

**FOR PETE'S SAKE
CANCER RESPITE FOUNDATION**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 and 2013

(See Independent Auditors' Report)

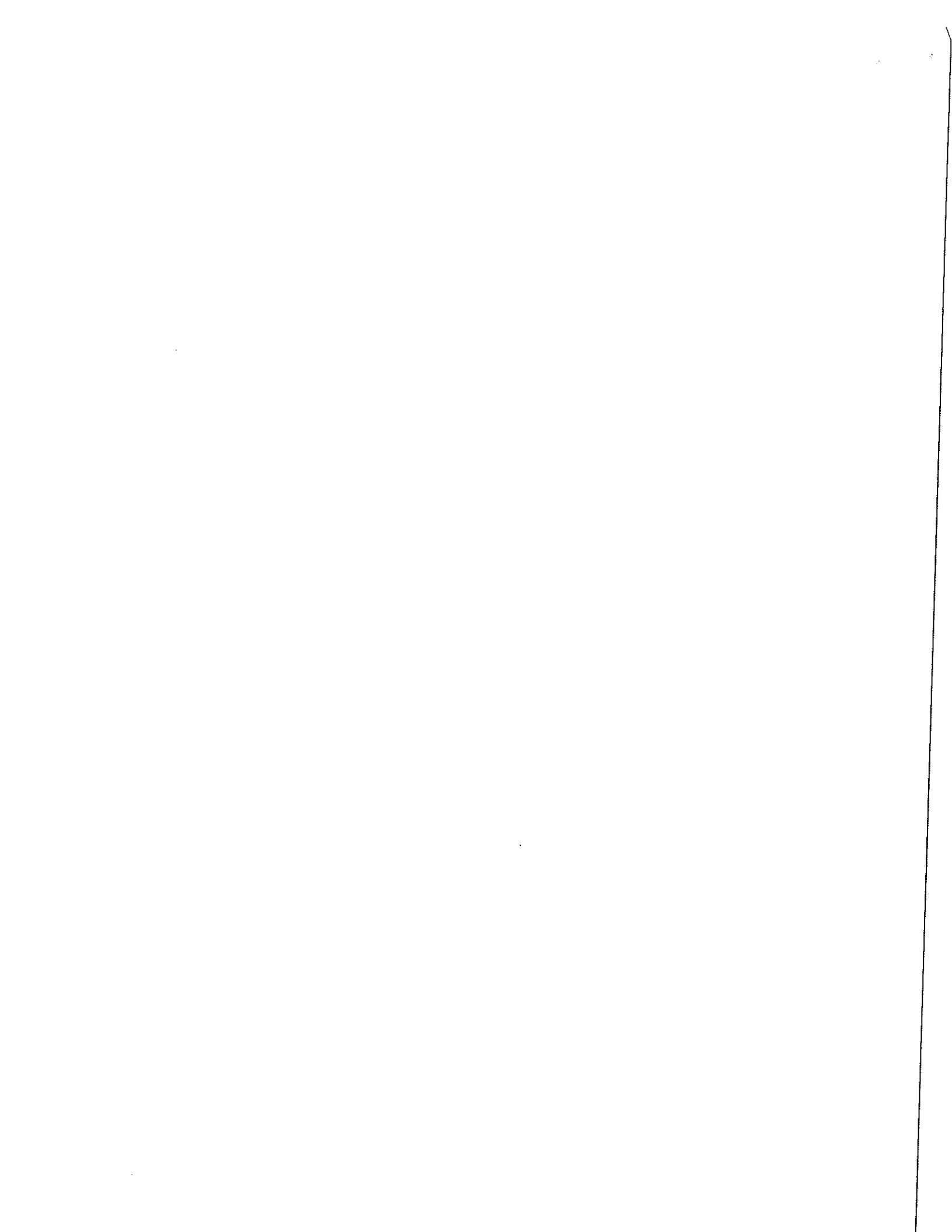






TABLE OF CONTENTS

Independent Auditors' Report	3-4
Financial Statements	
Statements of Financial Position	5
Statements of Activities	6-7
Statements of Functional Expenses	8-9
Statements of Cash Flows	10
Notes to Financial Statements	11-20



BEE BERGVALL & Co.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
For Pete's Sake Cancer Respite Foundation
Plymouth Meeting, PA

We have audited the accompanying financial statements of For Pete's Sake Cancer Respite Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014 and 2013, and the related statements of activities, 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

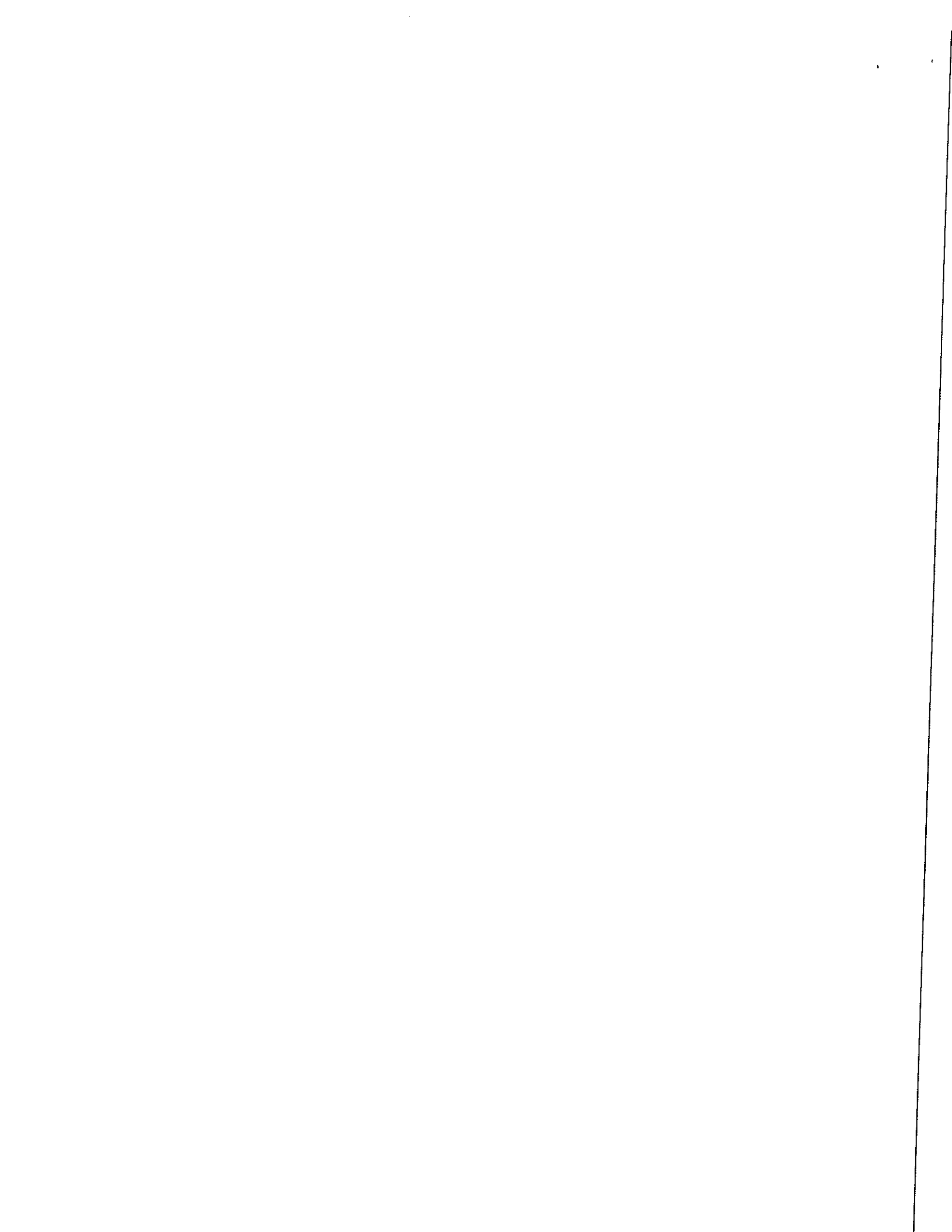
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 audits 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.



