

**BEAR NECESSITIES PEDIATRIC
CANCER FOUNDATION, INC.**

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2018 AND 2017

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

YEARS ENDED JUNE 30, 2018 AND 2017

CONTENTS

	Page
Independent auditors' report	1-2
Financial statements:	
Statements of financial position	3
Statements of activities and changes in net assets	4-5
Statements of functional expenses	6
Statements of cash flows	7
Notes to financial statements	8-16
Supplementary information:	
Schedules of fundraising events and merchandise sales	17



Independent Auditors' Report

Board of Directors
Bear Necessities Pediatric Cancer Foundation, Inc.

We have audited the accompanying financial statements of Bear Necessities Pediatric Cancer Foundation, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we 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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bear Necessities Pediatric Cancer Foundation, Inc. as of June 30, 2018 and 2017, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ostrow Reisin Berk & Abrams, Ltd.

September 13, 2018

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

STATEMENTS OF FINANCIAL POSITION

June 30,	2018					2017				
	Unrestricted			Temporarily restricted	Total	Unrestricted			Temporarily restricted	Total
	Operating	Board- designated	Total			Operating	Board- designated	Total		
ASSETS										
Cash	\$ 261,200		\$ 261,200	\$ 44,500	\$ 305,700	\$ 357,490		\$ 357,490	\$ 84,935	\$ 442,425
Investments	177,212	\$ 525,000	702,212		702,212	139,006	\$ 525,000	664,006		664,006
Contributions receivable	12,504		12,504	21,250	33,754	39,004		39,004	114,071	153,075
Inventory	9,620		9,620		9,620	9,801		9,801		9,801
Prepaid expenses	5,000		5,000		5,000	11,392		11,392		11,392
Property and equipment, net	1,125,872		1,125,872		1,125,872	1,165,838		1,165,838		1,165,838
Loan fees, net of amortization expense	2,010		2,010		2,010	2,226		2,226		2,226
Total assets	\$ 1,593,418	\$ 525,000	\$ 2,118,418	\$ 65,750	\$ 2,184,168	\$ 1,724,757	\$ 525,000	\$ 2,249,757	\$ 199,006	\$ 2,448,763
LIABILITIES AND NET ASSETS										
Liabilities:										
Mortgages payable	\$ 450,765		\$ 450,765		\$ 450,765	\$ 686,622		\$ 686,622		\$ 686,622
Accounts payable and accrued expenses	21,154		21,154		21,154	33,733		33,733		33,733
Deferred revenue	7,300		7,300		7,300	29,050		29,050		29,050
Total liabilities	479,219		479,219		479,219	749,405		749,405		749,405
Net assets	1,114,199	\$ 525,000	1,639,199	\$ 65,750	1,704,949	975,352	\$ 525,000	1,500,352	\$ 199,006	1,699,358
Total liabilities and net assets	\$ 1,593,418	\$ 525,000	\$ 2,118,418	\$ 65,750	\$ 2,184,168	\$ 1,724,757	\$ 525,000	\$ 2,249,757	\$ 199,006	\$ 2,448,763

See notes to financial statements.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years ended June 30,	2018					2017				
	Unrestricted			Temporarily restricted	Total	Unrestricted			Temporarily restricted	Total
	Operating	Board- designated	Total			Operating	Board- designated	Total		
Revenues and other support:										
Contributions	\$ 786,182		\$ 786,182	\$ 21,250	\$ 807,432	\$ 759,451		\$ 759,451	\$ 199,006	\$ 958,457
In-kind contributions	132,477		132,477		132,477	144,378		144,378		144,378
Special events and other fundraisers:										
Gross revenue, including in-kind contributions of \$61,539 in 2018 and \$56,175 in 2017	1,209,847		1,209,847		1,209,847	1,211,839		1,211,839		1,211,839
Less direct expenditures for events, including in-kind goods of \$61,539 in 2018 and \$56,175 in 2017	(331,643)		(331,643)		(331,643)	(354,550)		(354,550)		(354,550)
Merchandise	1,413		1,413		1,413	645		645		645
Net assets released from restrictions	154,506		154,506	(154,506)		91,044		91,044	(91,044)	
Total revenues	1,952,782		1,952,782	(133,256)	1,819,526	1,852,807		1,852,807	107,962	1,960,769
Other revenues:										
Investment income and other interest	19,982		19,982		19,982	18,758		18,758		18,758
Net realized and unrealized gain on investments	26,808		26,808		26,808	53,120		53,120		53,120
Loss on disposal of equipment						(55)		(55)		(55)
Total other revenues	46,790		46,790		46,790	71,823		71,823		71,823
Total revenues and other support	1,999,572		1,999,572	(133,256)	1,866,316	1,924,630		1,924,630	107,962	2,032,592

