

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

FINANCIAL STATEMENTS

YEARS ENDED June 30, 2020 and 2019

(See Independent Auditors' Report)

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INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of For Pete's Sake Cancer Respite Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 auditors' 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, 2020 and 2019, 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

Warrington, PA
December 14, 2020

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Financial Position

June 30, 2020 and 2019

ASSETS		
	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and cash equivalents	\$ 256,050	\$ 411,474
Board designated reserve cash	586,222	664,584
Board designated reserve investments	479,399	87,949
Pledges receivable, net	138,447	78,960
Other current assets	<u>9,992</u>	<u>37,436</u>
Total Current Assets	<u>1,470,110</u>	<u>1,280,403</u>
Restricted Assets		
Restricted cash	13,039	38,993
Endowment investments	855,272	819,505
Endowment receivable, net	<u>215,504</u>	<u>237,604</u>
Total Restricted Assets	<u>1,083,815</u>	<u>1,096,102</u>
Property and equipment, net	290,230	321,212
Beneficial interest in a remainder trust	<u>228,116</u>	<u>231,419</u>
TOTAL ASSETS	<u>\$ 3,072,271</u>	<u>\$ 2,929,136</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued expenses	\$ 7,142	\$ 39,453
PPP Loan Payable	<u>158,700</u>	<u>-</u>
Total Current Liabilities	<u>165,842</u>	<u>39,453</u>
Net Assets		
Without donor restrictions		
Undesignated	133,648	377,430
Board-designated operating reserve	105,000	105,000
Board-designated endowment	1,065,898	752,810
Investment in property and equipment	<u>290,230</u>	<u>321,212</u>
Total Without donor restrictions	<u>1,594,776</u>	<u>1,556,452</u>
With donor restrictions		
Purpose restrictions	241,155	276,122
Perpetual in nature-endowment	<u>1,070,498</u>	<u>1,057,109</u>
Total With donor restrictions	<u>1,311,653</u>	<u>1,333,231</u>
Total Net Assets	<u>2,906,429</u>	<u>2,889,683</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,072,271</u>	<u>\$ 2,929,136</u>

The accompanying notes are an integral part of these financial statements

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Activities

For the Years Ended June 30, 2020 and 2019

	2020			
	Without Donor Restrictions	With Donor Restrictions		Total
		Program Restrictions	Endowment Funds	
Support and Revenues:				
Support:				
Contributions	\$ 1,385,930	\$ -	\$ -	\$ 1,385,930
Contributions in-kind	443,604	-	-	443,604
Total Contributions	1,829,534	-	-	1,829,534
Present value discount	(10,793)	-	13,389	2,596
Net Contributions	1,818,741	-	13,389	1,832,130
Revenues:				
Special events revenue:				
Revenue	402,909	-	-	402,909
Contributions in-kind	110,433	-	-	110,433
Total special events revenue	513,342	-	-	513,342
Less cost of direct benefit to donors	(294,637)	-	-	(294,637)
Net special events revenue	218,705	-	-	218,705
Investment income	80,713	-	-	80,713
Change in value of beneficial interest	-	(3,303)	-	(3,303)
Net assets released from restrictions	31,664	(31,664)	-	-
Total Support and Revenues	2,149,823	(34,967)	13,389	2,128,245
Expenses:				
Program services	1,624,505	-	-	1,624,505
Support services:				
Management and general	106,026	-	-	106,026
Fundraising	380,968	-	-	380,968
Total expenses	2,111,499	-	-	2,111,499
Change in net assets	38,324	(34,967)	13,389	16,746
Net assets at beginning of year	1,556,452	276,122	1,057,109	2,889,683
Net assets at end of year	\$ 1,594,776	\$ 241,155	\$ 1,070,498	\$ 2,906,429

(continued)

