

THE DRAGONFLY FOUNDATION

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

For the Years Ended
June 30, 2025 and June 30, 2024

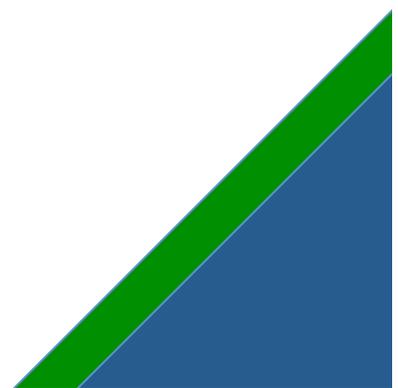


TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3-4
Statements of Activities	5-6
Statements of Functional Expenses	7-8
Statements of Cash Flows	9-10
Notes to Financial Statements	11-18
SUPPLEMENTARY INFORMATION	
Statement of Financial Position – Cincinnati	20
Statement of Financial Position – Chicago	21
Statement of Financial Position by Location	22
Statement of Activities – Cincinnati	23
Statement of Activities – Chicago	24
Statement of Activities by Location	25



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, 2025 and June 30, 2024, 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, 2025 and June 30, 2024, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in the Table of Contents 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 audit 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.

Rudler, PSC

Fort Wright, Kentucky
January 9, 2026

THE DRAGONFLY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2025

ASSETS	Without Donor Restrictions	With Donor Restrictions		Total
		Landing	Operating	
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,247,457	\$ 5,188	\$ 215,896	\$ 1,468,541
Investments	23,738	0	0	23,738
Inventory	65,110	0	0	65,110
Donations receivable	42,557	0	0	42,557
Prepaid expenses	33	0	0	33
Due from (to) other funds	775,161	(775,161)	0	0
Total Current Assets	2,154,056	(769,973)	215,896	1,599,979
PROPERTY AND EQUIPMENT, NET	387,273	2,547,561	0	2,934,834
TOTAL ASSETS	<u>\$ 2,541,329</u>	<u>\$ 1,777,588</u>	<u>\$ 215,896</u>	<u>\$ 4,534,813</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 138,481	\$ 0	\$ 0	\$ 138,481
Deferred revenue	30,267	0	0	30,267
Current portion of long-term debt	0	23,218	0	23,218
Total Current Liabilities	168,748	23,218	0	191,966
LONG-TERM LIABILITIES				
Long-term debt, net of current portion	0	531,377	0	531,377
Total Liabilities	168,748	554,595	0	723,343
NET ASSETS				
Without Donor Restrictions	2,372,581	0	0	2,372,581
With Donor Restrictions	0	1,222,993	215,896	1,438,889
Total Net Assets	2,372,581	1,222,993	215,896	3,811,470
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,541,329</u>	<u>\$ 1,777,588</u>	<u>\$ 215,896</u>	<u>\$ 4,534,813</u>

The accompanying notes are an integral part of this statement.

THE DRAGONFLY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2024

ASSETS	Without Donor Restrictions	With 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
Donation 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	<u>\$ 2,107,999</u>	<u>\$ 2,102,429</u>	<u>\$ 172,613</u>	<u>\$ 4,383,041</u>
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				
Unrestricted	1,860,679	0	0	1,860,679
Temporarily restricted	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	<u>\$ 2,107,999</u>	<u>\$ 2,102,429</u>	<u>\$ 172,613</u>	<u>\$ 4,383,041</u>

The accompanying notes are an integral part of this statement.

