



# THE BEE FOUNDATION

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**Financial Statements**

**December 31, 2023**

*JW Kelly Associates LLC*

*Certified Public Accountants*

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**Financial Statements**

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## **Independent Auditor's Report**

Board of Directors  
THE BEE FOUNDATION  
Wayne, PA

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of THE BEE FOUNDATION (the organization), which comprise the accompanying statement of financial position – tax basis, as of December 31, 2023, and the related statements of activities – tax basis, functional expenses – tax basis and cash flows-tax basis for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the statements of activities, functional expenses and cash flows for the years then ended in accordance with the basis of accounting the Organization uses for income tax purposes as described in Note B.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Organization, and to meet our 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.

#### **Emphasis of Matter – Basis of Accounting**

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of accounting the Organization uses for tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting the Organization uses for income tax purposes as described in Note B; this includes determining that the income tax basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

## **Auditor's Responsibility 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 GAAS 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 BEE 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the THE BEE 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.

*JW Kelly Associates LLC*

Fort Washington, PA  
January 14, 2025

Statement of Financial Position - Tax Basis

For the Year Ended December 31,

2023

<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 856,584
Accounts receivable	23,500
Inventory	<u>3,700</u>
<b>Total Current Assets</b>	883,784
<b>Property, Buildings and Equipment, Net (Note D)</b>	<u>1,609</u>
<b>Total Assets</b>	<u><u>\$ 885,393</u></u>
 <b>Liabilities and Net Assets</b>	
Accounts payable	<u>3,758</u>
<b>Total Liabilities</b>	<u>3,758</u>
 <b>Net Assets</b>	
Net Assests With Donor Restrictions	0
Net Assests Without Donor Restrictions	<u>881,635</u>
<b>Total Net Assets</b>	<u>881,635</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 885,393</u></u>

The Bee Foundation

Statement of Activities - Tax Basis

For the Year Ended December 31,

2023

	With Donor Restrictions	Without Donor Restrictions	Total
<b>Revenue &amp; Support</b>			
Contributions & Grants	\$ 0	\$ 395,134	\$ 395,134
Fundraising Events	0	425,532	425,532
Net assets released from restrictions:			
Satisfaction of program restrictions	0	0	0
<b>Total Revenue &amp; Support</b>	<u>0</u>	<u>820,666</u>	<u>820,666</u>
<b>Expenses</b>			
Program services	0	398,736	398,736
General/Administrative	0	32,169	32,169
Fundraising	0	247,453	247,453
<b>Total Expenses</b>	<u>0</u>	<u>678,358</u>	<u>678,358</u>
<b>Excess (Deficit) of Revenue and Support Over Expense</b>	<u>0</u>	<u>142,308</u>	<u>142,308</u>
<b>Change in Net Assets</b>	0	142,308	142,308
<b>Net Assets - Beginning of Year</b>	<u>0</u>	<u>739,327</u>	<u>739,327</u>
<b>Net Assets - End of Year</b>	<u>\$ -</u>	<u>\$ 881,635</u>	<u>\$ 881,635</u>

## Statement of Functional Expenses - Tax Basis

For the Year Ended December 31,

2023

	<b>Program Service</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
<b>Expenses</b>				
Marketing and Promotion	\$ 96,804	\$ 2,755	\$ 25,814	\$ 125,373
Bank Charges		741		741
Contract Services	25,745		38,618	64,363
Depreciation		374		374
Event Expense	14,333		21,499	35,832
Facility Rentals	62,350		93,526	155,876
Food and Beverages	22,125		33,189	55,314
Insurance		3,383	-	3,383
Office Expense	8,850	2,230	5,556	16,636
Personnel Costs	4,318	1,088	2,829	8,235
Telephone		379		379
Professional Fees	20,381	2,779		23,160
Program Supplies	6,204	1,563	3,895	11,662
Research Grants	75,000	10,000		85,000
Salaries	27,302	6,877	17,021	51,200
Travel	18,806			18,806
Website and Computer Costs	16,518		5,506	22,024
<b>Total Expenses</b>	<b>\$ 398,736</b>	<b>\$ 32,169</b>	<b>\$ 247,453</b>	<b>\$ 678,358</b>

The Bee Foundation

Statement of Cash Flows - Tax Basis

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*For the year ended December 31, 2023*

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<b>Cash Flows from Operating Activities</b>	
Change in net assets	\$ 142,308
Adjustment to reconcile net assets to net cash used in operating activities	
Depreciation and amortization	374
(Increase) decrease in assets	
Accounts Receivable	(22,692)
Inventory	(3,700)
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	2,545
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>118,835</u>
<b>Cash Flows From Investing Activities</b>	
Purchases of property and equipment	<u>(1,350)</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(1,350)</u>
<b>Cash Flows From Financing Activities</b>	
	<u>-</u>
Net Increase (Decrease) in cash and cash equivalents	117,485
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>739,099</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 856,584</u>

**Note A –**

**Organization**

**Nature of Activities**

The Bee Foundation (the Organization) is a Pennsylvania non-for-profit organization formed to raise awareness of brain aneurysms and funding 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.