	2019			
	Without Restrictions	With Donor Restrictions		Total
		Program Restrictions	Endowment Funds	
Support and Revenues:				
Support:				
Contributions	\$ 2,024,595	\$ 41,368	\$ 2,000	\$ 2,067,963
Contributions in-kind	409,936	-	-	409,936
Total Contributions	2,434,531	41,368	2,000	2,477,899
Present value discount	(2,960)	-	(11,770)	(14,730)
Net Contributions	2,431,571	41,368	(9,770)	2,463,169
Revenues:				
Special events revenue:				
Revenue	470,929	3,335	-	474,264
Contributions in-kind	140,181	-	-	140,181
Total special events revenue	611,110	3,335	-	614,445
Less cost of direct benefit to donors	(326,720)	-	-	(326,720)
Net special events revenue	284,390	3,335	-	287,725
Investment income	75,506	-	-	75,506
Change in value of beneficial interest	-	(12,830)	-	(12,830)
Net assets released from restrictions	54,897	(54,897)	-	-
Total Support and Revenues	2,846,364	(23,024)	(9,770)	2,813,570
Expenses:				
Program services	1,429,293	-	-	1,429,293
Support services:				
Management and general	83,712	-	-	83,712
Fundraising	440,524	-	-	440,524
Total expenses	1,953,529	-	-	1,953,529
Change in net assets	892,835	(23,024)	(9,770)	860,041
Net assets at beginning of year	663,617	299,146	1,066,879	2,029,642
Net assets at end of year	<u>\$ 1,556,452</u>	<u>\$ 276,122</u>	<u>\$ 1,057,109</u>	<u>\$ 2,889,683</u>

The accompanying notes are an integral part of these financial statements

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Functional Expenses

For the Years Ended June 30, 2020 and 2019

	2020						Total
	Program		Management and General		Fundraising		
	Ordinary	In-Kind	Ordinary	In-Kind	Ordinary	In-Kind	
Accommodations	\$ 94,581	\$ 151,045	\$ -	\$ -	\$ -	\$ -	\$ 245,626
Airline travel	52,416	1,445	-	-	-	-	53,861
Bad debts	-	-	-	-	12,639	-	12,639
Bank service charges	-	-	-	-	24,197	-	24,197
Car rental	27,053	-	-	-	-	-	27,053
Conference and training	133	-	11	-	90	-	234
Depreciation	29,302	-	1,492	-	4,820	-	35,614
Dues and subscriptions	3,912	-	1,269	-	1,354	-	6,535
Employee benefits	93,064	-	7,497	-	33,237	-	133,798
Employment taxes	46,718	-	3,337	-	16,685	-	66,740
Facility repairs and maintenance	16,308	-	5	-	21	-	16,334
Fundraising expenses	-	-	-	-	1,422	-	1,422
Gas expense	6,389	-	-	-	-	-	6,389
Insurance	6,517	-	7,417	-	-	-	13,934
Licenses and fees	1,761	-	1,761	-	2,356	-	5,878
Limousine travel	-	2,161	-	-	-	-	2,161
Marketing	27	75,000	1,252	-	465	-	76,744
Meetings	2,319	-	175	-	1,173	-	3,667
Miscellaneous	-	-	746	-	117	-	863
Patient stipend	69,677	-	-	-	-	-	69,677
Payroll service fees	-	-	21,955	-	-	-	21,955
Postage and delivery	6,719	-	290	-	3,714	-	10,723
Printing and reproduction	5,284	-	309	-	9,800	-	15,393
Professional fees	14,478	42,930	10,350	-	11,282	-	79,040
Program ancillary services	73,661	9,979	-	-	-	-	83,640
Program support	24,026	57,822	-	-	-	-	81,848
Property tax	883	-	-	-	-	-	883
Rent expense	-	35,120	-	2,342	-	9,365	46,827
Salaries and wages	552,256	54,100	38,597	-	197,234	-	842,187
Supplies	11,977	-	980	-	4,090	-	17,047
Technology and website	22,931	623	4,017	623	18,084	1,049	47,327
Telephone	9,130	-	560	-	2,239	-	11,929
Travel	1,506	-	341	-	428	-	2,275
Utilities	21,252	-	700	-	2,796	-	24,748
Total expenses by function	1,194,280	430,225	103,061	2,965	348,243	10,414	2,089,188
Special events expense (not benefiting donors directly)	-	-	-	-	22,211	100	22,311
Total expense included in the expense section on the statement of activities	\$ 1,194,280	\$ 430,225	\$ 103,061	\$ 2,965	\$ 370,454	\$ 10,514	\$ 2,111,499

