

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

FINANCIAL STATEMENTS

YEARS ENDED June 30, 2022 AND 2021

(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 the Audit of the Financial Statements

Opinion

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, 2022 and 2021, 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 For Pete's Sake Cancer Respite Foundation as of June 30, 2022 and 2021, 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of For Pete's Sake Cancer Respite Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the 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 For Pete's Sake Cancer Respite Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

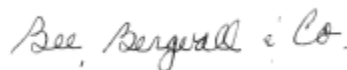
Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' 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 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 For Pete's Sake Cancer Respite 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 For Pete's Sake Cancer Respite 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.



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

Warrington, PA
December 19, 2022

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Financial Position

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 444,134	\$ 700,847
Board designated reserve cash	711,241	567,329
Board designated reserve investments	521,026	825,047
Pledges receivable, net of allowance of \$2,000 and \$2,000	92,486	92,482
Other current assets	<u>43,585</u>	<u>24,910</u>
Total Current Assets	<u>1,812,472</u>	<u>2,210,615</u>
Restricted Assets		
Restricted cash	1,022,266	5,962
Capital receivable, net of allowance of \$28,204 and \$0	1,640,376	28,204
Endowment investments	893,597	863,319
Endowment receivable, net of allowance of \$8,000 and \$8,000	<u>93,739</u>	<u>212,477</u>
Total Restricted Assets	<u>3,649,978</u>	<u>1,109,962</u>
Property and equipment, net	136,117	269,911
Beneficial interest in a remainder trust	<u>212,895</u>	<u>218,307</u>
TOTAL ASSETS	<u>\$ 5,811,462</u>	<u>\$ 3,808,795</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 27,107	\$ 6,177
PPP Loan Payable	<u>-</u>	<u>113,412</u>
Total Current Liabilities	<u>27,107</u>	<u>119,589</u>
Net Assets		
Without donor restrictions		
Undesignated	561,939	589,336
Board-designated operating reserve	105,000	105,000
Board-designated endowment	1,157,268	1,392,376
Board-designated capital campaign	300,000	-
Investment in property and equipment	<u>136,117</u>	<u>269,911</u>
Total Without donor restrictions	<u>2,260,324</u>	<u>2,356,623</u>
With donor restrictions		
Purpose restrictions	2,536,694	256,787
Perpetual in nature-endowment	<u>987,337</u>	<u>1,075,796</u>
Total With donor restrictions	<u>3,524,031</u>	<u>1,332,583</u>
Total Net Assets	<u>5,784,355</u>	<u>3,689,206</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,811,462</u>	<u>\$ 3,808,795</u>

The accompanying notes are an integral part of these financial statement

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Activities

For the Years Ended June 30, 2022 and 2021

	2022			
	Without Donor Restrictions	With Donor Restrictions		Total
		Program Restrictions	Endowment Funds	
Support and Revenues:				
Support:				
Contributions	\$ 1,462,716	\$ 2,163,715	\$ 27,500	\$ 3,653,931
Contributions of nonfinancial assets	<u>222,687</u>	<u>-</u>	<u>-</u>	<u>222,687</u>
Total Contributions	1,685,403	2,163,715	27,500	3,876,618
Present value discount	<u>502</u>	<u>(39,766)</u>	<u>4,041</u>	<u>(35,223)</u>
Net Contributions	<u>1,685,905</u>	<u>2,123,949</u>	<u>31,541</u>	<u>3,841,395</u>
Revenues:				
Special events revenue:				
Registrations	484,628	14,369	-	498,997
Contributions of nonfinancial assets	<u>114,208</u>	<u>-</u>	<u>-</u>	<u>114,208</u>
Total special events revenue	598,836	14,369	-	613,205
Less cost of direct benefit to donors	<u>(266,783)</u>	<u>-</u>	<u>-</u>	<u>(266,783)</u>
Net special events revenue	<u>332,053</u>	<u>14,369</u>	<u>-</u>	<u>346,422</u>
Investment income	(227,550)	1,634	-	(225,916)
Gain/(loss) on sale of investments	22,728	-	-	22,728
Gain/(loss) on sale of property	-	191,847	-	191,847
Bad debt write off	(164,455)	-	-	(164,455)
Change in value of beneficial interest	-	(5,412)	-	(5,412)
Net assets released from restrictions	<u>166,230</u>	<u>(46,230)</u>	<u>(120,000)</u>	<u>-</u>
Total Support and Revenues	<u>1,814,911</u>	<u>2,280,157</u>	<u>(88,459)</u>	<u>4,006,609</u>
Expenses:				
Program services	1,477,014	-	-	1,477,014
Support services:				
Management and general	81,191	-	-	81,191
Fundraising	<u>353,255</u>	<u>-</u>	<u>-</u>	<u>353,255</u>
Total expenses	<u>1,911,460</u>	<u>-</u>	<u>-</u>	<u>1,911,460</u>
Change in net assets	(96,549)	2,280,157	(88,459)	2,095,149
Net assets at beginning of year	<u>2,356,873</u>	<u>256,537</u>	<u>1,075,796</u>	<u>3,689,206</u>
Net assets at end of year	<u>\$ 2,260,324</u>	<u>\$ 2,536,694</u>	<u>\$ 987,337</u>	<u>\$ 5,784,355</u>

