	_	378,303	281,355
Total depreciable property		3,141,939	2,285,322
Less: accumulated depreciation		(630,007)	(535,241)
Total Depreciable Property, Net	-	2,511,932	1,750,081
Nondepreciable:			
Land		69,220	69,220
Domain names		7,500	7,500
Assets held for future use		25,000	25,000
Trademarks		2,831	2,831
Burial plots		120,931	77,102
Other		6,995	6,995
Total Nondepreciable Property	-	232,477	188,648
Total Property and Equipment, Net	\$_	2,744,409	\$ 1,938,729

### NOTE 6 - LONG TERM DEBT

Long term liabilities at June 30, 2024 and June 30, 2023 consist of the following:

		June 30, 2024		June 30, 2023
Note payable – Heritage, secured by substantially all business assets of the Foundation, payable in 57 monthly installments of \$3,050 and then 59 monthly installments of \$2,869, maturing in 2030, interest rate 4.25%	\$	425,633	\$	443,427
Note payable – Small Business Administration, secured by substantially all business assets of the Foundation, payable in 348 monthly installments of \$641, starting June 8, 2021, maturing in 2050,				
interest rate of 2.75%		150,000	_	150,000
		575,633		593,427
Less: current maturities	. <u> </u>	(21,628)	_	(21,400)
Total Long Term Liabilities	\$	554,005	\$	572,027
Current maturities for the next five years are as follow				

Current maturities for the next five years are as follows:

2025	\$ 21,628
2026	23,554
2027	24,521
2028	25,484
2029	26,102
Thereafter	 454,344
	\$ 575,633

NOTE 7 - SPECIAL EVENTS

The following represents a summary of the impact of special events on changes in net assets for the years ended June 30, 2024 and June 30, 2023:

	June 30, 2024		June 31, 2023	
Special Events Revenue	\$	1,120,239	\$	924,999
Special Events Expenses:				
Direct expenses		487,596		346,897
In-kind		107,326		90,131
Total Special Events Expenses	•	594,922		437,028
Events Impact on Change in Net Assets	\$	525,317	\$	487,971

#### NOTE 8 - IN KIND DONATIONS

For the years ended June 30, 2024 and June 30, 2023, gift-in-kind recognized in the statement of activities included:

	June 30, 2024	June 30, 2023
Program	\$ 271,905	\$ 224,506
Facilities	174,350	4,800
System	111,727	26,099
Marketing	137,500	286,000
Special events	 107,326	90,131
	\$ 802,808	\$ 631,536

**Gifts-in-kind valuation techniques:** Toys, gifts and care bag items used for patient gifting are valued using estimated U.S. wholesale prices of identical or similar products using pricing data under "like-kind" methodology. Sales force, drop box and google are systems valued at the fair value of the software on the open market. Billboards and other marketing donated are valued at the fair value of the marketing material.

**Donor restrictions and gifts-in-kind use:** All gifts-in-kind are unrestricted. The organization does not sell donated gifts-in-kind. Note that special events in-kind expense is netted with special event in-kind revenue. The netted special event in kind is \$0.

#### NOTE 9 - SUBSEQUENT EVENTS

The Foundation has evaluated all subsequent events through November 14, 2024, the date the financial statements were available to be issued.