(continued)

2019

	Program		Management and General		Fundraising		Total
	Ordinary	In-Kind	Ordinary	In-Kind	Ordinary	In-Kind	
Accommodations	\$ 40,196	\$ 152,467	\$ -	\$ -	\$ -	\$ -	\$ 192,663
Airline travel	86,829	6,606	-	-	-	-	93,435
Bad debts	-	-	-	-	15,923	-	15,923
Bank service charges	-	-	493	-	22,596	-	23,089
Car rental	36,332	-	-	-	-	-	36,332
Conference and training	1,035	-	90	-	1,215	-	2,340
Depreciation	32,064	-	383	-	908	-	33,355
Dues and subscriptions	4,015	-	2,280	-	2,597	-	8,892
Employee benefits	67,713	-	7,406	-	30,682	-	105,801
Employment taxes	35,296	-	3,861	-	15,994	-	55,151
Facility repairs and maintenance	23,497	-	38	-	152	-	23,687
Fundraising expenses	-	-	-	-	449	-	449
Gas expense	6,860	-	-	-	-	-	6,860
Insurance	7,596	-	5,685	-	761	-	14,042
Licenses and fees	2,606	-	1,842	-	1,842	-	6,290
Limousine travel	(692)	9,317	-	-	-	-	8,625
Marketing	72	26,073	30	-	1,375	-	27,550
Meetings	4,528	28	404	26	2,700	26	7,712
Miscellaneous	-	-	425	-	-	-	425
Patient stipend	113,571	-	-	-	-	-	113,571
Payroll service fees	868	-	77	-	332	-	1,277
Postage and delivery	14,212	-	483	-	3,151	-	17,846
Printing and reproduction	12,449	-	309	-	7,582	-	20,340
Professional fees	-	-	7,930	-	-	-	7,930
Program ancillary services	40,201	23,522	-	-	-	-	63,723
Program support	23,784	70,817	-	-	-	-	94,601
Property taxes	860	-	-	-	-	-	860
Rent expense	-	35,120	-	2,341	-	9,365	46,826
Salaries and wages	423,746	63,579	46,347	-	192,010	-	725,682
Supplies	10,293	-	885	-	3,938	-	15,116
Technology and website	17,049	2,121	272	639	22,441	3,088	45,610
Telephone	7,980	-	492	-	1,970	-	10,442
Travel	1,858	-	275	-	4,584	-	6,717
Utilities	24,825	-	699	-	2,795	-	28,319
Total expenses by function	1,039,643	389,650	80,706	3,006	335,997	12,479	1,861,481
Special events expense (not benefiting donors directly)	-	-	-	-	71,555	20,493	92,048
Total expense included in the expense section on the statement of activities	\$ 1,039,643	\$ 389,650	\$ 80,706	\$ 3,006	\$ 407,552	\$ 32,972	\$ 1,953,529