(continued)

	2021			
	With Donor Restrictions			
	Without Donor Restrictions	Program Restrictions	Endowment Funds	Total
Support and Revenues:				
Support:				
Contributions	\$ 1,284,862	\$ 38,230	\$ -	\$ 1,323,092
Contributions of nonfinancial assets	245,198	-	-	245,198
Total Contributions	1,530,060	38,230	-	1,568,290
Present value discount	3,956	-	5,548	9,504
Net Contributions	1,534,016	38,230	5,548	1,577,794
Revenues:				
Special events revenue:				
Registrations	261,297	-	-	261,297
Contributions of nonfinancial assets	62,230	-	-	62,230
Total special events revenue	323,527	-	-	323,527
Less cost of direct benefit to donors	(136,655)	-	-	(136,655)
Net special events revenue	186,872	-	-	186,872
Investment income	293,629	-	-	293,629
Gain/(loss) on sale of investments	54,660	-	-	54,660
Gain/(loss) on sale of property	-	-	-	-
Bad debt write off	(20,357)	-	-	(20,357)
Change in value of beneficial interest	-	(9,809)	-	(9,809)
Net assets released from restrictions	13,289	(13,039)	(250)	-
Total Support and Revenues	2,062,109	15,382	5,298	2,082,789
Expenses:				
Program services	1,007,417	-	-	1,007,417
Support services:				
Management and general	38,278	-	-	38,278
Fundraising	254,317	-	-	254,317
Total expenses	1,300,012	-	-	1,300,012
Change in net assets	762,097	15,382	5,298	782,777
Net assets at beginning of year	1,594,776	241,155	1,070,498	2,906,429
Net assets at end of year	\$ 2,356,873	\$ 256,537	\$ 1,075,796	\$ 3,689,206

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, 2022 and 2021

	2022						
	Program		Management and General		Fundraising		Total
	Ordinary	Nonfinancial Assets	Ordinary	Nonfinancial Assets	Ordinary	Nonfinancial Assets	
Accommodations	\$ 213,467	\$ 91,228	\$ -	\$ -	\$ -	\$ -	\$ 304,695
Bank service charges	-	-	12	-	30,901	-	30,913
Car rental	6,051	-	-	-	-	-	6,051
Conference and training	356	-	18	-	77	-	451
Depreciation	25,161	-	1,596	-	4,696	-	31,453
Dues and subscriptions	5,666	-	3,845	-	4,739	-	14,250
Employee benefits	89,122	-	12,385	-	20,834	-	122,341
Employment taxes	42,636	-	2,769	-	9,967	-	55,372
Facility repairs and maintenance	17,768	-	-	-	-	-	17,768
Gas expense	8,305	-	-	-	-	-	8,305
Insurance	8,630	-	4,989	-	-	-	13,619
Licenses and fees	572	-	572	-	697	-	1,841
Limousine travel	2,522	-	-	-	-	-	2,522
Marketing	17,530	40,750	848	-	6,903	10,750	76,781
Meetings	16,782	-	452	-	8,741	-	25,975
Miscellaneous	-	-	946	-	-	-	946
Patient stipend	28,239	-	-	-	-	-	28,239
Payroll service fees	-	-	9,211	-	1,887	-	11,098
Postage and delivery	28,180	-	335	-	3,781	-	32,296
Printing and reproduction	499	-	-	-	6,918	-	7,417
Professional fees	112,915	-	10,752	-	52,784	-	176,451
Program ancillary services	43,873	26,898	-	-	-	-	70,771
Program support	28,779	-	-	-	-	-	28,779
Property tax	972	-	-	-	-	-	972
Rent expense	-	35,120	-	2,341	-	9,365	46,826
Salaries and wages	519,168	6,235	27,112	-	123,864	-	676,379
Supplies	6,945	-	352	-	1,495	-	8,792
Technology and website	24,890	-	1,252	-	23,862	-	50,004
Telephone	11,446	-	605	-	2,419	-	14,470
Travel	944	-	42	-	177	-	1,163
Utilities	15,365	-	757	-	3,028	-	19,150
Total expenses by function	1,276,783	200,231	78,850	2,341	307,770	20,115	1,886,090
Special events expense (not benefiting donors directly)	-	-	-	-	25,370	-	25,370
Total expense included in the expense section on the statement of activities	\$ 1,276,783	\$ 200,231	\$ 78,850	\$ 2,341	\$ 333,140	\$ 20,115	\$ 1,911,460