See notes to financial statements.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

Years ended June 30,	2018					2017				
	Unrestricted			Temporarily restricted	Total	Unrestricted			Temporarily restricted	Total
	Operating	Board- designated	Total			Operating	Board- designated	Total		
Expenses:										
Program services	\$ 1,428,736		\$ 1,428,736		\$ 1,428,736	\$ 1,501,604		\$ 1,501,604		\$ 1,501,604
Supporting services:										
Management and general	115,237		115,237		115,237	105,947		105,947		105,947
Fundraising	316,752		316,752		316,752	288,839		288,839		288,839
Total expenses	1,860,725		1,860,725		1,860,725	1,896,390		1,896,390		1,896,390
Increase (decrease) in net assets	\$ 138,847		\$ 138,847	\$ (133,256)	\$ 5,591	\$ 28,240		\$ 28,240	\$ 107,962	\$ 136,202
Net assets:										
Beginning of year	\$ 975,352	\$ 525,000	\$ 1,500,352	\$ 199,006	\$ 1,699,358	\$ 947,112	\$ 525,000	\$ 1,472,112	\$ 91,044	\$ 1,563,156
Increase (decrease) in net assets	138,847		138,847	(133,256)	5,591	28,240		28,240	107,962	136,202
Net assets, end of year	\$ 1,114,199	\$ 525,000	\$ 1,639,199	\$ 65,750	\$ 1,704,949	\$ 975,352	\$ 525,000	\$ 1,500,352	\$ 199,006	\$ 1,699,358

See notes to financial statements.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended June 30,	2018					2017				
	Program services	Management and general	Fundraising	Direct benefit to donors	Total	Program services	Management and general	Fundraising	Direct benefit to donors	Total
Salaries and related expenses	\$ 404,873	\$ 72,833	\$ 127,215		\$ 604,921	\$ 375,426	\$ 67,665	\$ 133,795		\$ 576,886
Research grants	300,000				300,000	396,849				396,849
Support grants	70,000				70,000	61,745				61,745
Advertising and public relations	5,689	1,023	3,743		10,455			1,831		1,831
Automobile expense	3,767	502	753		5,022	3,872	516	774		5,162
Bad debt expense		1,250			1,250					
Bank and credit card fees	22,106	3,977	25,559		51,642	18,591	3,351	24,715		46,657
Bear Hugs	449,961				449,961	462,229				462,229
Donated goods - event expenses				\$ 61,539	61,539				\$ 56,175	56,175
Insurance	9,505	1,710	2,987		14,202	8,016	1,445	2,857		12,318
Interest	17,558	3,158	5,517		26,233	18,335	3,305	6,534		28,174
Inventory write off								1,606		1,606
Licenses and fees			8,130		8,130			4,918		4,918
Meals and entertainment	3,761	677	1,182	10,248	15,868	2,025	365	722	9,174	12,286
Occupancy expenses	36,693	6,601	11,529		54,823	36,235	6,531	12,913		55,679
Office expense and supplies	7,166	1,289	2,313	467	11,235	10,205	1,839	3,772	1,964	17,780
Other event expenses			40,832	133,055	173,887			24,786	120,237	145,023
Outside services	16,580	2,982	5,210		24,772	20,716	3,734	7,383		31,833
Postage and delivery	4,474	805	4,862		10,141	5,129	924	7,066		13,119
Printing and publications	4,522	812	9,199		14,533	3,038	548	9,659		13,245
Professional fees	32,534	10,503	54,984		98,021	33,362	7,881	29,721		70,964
Program events						2,318				2,318
Telecommunications	8,679	1,561	2,727		12,967	12,927	2,330	4,607		19,864
Training and education	3,020	543	949		4,512	3,767	679	1,343		5,789
Travel	955	172	611		1,738	1,076	194	663		1,933
Venue rentals and fees				126,334	126,334				167,000	167,000
Total expenses before depreciation and amortization	1,401,843	110,398	308,302	331,643	2,152,186	1,475,861	101,307	279,665	354,550	2,211,383
Depreciation and amortization	26,893	4,839	8,450		40,182	25,743	4,640	9,174		39,557
Less expenses included with revenue on the statements of activities and changes in net assets				(331,643)	(331,643)				(354,550)	(354,550)
Total expenses	\$ 1,428,736	\$ 115,237	\$ 316,752	\$ -	\$ 1,860,725	\$ 1,501,604	\$ 105,947	\$ 288,839	\$ -	\$ 1,896,390