THE DRAGONFLY FOUNDATION
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions		Total
		Landing	Operating	
PUBLIC SUPPORT AND REVENUE				
Contributions from organizations and individuals	\$ 892,571	\$ 35,000	\$ 166,814	\$ 1,094,385
Donated materials (in kind)	222,195	0	0	222,195
Donated services (in kind)	383,134	0	0	383,134
Special events				
Special events income	1,053,651	0	0	1,053,651
Special events income (in kind)	140,027	0	0	140,027
Less: direct benefit to donor	(95,118)	0	0	(95,118)
Special events income	<u>1,098,560</u>	<u>0</u>	<u>0</u>	<u>1,098,560</u>
Investment income (loss)	18,591	0	0	18,591
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>462,334</u>	<u>(338,803)</u>	<u>(123,531)</u>	<u>0</u>
 Total Public Support and Revenue	 <u>3,077,385</u>	 <u>(303,803)</u>	 <u>43,283</u>	 <u>2,816,865</u>
EXPENSES				
Program services	1,496,205	0	0	1,496,205
Supporting services				
Management and general	254,855	0	0	254,855
Fundraising				
Special events expense	625,514	0	0	625,514
Other fundraising	184,514	0	0	184,514
Loss on disposal of assets	<u>4,395</u>	<u>0</u>	<u>0</u>	<u>4,395</u>
 Total Expenses	 <u>2,565,483</u>	 <u>0</u>	 <u>0</u>	 <u>2,565,483</u>
 CHANGE IN NET ASSETS	 511,902	 (303,803)	 43,283	 251,382
 NET ASSETS AT BEGINNING OF YEAR	 <u>1,860,679</u>	 <u>1,526,796</u>	 <u>172,613</u>	 <u>3,560,088</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 2,372,581</u>	 <u>\$ 1,222,993</u>	 <u>\$ 215,896</u>	 <u>\$ 3,811,470</u>

The accompanying notes are an integral part to this statement.

THE DRAGONFLY FOUNDATION
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions		Total
		Landing	Operating	
PUBLIC SUPPORT AND REVENUE				
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	<u>(129,259)</u>	<u>0</u>	<u>0</u>	<u>(129,259)</u>
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	<u>783,483</u>	<u>(614,789)</u>	<u>(168,694)</u>	<u>0</u>
Total Public Support and Revenue	<u>3,418,182</u>	<u>(325,289)</u>	<u>25,906</u>	<u>3,118,799</u>
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	<u>42,951</u>	<u>0</u>	<u>0</u>	<u>42,951</u>
Total Expenses	<u>2,249,772</u>	<u>0</u>	<u>0</u>	<u>2,249,772</u>
CHANGE IN NET ASSETS	1,168,410	(325,289)	25,906	869,027
NET ASSETS AT BEGINNING OF YEAR	<u>692,269</u>	<u>1,852,085</u>	<u>146,707</u>	<u>2,691,061</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,860,679</u>	<u>\$ 1,526,796</u>	<u>\$ 172,613</u>	<u>\$ 3,560,088</u>

The accompanying notes are an integral part to this statement.

THE DRAGONFLY FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2025

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Service</u>	<u>Management and General</u>	<u>Fundraising</u>	
EXPENSES				
Program expenses	\$ 171,609	\$ 12	\$ 9,054	\$ 180,675
Payroll and related expenses	607,923	120,732	24,462	753,117
Facilities costs	51,884	10,759	3,297	65,940
Interest expense	19,613	4,579	0	24,192
Systems	28,879	0	1,520	30,399
Depreciation	113,048	21,196	7,065	141,309
Legal and professional	0	49,546	116,455	166,001
Miscellaneous other expenses	27,380	15,334	17,491	60,205
Marketing	0	1,531	2,150	3,681
Special event expenses (excluding in-kind)	0	0	485,487	485,487
	<u>1,020,336</u>	<u>223,689</u>	<u>666,981</u>	<u>1,911,006</u>
Program expenses - in-kind	160,146	31,166	380	191,692
System - in-kind	147,963	0	0	147,963
Marketing - in-kind	167,760	0	2,640	170,400
Special event expenses - in-kind	0	0	140,027	140,027
	<u>475,869</u>	<u>31,166</u>	<u>143,047</u>	<u>650,082</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,496,205</u>	<u>\$ 254,855</u>	<u>\$ 810,028</u>	<u>\$ 2,561,088</u>

The accompanying notes are an integral part to this statement.