(continued)

2021

	Program		Management and General		Fundraising		Total
	Ordinary	Nonfinancial Assets	Ordinary	Nonfinancial Assets	Ordinary	Nonfinancial Assets	
Accommodations	\$ 111,776	\$ 114,505	\$ -	\$ -	\$ -	\$ -	\$ 226,281
Bank service charges	12	-	-	-	19,212	-	19,224
Car rental	3,373	-	-	-	-	-	3,373
Depreciation	28,885	-	1,740	-	4,576	-	35,201
Dues and subscriptions	5,415	-	2,956	-	3,259	-	11,630
Employee benefits	69,042	-	4,665	-	19,593	-	93,300
Employment taxes	28,795	-	1,946	-	8,172	-	38,913
Facility repairs and maintenance	15,591	-	99	1,989	398	-	18,077
Fundraising expenses	-	-	-	-	10	-	10
Gas expense	4,401	-	-	-	-	-	4,401
Insurance	7,738	-	2,733	-	-	-	10,471
Licenses and fees	1,484	-	908	-	1,508	-	3,900
Limousine travel	-	329	-	-	-	-	329
Marketing	-	14,536	25	-	2,622	-	17,183
Meetings	2,370	-	109	515	766	-	3,760
Miscellaneous	-	-	190	1,700	9	-	1,899
Patient stipend	15,750	-	-	-	-	-	15,750
Payroll service fees	9,097	-	473	-	2,332	-	11,902
Postage and delivery	5,994	-	317	-	4,710	-	11,021
Printing and reproduction	4,949	-	330	-	4,606	-	9,885
Professional fees	3,619	18,235	8,388	-	893	-	31,135
Program ancillary services	45,648	20,308	-	-	-	-	65,956
Program support	16	544	-	-	-	-	560
Property taxes	929	-	-	-	-	-	929
Rent expense	-	35,120	-	2,341	-	9,365	46,826
Salaries and wages	350,180	18,648	23,661	-	101,501	-	493,990
Supplies	4,308	-	195	-	965	-	5,468
Technology and website	32,262	5,438	1,226	283	19,193	1,342	59,744
Telephone	10,485	-	632	-	2,559	-	13,676
Travel	422	-	470	-	39	-	931
Utilities	17,213	-	744	-	2,974	-	20,931
Total expenses by function	779,754	227,663	51,807	6,828	199,897	10,707	1,276,656
Special events expense (not benefiting donors directly)	-	-	-	-	23,356	-	23,356
Total expense included in the expense section on the statement of activities	\$ 779,754	\$ 227,663	\$ 51,807	\$ 6,828	\$ 223,253	\$ 10,707	\$ 1,300,012

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 2,095,149	\$ 782,777
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	31,453	35,201
PPP Loan Forgiveness	(113,412)	(45,288)
Realized (gain) loss on sale of investments	(22,727)	(54,660)
Realized (gain) loss on sale of property	(191,847)	-
(Increase) decrease in:		
Pledges receivable	(1,493,438)	20,788
Other current assets	(18,675)	(14,918)
Beneficial Interest in a Remainder Trust	5,412	9,809
(Decrease) increase in:		
Accounts payable and accrued expenses	20,930	(965)
Net Cash Provided by Operating Activities	<u>312,845</u>	<u>732,744</u>
Cash Flows from Investing Activities:		
Purchase of investments	(878)	(499,817)
Sale of investments	297,348	200,782
Purchase of property and equipment	(5,626)	(14,882)
Sale of property and equipment	299,814	-
Net Cash Provided by (Used in) Investing Activities	<u>590,658</u>	<u>(313,917)</u>
Net increase (decrease) in cash and cash equivalents	903,503	418,827
Cash and cash equivalents at beginning of year	<u>1,274,138</u>	<u>855,311</u>
Cash and cash equivalents at end of year	<u>\$ 2,177,641</u>	<u>\$ 1,274,138</u>
Cash and cash equivalents		
Cash and cash equivalents	\$ 444,134	\$ 700,847
Board designated reserve cash	711,241	567,329
Restricted cash	<u>1,022,266</u>	<u>5,962</u>
Total cash and cash equivalents	<u>\$ 2,177,641</u>	<u>\$ 1,274,138</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, 2022 and 2021