See notes to financial statements.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

STATEMENTS OF CASH FLOWS

Years ended June 30,	2018	2017
Cash flows from operating activities:		
Increase in net assets	\$ 5,591	\$ 136,202
Adjustments to reconcile above to net cash provided by operating activities:		
Depreciation and amortization	40,182	39,557
Bad debt expense	1,250	
Contributed equipment		(7,500)
Loss on disposal of equipment		55
Net realized and unrealized gain on investments	(26,808)	(53,120)
(Increase) decrease in operating assets:		
Contributions receivable	118,071	(18,075)
Inventory	181	1,792
Prepaid expenses	6,392	(6,330)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(12,579)	8,728
Deferred revenue	(21,750)	17,440
Net cash provided by operating activities	110,530	118,749
Cash flows from investing activities:		
Purchases of investments	(312,993)	(318,336)
Proceeds from sale of investments	301,595	314,654
Net cash used in investing activities	(11,398)	(3,682)
Cash flows from financing activity:		
Payments on mortgages payable	(235,857)	(33,916)
Net cash used in financing activity	(235,857)	(33,916)
Net increase (decrease) in cash	(136,725)	81,151
Cash, beginning of year	442,425	361,274
Cash, end of year	\$ 305,700	\$ 442,425

See notes to financial statements.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

1. Foundation and purpose

Bear Necessities Pediatric Cancer Foundation, Inc. (the Foundation) is an Illinois nonprofit foundation incorporated in 1992, with the purpose of granting funds to encourage, supplement and initiate research related to pediatric cancer diseases, as well as to supplement patient, parent and hospitals' specific needs.

The Bear Hugs Program supports cancer patients (ages 0-19), as well as their immediate families that face the many challenges that accompany the diagnosis and treatment of pediatric cancer. The Foundation's outreach serves both in state and out of state children that are being treated at some of the major Chicago area hospitals with pediatric oncology departments. A Bear Hug is a customized experience that brightens the life of a child going through cancer. The Bear Hugs Program also provides immediate family support for financial burden and essential needs.

Bear Discoveries awards medical research grants nationwide each year primarily to junior investigative researchers who make meaningful advancements and discoveries towards finding a cure and therapies for various types of pediatric cancer. Research grants awarded were \$300,000 and \$396,849 for the years ended June 30, 2018 and 2017, respectively.

2. Summary of significant accounting policies

The significant accounting policies of the Foundation are summarized below.

Basis of accounting:

The Foundation's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Basis of presentation:

The Foundation reports information regarding its financial position and activities in three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Unrestricted - Unrestricted net assets are available to finance the general operations of the Foundation. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Foundation, the environment in which it operates and the purposes specified in its articles of incorporation. Voluntary resolutions by the Board of Directors to designate a portion of the Foundation's unrestricted net assets for specified purposes do not result in restricted funds. Since designations are voluntary and may be reversed by the Board of Directors at any time, designated net assets are included under the caption "unrestricted net assets". Board-designated net assets include assets over which the Board of Directors retains control and may, at its discretion, subsequently use for other purposes. Board-designated net assets represent assets in a Board-designated Endowment (Note 7).

Temporarily restricted - Temporarily restricted net assets result (a) from contributions and other inflows of assets, the use of which by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by action of the Foundation pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations and (c) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time or their fulfillment and removal by actions of the Foundation pursuant to those stipulations.

Permanently restricted - Permanently restricted net assets (generally referred to as endowment funds) are assets that have donor-imposed restrictions that stipulate that the contributed resources be maintained permanently, but permit the Foundation to utilize or expend part or all of the income or other economic benefits derived from the donated assets. There were no permanently restricted net assets at June 30, 2018 and 2017.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Basis of presentation: (continued)

Unrestricted and restricted revenue and support - Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a 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 statements of activities and changes in net assets as net assets released from restrictions. The Foundation reports donor-restricted contributions and donor-restricted investment gains and income for which restrictions are met in the same reporting period as unrestricted support.

