



THE BEE FOUNDATION

Report on Compiled Financial Statements

For the Year Ended December 31, 2018

Archer365, PLLC
Certified Public Accountants

Independent Accountants' Compilation Report 1

Financial Statements

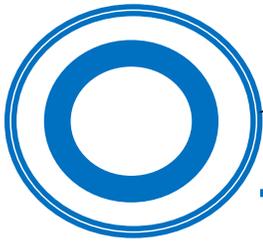
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Archer365 PLLC

Certified Public Accountants

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Independent Accountants' Compilation Report

To the Board of Trustees of
The Bee Foundation
Wayne, Pennsylvania

Management is responsible for the accompanying financial statements of *The Bee Foundation* (a nonprofit organization) which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Archer365 PLLC

December 5, 2019

The Bee Foundation

Statement of Financial Position

As of December 31, 2018

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 190,816
Pledged Contributions Receivable - Net	<u>17,600</u>
Total Current Assets	<u>208,416</u>
Other Assets	
Security Deposit	3,150
Total Other Assets	<u>3,150</u>
Total Assets	<u><u>\$ 211,566</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	<u>\$ 597</u>
Total Current Liabilities	<u>597</u>
Net Assets	
Net Assets without Donor Restrictions	<u>210,969</u>
Total Net Assets	<u>210,969</u>
Total Liabilities and Net Assets	<u><u>\$ 211,566</u></u>

The Bee Foundation

Statement of Activities

For the Year Ended December 31, 2018

Revenue and Support

Fundraising Events	\$ 148,935
Contributions	77,219
Merchandise Sales	<u>1,231</u>

Total Revenue and Support 227,385

Expenses

Program Services	90,341
Fundraising	91,869
General and Administrative	<u>28,644</u>

Total Expenses 210,854

Change in Net Assets 16,531

Net Assets at Beginning of Year 194,438

Net Assets at End of Year \$ 210,969

The Bee Foundation

Statement of Functional Expenses

For the Year Ended December 31, 2018

	Program Services	Supporting Services		Suporting Subtotal	Total 2018
		General and Administrative	Fundraising		
Expenses					
Bank and Merchant Service Fees	\$ -	\$ 1,205	\$ -	\$ 1,205	\$ 1,205
Cost of Merchandise Sold	-	-	4,093	4,093	4,093
Insurance	-	1,402	-	1,402	1,402
Marketing	2,808	5,615	936	6,551	9,359
Office Expense	1,909	3,817	636	4,453	6,362
Payroll Taxes	496	992	165	1,157	1,653
Professional Fees	-	6,608	-	6,608	6,608
Research Grants	50,000	-	-	-	50,000
Salaries and Wages	4,502	9,005	1,501	10,506	15,008
Special Events					
The Honey Bash	-	-	70,155	70,155	70,155
Golf Event	-	-	12,152	12,152	12,152
Technological Services	17,707	-	2,231	2,231	19,938
Travel	12,919	-	-	-	12,919
Total Expenses	<u>\$ 90,341</u>	<u>\$ 28,644</u>	<u>\$ 91,869</u>	<u>\$ 120,513</u>	<u>\$ 210,854</u>

The Bee Foundation

Statement of Cash Flows

For the Year Ended December 31, 2018

Cash Flows from Operating Activities:	
Change in Net Assets	\$ 16,531
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in Assets and Liabilities:	
Increase in Pledged Contributions Receivable, Net	(16,100)
Increase in Accounts Payable and Accrued Liabilities	<u>535</u>
Net Cash Provided by Operating Activities	<u>966</u>
Net Increase in Cash and Cash Equivalents	966
Cash and Cash Equivalents, Beginning of Year	<u>189,850</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 190,816</u></u>

Note 1: Organization and Basis of Presentation***Organization***

The Bee Foundation (the “Organization”) is a Pennsylvania not-for-profit organization formed to raise awareness of brain aneurysms and funding for innovative research that changes lives. The Bee Foundation was organized in the Commonwealth of Pennsylvania in 2014 and is operated exclusively for not-for-profit purposes. The Organization is supported primarily through fundraising and contributions.