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’ financial statements. The financial statements and notes are representations of FPS’ 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 December 2020, FPS was re-accredited by PANO. We are proud to be one of only 200 nonprofits nationwide with this accreditation.

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 emotional, psycho-social, physical, financial, and spiritual trauma associated with cancer. Candidates are nominated by oncology professionals from medical institutions such as Lehigh Valley, University of Pennsylvania Abramson Cancer Center, MD Anderson Cancer Center, Temple Health and Montefiore Health. There have been over 820 healthcare professionals at 260 cancer centers who have nominated at least one patient to our program since our inception.

Our Cancer Respite Program includes two forms, the Travel Respite and the Staycation Respite. Both experiences are transformative and address the emotional, psycho-social, physical, financial, and spiritual traumas that families confront with a cancer diagnosis. Our Cancer Respite Program complements traditional treatment and the respite experience plays a crucial role in the patient continuum of care.

Patients (ages 21-55 and nominated by a member of their oncology team), caregivers and their children receive a Travel Respite experience at Woodloch Resort, a valued Travel Partner of FPS, or if they are unable to travel due to advanced stage cancer, they receive a Staycation Respite experience in their own home. Recipients receive a Take a Break Box, containing a generous cash stipend, toiletries, writing journals, materials to encourage family communication and inspirational books to help make the respite meaningful emotionally and spiritually.

FOR PETE’S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

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

Nature of Operations: (continued)

After a respite experience, FPS continues to provide priceless emotional support as we partner with community members and our families to create small “mini breaks” throughout the year.

Preference is given to patients who reside in Pennsylvania, New Jersey, Delaware, New York and Maryland. The volunteer-based Patient Program Committee that meets three times annually is dedicated to the continued oversight of the program.

Key Program statistics are as follows: *please note program suspension on March 13, 2020, due to pandemic and ongoing pandemic response, especially in the travel industry:

	<u>2022</u>	<u>2021</u>
Nominations received	134	99
Respite experiences provided	105	52
Post respite outreach (Ancillary Support)	22,473	14,810
Ancillary support contacts	7,032	5,388
Total travelers, including patients	341	223
Total served	486	372

Families in the FPS respite program are supported in several ways. Based upon the health of the patient, they either receive a Travel Respite or a Staycation Respite. Both are tailored to the family and their 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 and their loved ones travel to Woodloch Resort in the Pocono Mountains. Our model for this year and the future is to provide respite for 8-10 families each month during the same week at Woodloch Resort, Travel Partner of FPS. These families are encouraged to connect while on respite through optional group activities facilitated by FPS staff. Each activity has an associated outcome related to our Family Health Model on our website.

Our respite programs encourage a patient’s interaction with FPS, facilitate links to informational and third-party resources, and help patients overcome the loneliness, fear, anxiety, and isolation that accompany the cancer diagnosis. FPS continues 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 day at the beach and other mini-breaks allow us to reach out to several hundred families throughout the year.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

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

Nature of Operations: (continued)

Additionally, FPS has added the Carry On Club to provide support to all surviving spouses and/or caregivers of our deceased travelers. Furthermore, social media and the internet has allowed FPS to reach over 22,000. These touchpoints also include Facebook, a patient self-care newsletter sent bi-monthly via email, and cancer care books mailed post-respite. With the help of many volunteers and FPS program coordinators, outreach to the patients, caregivers, and loved ones continues after the travel and staycation respite experiences. This allows FPS to provide assistance or support for whatever need arises for our families.

The demand for our program is great, and FPS continues to meet the growing needs of adult cancer patients, caregivers, and children. FPS is supported primarily by proceeds of 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.