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

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Service</u>	<u>Management and General</u>	<u>Fundraising</u>	
EXPENSES				
Program expenses	\$ 200,893	\$ 7,583	\$ 2,000	\$ 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
	<u>1,074,905</u>	<u>115,386</u>	<u>530,547</u>	<u>1,720,838</u>
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
	<u>387,447</u>	<u>34,161</u>	<u>107,326</u>	<u>528,934</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,462,352</u>	<u>\$ 149,547</u>	<u>\$ 637,873</u>	<u>\$ 2,249,772</u>

The accompanying notes are an integral part of this statement.

THE DRAGONFLY FOUNDATION

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and June 30, 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 251,382	\$ 869,027
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	141,309	94,766
(Gain) Loss on disposal of assets	4,935	0
Donated inventory	(43,477)	(40,176)
Donated other assets	(60,652)	(891,138)
Distributed inventory	19,657	4,022
Obsolete inventory	0	12,994
Distributed other assets	-	0
Donated investments	(26,937)	(5,275)
Realized gain on investments	0	(182)
Unrealized loss on investments	3,199	0
(Increase) decrease in operating assets		
Inventory	(4,175)	0
Donations receivable	67,050	(90,674)
Prepaid expenses	4,298	(4,331)
Increase (decrease) in operating liabilities		
Accounts payable	(102,459)	185,981
Deferred revenue	23,887	(38,083)
Total Adjustments	<u>26,635</u>	<u>(772,096)</u>
Net Cash Flows From Operating Activities	<u>278,017</u>	<u>96,931</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	0	5,457
Purchases of property and equipment	<u>(276,017)</u>	<u>(9,308)</u>
Net Cash Flows From Investing Activities	<u>(276,017)</u>	<u>(3,851)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt	<u>(21,038)</u>	<u>(17,794)</u>
Net Cash Flows From Financing Activities	<u>(21,038)</u>	<u>(17,794)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(19,038)	75,286
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, AT BEGINNING OF YEAR	<u>1,487,579</u>	<u>1,412,293</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, AT END OF YEAR	<u>\$ 1,468,541</u>	<u>\$ 1,487,579</u>
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:		
Operations	\$ 1,247,457	\$ 1,180,302
Restricted cash	221,084	307,277
Total Cash, Cash Equivalents, and Restricted Cash	<u>\$ 1,468,541</u>	<u>\$ 1,487,579</u>

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

The accompanying notes are an integral part of this statement.

THE DRAGONFLY FOUNDATION
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and June 30, 2024

	<u>June 30,</u> <u>2025</u>	<u>June 30,</u> <u>2024</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 24,192	\$ 27,144
Cash paid for taxes during the year	\$ 0	\$ 0
Non-cash activities:		
Donated inventory	\$ 43,477	\$ 40,176
Distributed inventory	\$ (19,657)	\$ (4,022)
Donated property	\$ 60,652	\$ 891,138

The accompanying notes are an integral part of this statement.

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, 2025 and 2024 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, 2025, 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.

THE DRAGONFLY FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2025 and June 30, 2024

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 \$173,500 for the year ended June 30, 2025 and \$145,645 for the year ended June 30, 2024, 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 2022 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.

THE DRAGONFLY FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2025 and June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Accounts Receivable and Credit Losses**

Receivables are stated at unpaid balances, less an allowance for credit losses. Generally, no collateral is required. The Organization provides for losses on receivables using the allowance method. The Organization considers receivables to be fully collectible; accordingly, no allowance is required. It is the Organization's policy to charge off uncollectible receivables when management determines the receivable will not be collected.

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, 2025 and June 30, 2024 reduced by amounts not available for general expenditures within one year.

	June 30, 2025	June 30, 2024
Financial assets:		
Cash and cash equivalents	\$ 1,468,541	\$ 1,487,579
Donations receivable	42,557	109,607
Total financial assets	1,511,098	1,597,186
Less amounts with purpose restrictions	221,084	307,277
Financial assets available to meet cash needs for general expenditures within one year.	\$ <u>1,290,014</u>	\$ <u>1,289,909</u>

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, 2025, the amount that exceeded the \$250,000 insured by the FDIC was \$968,541 and as of June 30, 2024 the amount that exceeded the \$250,000 insured by the FDIC was \$1,015,290.