The accompanying notes are an integral part of these financial statements

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Cash Flows

For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 16,746	\$ 860,041
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	35,614	33,355
Contributed fixed asset	-	(4,801)
(Increase) decrease in:		
Pledges receivable	(37,387)	170,488
Other current assets	27,444	(16,090)
Beneficial Interest in a Remainder Trust	3,303	12,830
(Decrease) increase in:		
Accounts payable and accrued expenses	(32,311)	3,611
Net Cash Provided by Operating Activities	<u>13,409</u>	<u>1,059,434</u>
Cash Flows from Investing Activities:		
Purchase of investments	(553,635)	(115,695)
Sale of investments	126,418	-
Purchase of property and equipment	(4,632)	(48,000)
Net Cash (Used in) Investing Activities	<u>(431,849)</u>	<u>(163,695)</u>
Cash Flows from Financing Activities:		
PPP loan payable	<u>158,700</u>	<u>-</u>
Net Cash (Used in) Financing Activities	<u>158,700</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(259,740)	895,739
Cash and cash equivalents at beginning of year	<u>1,115,051</u>	<u>219,312</u>
Cash and cash equivalents at end of year	<u>\$ 855,311</u>	<u>\$ 1,115,051</u>
Cash and cash equivalents	\$ 256,050	\$ 411,474
Board designated reserve cash	586,222	664,584
Restricted cash	13,039	38,993
	<u>\$ 855,311</u>	<u>\$ 1,115,051</u>

The accompanying notes are an integral part of these financial statements

FOR PETE’S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 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 2015, FPS was accredited by PANO. Once accredited, 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. Candidates are nominated by oncology professionals from medical institutions such as Crozer Chester Medical Center, Abramson Cancer Center and MD Anderson Cancer Center. Eligible candidates receive an expense-paid respite experience 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, Delaware, New York and Maryland. The volunteer-based Patient Program Committee is dedicated to the continued support of the emotional, psychological and spiritual needs of the patients.

Key Program statistics follow *please note program suspension on March 13, 2020 due to pandemic:

	<u>2020</u>	<u>2019</u>
Patients served	190	256
Nominations received	165	200
Respite vacations provided	124	154
Post respite outreach	17,778	13,222
Ancillary support contacts	3,869	677
Program inquiries	496	876
Total travelers, including patients	438	556
Total served	596	734

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2020 and 2019

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

Nature of Operations: (continued)

Families in the FPS respite program are supported in several ways. Based upon the health of the patient, they either received a Travel Respite or a Staycation Respite. Both are tailored to the family and the relevant needs as determined by the nominator and the FPS program coordinator via conversations with the patient and caregiver. Following the respite or staycation, FPS continues to provide ancillary support to the patient, caregiver, and family.

On their respite experience, 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. We are able to supplement additional stays thanks to the generosity of 5 Travel Partners and 15 home donors. Because of the pandemic, FPS restricted its respites in the final four months to Community Respites with travel partner Woodloch. After shutdown in March and with 50 families in the program at this juncture, FPS was able to send 21 families on Community Respite to Woodloch in June, 2020 and for the remaining 29 families, was able to provide a meaningful Staycation respite.

Our respite 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. FPS continued to provide ancillary services to all patients and their families to help them through the crisis of cancer, and our monthly Traveler Engagement events, annual Traveler Reception, a ball game outing and other mini-breaks allow us to reach out to several hundred additional families throughout the year. Additionally, FPS has added the Carry On Club to provide support to all those surviving spouses and/or caregivers of our deceased travelers. Furthermore, social media and the internet has allowed FPS to reach over 17,000 people. These touchpoints include Facebook, patient self-care newsletter, and cancer care books. With the addition of a staff person, the Family Engagement Officer, dedicated to being the point of contact after the respite vacation or take a break staycation, FPS has seen significant increases in these ancillary support contacts. This allows FPS to be available to provide assistance or support for whatever need arises for our families.

The demand for our program is great, and our community continues to meet the growing needs of our adult cancer patients, caregivers, and children. 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. To supplement the generosity of our annual donors, FPS has established the Healing, Hope and Happiness Endowment Fund to create sustainability and allow for the growth of our program.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2020 and 2019

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

Nature of Operations: (continued)

Evaluation of the program is assessed in part from statistics derived from the patients' evaluation and impact study and an independent evaluation by the patient's nominator. Since measurement began, the overall rating of the improved ability to cope with cancer is 3.89 on a scale of one to four. One hundred percent of all nominating professionals recognize post-respite improvement in the patient's and the patient's family/caregiver's ability to cope with cancer.