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 3.40 on a scale of one to four. Furthermore, 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. Specifically, oncologists report a 52% increase in the patient's coping ability, a 44% increase in the caregiver's coping ability, and a 48% increase in the children's coping ability.

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 260 cancer centers, and all patients must be nominated by a member of their 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. A detailed list of patient and center demographics, along with a view of the outcome measures, is available on the FPS website.

In the past, FPS has been supported primarily by proceeds of special events, organized and executed by volunteer committees, and general public support from corporations, foundations, and individuals. This year FPS hosted the Golf outing, Cornhole tournament and a very successful Gala. FPS also maintains 276 monthly donors and, since its inception in 1999, almost 30,000 donors have invested in our mission by contributing gifts of time, talent and treasure.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

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

Nature of Operations: (continued)

The FPS website has been a useful tool for providing information and impactful stories about the mission and program. In FY22, FPS had a total of 72,416 pageviews at the www.takeabreakfromcancer.org website. In addition to the pageviews, there were 28,266 unique users.

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, Charity Navigator and GreatNonprofits.org for stories and accreditation information. FPS also places emphasis on its strategic plan and carefully monitors its progress against the plan with key performance indicators. Each month, FPS prepares a scorecard that highlights relevant KPI's in 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 FPS 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.

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.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

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

Basis of Presentation: (continued)

As of June 30, 2022 and 2021, the fair value of FPS' portion of its beneficial interest in the charitable remainder trust was \$212,895 and \$218,307, respectively, recorded as an asset on FPS' 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.

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, 2022 and 2021. Endowment pledges are reported net of an allowance for doubtful collections of \$8,000 for each of the years ended June 30, 2022 and 2021. Capital pledges are reported net of allowance for doubtful collections of \$28,204 and \$0 for the years ended June 30, 2022 and 2021, respectively. The allowance for doubtful accounts is based on past experience.

FOR PETE’S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

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

Pledges Receivable: (continued)

Accounts are charged against the allowance when they are determined to be uncollectible. Unconditional promises to give at June 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$ 610,296	\$ 88,877
Receivable in one to five years	<u>1,299,885</u>	<u>264,439</u>
Total unconditional promises to give	1,910,181	353,316
Less: discount to net present value	(45,376)	(10,153)
Allowance for doubtful accounts	<u>(38,204)</u>	<u>(10,000)</u>
Net unconditional promises to give	<u>\$ 1,826,601</u>	<u>\$ 333,163</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.

Revenue and Revenue Recognition:

Revenue is recognized when earned. Revenues are reported as increases in Net Assets Without Donor Restrictions unless the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in Net Assets Without Donor Restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in Net Assets Without Donor Restrictions unless their use is restricted by explicit donor stipulation or by law. FPS receives revenue from a variety of revenue sources as discussed below:

- FPS recognizes contributions when cash, securities or other assets and unconditional promises to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. 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.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

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

Revenue and Revenue Recognition: (continued)

- Special event revenues are recorded equal to the direct benefit to donors and contribution income for the excess received when the event takes place. 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.

FPS has been notified that donors have named FPS as beneficiaries in their wills. The future contributions are for the operating support toward meeting FPS' mission. The amounts of gifts are unknown and will be recognized upon notification. For the years ended June 30, 2022 and 2021 no amounts have been recognized or recorded in the accompanying financial statements.

Donated Services:

FPS recognizes donated services that create or enhance nonfinancial 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' program functions and special event activities. During the years ended June 30, 2022 and 2021, respectively, FPS received approximately 6,190 and 5,688 donated program service and administrative hours. FPS received approximately 2,290 and 3,076 special event activity volunteer hours for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, FPS did recognize professional services of nursing care of \$6,325 and \$18,648, respectively.

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.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

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

Allocation of Functional Expenses: (continued)

Analysis of functional expenses year over year are indicative of the change in program caused by the COVID-19 pandemic. Specifically, FPS has primarily sent patients locally to Woodloch as part of the community respite program. Thus, there is a reduction in airline travel and car rental expenses. Further, there is a significant reduction in stipend expenses; this reduction correlates to the inclusion of meals at respites at Woodloch and this is demonstrated in the increased cash out lay for accommodations. Our numbers tell our story to adapt and excel in a new environment. Refer to the strategic initiatives section on the FPS website for the strategic plan.

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' federal tax returns are subject to audit by taxing authorities. FPS' returns open audit periods are for the fiscal years ended June 30, 2019 - 2021.