THE DRAGONFLY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2025 and June 30, 2024

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction consisted of the following at June 30, 2025:

	<u>Landing</u>	<u>Operating</u>
Care Bags	\$ 0	\$ 53,079
I Am Still Me	0	4,331
Patient and Family Gifting	0	44,912
Beads of Courage Program	0	20,729
Technology	0	12,501
Patient and Family Events	0	23,192
Hospital Support	0	57,152
Landing- Capital Campaign	1,222,993	0
Total Net Assets with Donor Restrictions	\$ <u>1,222,993</u>	\$ <u>215,896</u>

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

	<u>Landing</u>	<u>Operating</u>
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	\$ <u>1,526,796</u>	\$ <u>172,613</u>

Net assets released from net assets with donor restrictions are as follows at June 30, 2025:

	<u>Landing</u>	<u>Operating</u>
Care Bags	\$ 0	\$ 10,399
Adopt a Family	0	7,575
I Am Still Me	0	4,684
Patient and Family Gifting	0	27,503
Beads of Courage Program	0	2,993
Patient and Family Events	0	62,402
Hospital Support	0	7,974
Landing- Capital Campaign	338,803	0
Total Released from Net Assets with Donor Restrictions	\$ <u>338,803</u>	\$ <u>123,530</u>

THE DRAGONFLY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2025 and June 30, 2024

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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

	<u>Landing</u>	<u>Operating</u>
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	<u>\$ 614,789</u>	<u>\$ 168,694</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following for the year ended June 30, 2025 and June 30, 2024:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Depreciable:		
Building	\$ 2,756,453	\$ 2,595,766
Computers and related equipment and software	228,898	167,870
Furniture and fixtures	386,417	378,303
Total depreciable property	<u>3,371,768</u>	<u>3,141,939</u>
Less: accumulated depreciation	<u>(771,315)</u>	<u>(630,007)</u>
Total Depreciable Property, Net	<u>2,600,453</u>	<u>2,511,932</u>
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	135,885	120,931
Construction in progress	93,945	0
Other	0	6,995
Total Nondepreciable Property	<u>334,381</u>	<u>232,477</u>
Total Property and Equipment, Net	<u>\$ 2,934,834</u>	<u>\$ 2,744,409</u>

THE DRAGONFLY FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2025 and June 30, 2024

NOTE 6 - LONG TERM DEBT

Long term liabilities at June 30, 2025 and June 30, 2024 consist of the following:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
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%	\$ 407,067	\$ 425,633
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%	<u>147,528</u>	<u>150,000</u>
	554,595	575,633
Less: current maturities	<u>(23,218)</u>	<u>(21,628)</u>
Total Long Term Liabilities	<u>\$ 531,377</u>	<u>\$ 554,005</u>

Current maturities for the next five years are as follows:

2026	\$ 23,218
2027	24,743
2028	26,307
2029	28,128
2030	324,062
Thereafter	<u>128,137</u>
	<u>\$ 554,595</u>

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, 2025 and June 30, 2024:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Special Events Revenue	\$ <u>1,098,560</u>	\$ <u>1,184,028</u>
Special Events Expenses:		
Direct expenses	485,487	487,596
In-kind	<u>140,027</u>	<u>107,326</u>
Total Special Events Expenses	<u>625,514</u>	<u>594,922</u>
Events Impact on Change in Net Assets	<u>\$ 473,046</u>	<u>\$ 589,106</u>

NOTE 8 - IN KIND DONATIONS

For the years ended June 30, 2025 and June 30, 2024, gift-in-kind recognized in the statement of activities included:

	June 30, 2025	June 30, 2024
Program	\$ 254,858	\$ 271,905
Facilities	32,108	174,350
System	147,963	111,727
Marketing	170,400	137,500
Special events	140,027	107,326
	<u>\$ 745,356</u>	<u>\$ 802,808</u>

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 - 401K PLAN

The Company has a qualified non-contributory profit sharing retirement plan. Substantially all full-time employees are covered by the plan. The plan provides for minimum contributions based on profits with additional contributions upon Board action. The profit sharing plan includes a 401(k) savings plan, whereby the employees may elect to make contributions pursuant to a salary reduction agreement with immediate vesting in these contributions. The company matches employees deferral up to a maximum of 5% of the employee’s eligible compensation. The Company’s contributions were \$25,530 and \$0 for the years ended June 30, 2025 and June 30, 2024, respectively.