For a detailed analysis of the depth of our outcome measures, please visit our website at www.takeabreakfromcancer.org.

FPS has established relationships with over 100 cancer centers and all patients must be nominated by a member of his/her oncology team. This nomination system allows for the triage of patients by those most informed in the treatment and helps preserve the integrity of the FPS program. FPS is proud to report that in surveys required by nominators as part of the program both pre and post respite, one hundred percent of nominators report improvement in the patients/caregiver coping with cancer. A detailed list of patient and center demographics, along with a view of the outcome measures, 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 visiting www.guidestar.org. FPS also places emphasis on its strategic plan and carefully monitors its progress against the plan with key performance indicators. Each month, FPS has a prepared scorecard too that highlights these KPS's as they pertain to advancement, finance and program. These materials are all available by calling the FPS office.

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:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, a board-designated endowment.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2020 and 2019

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

Basis of Presentation: (continued)

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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 June 30, 2020 and 2019, the fair value of FPS's portion of its beneficial interest in the charitable remainder trust was \$228,116 and \$231,419, respectively, 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.

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.

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. Promises to give are recorded at fair value, which is estimated as net realizable value if expected to be collected in one year and discounted future cash flows if expected to be collected in more than one year.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2020 and 2019

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

Pledges Receivable: (continued)

Contributions to be received after one year have been discounted at 2%. 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, 2020 and 2019. Endowment pledges are reported net of an allowance for doubtful collections of \$8,000 for each of the years ended June 30, 2020 and 2019. The allowance for doubtful accounts is based on past experience.

Accounts are charged against the allowance when they are determined to be uncollectible. Unconditional promises to give at June 30, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 135,607	\$ 80,960
Receivable in one to five years	<u>248,000</u>	<u>267,856</u>
Total unconditional promises to give	383,607	348,816
Less: discount to net present value	(19,656)	(22,252)
Allowance for doubtful accounts	<u>(10,000)</u>	<u>(10,000)</u>
Net unconditional promises to give	<u>\$ 353,951</u>	<u>\$ 316,564</u>

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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Expenses are reported when costs are incurred.

Notes to Financial Statements

June 30, 2020 and 2019

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

Contributions and Expenses: (continued)

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, 2020 and 2019 no amounts have been recognized or recorded in the accompanying financial statements.

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, 2020 and 2019, respectively, FPS received approximately 3,517 and 3,907 donated program service and administrative hours. FPS received approximately 2,786 and 3,711 special event activity volunteer hours for the years ended June 30, 2020 and 2019, 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, 2020 and 2019, FPS did recognize professional services of nursing care of \$54,100 and \$63,579, respectively.

Special Event Revenue:

The statement of activities presents the gross amounts of revenues and expenses from special events. The portion of a special event payment that represents the amount in excess of any direct benefit that the donor receives is recognized as contributions. The portion representing cost of the direct benefit to the donors is reported as reduction of gross special events revenue on the statement of activities and special event expense on the statement of functional expenses.

Allocation of Functional 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. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of FPS. Salaries and related expenses are allocated based on estimates of time and effort.

Notes to Financial Statements

June 30, 2020 and 2019

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

Income Taxes:

FPS qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for federal or state income taxes is included in the accompanying financial statements. FPS is not classified as a private foundation. FPS's federal tax returns are subject to audit by taxing authorities. FPS's returns open audit periods are for the fiscal years ending June 30, 2017 - 2019.

Subsequent Events:

FPS 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.

NOTE 2. Availability and Liquidity

FPS considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated (quasi) endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include management and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during FPS's fiscal year.