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.

New Accounting Pronouncements:

ASU No. 2020-07 (Topic 958), Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets: This standard changes the presentation and disclosure requirements of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets, use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The standard requires that contributed nonfinancial assets be presented as a separate line item in the statement of activities and additional disclosures will be presented, including disaggregation of amounts, qualitative information, and valuation techniques and inputs be disclosed that were used to arrive at the fair value of the contributed nonfinancial assets. This standard has been implemented for the fiscal year ending June 30, 2022 and has resulted in enhanced disclosure. See Note 9.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

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

New Accounting Pronouncements: (continued)

ASU No. 2016-02 (Topic 842), Leases: This standard substantially changes current principles of lease accounting and offers specific accounting guidance for lessees, lessors and sale-leaseback transactions. The standard establishes a right-of-use model that requires lessees to record an asset and lease liability in the statement of financial position for all lease with terms longer than 12 months. Leases will be classified as either finance leases or operating leases depending on the characteristic of the lease; consistent with current Generally Accepted Accounting Principles, the recognition, measurement and presentation of expenses and cash flows arising from the lease will depend on the lease classification. This standard will be implemented in the fiscal year ending June 30, 2023.

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' 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, 2022 and 2021

NOTE 2. Availability and Liquidity (Continued)

The table below presents financial assets available for general expenditures within one year at June 30, 2022 and 2021:

Financial assets at year end:	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,177,641	\$ 1,274,138
Pledges receivable, net	92,486	92,482
Capital receivable, net	1,640,376	28,204
Endowment receivable, net	93,739	212,477
Investments in remainder trust	212,895	218,307
Investments	<u>1,414,623</u>	<u>1,688,366</u>
Total financial assets	<u>5,631,760</u>	<u>3,513,974</u>
Less amounts not available to be used within one year:		
Cash restricted for endowment	(1,022,266)	(5,962)
Beneficial Interest in a remainder trust	(212,895)	(218,307)
Pledge receivable - due after one year, net	(32,486)	(31,705)
Capital receivable - due after one year, net	(1,095,080)	(6,604)
Endowment receivable - due after one year, net	(88,739)	(205,977)
Investments held for endowment	<u>(893,597)</u>	<u>(863,319)</u>
Financial assets not available to be used within one year	<u>(3,345,063)</u>	<u>(1,331,874)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 2,286,697</u>	<u>\$ 2,182,100</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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Computer software	\$ 197,536	\$ 197,536
Computer equipment	19,209	13,583
Office equipment	5,113	5,113
Residences - Davenport, Florida	151,211	332,516
Land - Davenport, Florida	<u>14,402</u>	<u>14,402</u>
	387,471	563,150
Accumulated depreciation	<u>(251,354)</u>	<u>(293,239)</u>
Property and equipment, net	<u>\$ 136,117</u>	<u>\$ 269,911</u>

Depreciation expense was \$31,453 and \$35,201 for the years ended June 30, 2022 and 2021, respectively.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

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, 2022 and 2021 the Board of Directors has designated investments in the amount of \$521,026 and \$825,047, respectively, toward the endowment fund.

As of June 30, 2022 and 2021, fair values and unrealized gain on investments are summarized as follows:

	2022		
	Cost	Market Value	Unrealized Gain
ETF and ETF Options			
Endowment	\$ 803,626	\$ 893,597	\$ 89,971
Quasi	\$ 490,339	\$ 521,026	\$ 30,687
	2021		
	Cost	Market Value	Unrealized Gain
ETF and ETF Options			
Endowment	\$ 657,196	\$ 863,319	\$ 206,123
Quasi	\$ 653,229	\$ 825,047	\$ 171,818

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, 2022 and 2021 there was no outstanding balance on the line of credit at year end.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

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 FPS has the ability to access.

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.

FPS 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. FPS 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. FPS' fair value hierarchy for all investments, measured at fair value on a recurring basis as of June 30, 2022 and 2021 were all measurement as Level 1.