Tax status:

The Foundation is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. In addition, the Internal Revenue Service (IRS) has determined that the Foundation is not a private foundation within the meaning of Section 509(a) of the Code.

The Foundation has not reported any income subject to unrelated business income tax and thus has not been required to file *Exempt Organization Business Income Tax Return* (Form 990T) with the IRS.

The Foundation has adopted the requirements for accounting for uncertain tax positions and management has determined that the Foundation was not required to record a liability related to uncertain tax positions as of June 30, 2018 and 2017.

Investments:

The Foundation uses a fair value hierarchy to determine the fair value of investments using inputs that range from most observable (Level 1) through least observable (Level 3). The Foundation reports all investments at their fair value based on quoted prices in active markets (all Level 1 inputs). Realized and unrealized investment gains and losses and other investment income are reflected in the statements of activities and changes in net assets as changes in unrestricted net assets.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Contributions receivable:

Contributions receivable include unconditional promises to give net of an allowance for doubtful accounts. The Foundation estimates the allowance based on an analysis of specific donor history and experience. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

An allowance for doubtful accounts is considered unnecessary and is not provided for the years ended June 30, 2018 and 2017.

Inventory:

The Foundation maintains an inventory of various clothing, toys, and household items. Prior to the year ended June 30, 2018, the Foundation reported inventories at the lower of cost or market. Cost is determined primarily on the average cost basis.

As of the beginning of the year ended June 30, 2018, the Foundation began stating inventories prospectively at the lower of cost or net realizable value. This change was made in response to a recent FASB standard issued as part of the Board's simplification initiative.

Under the prior method, "market" was replacement cost, subject to possible adjustments. Net realizable value is based on the selling price. This change is intended to reduce complexity in financial statement preparation. This change had no significant effect on earnings for the year ended June 30, 2018.

Revenue is recorded, net of sales tax, when these inventory items are sold.

Property and equipment and related depreciation:

Property and equipment are stated at cost or, if donated, at fair value at the date of donation. Depreciation of property and equipment is provided over the estimated useful lives of the assets using the straight-line method, ranging from five to thirty-nine years.

Grants payable:

Unconditional grants payable are recorded when approved by the Board of Directors. Grants payable represent amounts due to medical investigative researchers for pre-approved studies in the following year and pediatric oncology facilities and foundations for service grants. Grants are only awarded for one year; there are no multiple-year grants approved.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Donated goods and services:

Donated goods and services are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Foundation recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Donated goods and services of the following are included as in-kind contribution revenue under special events and other fundraisers in the statements of activities and changes in net assets:

Years ended June 30,	2018	2017
Event expenses	\$ 61,539	\$ 56,175
Bear Hugs	114,832	120,296
Professional fees	17,645	16,582
Other		7,500
Total donated goods and services	\$ 194,016	\$ 200,553

Many individuals volunteer their time and perform tasks that assist the Foundation. No amounts have been reflected in the financial statements for those donated services because the criteria for financial statement recognition were not met.

Donated goods and services includes \$13,162 and \$25,000 from donors affiliated with the Board of Directors for the years ended June 30, 2018 and 2017, respectively.

Public relations and advertising:

Advertising costs are expensed as incurred and totaled \$10,455 and \$1,831 for the years ended June 30, 2018 and 2017, respectively.

Functional allocation of expenses:

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events:

Management of the Foundation has reviewed and evaluated subsequent events from June 30, 2018, the financial statement date, through September 13, 2018, the date the financial statements were available to be issued.

3. Concentration of credit risk

The Foundation maintains its cash in bank accounts which, at times, may exceed federally-insured limits. At June 30, 2018 and 2017, the Foundation's uninsured cash balances totaled \$182,673 and \$415,792, respectively. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not subject to any significant credit risk on cash.

4. Investments

Investments are summarized as follows:

June 30,	2018	2017
Fair value:		
Equity securities	\$ 398,456	\$ 357,539
U.S. government obligations	68,917	63,122
Domestic corporate bonds	35,302	38,297
Mutual funds:		
Equity funds	42,026	38,528
Fixed income funds	124,873	110,226
Other	32,638	56,294
Total assets	\$ 702,212	\$ 664,006

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Investments (continued)

Dividend income of \$19,982 and \$18,758 for the years ended June 30, 2018 and 2017, respectively, is included in investment income and other interest, and unrealized gains of \$30,659 and \$48,290 for the years ended June 30, 2018 and 2017, respectively, is included in realized and unrealized gain on investments on the statements of activities and changes in net assets.