FPS manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of FPS.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 2. Availability and Liquidity (Continued)

The table below presents financial assets available for general expenditures within one year at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 855,311	\$ 1,115,051
Contributions receivable	353,951	316,564
Investments in remainder trust	228,116	231,419
Investments	<u>1,334,671</u>	<u>907,454</u>
Total financial assets	<u>2,772,049</u>	<u>2,570,488</u>
Less amounts not available to be used within one year:		
Cash restricted for automation	(13,039)	(38,993)
Beneficial Interest in a remainder trust	(228,116)	(231,419)
Pledge receivable - due after one year, net	(215,504)	(237,604)
Investments held for endowment	<u>(855,272)</u>	<u>(819,505)</u>
Financial assets not available to be used within one year	<u>(1,311,931)</u>	<u>(1,327,521)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,460,118</u>	<u>\$ 1,242,967</u>

In addition, FPS has a line of credit of \$50,000 available as needed.

The Foundation's Board has designated a portion of its unrestricted resources for endowment and other purposes. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board.

NOTE 3. Property and Equipment

Property and equipment consisted of the following as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Computer software	\$ 197,536	\$ 197,536
Computer equipment	13,583	10,809
Office equipment	5,113	5,113
Residences - Davenport, Florida	317,634	315,776
Land - Davenport, Florida	<u>14,402</u>	<u>14,402</u>
	548,268	543,636
Accumulated depreciation	<u>(258,038)</u>	<u>(222,424)</u>
Property and equipment, net	<u>\$ 290,230</u>	<u>\$ 321,212</u>

Depreciation expense was \$35,614 and \$33,355 for the years ended June 30, 2020 and 2019, respectively.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 4. Investments

Investments in marketable securities are reported at fair value on the statement of financial position. Donated investments are reflected as contributions at their market values at the date of receipt. Interest earnings, unrealized and realized gains and losses are reported as investment income, net of investment broker fees. As of June 30, 2020 and 2019 the Board of Directors has designated investments in the amount of \$479,399 and \$87,949, respectively, toward the endowment fund.

As of June 30, 2020 and 2019, fair values and unrealized gain on investments are summarized as follows:

	<u>2020</u>		
	Cost	Market Value	Unrealized Gain
ETF and ETF Options			
Endowment	<u>\$ 766,377</u>	<u>\$ 855,272</u>	<u>\$ 101,251</u>
Quasi	<u>\$ 457,911</u>	<u>\$ 479,399</u>	<u>\$ 9,132</u>
	<u>2019</u>		
	Cost	Market Value	Unrealized Gain
ETF and ETF Options			
Endowment	<u>\$ 753,782</u>	<u>\$ 819,505</u>	<u>\$ 69,919</u>
Quasi	<u>\$ 83,753</u>	<u>\$ 87,949</u>	<u>\$ -</u>

NOTE 5. 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, 2020 and 2019 there was no outstanding balance on the line of credit at year end.

NOTE 6. Fair Value of Financial Instruments

FPS follows Fair Value Measurements as required by the FASB Standards Codification, which applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. The Codification emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumption that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 - Inputs that utilized quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 6. Fair Value of Financial Instruments (Continued)

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The Organization also adopted the Fair Value Option for Financial Assets and Liabilities under the FASB Standards Codification. This allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Organization has not elected to measure any existing financial instruments at fair value, as permitted under the Codification. However, the Foundation may elect to measure newly acquired financial instruments at fair value in the future. The Organization's fair value hierarchy for all investments, measured at fair value on a recurring basis as of June 30, 2020 and 2019 were all measurement as Level 1.

NOTE 7. Related Parties

For the year ended June 30, 2020, Board members and staff provided cash contributions totaling \$16,538 for special events and \$35,558 for the annual appeal. For the year ended June 30, 2019, Board members and staff provided cash contributions totaling \$11,735 for special events and \$44,850 for the annual appeal.