NOTE 7. Related Parties

For the year ended June 30, 2021, Board members and staff provided cash contributions totaling \$12,387 for special events and \$43,769 for the annual appeal. For the year ended June 30, 2022, Board members and staff provided cash contributions totaling \$32,206 for special events, \$31,816 for the annual appeal, and \$408,452 for the capital campaign.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 8. Board-Designated Net Assets Without Donor Restrictions

FPS' 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, 2022 and 2021, the following amounts were designated for specific purposes by the Board:

	<u>2022</u>	<u>2021</u>
Designated by Board for operating reserve	\$ 105,000	\$ 105,000
Designated by Board for capital campaign	300,000	-
Designated by Board for endowment	<u>1,157,268</u>	<u>1,392,376</u>
Total board-designated funds	<u>\$ 1,562,268</u>	<u>\$ 1,497,376</u>

NOTE 9. Nonfinancial Asset 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Accommodations	\$ 91,228	\$ 114,505
Computer processing & website design	-	7,063
Salaries and wages	-	18,648
Marketing	51,500	14,536
Miscellaneous	-	4,204
Professional Fees	6,235	18,235
Rent	46,826	46,826
Ancillary Services	26,898	20,308
Respite amenities and supplies	-	873
Special events	<u>114,208</u>	<u>62,230</u>
Total contributions of nonfinancial assets	<u>\$ 336,895</u>	<u>\$ 307,428</u>
Program expense nonfinancial assets	\$ 200,231	\$ 227,663
Management and general nonfinancial assets	2,341	6,828
Fundraising nonfinancial assets	20,115	10,707
Special events nonfinancial assets	<u>114,208</u>	<u>62,230</u>
Total Expenses related to Nonfinancial Assets	<u>\$ 336,895</u>	<u>\$ 307,428</u>

As of June 30, 2022 and 2021, FPS capitalized donated fixed assets in the amount of \$0 and \$0, respectively

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 9. Nonfinancial Asset Contributions and Expenses (Continued)

Accommodations are valued based on the price of a stay at Woodloch Resort at the specific date of the Respite less the agreed upon cost charged to FPS. The values are provided by Woodloch and confirmed by value research through registration. These contributions of nonfinancial assets are used in programs.

Marketing is valued based on services provided by the professional firm who provided marketing services to FPS. The value is based on professional fees for similar services, provided by the professional firm. These contributions of nonfinancial assets are used in programs.

Professional fees are based on the value of professional services for nurses. The amount is the difference between the current value of nurses, based on the median rate according to online figures for the profession, compared to actual payment made at FPS to the nursing professionals. These contributions of nonfinancial assets are used in programs.

Rent is provided by the landlord of the FPS headquarters. The amount is noted and calculated in the rental agreement each term. The contributed space is used for both program and supporting services and is allocated based upon estimates of time and effort used by each program and supporting service.

Ancillary nonfinancial assets are related to the FPS program and the FPS Families. Included in this number is the holiday program where donors will donate presents for those FPS Families in financial need and the value is based on the cost to purchase the presents via receipts, tickets donated to sporting events at the face value of the ticket and a pancake breakfast for more than 200 FPS Families where the food, service, and location was donated with value provided by the vendor for those products and services. The contributed ancillary items are used for both program and supporting services and recorded based on directly identifiable program or supporting services or by allocations based on time and effort if not directly identifiable to a specific function. None of the ancillary nonfinancial assets are monetized.

Special events nonfinancial assets are mainly auction items that are valued at the gross selling price received and monetized when sold. There is also donated values from the Gala venue for the cost of food. The cost of food is valued by donor receipts and is recorded as special event revenue and expense.

FOR PETE’S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 10. Concentration of Credit Risk

FPS’ 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 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, 2022 and 2021, the amounts in excess of these insurance limits totaled \$2,778,545 and \$2,040,583, respectively.

NOTE 11. Special Events

FPS reported special event expenses for the years ended June 30, 2022 and 2021 as follows:

	<u>2022</u>			<u>2021</u>		
	<u>Ordinary</u>	<u>Nonfinancial Assets</u>	<u>Total</u>	<u>Ordinary</u>	<u>Nonfinancial Assets</u>	<u>Total</u>
Auction merchandise	\$ 1,375	\$ 86,583	\$ 87,958	\$ 362	\$ 50,820	\$ 51,182
Community Event expense	397	-	397	10,394	4,400	14,794
Entertainment	10,809	-	10,809	-	-	-
Event production	12,639	6,764	19,403	47,878	5,610	53,488
Facility rental	47,280	-	47,280	13,690	-	13,690
Food / beverage	67,742	18,560	86,302	-	-	-
Promotional items	12,333	-	12,333	2,100	-	2,100
Raffle prizes	-	2,301	2,301	-	1,400	1,400
Total special event expenses	<u>\$ 152,575</u>	<u>\$ 114,208</u>	<u>\$ 266,783</u>	<u>\$ 74,424</u>	<u>\$ 62,230</u>	<u>\$ 136,654</u>
Indirect Special Events Expenses	25,370	-	25,370	23,356	-	23,356
Total Special Events expenses	<u>\$ 177,945</u>	<u>\$ 114,208</u>	<u>\$ 292,153</u>	<u>\$ 97,780</u>	<u>\$ 62,230</u>	<u>\$ 160,010</u>