The Foundation has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. The strategy's primary goal is capital appreciation and stability as a secondary goal. The assets are invested in a portfolio which consists of equities, fixed income, alternative investments and cash. The objective of the investment portfolio is to maximize long-term returns consistent with prudent levels of risk. In establishing the investment objectives of the investment portfolio, the Board of Directors has taken into account the time horizon available for investment, the nature of the investment portfolio's cash flows and liabilities and other factors that affect the portfolio's risk tolerance. The Foundation expects its assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount.

5. Property and equipment

The following is a summary of property and equipment:

June 30,	2018	2017
Buildings and building improvements	\$ 1,500,220	\$ 1,500,220
Furniture and equipment	10,694	25,179
	1,510,914	1,525,399
Less accumulated depreciation	385,042	359,561
Property and equipment, net	\$ 1,125,872	\$ 1,165,838

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. Mortgages payable

The Foundation had a \$200,000 zero interest loan agreement with a donor, collateralized by a second mortgage on the underlying property. The loan was paid on maturity on June 22, 2018.

The Foundation has a mortgage loan agreement. The mortgage balance at June 30, 2018 and 2017 was \$450,765 and \$486,622, respectively. The mortgage is payable in monthly installments of \$5,174 including principal and interest. Interest is calculated at a fixed interest rate of 5.5% per annum and the loan becomes due in October 2027. The mortgage is collateralized by the underlying property.

Future minimum principal payments are as follows:

<u>Year ending June 30:</u>	<u>Principal</u>
2019	\$ 37,957
2020	40,098
2021	42,360
2022	44,749
2023	47,274
Thereafter	238,327
<u>Total</u>	<u>\$ 450,765</u>

7. Designation of unrestricted net assets

The Board of Directors of the Foundation has designated an endowment fund of \$525,000, known as the Bear Fund, as a general endowment to support the mission of the Foundation. It is the policy of the Board of Directors to use the income and dividends from the designated endowment fund to support the Foundation's general activities.

The Board-designated endowment balance totaled \$525,000 at June 30, 2018 and 2017.

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. Temporarily restricted net assets

Temporarily restricted net assets were available for the following purposes:

June 30,	2018	2017
Purpose-restricted funds:		
Research grants		\$ 435
Bear Hugs - Naples chapter	\$ 44,500	94,500
Time-restricted funds:		
Wakerly Family Foundation		60,000
Necessities 100	21,250	44,071
Total temporarily restricted net assets	\$ 65,750	\$ 199,006

Net assets were released from donor restrictions by incurrence of expenses satisfying the restricted purpose or by occurrence of events specified by the donor as follows:

Years ended June 30,	2018	2017
Purpose-restricted funds:		
Pillars of Hope		\$ 770
Research grants	\$ 435	15,024
Bear Hugs - Naples chapter	50,000	
Time-restricted funds:		
Wakerly Family Foundation	60,000	
Necessities 100	44,071	75,250
Net assets released from restrictions	\$ 154,506	\$ 91,044

**BEAR NECESSITIES
PEDIATRIC CANCER FOUNDATION, INC.**

SCHEDULES OF FUNDRAISING EVENTS AND MERCHANDISE SALES

Years ended June 30,	2018				2017			
	Revenue	Direct benefit to donors expense	Non-direct benefit to donors expense	Excess of revenue over expense	Revenue	Direct benefit to donors expense	Non-direct benefit to donors expense	Excess of revenue over expense
Bear Tie Ball	\$ 889,158	\$ 217,546	\$ 68,467	\$ 603,145	\$ 760,717	\$ 244,510	\$ 54,512	\$ 461,695
Golf for the Bear	67,673	30,476	2,494	34,703	59,901	22,716	1,845	35,340
Bear Walk	74,505	27,529		46,976	112,518	20,106		92,412
Little Black Dress	21,395	2,427		18,968	57,616	9,048		48,568
Other fundraising events	157,116	53,665	30	103,421	221,087	58,170	612	162,305
Total fundraising events	1,209,847	331,643	70,991	807,213	1,211,839	354,550	56,969	800,320
Merchandise sales	1,413		62	1,351	645		135	510
Total fundraising events and merchandise sales	\$ 1,211,260	\$ 331,643	\$ 71,053	\$ 808,564	\$ 1,212,484	\$ 354,550	\$ 57,104	\$ 800,830