NOTE 10 - SUBSEQUENT EVENTS

Subsequent to year- end, the Company completed its ongoing construction project. As of the date of these financial statements, the project has been finalized and the related costs, totaling \$93,945, have been transferred to the building account. This transfer reflects the capitalization of the completed asset, and the building will be depreciated over its estimated useful life in accordance with the Company’s accounting policies.

The Foundation has evaluated all other subsequent events through January 9, 2026, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

THE DRAGONFLY FOUNDATION
 SUPPLEMENTARY INFORMATION
 STATEMENT OF FINANCIAL POSITION - CINCINNATI
 June 30, 2025

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,142,669
Investments	23,738
Inventory	65,110
Donations receivable	39,121
Prepaid expenses	33
Due from (to)	<u>246,084</u>

Total Current Assets	<u>1,516,755</u>
----------------------	------------------

PROPERTY AND EQUIPMENT, NET

2,922,514

TOTAL ASSETS

\$ 4,439,269

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 123,646
Deferred revenue	30,267
Current portion of long-term debt	<u>23,218</u>

Total Current Liabilities	<u>177,131</u>
---------------------------	----------------

LONG-TERM LIABILITIES

Long-term debt, net of current portion	<u>531,377</u>
--	----------------

Total Liabilities	<u>708,508</u>
-------------------	----------------

NET ASSETS

Total Net Assets	<u>3,730,761</u>
------------------	------------------

TOTAL LIABILITIES AND NET ASSETS

\$ 4,439,269

THE DRAGONFLY FOUNDATION
SUPPLEMENTARY INFORMATION
STATEMENT OF FINANCIAL POSITION - CHICAGO
June 30, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	325,872
Inventory		0
Donations receivable		3,436
Prepaid expenses		<u>0</u>
Total Current Assets		<u>329,308</u>

PROPERTY AND EQUIPMENT, NET

12,320

TOTAL ASSETS

\$ 341,628

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable		14,835
Deferred revenue		0
Current portion of long-term debt		0
Due to Cincinnati		<u>246,084</u>
Total Current Liabilities		<u>260,919</u>

LONG-TERM LIABILITIES

Long-term debt, net of current portion		<u>0</u>
Total Long-Term Liabilities		<u>0</u>
Total Liabilities		<u>260,919</u>

NET ASSETS

Total Net Assets 80,709

TOTAL LIABILITIES AND NET ASSETS

\$ 341,628

See Independent Auditors' Report

THE DRAGONFLY FOUNDATION
SUPPLEMENTARY INFORMATION
STATEMENT OF FINANCIAL POSITION BY LOCATION
June 30, 2025

ASSETS	Cincinnati	Chicago	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,142,669	\$ 325,872	\$ 1,468,541
Investments	23,738	0	23,738
Inventory	65,110	0	65,110
Donations receivable	39,121	3,436	42,557
Prepaid expenses	33	0	33
Due from Chicago	246,084		246,084
Total Current Assets	1,516,755	329,308	1,846,063
PROPERTY AND EQUIPMENT, NET	2,922,514	12,320	2,934,834
TOTAL ASSETS	\$ 4,439,269	\$ 341,628	\$ 4,780,897
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 123,646	\$ 14,835	\$ 138,481
Deferred revenue	30,267	0	30,267
Current portion of long-term debt	23,218	0	23,218
Due to Cincinnati	0	246,084	246,084
Total Current Liabilities	177,131	260,919	438,050
LONG-TERM LIABILITIES			
Long-term debt, net of current portion	531,377	0	531,377
Total Liabilities	708,508	260,919	969,427
NET ASSETS			
Total Net Assets	3,730,761	80,709	3,811,470
TOTAL LIABILITIES AND NET ASSETS	\$ 4,439,269	\$ 341,628	\$ 4,780,897