NOTE 8. Board-Designated Net Assets Without Donor Restrictions

FPS's Board has designated a portion of its unrestricted resources for endowment and other purposes. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board. At June 30, 2020 and 2019, the following amounts were designated for specific purposes by the Board:

	<u>2020</u>	<u>2019</u>
Designated by Board for operating reserve	\$ 105,000	\$ 105,000
Designated by Board for endowment	<u>1,065,898</u>	<u>752,810</u>
Total board-designated funds	<u>\$ 1,170,898</u>	<u>\$ 857,810</u>

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 9. 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Accommodations	\$ 151,045	\$ 152,467
Computer processing & website design	2,295	10,650
Salaries and wages	54,100	63,579
Marketing	75,000	26,073
Miscellaneous	-	79
Professional Fees	42,930	-
Rent	46,826	46,826
Ancillary Services	9,979	23,522
Respite amenities and supplies	61,429	86,740
Special events	110,433	140,181
Total contributions and expenses in-kind	<u>\$ 554,037</u>	<u>\$ 550,117</u>
Program expense in-kind	\$ 430,225	\$ 389,650
Management and general in-kind	2,965	3,006
Fundraising in-kind	10,414	12,479
Special events in-kind	110,433	140,181
Capitalized to fixed assets	-	4,801
Total Expenses In-Kind	<u>\$ 554,037</u>	<u>\$ 550,117</u>

As of June 30, 2020 and 2019, FPS capitalized donated fixed assets in the amount of \$0 and \$4,801, respectively.

NOTE 10. Concentration of Credit Risk

FPS's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. FPS places its cash and temporary cash investments with a high credit quality institutions. At times, such investments may be in excess of the \$250,000 FDIC insurance limit (\$500,000 SIPC insurance for investments, not including market losses) thus exposing the FPS to a loss in the amount of the excess. As of June 30, 2020 and 2019, the amounts in excess of these insurance limits totaled \$1,596,659 and \$1,471,045, respectively.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 11. Special Events

FPS reported special event expenses for the years ended June 30, 2020 and 2019 as follows:

	<u>2020</u>			<u>2019</u>		
	<u>Ordinary</u>	<u>In-Kind</u>	<u>Total</u>	<u>Ordinary</u>	<u>In-Kind</u>	<u>Total</u>
Auction merchandise	\$ 10,326	\$ 69,189	\$ 79,515	\$ 23,381	\$ 69,372	\$ 92,753
Community Event expense	14,588	-	14,588	13,268	5,778	19,046
Entertainment	5,601	-	5,601	4,500	-	4,500
Event production	20,641	9,227	29,868	21,264	11,953	33,217
Facility rental	19,560	-	19,560	14,270	5,750	20,020
Food / beverage	106,160	26,952	133,112	127,454	26,735	154,189
Promotional items	6,853	-	6,853	-	-	-
Raffle prizes	575	4,965	5,540	2,895	100	2,995
Total special event expenses	<u>\$ 184,304</u>	<u>\$ 110,333</u>	<u>\$ 294,637</u>	<u>\$ 207,032</u>	<u>\$ 119,688</u>	<u>\$ 326,720</u>
Indirect Special Events Expenses	22,211	100	22,311	71,555	20,493	92,048
Total Special Events expenses	<u>\$ 206,515</u>	<u>\$ 110,433</u>	<u>\$ 316,948</u>	<u>\$ 278,587</u>	<u>\$ 140,181</u>	<u>\$ 418,768</u>

NOTE 12. Net Assets with Donor Restrictions

For the years ended June 30, 2020 and 2019, net assets were restricted for the following purposes:

	<u>2020</u>	<u>2019</u>
CRUT	\$ 228,116	\$ 231,419
Special event production	-	5,710
Technology	13,039	38,993
	<u>\$ 241,155</u>	<u>\$ 276,122</u>

Net assets during the year ended June 30, 2020 and 2019 were released from donor restrictions by incurring expenses satisfying the restricted purposes, as follows:

	<u>2020</u>	<u>2019</u>
Special Events	\$ 5,710	\$ 6,097
Technology	25,954	25,000
Ancillary Support	-	13,800
Patient respites	-	10,000
	<u>\$ 31,664</u>	<u>\$ 54,897</u>

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 13. Endowment Fund

Net assets with donor restrictions at June 30, 2020 and 2019 consist of the Healing, Hope and Happiness (HHH) Fund. The HHH Fund is a monetary fund from which income derived from invested principal is used to support the mission of FPS.