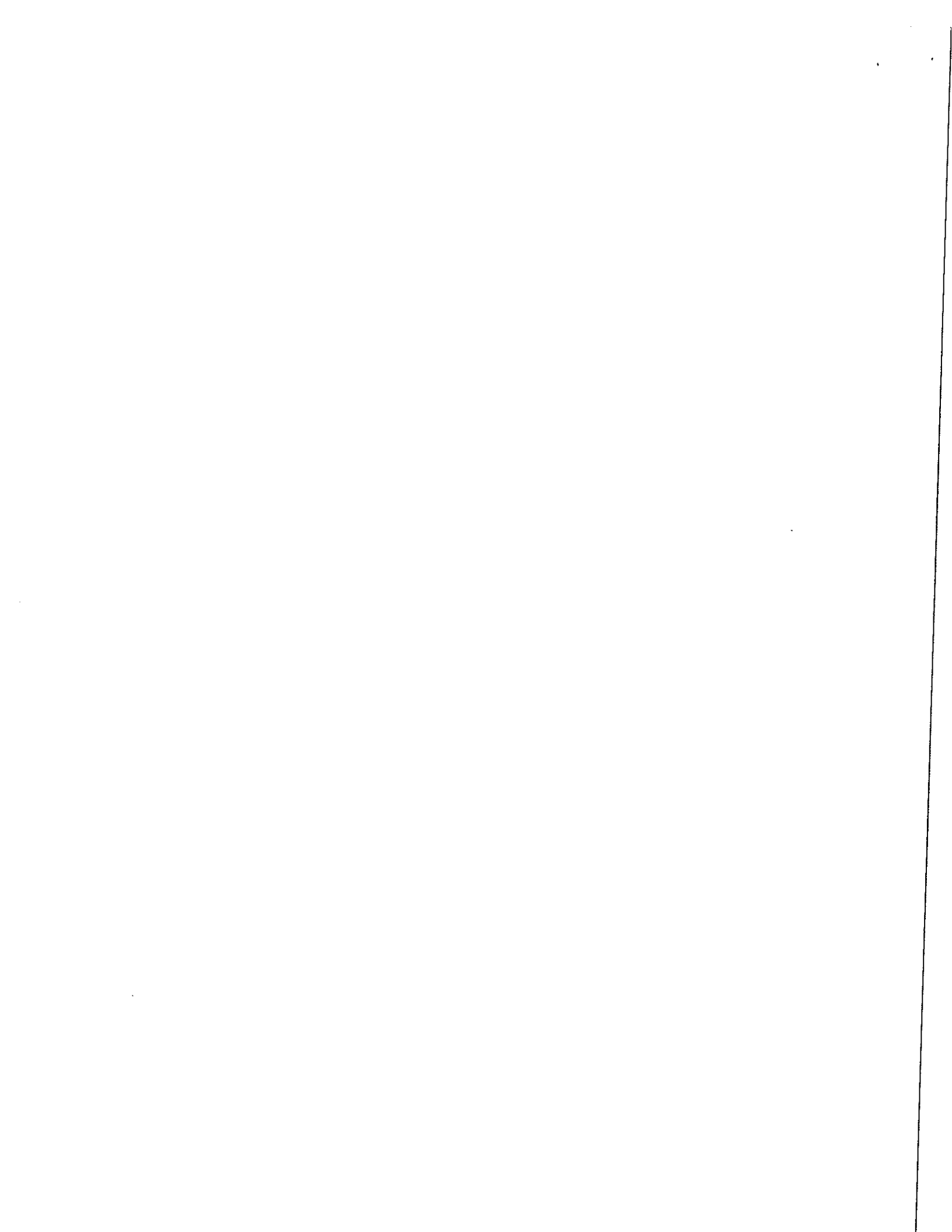
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of For Pete's Sake Cancer Respite Foundation as of June 30, 2014 and 2013, 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.

Bee, Bergvall & Co.

Bee, Bergvall and Company, P.C.
Certified Public Accountants

December 19, 2014



FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Financial Position

June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 294,906	\$ 167,730
Pledges receivable, net of allowance of \$2,000	31,593	35,328
Grant receivable	-	9,000
Other current assets	9,815	11,842
Total current assets	<u>336,314</u>	<u>223,900</u>
Property and equipment, net	250,576	269,376
Beneficial Interest in a Remainder Trust	<u>209,823</u>	<u>-</u>
Total assets	<u>\$ 796,713</u>	<u>\$ 493,276</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued expenses	\$ 13,750	\$ 18,190
Total current liabilities	<u>13,750</u>	<u>18,190</u>
Net assets:		
Unrestricted net assets:		
Undesignated	462,519	396,571
Board-designated	60,000	60,000
Total unrestricted net assets	<u>522,519</u>	<u>456,571</u>
Temporarily restricted net assets	234,639	17,710
Permanently restricted net assets	<u>25,805</u>	<u>805</u>
Total net assets	<u>782,963</u>	<u>475,086</u>
Total liabilities and net assets	<u>\$ 796,713</u>	<u>\$ 493,276</u>

See independent auditors' report and
accompanying notes to the financial statements

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Activities

For the Years Ended June 30, 2014 and 2013

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Support and revenues:				
Support:				
Contributions	\$ 512,750	\$ 230,639	\$ 25,000	\$ 768,389
Contributions in-kind	426,889	-	-	426,889
Total contributions	<u>939,639</u>	<u>230,639</u>	<u>25,000</u>	<u>1,195,278</u>
Revenues:				
Special events revenue:				
Fees	585,412	4,000	-	589,412
Contributions in-kind	206,093	-	-	206,093
	791,505	4,000	-	795,505
Special events direct costs	<u>(421,406)</u>	<u>-</u>	<u>-</u>	<u>(421,406)</u>
Net special events revenue	<u>370,099</u>	<u>4,000</u>	<u>-</u>	<u>374,099</u>
Investment income	<u>3,709</u>	<u>-</u>	<u>-</u>	<u>3,709</u>
Net assets released from restrictions	<u>17,710</u>	<u>(17,710)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>1,331,157</u>	<u>216,929</u>	<u>25,000</u>	<u>1,573,086</u>
Expenses:				
Program services	973,077	-	-	973,077
Support services:				
Management and general	80,111	-	-	80,111
Fundraising	212,021	-	-	212,021
Total expenses	<u>1,265,209</u>	<u>-</u>	<u>-</u>	<u>1,265,209</u>
Change in net assets	65,948	216,929	25,000	307,877
Net assets at beginning of year	<u>456,571</u>	<u>17,710</u>	<u>805</u>	<u>475,086</u>
Net assets at end of year	<u>\$ 522,519</u>	<u>\$ 234,639</u>	<u>\$ 25,805</u>	<u>\$ 782,963</u>

(continued)

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenues:				
Support:				
Contributions	\$ 618,434	\$ 15,000	\$ -	\$ 633,434
Contributions in-kind	<u>323,670</u>	<u>-</u>	<u>-</u>	<u>323,670</u>
Total contributions	<u>942,104</u>	<u>15,000</u>	<u>-</u>	<u>957,104</u>
Revenues:				
Special events revenue:				
Fees	382,507	2,710	-	385,217
Contributions in-kind	<u>165,658</u>	<u>-</u>	<u>-</u>	<u>165,658</u>
	548,165	2,710	-	550,875
Special events direct costs	<u>(333,638)</u>	<u>-</u>	<u>-</u>	<u>(333,638)</u>
Net special events revenue	<u>214,527</u>	<u>2,710</u>	<u>-</u>	<u>217,237</u>
Investment income	<u>802</u>	<u>-</u>	<u>-</u>	<u>802</u>
Net assets released from restrictions	<u>40,855</u>	<u>(40,855)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>1,198,288</u>	<u>(23,145)</u>	<u>-</u>	<u>1,175,143</u>
Expenses:				
Program services	745,965	-	-	745,965
Support services:				
Management and general	88,802	-	-	88,802
Fundraising	<u>175,841</u>	<u>-</u>	<u>-</u>	<u>175,841</u>
Total expenses	<u>1,010,608</u>	<u>-</u>	<u>-</u>	<u>1,010,608</u>
Change in net assets	187,680	(23,145)	-	164,535
Net assets at beginning of year	<u>268,891</u>	<u>40,855</u>	<u>805</u>	<u>310,551</u>
Net assets at end of year	<u>\$ 456,571</u>	<u>\$ 17,710</u>	<u>\$ 805</u>	<u>\$ 475,086</u>

See independent auditors' report and
accompanying notes to the financial statements