See Independent Auditors' Report

THE DRAGONFLY FOUNDATION
SUPPLEMENTARY INFORMATION
STATEMENT OF ACTIVITIES - CINCINNATI
For the Year Ended June 30, 2025

PUBLIC SUPPORT AND REVENUE

Contributions from organizations and individuals	\$ 988,171
Donated materials (in kind)	176,193
Donated services (in kind)	352,834
Special events	
Special events income	777,539
Special events income (in kind)	63,512
Less: direct benefit to donor	<u>(70,149)</u>
Special events income	770,902
Investment income (loss)	<u>18,591</u>
Total Public Support and Revenue	<u>2,306,691</u>

EXPENSES

Program services	\$ 1,242,378
Supporting services	
Management and general	222,630
Fundraising	
Special events expense	388,227
Other fundraising	148,585
Loss on disposal of assets	<u>4,395</u>
Total Expenses	<u>2,006,215</u>

CHANGE IN NET ASSETS

300,476

NET ASSETS AT BEGINNING OF YEAR

3,430,285

NET ASSETS AT END OF YEAR

\$ 3,730,761

See Independent Auditors' Report

THE DRAGONFLY FOUNDATION
SUPPLEMENTARY INFORMATION
STATEMENT OF ACTIVITIES - CHICAGO
For the Year Ended June 30, 2025

PUBLIC SUPPORT AND REVENUE

Contributions from organizations and individuals	\$ 106,214
Donated materials (in kind)	46,002
Donated services (in kind)	30,300
Special events	
Special events income	276,112
Special events income (in kind)	76,515
Less: direct benefit to donor	<u>(24,969)</u>
Special events income	327,658
Investment income (loss)	<u>0</u>
Total Public Support and Revenue	<u>510,174</u>

EXPENSES

Program services	\$ 253,827
Supporting services	
Management and general	32,225
Fundraising	
Special events expense	237,287
Other fundraising	<u>35,929</u>
Total Expenses	<u>559,268</u>

CHANGE IN NET ASSETS (49,094)

NET ASSETS AT BEGINNING OF YEAR 129,803

NET ASSETS AT END OF YEAR \$ 80,709

See Independent Auditors' Report

THE DRAGONFLY FOUNDATION
SUPPLEMENTARY INFORMATION
STATEMENT OF ACTIVITIES BY LOCATION
June 30, 2025

	<u>Cincinnati</u>	<u>Chicago</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Contributions from organizations and individuals	\$ 988,171	\$ 106,214	\$ 1,094,385
Donated materials (in kind)	176,193	46,002	222,195
Donated services (in kind)	352,834	30,300	383,134
Special events			
Special events income	777,539	276,112	1,053,651
Special events income (in kind)	63,512	76,515	140,027
Less: direct benefit to donor	(70,149)	(24,969)	(95,118)
Special events income	<u>770,902</u>	<u>327,658</u>	<u>1,098,560</u>
Investment income (loss)	<u>18,591</u>	<u>0</u>	<u>18,591</u>
 Total Public Support and Revenue	 <u>2,306,691</u>	 <u>510,174</u>	 <u>2,816,865</u>
EXPENSES			
Program services	\$ 1,242,378	\$ 253,827	\$ 1,496,205
Supporting services			
Management and general	222,630	32,225	254,855
Fundraising			
Special events expense	388,227	237,287	625,514
Other fundraising	148,585	35,929	184,514
Loss on disposal of assets	<u>4,395</u>	<u>0</u>	<u>4,395</u>
 Total Expenses	 <u>2,006,215</u>	 <u>559,268</u>	 <u>2,565,483</u>
 CHANGE IN NET ASSETS	 300,476	 (49,094)	 251,382
 NET ASSETS AT BEGINNING OF YEAR	 <u>3,430,285</u>	 <u>129,803</u>	 <u>3,560,088</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 3,730,761</u>	 <u>\$ 80,709</u>	 <u>\$ 3,811,470</u>

See Independent Auditors' Report