

RESPITE FOR ALL FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2024

**RESPITE FOR ALL FOUNDATION
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DECEMBER 31, 2024**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Respite for All Foundation

Opinion

We have audited the accompanying financial statements of Respite for All Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year 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 Respite for All Foundation as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with 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 Respite for All Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Respite for All 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 Respite for All 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 Respite for All 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.

Warren Averett, LLC

Montgomery, Alabama
April 10, 2025

**RESPIRE FOR ALL FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024**

ASSETS	
Cash and cash equivalents	\$ 338,188
Certificates of deposit	506,418
Property	<u>550,000</u>
TOTAL ASSETS	<u><u>\$ 1,394,606</u></u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 11,239
Accrued payroll liabilities	16,717
Deferred revenue	<u>700</u>
TOTAL LIABILITIES	28,656
NET ASSETS	
Without donor restrictions	
Undesignated	915,950
Board designated reserve	<u>450,000</u>
TOTAL NET ASSETS	<u>1,365,950</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,394,606</u></u>

See notes to the financial statements.

**RESPIRE FOR ALL FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT			
Grant revenues	\$ 285,000	\$ -	\$ 285,000
Contributions	199,927	-	199,927
Contributions – Nonfinancial assets	559,600	-	559,600
Conference and training revenues	66,013	-	66,013
Brain Science Luncheon revenues	107,810	-	107,810
Investment income, net	27,371	-	27,371
Miscellaneous revenue	360	-	360
TOTAL REVENUE, GAINS AND OTHER SUPPORT	1,246,081	-	1,246,081
EXPENSES			
Program services:			
Conference	40,256	-	40,256
Brain science luncheon	74,695	-	74,695
Training	371,590	-	371,590
Total program services	486,541	-	486,541
Supporting services:			
Management and general	75,707	-	75,707
Fundraising	82,135	-	82,135
Total supporting services	157,842	-	157,842
TOTAL EXPENSES	644,383	-	644,383
GAINS			
Unrealized gains on investments	2,602	-	2,602
TOTAL GAINS	2,602	-	2,602
CHANGE IN NET ASSETS	604,300	-	604,300
NET ASSETS AT BEGINNING OF YEAR	761,650	-	761,650
NET ASSETS AT END OF YEAR	\$ 1,365,950	\$ -	\$ 1,365,950

See notes to the financial statements.

**RESPIRE FOR ALL FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Services			Supporting Services			Total All Functions	
	Conference	Brain Science Luncheon	Training	Total Program Services	Management and General	Fundraising	Total Supporting Services	Totals
Salaries	\$ -	\$ -	\$ 52,875	\$ 52,875	\$ 21,150	\$ 31,725	\$ 52,875	\$ 105,750
Payroll taxes	-	-	4,053	4,053	1,621	2,432	4,053	8,106
Total salaries and related expenses	-	-	56,928	56,928	22,771	34,157	56,928	113,856
Consultant/grant writer	-	-	-	-	-	35,000	35,000	35,000
Event planner	-	23,434	-	23,434	-	-	-	23,434
Honorarium	9,700	10,000	-	19,700	-	-	-	19,700
Facility rental	4,155	34,052	-	38,207	-	-	-	38,207
Printing and copying	-	3,159	-	3,159	6,250	-	6,250	9,409
Speaker expense	-	1,269	-	1,269	-	-	-	1,269
Spring awareness event	-	-	-	-	-	3,093	3,093	3,093
Donor/volunteer appreciation	-	-	-	-	-	1,687	1,687	1,687
Seed grants	-	-	120,000	120,000	-	-	-	120,000
Conference hospitality	19,591	-	-	19,591	-	-	-	19,591
Travel and meetings	4,160	-	8,592	12,752	-	-	-	12,752
Video services	2,650	-	-	2,650	-	-	-	2,650
Miscellaneous	-	2,781	4,312	7,093	311	249	560	7,653
Books and materials	-	-	2,510	2,510	-	-	-	2,510
Directors assistance	-	-	3,150	3,150	-	-	-	3,150
Marketing	-	-	56,213	56,213	-	-	-	56,213
Projects director	-	-	57,000	57,000	-	-	-	57,000
Resource director	-	-	45,333	45,333	-	-	-	45,333
OMA workshop	-	-	10,508	10,508	-	-	-	10,508
Administrative assistant	-	-	-	-	2,790	-	2,790	2,790
Computer and software expenses	-	-	-	-	5,575	1,667	7,242	7,242
Donations	-	-	-	-	3,500	-	3,500	3,500
Utilities	-	-	-	-	2,226	-	2,226	2,226
Insurance	-	-	-	-	7,050	-	7,050	7,050
Postage	-	-	-	-	1,692	-	1,692	1,692
Professional fees	-	-	7,044	7,044	7,650	6,282	13,932	20,976
Staff and board expenses	-	-	-	-	3,157	-	3,157	3,157
Supplies	-	-	-	-	1,408	-	1,408	1,408
Telephone	-	-	-	-	740	-	740	740
Donated office space	-	-	-	-	9,600	-	9,600	9,600
Depreciation	-	-	-	-	987	-	987	987
TOTAL EXPENSES	\$ 40,256	\$ 74,695	\$ 371,590	\$ 486,541	\$ 75,707	\$ 82,135	\$ 157,842	\$ 644,383