NOTE 12. Net Assets with Donor Restrictions

For the years ended June 30, 2022 and 2021, net assets were restricted for the following purposes:

	<u>2022</u>	<u>2021</u>
CRUT	\$ 212,895	\$ 218,307
Capital Campaign	2,309,430	35,000
Special event production	14,369	3,480
	<u>\$ 2,536,694</u>	<u>\$ 256,787</u>

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 12. Net Assets with Donor Restrictions (Continued)

Net assets during the year ended June 30, 2022 and 2021 were released from donor restrictions by incurring expenses satisfying the restricted purposes, as follows:

	<u>2022</u>	<u>2021</u>
Special Events	\$ 3,230	\$ 250
Endowment	120,000	13,039
Patient respites	43,000	-
	<u>\$ 166,230</u>	<u>\$ 13,289</u>

NOTE 13. Endowment Fund

Net assets with donor restrictions at June 30, 2022 and 2021 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.

FOR PETE’S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 13. 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 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.

The Endowment consisted of:

	<u>2022</u>	<u>2021</u>
Board designated	\$ 1,157,268	\$ 1,392,376
Donor restricted	<u>987,337</u>	<u>1,075,796</u>
Total Endowment	<u>\$ 2,144,605</u>	<u>\$ 2,468,172</u>

FOR PETE’S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 13. Endowment Fund (Continued)

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

	<u>Board- Designated</u>	<u>Donor Restricted</u>	<u>2022</u>
Endowment net assets, July 1	\$ 1,392,376	\$ 1,075,796	\$ 2,468,172
Contributions	-	27,500	27,500
Investment Income	29,935	-	29,935
Net appreciation realized	22,727	-	22,727
Net appreciation unrealized	(257,770)	-	(257,770)
Present value adjustment	-	4,041	4,041
Amount appropriated for expenditure	(30,000)	-	(30,000)
Bad debt write-off	-	(120,000)	(120,000)
Endowment net assets, June 30	<u>\$ 1,157,268</u>	<u>\$ 987,337</u>	<u>\$ 2,144,605</u>

	<u>Board- Designated</u>	<u>Donor Restricted</u>	<u>2021</u>
Endowment net assets, July 1	\$ 1,065,898	\$ 1,070,498	\$ 2,136,396
Contributions	-	-	-
Investment Income	26,070	-	26,070
Net appreciation realized	54,660	-	54,660
Net appreciation unrealized	265,748	-	-
Present value adjustment	-	5,548	5,548
Amount appropriated for expenditure	(20,000)	-	(20,000)
Bad debt write-off	-	(250)	(250)
Endowment net assets, June 30	<u>\$ 1,392,376</u>	<u>\$ 1,075,796</u>	<u>\$ 2,202,424</u>

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.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 14. Risks and Uncertainties

In June of 2020 FPS received loan proceeds in the amount of \$158,700 under the Paycheck Protection Program ("PPP"). The PPP was 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 used the proceeds for purposes consistent with the PPP. On March 5, 2021, FPS received confirmation that the PPP loan was forgiven. On March 9, 2021, FPS applied for, and was awarded, a second PPP loan in the amount of \$113,412. FPS used the funds for activities consistent with the requirements for loan forgiveness and, on September 9, 2021, FPS received a letter noting its forgiveness. As such, it has been recorded as a revenue.

NOTE 15. Capital Campaign

FPS is in the quiet phase of a \$17 million Respite Transformed Campaign that will add \$5 million to the current endowment and raise \$12 million to construct the nation's first Respite Center for families facing cancer. Expecting to last at least three years, this Campaign aligns with FPS' 2030 Strategic Vision, and construction is slated to begin on the Respite Center in calendar year 2023. At the end of this fiscal year, FPS has raised \$2,349,196 from 58 donors in a quiet phase with support coming primarily from board and Campaign volunteers. Additionally, FPS allocated \$300,000 to the Campaign via the sale of one of its Florida homes.