**Program Services**

Research

The Bee Foundation (TBF) raises awareness of brain aneurysms and increases funding for innovative research that saves lives and prevents brain aneurysms through building a research community with their Scientific Advisory Board, donors and network of researchers. TBF also provides community research grants through the TBF Research Grant and Rita Skertich Research Grant.

Events

TBF hosts monthly support groups for families, friends, survivors, caretakers and all who have been impacted by brain aneurysms. TBF hosts multiple events during the year to raise awareness and funds for research.

**Note B –**

**Summary of Significant  
Accounting Policies**

Basis of Accounting

The Organization's financial statements are prepared on the tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net Assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds and its beneficial interest in a perpetual charitable trust held by a bank or trustee.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of use.

TBF has no donor restricted net assets for the year ended December 31, 2023.

Classifications of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statements of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Cash and Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature. The organization maintains balances in checking accounts at Wells Fargo. Deposit accounts at Wells Fargo bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account. The balances occasionally exceed those limits. At December 31, 2023 the balance in excess of the insured amount was \$606,584.

Accounts Receivable

Accounts receivable are primarily pledged contributions and event sponsors. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided.

Inventory

Inventory consists of items available for sale online at the TBF store. At December 31, 2023 the inventory available for sale was \$3,700.

Prepaid and Other Assets

Prepaid expenses consist of amounts paid in the current year that benefit future periods. The amount of prepaid expenses at December 31, 2023 was \$0.

Property and Equipment

Property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Equipment is capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than 1 year.

**The Bee Foundation**

**Notes to Financial Statement**

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Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	31.5 - 40 years
Leasehold Improvements	31.5 – 40 years, or remaining lease term, if shorter
Furnishings and Equipment	5-10 years
Equipment used under Capital Lease	5-7 years

Property and equipment are reviewed for impairment when a significant change in the asset’s use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statement in the current period. There were no indicators of asset impairment during the year ended December 31, 2023.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized in the fiscal year they are received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

In-kind donations

Several volunteers have made significant contributions of their time in furtherance of the Organization's mission. These services were not reflected in the accompanying statement of activities because they do not meet the necessary requirements for recognition under GAAS.

Expenses Recognition and Allocation

The cost of providing the organizations programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on time and effort
- Occupancy, depreciation, and amortization, and interest are allocated on a square foot basis dependent on the programs supporting activities occupying the space
- Telephone and internet services, insurance, and supplies, and miscellaneous expenses that cannot be directly identified are allocated by percentage of use

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Additionally, advertising costs are expensed as incurred.

### Fair Value Measurements

The organization reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy was adopted by the Organization and requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices identical or similar assets in markets that are not active; observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3- Unobservable inputs that cannot be corroborated by observable market data.

TBF has no level 1, 2 or 3 assets for the year ended December 31, 2023.

### Tax Status

The Organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purpose (unless that income is otherwise excluded by the IRC). Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The organization is not classified as a private foundation.

Change in Accounting Principles

Management has determined that the income tax basis of accounting is an acceptable basis for the preparation of the financial statements. With this change in accounting principles the Organization is not required to implement ASU -2015-14 Revenue from contracts with Customers (Topic 606). Upon review management believes there will be no difference on how prior year revenue was recorded or how revenue will be recognized in the future.

**Note C -**

**Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023 are:

Financial assets:	<u>2023</u>
Cash and cash equivalents	\$ 856,584
Accounts receivable, net	<u>23,500</u>
 Total financial assets	 880,084
 Less Financial assets held to meet donor-imposed- restrictions	
Donor-restricted	<u>0</u>
 Amount available for general expenditures within one year	 <u>\$ 880,084</u>

**Note D –** Property and equipment at December 31, consisted of the following:

<b>Property, Buildings, Equipment and Depreciation</b>	<u><b>2023</b></u>
Furniture and equipment	2,304
Less: Accumulated depreciation	<u>695</u>
	<u><u>\$ 1,609</u></u>

Depreciation expense recorded in the accounts for 2023 was \$374.

**Note E –** At December 31, 2023 donor restricted net assets consisted of:

**Net Assets**

	<u><b>2023</b></u>
Cash	\$0

At December 31, 2023 undesignated net assets consisted of:

	<u><b>2023</b></u>
Cash	\$881,635

**Note G –**

**Subsequent  
Events**

The Bee Foundation has evaluated subsequent events through January 14, 2025, the date which the financial statements were available to be issued.