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Functional Expenses

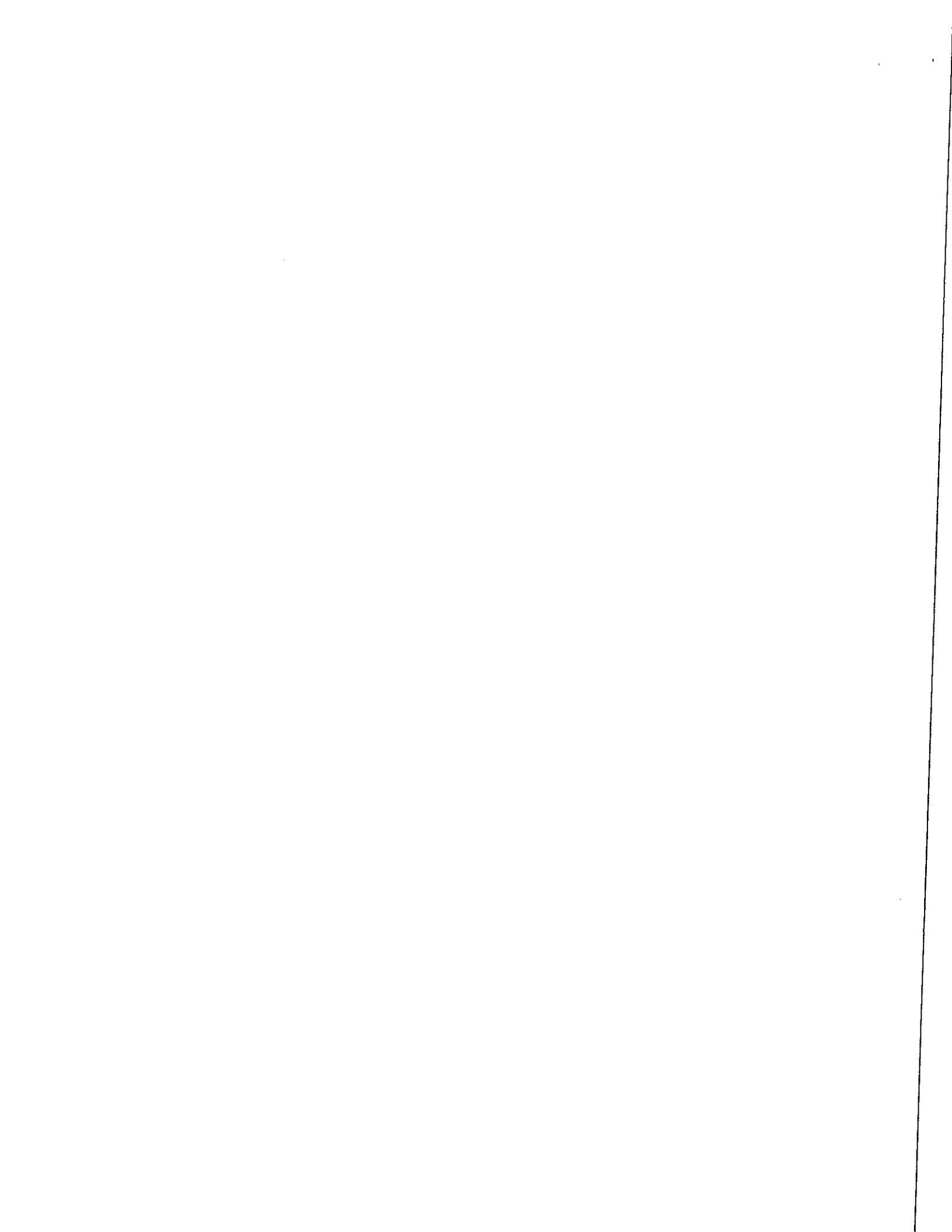
For the Years Ended June 30, 2014 and 2013

	2014						Total
	Program		General and Administrative		Fundraising		
	Ordinary	In-Kind	Ordinary	In-Kind	Ordinary	In-Kind	
Accommodations	\$ 14,685	\$ 85,640	\$ -	\$ -	\$ -	\$ -	\$ 100,325
Airline travel	55,176	1,000	-	-	-	-	56,176
Ancillary services	31,270	12,200	-	-	-	-	43,470
Bad debts	-	-	2,132	-	-	-	2,132
Bank service charges	-	-	1,491	-	12,387	-	13,878
Car rental	21,102	-	-	-	-	-	21,102
Conference and training	-	-	369	-	1,172	-	1,541
Depreciation	17,388	-	155	-	3,089	-	20,632
Dues and subscriptions	2,460	-	990	-	1,086	-	4,536
Employee benefits	24,260	-	5,734	-	14,115	-	44,109
Employment taxes	16,111	-	3,808	-	9,373	-	29,292
Facility repairs and maintenance	9,789	-	-	-	-	-	9,789
Fundraising expenses	-	-	-	-	8,325	800	9,125
Gas expense	8,802	-	-	-	-	-	8,802
Insurance	5,036	-	3,047	-	-	-	8,083
Licenses and fees	2,498	-	727	-	727	-	3,952
Limousine travel	-	4,039	-	-	-	-	4,039
Marketing	1,328	198,695	-	-	4,923	-	204,946
Meetings	1,051	-	330	-	2,361	-	3,742
Miscellaneous	429	-	-	-	-	-	429
Patient stipend	87,449	-	-	-	-	-	87,449
Payroll service fees	510	-	95	-	259	-	864
Postage and delivery	8,831	-	685	-	3,633	-	13,149
Printing and reproduction	8,458	-	636	-	4,857	-	13,951
Professional fees	-	-	6,800	-	3,613	-	10,413
Program support	17,768	61,009	-	-	-	-	78,777
Rent expense	-	32,197	-	4,600	-	9,199	45,996
Salaries and wages	190,006	15,186	44,910	-	110,549	-	360,651
Supplies	4,511	342	724	64	2,267	174	8,082
Technology and website	5,688	1,030	286	192	10,178	524	17,898
Telephone	8,600	-	1,037	-	2,649	-	12,286
Travel	694	-	-	-	3,164	-	3,858
Utilities	17,839	-	1,299	-	2,597	-	21,735
Total Functional Expenses	\$ 561,739	\$ 411,338	\$ 75,255	\$ 4,856	\$ 201,324	\$ 10,697	\$ 1,265,209
		\$ 973,077		\$ 80,111		\$ 212,021	

(continued)

	2013						Total
	Program		General and Administrative		Fundraising		
	Ordinary	In-Kind	Ordinary	In-Kind	Ordinary	In-Kind	
Accommodations	\$ 10,987	\$ 71,358	\$ -	\$ -	\$ -	\$ -	\$ 82,345
Airline travel	52,208	-	-	-	-	-	52,208
Ancillary services	2,190	-	-	-	-	-	2,190
Bad debts	-	-	1,155	-	1,225	-	2,380
Bank service charges	46	-	553	-	11,345	-	11,944
Car rental	12,174	-	-	-	-	-	12,174
Conference and training	662	-	527	-	822	-	2,011
Depreciation	13,815	-	155	-	2,639	-	16,609
Dues and subscriptions	3,233	-	1,808	-	1,933	-	6,974
Employee benefits	19,147	-	5,673	-	10,637	-	35,457
Employment taxes	13,913	-	4,122	-	7,729	-	25,764
Facility repairs and maintenance	8,810	-	-	-	-	-	8,810
Fundraising expenses	-	-	-	-	-	-	-
Gas expense	5,584	-	-	-	-	-	5,584
Insurance	3,535	-	3,672	-	-	-	7,207
Licenses and fees	-	-	-	-	-	-	-
Limousine travel	-	-	-	-	-	-	-
Marketing	2,209	104,150	-	-	2,075	-	108,434
Meetings	799	-	1,962	-	381	-	3,142
Miscellaneous	136	-	133	-	496	-	765
Patient stipend	75,596	-	-	-	-	-	75,596
Payroll service fees	-	-	-	-	-	-	-
Postage and delivery	5,192	-	757	-	4,009	-	9,958
Printing and reproduction	-	-	833	-	-	-	833
Professional fees	8,029	-	2,833	-	9,086	-	19,948
Property tax	500	-	6,660	-	500	-	7,660
Program support	10,276	71,804	-	-	-	-	82,080
Rent expense	-	32,197	-	4,600	-	9,199	45,996
Salaries and wages	159,925	14,845	47,385	-	88,847	-	311,002
Supplies	4,972	-	1,364	-	2,464	-	8,800
Technology and website	5,272	6,983	271	1,552	10,187	6,983	31,248
Telephone	6,522	-	1,488	-	2,687	-	10,697
Travel	3,228	-	-	-	-	-	3,228
Utilities	15,668	-	1,299	-	2,597	-	19,564
Total Functional Expenses	\$ 444,628	\$ 301,337	\$ 82,650	\$ 6,152	\$ 159,659	\$ 16,182	\$ 1,010,608
		<u>\$ 745,965</u>		<u>\$ 88,802</u>		<u>\$ 175,841</u>	

See independent auditors' report and accompanying notes to the financial statements.



FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Cash Flows

For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in net assets	\$ 307,877	\$ 164,535
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	20,631	16,609
(Increase) decrease in:		
Pledges receivable	12,735	13,775
Other current assets	2,027	(2,255)
Beneficial Interest in Remainder Trust	(209,823)	-
(Decrease) increase in:		
Accounts payable	(4,440)	2,001
Contributions restricted for long-term investment	-	(165,000)
Net cash provided by (used in) operating activities	<u>129,007</u>	<u>29,665</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(1,831)</u>	<u>(163,333)</u>
Net cash (used in) investing activities	<u>(1,831)</u>	<u>(163,333)</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	<u>-</u>	<u>165,000</u>
Net cash provided by financing activities	<u>-</u>	<u>165,000</u>
Net increase (decrease) in cash and cash equivalents	127,176	31,332
Cash and cash equivalents at beginning of year	<u>167,730</u>	<u>136,398</u>
Cash and cash equivalents at end of year	<u>\$ 294,906</u>	<u>\$ 167,730</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report and
accompanying notes to the financial statements.



FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2014 and 2013

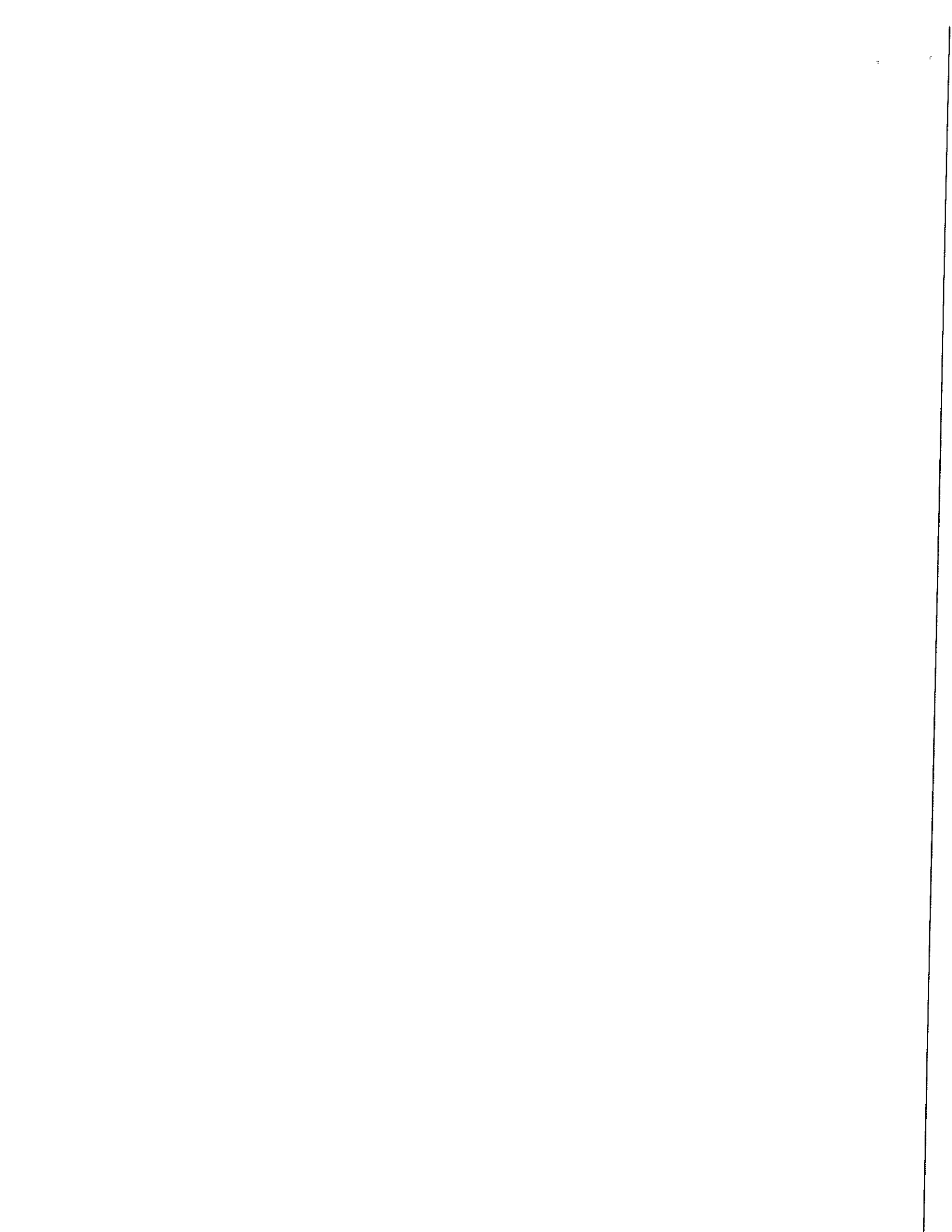
1. Nature of Operations and Summary of Significant Accounting Policies

This summary of significant accounting policies of For Pete's Sake Cancer Respite Foundation ("FPS") is presented to assist in the understanding of FPS's financial statements. The financial statements and notes are representations of FPS's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America ("GAAP") and have been consistently applied in the preparation of the financial statements.

Nature of Operations:

FPS was formed under the laws of Pennsylvania in 1999 and is a tax-exempt organization as defined by Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code (IRC) that is publicly supported and, therefore, not a private foundation. In 2007, FPS was the 34th not-for-profit organization in Pennsylvania to be awarded the Seal of Excellence for successfully completing the Pennsylvania Association of Nonprofit Organizations (PANO) *Standards for Excellence* program. *Standards for Excellence* are based on fundamental values such as honesty, integrity, fairness, respect, trust, responsibility, and accountability. In 2009, FPS was recertified by PANO. Once recertified, the seal is awarded for five years. FPS is proud of this designation and its focus on fiscal and program efficiency.

FPS was created for the purpose of providing respite and relief to struggling young adult cancer patients, thereby alleviating the burdens of the sick and distressed and providing the patient and family with the means necessary to embrace this devastating diagnosis and address the psychological, emotional and spiritual trauma associated with cancer. Eligible candidates receive an expense-paid respite vacation to select destinations, accompanied with a generous stipend and supplementary materials such as journals, inspirational writings, robes and other amenities to complement the respite experience. Preference is given to patients who reside in Pennsylvania, New Jersey and Delaware. Patients and their families receive ancillary services upon the return home and as the journey with cancer continues. The volunteer-based Patient Program Committee is dedicated to the continued support of the emotional, psychological and spiritual needs of the patients. This program encourages a patient's interaction with FPS, facilitates links to informational and third-party resources, and helps patients overcome the loneliness, fear, anxiety, and isolation that accompany the cancer diagnosis.



FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2014 and 2013

1. Nature of Operations and Summary of Significant Accounting Policies
(Continued)

Nature of Operations (continued):

Key Program statistics follow:

	<u>2014</u>	<u>2013</u>
Patients served	188	150
Nominations received	159	123
Respite vacations provided	111	99
Total travelers, including patients	413	348

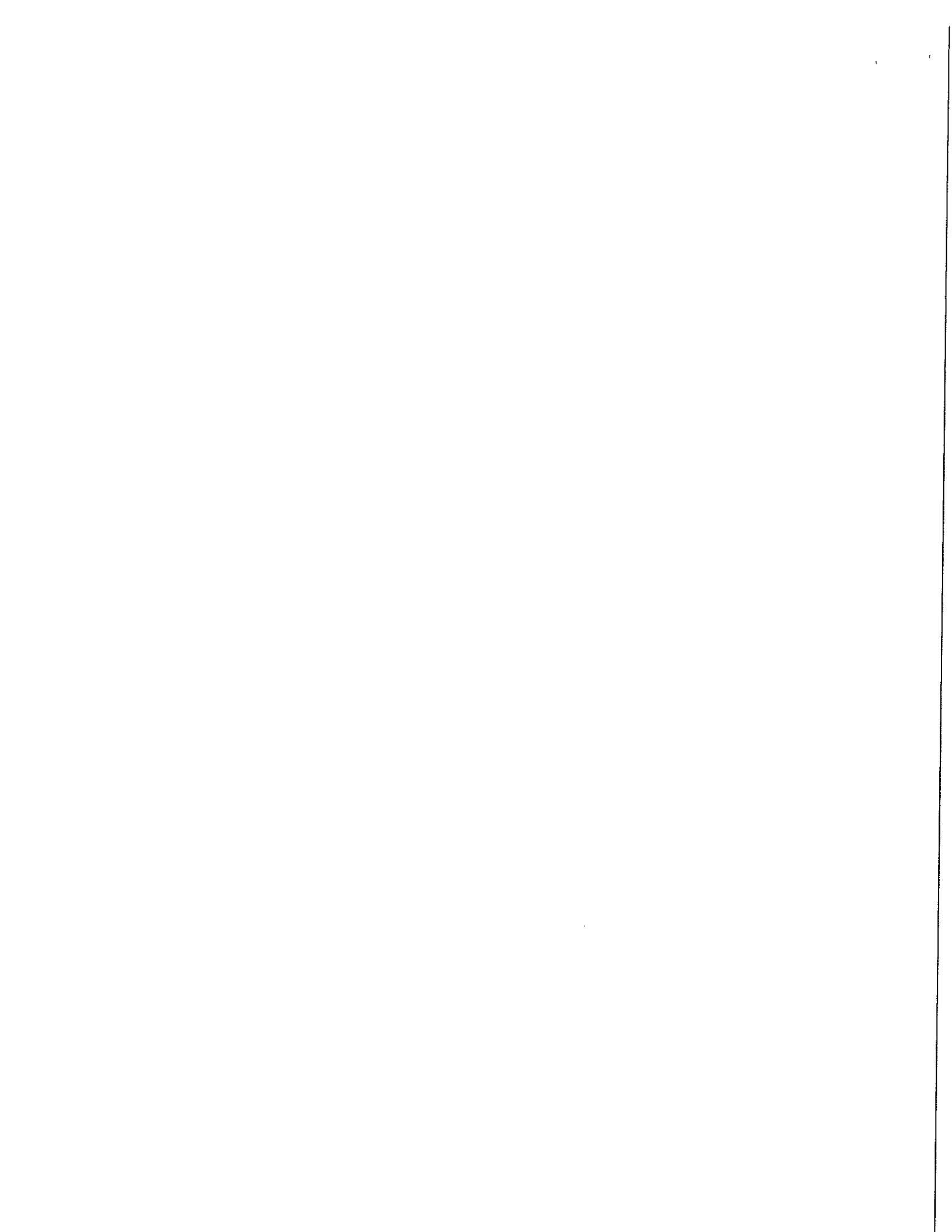
Patients traveled to the two FPS homes near Orlando, Florida and to other donated respite destinations along the New Jersey, North Carolina and Florida coasts, as well as in the Poconos, Maine and Caribbean. FPS continued to provide ancillary services to all patients and their families to help them through the crisis of cancer. FPS is supported primarily from proceeds of four special events, organized and executed by volunteer committees, and general public support from corporations, foundations, and individuals.