Classes of Net Assets

The financial statements report amounts separately by class of net assets.

- (a) Without Donor Restrictions amounts are those currently available at the discretion of the board for use in The Bee Foundation’s operations.
- (b) With Donor Restrictions amounts are those, which are stipulated by the Board for specific operating purposes on a temporary or permanent basis.

At December 31, 2018, there were no net assets with donor restrictions.

Note 2: Summary of Significant Accounting Policies***Cash and Cash Equivalents***

The Bee Foundation considers all cash on hand and in banks to be cash equivalents.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

Occasionally, during the year, cash balances may exceed the Standard Maximum Deposit Insurance Amount (SMDIA) of \$250,000 per depositor, at each separately chartered depository institution. The Bee Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Concentration of Revenue Sources

The Bee Foundation’s revenue is derived primarily through fundraising and contributions. For the year ended December 31, 2018, Bee generated 65.4% of its revenue from fundraising and 34.0% of its revenue from contributions.

Functional Allocation of Expenses

The Statements of Activities and Changes in Net Assets report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related benefits, office expenses, marketing and technological services. All of the foregoing expenses listed in the previous sentence are allocated based upon hours spent and expenses incurred in each program or supporting function.

Fair Value of Financial Instruments

Cash, pledged contributions receivable and accrued expenses are reflected in the financial statements at carrying value which approximates fair value because of the short-term nature of these instruments.

These financial assets and liabilities have been classified as Level 1, 2 or 3 within the fair value hierarchy as described in the accounting standards for fair value measurements.

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

	<u>Level 1</u>
Cash and Cash Equivalents	\$190,816
Pledged Contributions Receivable – Net	17,600
Security Deposit	3,150
Accounts Payable	597

There were no Level 2 or Level 3 financial instruments at December 31, 2018.

Income Taxes

Bee is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. Bee is not a private foundation.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and in accordance with FASB ASC 958, *Not-For-Profit Entities*. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Donated Services

No amounts have been reflected in the statements for donated volunteer services because the criteria for recognition under generally accepted accounting principles have not been satisfied. However, a substantial number of volunteers have donated significant amounts of their time to develop Bee's programs and fundraising events.

Contributions Receivable

Contributions and other receivables approximate fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Revenue Recognition

Donations and fundraising proceeds are recognized as revenue when earned and are without donor restrictions.

Note 3: Liquidity and Availability of Financial Assets

The following reflects Bee's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date.

Total Assets	\$ 211,566
Less: Security Deposit	<u>3,150</u>
Financial Assets available within one year	<u>\$ 208,416</u>

Bee manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due.

Note 4: Supplemental Disclosures to the Statement of Cash Flows

The following schedule provides additional information concerning cash paid for interest and income taxes for the year ended December 31,

	<u>2018</u>
Interest Paid	<u>\$ -0-</u>
Income Taxes Paid	<u>\$ -0-</u>

Note 5: Recent Accounting Pronouncements

Issued in August 2016 ASU 2016-14, Presentation of Financial Statements of Non-Profit Entities, makes certain improvements that address many, but not all, of the identified issues about the current financial reporting for not-for-profits. The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after

December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early application of the amendments in this Update is permitted. The amendments in this Update should be initially adopted only for an annual fiscal period or for the first interim period within the fiscal year of adoption. The amendments in this Update should be applied on a retrospective basis in the year the Update is first applied. However, if presenting comparative financial statements, a not-for-profit has the option to omit certain information for any periods presented before the period of adoption. Bee has evaluated the effects ASU 2016-14 will have on its financial statements and related disclosures and has updated its disclosure herein. The adoption of this pronouncement had no effect on the amounts reported in this financial statement.

Note 6: Evaluation of Subsequent Events

Bee has evaluated subsequent events through December 5, 2019, the date which the financial statements were available to be issued. There are no subsequent events requiring modification to the amounts and disclosures reported in the financial statements for the period December 31, 2018 in conformity with the accounting principles generally accepted in the United States of America.