See notes to the financial statements.

**RESPIRE FOR ALL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 604,300
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Noncash contribution of property	(550,000)
Depreciation and amortization	987
Unrealized gains	(2,602)
(Increase) decrease in assets:	
Prepaid expenses	719
Increase (decrease) in liabilities:	
Accounts payable	(18,016)
Accrued payroll liabilities	13,478
Deferred revenue	<u>(12,640)</u>
Net cash provided by operating activities	<u>36,226</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from the sale of investments	670,602
Purchase of investments	<u>(923,538)</u>
Net cash used in investing activities	<u>(252,936)</u>

DECREASE IN CASH (216,710)

CASH AT BEGINNING OF YEAR 554,898

CASH AT END OF YEAR \$ 338,188

See notes to the financial statements.

**RESPIRE FOR ALL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS

Nature of Organization and Presentation

The Respite for All Foundation (the Foundation) is a not-for-profit corporation with the mission to inspire, grow and mentor Respite Volunteer Ministries for communities seeking to minister to persons living with Alzheimer's disease and other dementia disorders through education and shared best practices. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and operates under the supervision of a Board of Directors.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities at year-end. Net assets, revenues, expenses, gains and losses are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

Board designated – Assets designated by the Board of Directors (the Board) to be held for endowment or other specified purposes. The Board can elect to remove these designations in the future.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may, or will be met, either by actions of the Foundation and/or passage of time.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Foundation may at certain times have deposits in excess of FDIC insured limits. Management, however, believes the credit risk associated with these deposits is minimal.

Certificates of Deposit

Certificates of Deposit in banks and invested in brokerage accounts have maturities in excess of ninety days and are carried at cost along with any accrued interest.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Property and equipment are depreciated over the estimated useful lives of the assets using the straight-line method. The Foundation's capitalization policy follows IRS guidelines.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net

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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Use of Estimates in the Preparation of Financial Statements

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingencies at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Noncash Contributions

Noncash contributions or gifts in kind are recorded as contributions at their estimated fair value at the date of donation and are recorded as expenses for program services or capitalized as assets. Such contributions are reported as support without donor restrictions unless the donor has restricted the contribution to a specific purpose.

Allocation of Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. The costs of providing various programs and other activities are allocated based on time and effort estimates of employee earnings and have been summarized in the statement of activities and in the statement of functional expenses.

Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits of \$250,000. The Foundation has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2024, the Foundation had no uninsured cash balances.

Income Tax

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of Alabama law and is classified by the Internal Revenue Service as an organization other than a private foundation.