Evaluation of the program is assessed in part from statistics derived from the patients' evaluation and impact study and also an independent evaluation by the patient's nominator. Since measurement began, the overall rating of the improved ability to cope with cancer is 3.84 on a scale of one to four. One hundred percent of all nominating professionals recognize post-respite improvement in the patient's and patient's family/caregiver's ability to cope with cancer. FPS has established relationships with over 100 cancer centers in the tri-state area and beyond. A detailed list of patient and center demographics is available on the FPS website.

FPS posts all evaluation questions and scores, Internal Revenue Service Form 990, and audited financial statements on www.takeabreakfromcancer.org for complete transparency of its operations. Information is also available by contacting the office and by visiting www.guidestar.org.

Use of Estimates in Financial Statements:

Management uses estimates and assumptions in preparing the financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from those estimates.



FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2014 and 2013

1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Basis of Presentation:

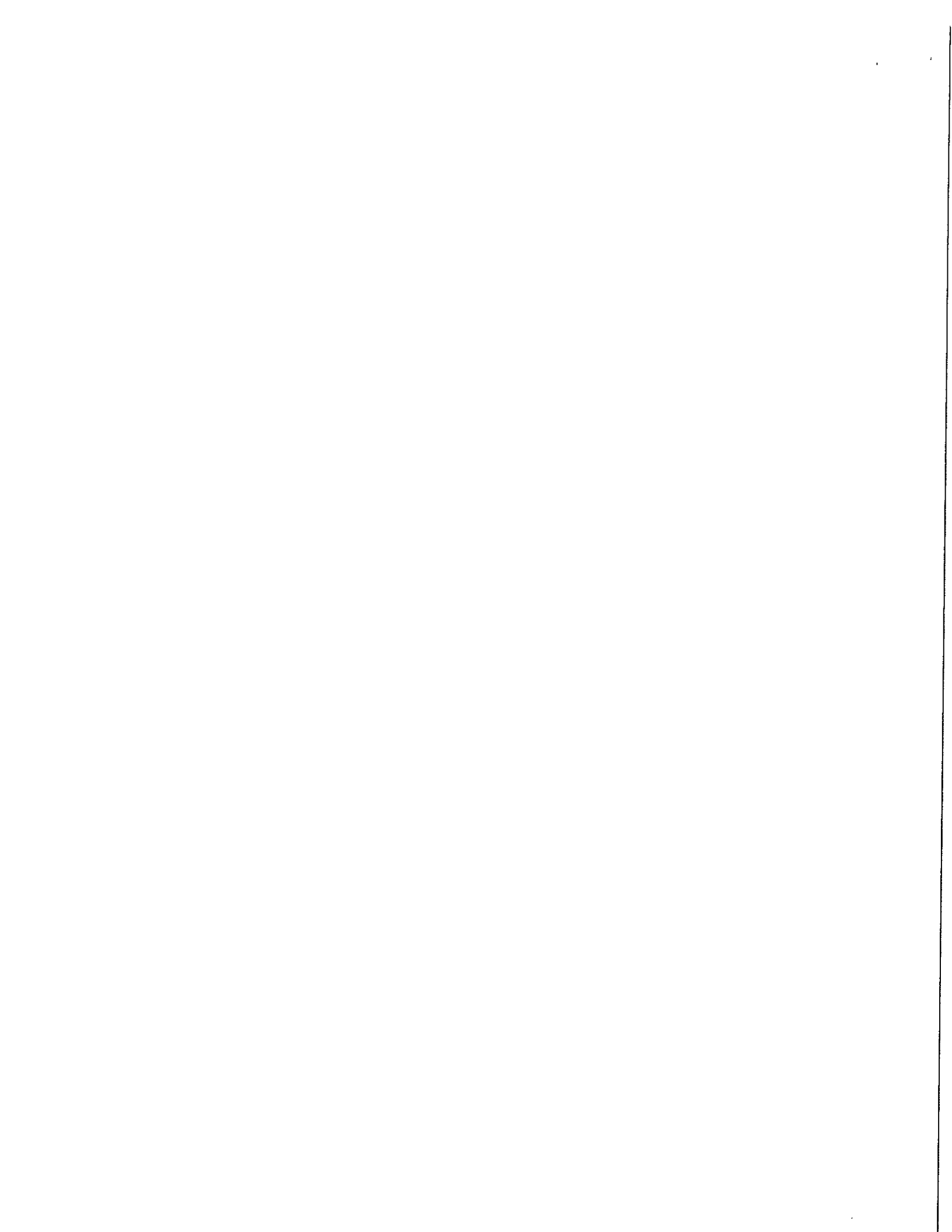
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this basis, revenues are recognized when earned and expenses are recognized when incurred. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets: Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of June 30, 2014 and 2013 FPS had \$234,639 and \$17,710, respectively of net assets temporarily restricted by donors. The 2014 and 2013 temporarily restricted net assets are designated for the 2015 fiscal year operations.

During fiscal year 2014, FPS received a donation in the form of an irrevocable Charitable Remainder Unitrust. In each taxable year of the trust and during the life of the donor the trustees will pay to the donor an amount equal to 5% of the net fair value of the assets of the trust. Upon the death of the donor, the trustees will distribute to FPS 40% of the then principal and income of the trust. As of December 3, 2013, the fair value of FPS's portion of its beneficial interest in the charitable remainder trust was \$209,823, recorded as an asset on the Organization's statement of financial position. During the life of the donor, earnings on the trust assets will be recorded at the beginning of each year as a change in the beneficial interest in a charitable remainder trust on the statement of activities with a corresponding change in the asset.

Permanently Restricted Net Assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. As of June 30, 2014 and 2013, there were permanently restricted net assets of \$25,805 and \$805, respectively for the purpose of an endowment.



FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2014 and 2013

1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents:

FPS considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Pledges Receivable:

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are substantially met. Pledges are reported net of an allowance for doubtful collections of \$2,000 for each of the years ended June 30, 2014 and 2013. The allowance for doubtful accounts is based on past experience. Accounts are charged against the allowance when they are determined to be uncollectible.