Interpretation of Relevant Standard: The Board of Directors of FPS have interpreted the standard as requiring any donor-restricted contributions as being classified as net assets without donor restrictions and net assets with donor restrictions (temporary or permanent restrictions) depending on the nature of the restriction. FPS 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 FPS 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 FPS
- (7) The investment policies of FPS

This portfolio is the sustaining, long-term Endowment of FPS. These funds are to be invested with capital growth and total return as the primary objectives. The secondary objective is preservation of capital and liquidity is the third objective. These funds are to be invested in accordance with the guidelines of this document.

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 shall mean those securities with the explicit or implied guarantee of the U.S. Government, such as Treasury bills, notes and bonds and U.S. Agency securities. Also eligible for purchase are repurchase agreements, money market funds, and bankers' acceptances.

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

- Investments in the equities should normally represent 60% of total Fund assets based upon fair value. The actual percentage of equities will vary with market conditions, within the band set by the Board. Holdings should not exceed these bands for more than a nominal period.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 13. Endowment Fund (Continued)

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 60% equity and 40% fixed-income is being recommended.

The Endowment consisted of:

	<u>2020</u>	<u>2019</u>
Board designated	\$ 1,065,898	\$ 752,810
Donor restricted	<u>1,070,498</u>	<u>1,057,109</u>
Total Endowment	<u>\$ 2,136,396</u>	<u>\$ 1,809,919</u>

Activities in the Healing, Hope and Happiness Fund comprise the following:

	<u>Board- Designated</u>	<u>Donor Restricted</u>	<u>2020</u>
Endowment net assets, July 1	\$ 752,810	\$ 1,057,109	\$ 1,809,919
Contributions	250,000	-	250,000
Investment Income	37,106	-	37,106
Net appreciation	45,688	-	45,688
Present value adjustment	(8,706)	13,389	4,683
Amount appropriated for expenditure	<u>(11,000)</u>	<u>-</u>	<u>(11,000)</u>
Endowment net assets, June 30	<u>\$ 1,065,898</u>	<u>\$ 1,070,498</u>	<u>\$ 2,136,396</u>

	<u>Board- Designated</u>	<u>Donor Restricted</u>	<u>2019</u>
Endowment net assets, July 1	\$ 63,441	\$ 1,066,879	\$ 1,130,320
Contributions	650,000	2,000	652,000
Investment Income	31,342	-	31,342
Net appreciation	34,027	-	34,027
Present value adjustment	-	(11,770)	(11,770)
Amount appropriated for expenditure	<u>(26,000)</u>	<u>-</u>	<u>(26,000)</u>
Endowment net assets, June 30	<u>\$ 752,810</u>	<u>\$ 1,057,109</u>	<u>\$ 1,809,919</u>

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 13. 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: For the foreseeable future it is the intention of the Board to grow the assets in the Healing, Hope and Happiness Endowment, until the Board determines a self-sustaining level of assets has been reached. At that point, a portion of the funds in the Endowment will be utilized each year to fund the respite activities of For Pete's Sake. The Board will be required each year to approve this spending.

When it occurs, the annual allocation to the FPS budget for respite activities will be four percent (4%) of the average of the most recent 12 calendar quarter-ending values of the Endowment as determined by reference to the statements provided by the custodians of the Endowment assets.

NOTE 14. Risks and Uncertainties

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world has caused significant volatility in the U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19.

In June of 2020 FPS received loan proceeds in the amount of \$158,700 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). Under the Act, there is a possibility for a portion of the loan to be forgiven if certain conditions are met. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with deferral payments for the first six months. FPS intends to use the proceeds for purposes consistent with the PPP. While FPS currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, FPS is unable to determine the amount of loan forgiveness at this time.