As of December 31, 2024, the Foundation has no uncertain tax positions that qualify for recognition or disclosure in the financial statements and no interest and penalties related to income taxes.

Fair Value Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in markets in which there are few transactions for the asset or liability, the prices are not current or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
 - Inputs other than quoted prices that are observable for the asset or liability.
 - Inputs which are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Recently Adopted Accounting Standards

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The purpose of this ASU is to improve the financial reporting of credit losses for financial instruments by requiring a forward-looking and comprehensive assessment of potential losses on financial instruments. This accounting standard will have no impact on the financial statements during the year ended December 31, 2024.

Advertising costs

Advertising costs are expensed as incurred. Advertising and marketing expense was \$56,213 for the year ended December 31, 2024.

Subsequent Events

Management has evaluated subsequent events through April 10, 2025, which is the date the financial statements were available to be issued. On January 14, 2025, the Foundation sold donated property carried on the Statement of Financial Position for the fair value of \$550,000. See Note 7 for more details regarding this transaction.

2. INVESTMENTS

Investments as of December 31, 2024, consist of brokered certificates of deposit totaling \$506,418. Unrealized gains on investments reported at fair value totaled \$2,602 for the year ended December 31, 2024. Investment income included on the statement of activities for the year ended December

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31, 2024, consisted of interest on bank accounts and certificates of deposit totaling \$31,150, net of investment fees of \$3,779.

3. PROPERTY AND EQUIPMENT

As of December 31, 2024, property and equipment and the related accumulated depreciation consisted of the following:

Property – available for sale	\$	550,000
Computer equipment		8,124
		558,124
Less accumulated depreciation		(8,124)
Property and equipment (net)	\$	550,000

Depreciation expense for the year ended December 31, 2024, totaled \$987.

4. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Foundation’s financial assets as of December 31, 2024, reduced by the amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or restricted as to use. The Board has set aside the funds for specific contingency reserves and projects or long-term investments, as board-designated reserves.

Financial assets:		
Cash and cash equivalents	\$	338,188
Certificates of deposit		506,418
Financial assets, at year end		844,606
Less those unavailable for general expenditure within one year, due to:		
Board designated reserves		(450,000)
Financial assets available to meet cash needs for general expenditures within one year	\$	394,606

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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

5. FAIR VALUE MEASUREMENT

The Foundation's assets measured at fair value are based on one or more of three valuation techniques, which include the following:

Market approach – prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Cost approach – amount that would be required to replace the service capacity of an asset (that is, replacement cost).

Income approach – techniques to convert future amounts to a single, present amount based on market expectations (including present value techniques, option-pricing models and lattice models).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used as of December 31, 2024.

The following table sets forth by level, within fair value hierarchy, the Foundation's assets at fair value as of December 31, 2024:

	<u>Level 1</u>	<u>Total</u>
Certificates of deposits	\$ 506,418	\$ 506,418
	<u>\$ 506,418</u>	<u>\$ 506,418</u>

6. CONTRIBUTED NONFINANCIAL ASSETS

The following nonfinancial assets were contributed to the Foundation during the year ended December 31, 2024:

<u>Nonfinancial Asset</u>	<u>2024</u>	<u>Usage in Programs/Activities</u>	<u>Donor Restriction</u>	<u>Fair Value Techniques</u>
Property	\$550,000	Available for sale	None	Appraisal
Office space	<u>9,600</u>	Donated office space and utilities	None	Market value to rent the space to a paying tenant
Total	<u>\$559,600</u>			

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NOTES TO THE FINANCIAL STATEMENTS
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7. DONATION OF PROPERTY

As mentioned in the previous note, the Foundation received a contribution of 6.31 acres located in Elmore County, Alabama valued at \$550,000. This contribution is included in contributed nonfinancial assets on the Statement of Activities, and the property is carried on the property line of the Statement of Financial Position. The property was sold on January 14, 2025, for \$550,000.