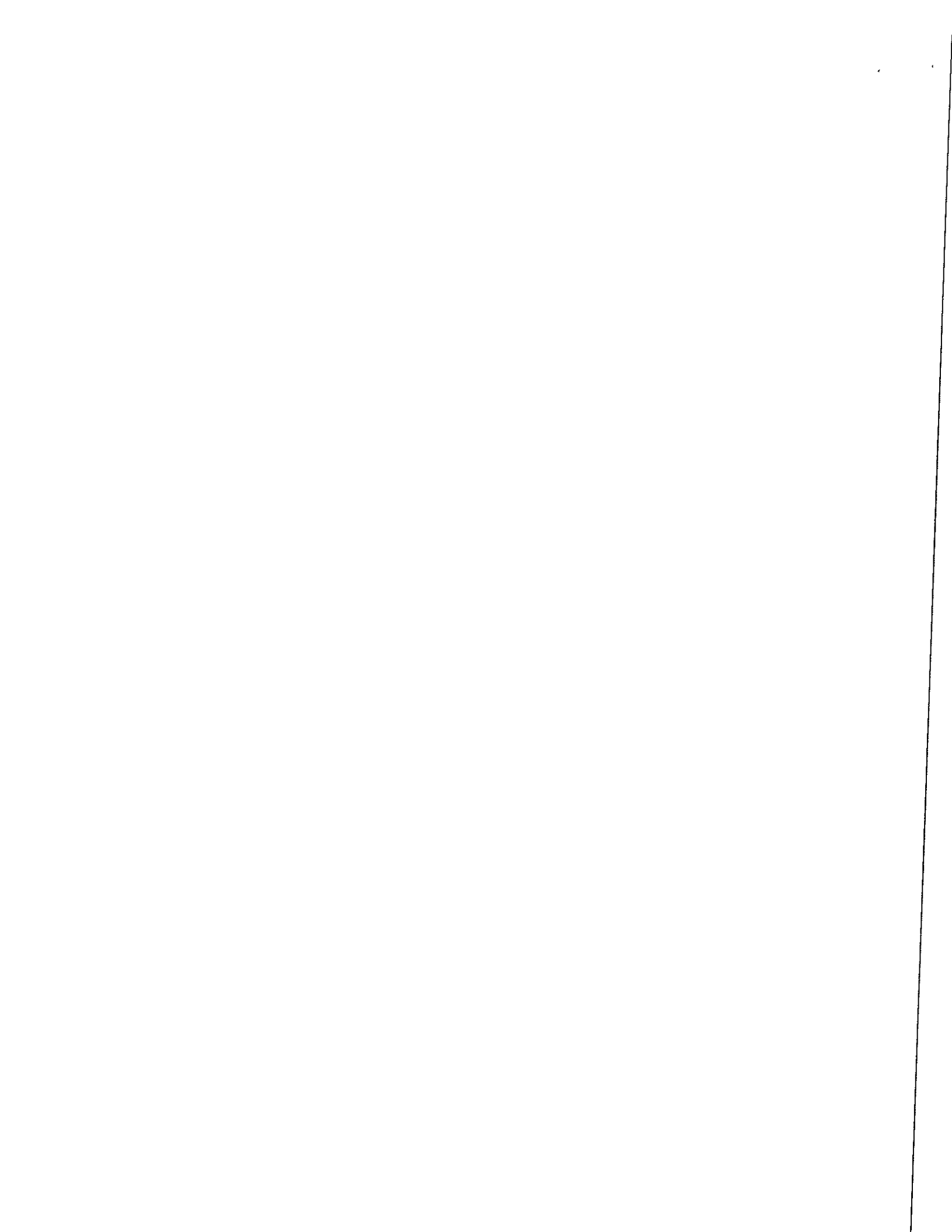
Property and Equipment:

Property and equipment are stated at acquisition cost or fair value on the date of a donated gift. Major additions and betterments are charged to the asset accounts while maintenance and repairs, which do not improve or extend the lives of the assets, are expensed. Property and equipment are depreciated using the straight-line method over their estimated useful lives, from 3 to 27.5 years. Depreciation expense is allocated among program services and supporting activities expense. Capitalization of fixed assets is defined as all assets purchased in excess of \$1,000 with useful lives determined to be greater than one year.

Contributions and Expenses:

Contributions are recognized when cash is received, unconditional promises are made, or ownership of other assets is transferred to FPS. This support is recorded as increases in unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence or nature of any donor restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, FPS reports the support as unrestricted. Expenses are reported when costs are incurred.

FPS has been notified that donors have named FPS as beneficiaries in their wills. The future contributions are for the operating support toward meeting the Organization's mission. The amounts of gifts are unknown and will be recognized upon notification. For the years ended June 30, 2014 and 2013 no amounts have been recognized or recorded in the accompanying financial statements.



FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2014 and 2013

1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Donated Services:

FPS recognizes donated services, that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of unpaid volunteers have made significant contributions of their time to FPS's program functions and special event activities. During the years ended June 30, 2014 and 2013, respectively, FPS received approximately 3,170 and 1,840 donated program service and administrative hours. FPS received approximately 2,277 and 2,522 special event activity volunteer hours for the years ended June 30, 2014 and 2013, respectively. The cost of these hours is not recorded in the statement of activities because the criteria for recognition have not been satisfied. For the years ended June 30, 2014 and 2013 FPS did recognize professional services of nursing care of \$15,186 and \$14,845, respectively.

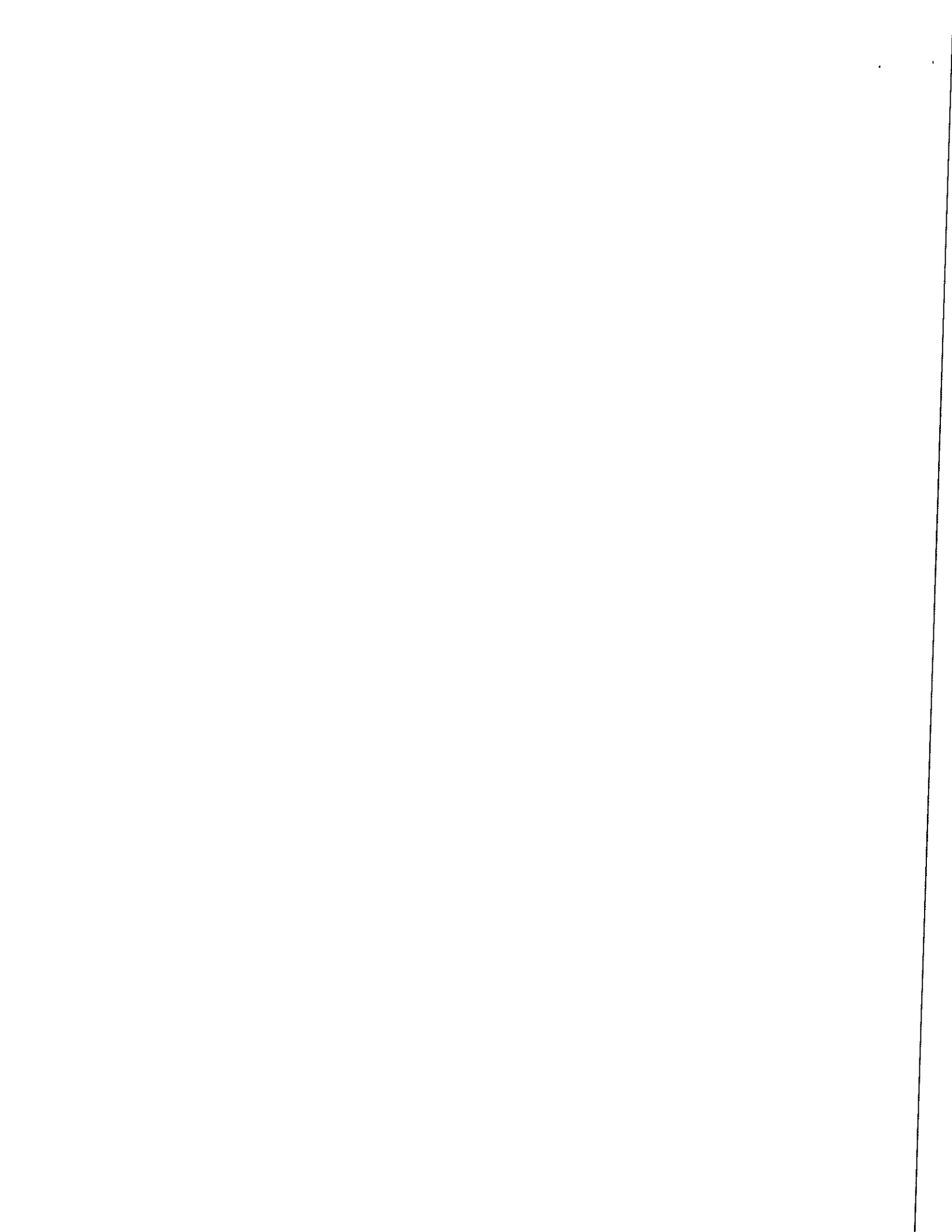
Functional Allocation of Expenses:

The costs of providing the various programs and other activities of FPS have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of FPS.

Income Taxes:

FPS is exempt from Federal taxation as a charitable organization under IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the financial statements. Additionally, the Organization has been classified as an organization that is not a private foundation under Section 509(a)(2).

Accounting for Uncertainty in Income Taxes: As required by the FASB Accounting Standards Codification, entities are required to determine whether it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the financial statements. It also provides guidance on the recognition, measurement, and classification of income tax uncertainties, along with any related interest or penalties. This standard had no impact on the Organization's financial statements. The Organization's federal tax return is subject to audit by taxing authorities. The Organization's returns open audit periods are for the fiscal years ended June 30, 2011 - 2013.



FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2014 and 2013

2. Property and Equipment

Property and equipment consisted of the following as of June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Computer software	\$ 35,511	\$ 35,511
Computer equipment	10,809	10,809
Residences - Davenport, Florida	313,113	311,282
Land - Davenport, Florida	<u>14,402</u>	<u>14,402</u>
	373,835	372,004
Accumulated depreciation	<u>(123,259)</u>	<u>(102,628)</u>
Property and equipment, net	<u>\$ 250,576</u>	<u>\$ 269,376</u>

Depreciation expense was \$20,632 and \$16,609 for the years ended June 30, 2014 and 2013, respectively

3. Line of Credit

FPS has a revolving line of credit available in the amount of \$50,000 bearing an interest rate of 4.25%. As of June 30, 2014 and 2013 there was no outstanding balance on the line of credit at year end.

4. In-Kind Contributions and Expenses

Donated facilities, services and materials have been reflected in the financial statements at fair value as both contributions and corresponding expenses and consisted of the following for the years ended June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Accommodations	\$ 85,640	\$ 71,358
Computer processing and website design	1,745	15,517
Professional services	15,186	14,845
Marketing	198,695	104,150
Miscellaneous	1,379	-
Rent	45,996	45,996
Ancillary Services	12,200	-
Respite amenities and supplies	66,048	71,804
Special events	<u>206,093</u>	<u>165,658</u>
Total contributions and expenses in-kind	<u>\$ 632,982</u>	<u>\$ 489,328</u>



FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2014 and 2013

5. Related Parties

Board members and FPS staff provided cash contributions totaling \$44,464 for special events and \$31,612 for the annual appeal to FPS during the year ended June 30, 2014. During the year ended June 30, 2013, board members and staff provided cash contributions totaling \$15,387 for special events and \$36,451 for the FPS annual appeal.

6. Board-Designated Unrestricted Net Assets

The Board of Directors has designated \$60,000 of unrestricted net assets as of June 30, 2014 and \$60,000 as of June 30, 2013 for future capital and operational needs.

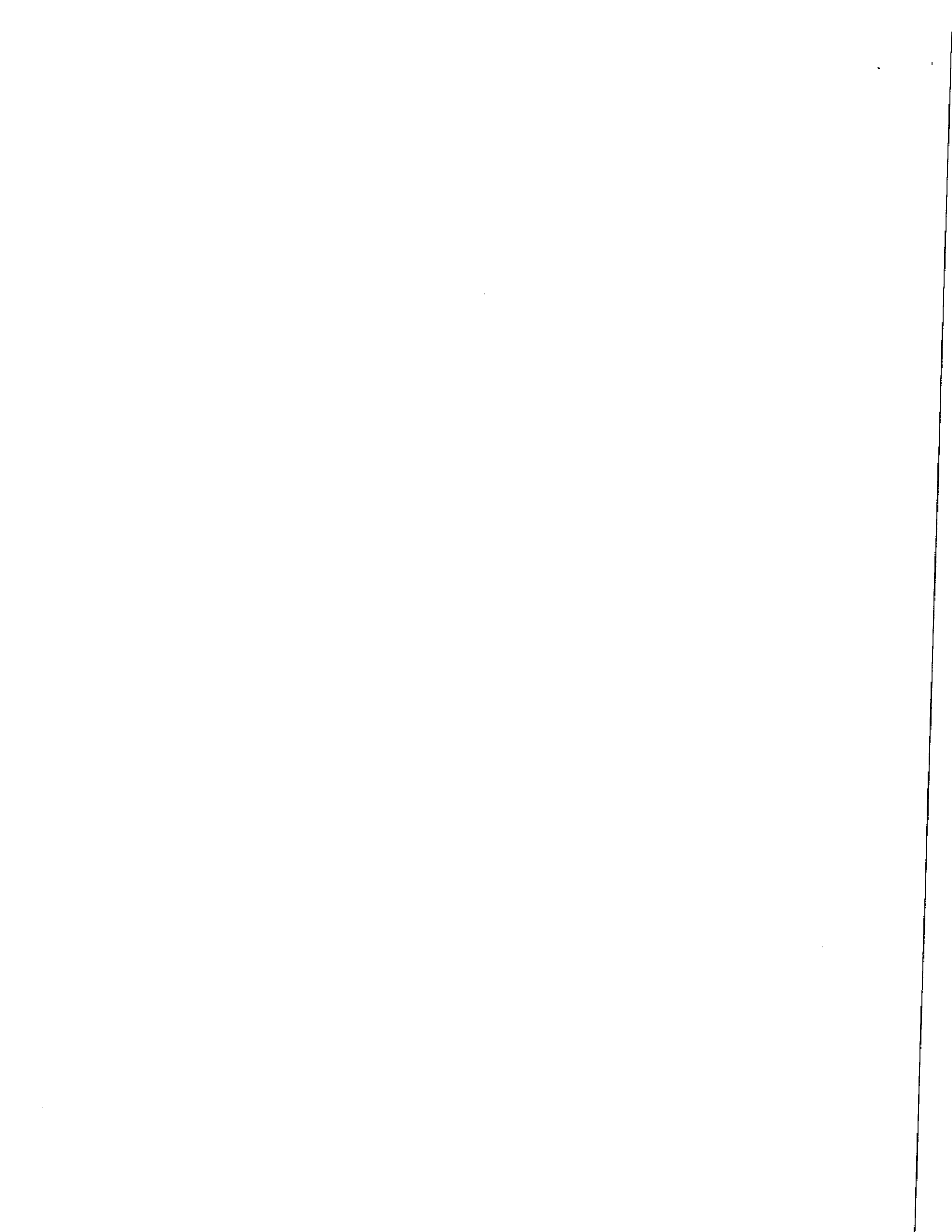
7. Special Events

The Organization reported special event expenses for the years ended June 30, 2014 and 2013 as follows:

	2014			2013		
	Ordinary	In-Kind	Total	Ordinary	In-Kind	Total
Auction merchandise	\$ 3,435	\$ 104,780	\$ 108,215	\$ 2,759	\$ 55,665	\$ 58,424
Community event	54,374	10,571	64,945	-	-	-
Entertainment	4,425	-	4,425	4,125	-	4,125
Event production	36,416	74,868	111,284	60,817	88,897	149,714
Facility rental	23,701	-	23,701	16,098	-	16,098
Food/beverage	62,688	8,844	71,532	62,032	10,816	72,848
Miscellaneous	3,171	-	3,171	1,879	-	1,879
Postage and delivery	5,105	-	5,105	4,402	-	4,402
Printing and reproduction	6,052	7,030	13,082	10,408	10,280	20,688
Promotional items	9,406	-	9,406	883	-	883
Raffle prizes	6,540	-	6,540	4,577	-	4,577
	<u>\$ 215,313</u>	<u>\$ 206,093</u>	<u>\$ 421,406</u>	<u>\$ 167,980</u>	<u>\$ 165,658</u>	<u>\$ 333,638</u>

8. Concentration of Credit Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization places its cash and temporary cash investments with a high credit quality institution. At times, such investments may be in excess of the \$250,000 FDIC insurance limit (SIPC insurance for investments, not including market losses) thus exposing the Organization to a loss in the amount of the excess. As of June 30, 2014 and 2013 no amounts were in excess of the FDIC and SIPC limits.



FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2014 and 2013

9. Temporarily Restricted Net Assets

For the years ended June 30, 2014 and 2013, net assets were restricted for the following purposes:

	<u>2014</u>	<u>2013</u>
Charitable remainder unitrust	\$ 209,823	\$ -
Special event production	6,500	7,710
Patient respites	<u>18,316</u>	<u>10,000</u>
	<u>\$ 234,639</u>	<u>\$ 17,710</u>

Temporarily restricted net assets during the year ended June 30, 2014 were released from donor restrictions by incurring expenses satisfying the restricted purposes, as follows:

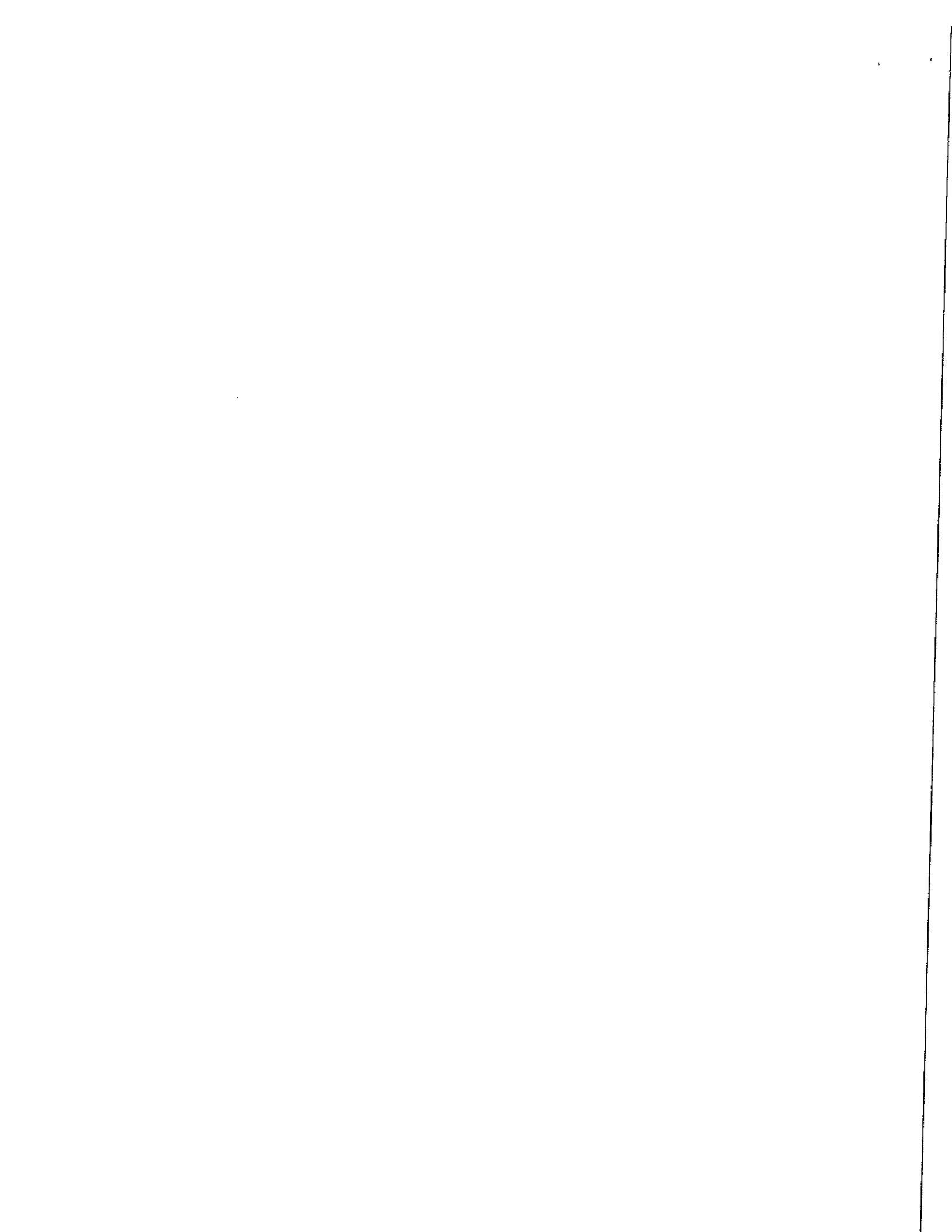
	<u>2014</u>
Patient Respites	\$ 10,000
Special event production	<u>7,710</u>
	<u>\$ 17,710</u>

10. Endowment Fund

Permanently restricted net assets at June 30, 2014 consist of a Family Impact Fund. The Family Impact Fund is a monetary fund from which income derived from invested principal is used to support the mission of For Pete's Sake.

Interpretation of Relevant Standard: The Board of Directors of For Pete's Sake have interpreted the standard as requiring any donor-restricted contributions as being classified as unrestricted, temporarily restricted, or permanently restricted depending on the nature of the restriction. For Pete's Sake considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purpose of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the foundation
- (7) The investment policies of the foundation



FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2014 and 2013

10. Endowment Fund (Continued)

Return Objectives and Risk Parameters: The endowment is to be managed by employing the "prudent-man rule" as the primary operating guideline. However, the following requirements/limitations are to be maintained unless changes are recommended by the FPS Finance Committee and approved by the FPS Board of Directors.

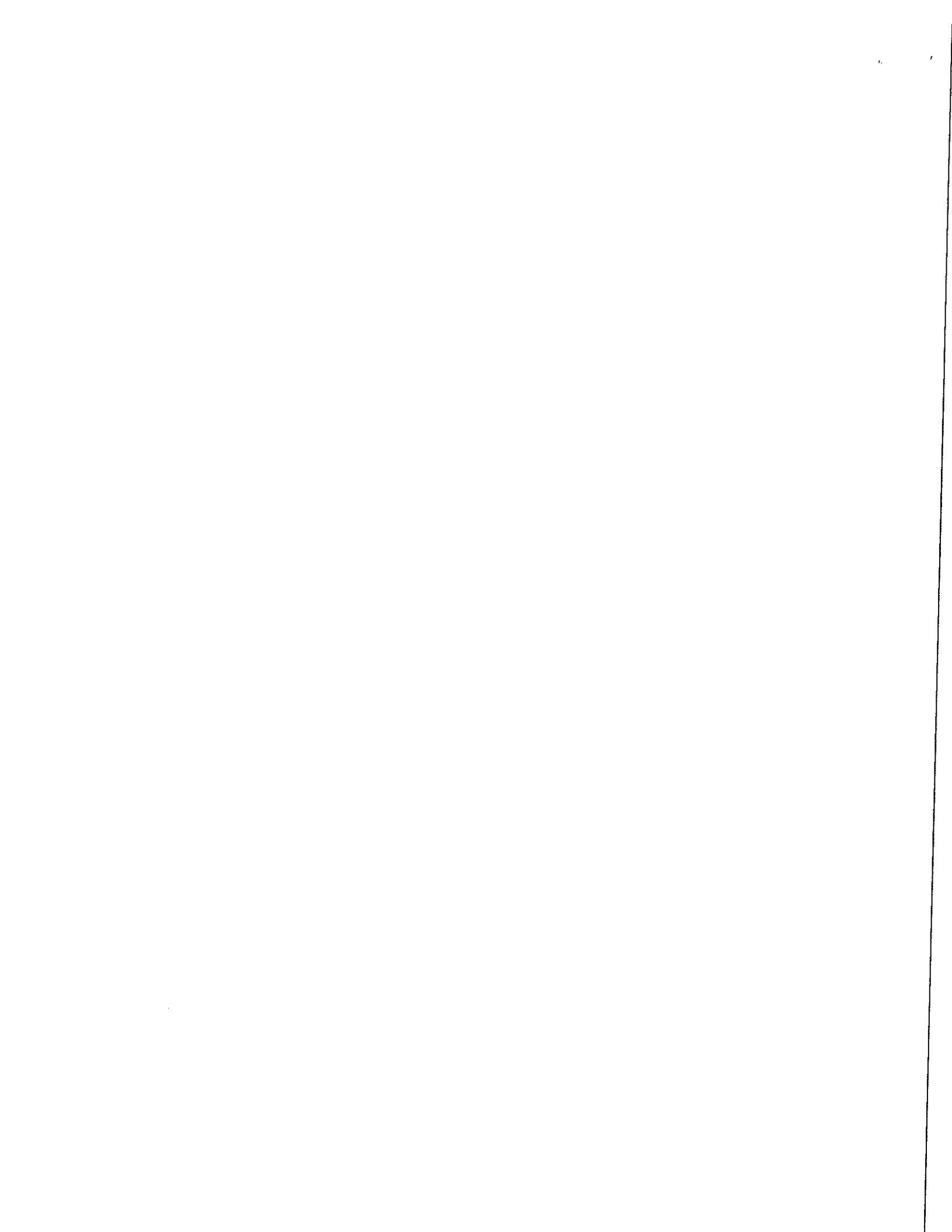
Undesignated portfolio – holdings limited to cash and cash equivalents may include up to 100% of the following: U.S. Treasury bills, U.S. guaranteed Agency(s) discount notes, and repurchase agreements secured by 102% market value of U.S. Treasury money market funds. Other holdings may include: non-U.S. Treasury money market funds, banker acceptances, commercial paper, certificates of deposit, time deposits, and loan participation certificates/agreements having a maximum limitation of 20% of total market value of a portfolio.

Designated portfolio - the nature and the current intent for use of the income derived from investments held in this portfolio prescribe the following:

1. Investments in equities shall not exceed 80% of the total market value of the portfolio with the balance in fixed-income securities and cash equivalents. Cash should be kept at a minimum (5% or less).
2. The desired ratio between equities and fixed-income securities (including cash equivalents) may vary. Accordingly, the FPS Board of Directors at the recommendation of the FPS Finance Committee may prescribe and approve a ratio mix. At this time, a ratio of 70% equity and 30% fixed-income is being recommended.

Activities in the permanently restricted Family Impact Fund comprise the following:

Endowment net assets, July 1, 2012	\$ 805
Contributions	-
Investment income	-
Net appreciation	-
Amounts appropriated for expenditure	-
Endowment net assets, June 30, 2013	805
Contributions	25,000
Investment income	-
Net appreciation	-
Amounts appropriated for expenditure	-
Endowment net assets, June 30, 2014	<u>\$ 25,805</u>



FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2014 and 2013

10. Endowment Fund (Continued)

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). FPS targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: FPS has a policy of appropriating each year 5 percent of its endowment funds' average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, FPS considered the long-term expected return on its endowment. Accordingly, over the long term, the FPS expects the current spending policy to allow its endowment to grow at an average rate of 4 percent annually. This is consistent with FPS's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

11. Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report, which is the date the financial statements were available for release. No subsequent events have been recognized or disclosed.

