

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

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 and 2014

(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

We have audited the accompanying financial statements of For Pete's Sake Cancer Respite Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of For Pete's Sake Cancer Respite Foundation as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bee, Bergvall & Co.

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

December 21, 2015

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Financial Position

June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 392,673	\$ 294,906
Pledges receivable, net of allowance of \$2,000	237,609	31,593
Other current assets	<u>8,965</u>	<u>9,815</u>
Total current assets	639,247	336,314
Property and equipment, net	242,604	250,576
Beneficial Interest in a Remainder Trust	<u>189,983</u>	<u>209,823</u>
 Total assets	 <u>\$ 1,071,834</u>	 <u>\$ 796,713</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ <u>19,729</u>	\$ <u>13,750</u>
Total current liabilities	<u>19,729</u>	<u>13,750</u>
Net assets:		
Unrestricted net assets:		
Undesignated	530,240	462,519
Board-designated	<u>60,000</u>	<u>60,000</u>
Total unrestricted net assets	590,240	522,519
Temporarily restricted net assets	205,327	234,639
Permanently restricted net assets	<u>256,538</u>	<u>25,805</u>
 Total net assets	 <u>1,052,105</u>	 <u>782,963</u>
 Total liabilities and net assets	 <u>\$ 1,071,834</u>	 <u>\$ 796,713</u>

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

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Activities

For the Years Ended June 30, 2015 and 2014

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenues:				
Support:				
Contributions	\$ 569,395	\$ 14,521	\$ 230,733	\$ 814,649
Contributions in-kind	336,633	-	-	336,633
Total contributions	<u>906,028</u>	<u>14,521</u>	<u>230,733</u>	<u>1,151,282</u>
Revenues:				
Special events revenue:				
Fees	569,348	823	-	570,171
Contributions in-kind	199,892	-	-	199,892
	<u>769,240</u>	<u>823</u>	<u>-</u>	<u>770,063</u>
Special events direct costs	<u>(406,819)</u>	<u>-</u>	<u>-</u>	<u>(406,819)</u>
Net special events revenue	<u>362,421</u>	<u>823</u>	<u>-</u>	<u>363,244</u>
Investment income	<u>4,303</u>	<u>-</u>	<u>-</u>	<u>4,303</u>
Change in value of beneficial interest	<u>-</u>	<u>(19,840)</u>	<u>-</u>	<u>(19,840)</u>
Net assets released from restrictions	<u>24,816</u>	<u>(24,816)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>1,297,568</u>	<u>(29,312)</u>	<u>230,733</u>	<u>1,498,989</u>
Expenses:				
Program services	904,966	-	-	904,966
Support services:				
Management and general	71,882	-	-	71,882
Fundraising	252,999	-	-	252,999
Total expenses	<u>1,229,847</u>	<u>-</u>	<u>-</u>	<u>1,229,847</u>
Change in net assets	67,721	(29,312)	230,733	269,142
Net assets at beginning of year	<u>522,519</u>	<u>234,639</u>	<u>25,805</u>	<u>782,963</u>
Net assets at end of year	<u>\$ 590,240</u>	<u>\$ 205,327</u>	<u>\$ 256,538</u>	<u>\$ 1,052,105</u>

(continued)

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

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

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Functional Expenses

For the Years Ended June 30, 2015 and 2014

	2015						Total
	Program		General and Administrative		Fundraising		
	Ordinary	In-Kind	Ordinary	In-Kind	Ordinary	In-Kind	
Accommodations	\$ 7,546	\$ 79,243	\$ -	\$ -	\$ -	\$ -	\$ 86,789
15th Anniversary	5,703	-	-	-	1,426	-	7,129
Airline travel	67,262	-	-	-	-	-	67,262
Ancillary services	21,858	11,736	-	-	-	-	33,594
Bad debts	-	-	-	-	700	-	700
Bank service charges	46	-	1,837	-	12,868	-	14,751
Car rental	24,099	-	-	-	-	-	24,099
Conference and training	1,779	-	988	-	965	-	3,732
Depreciation	16,058	-	52	-	2,176	-	18,286
Dues and subscriptions	2,878	-	1,499	-	1,586	-	5,963
Employee benefits	25,341	-	4,446	-	14,670	-	44,457
Employment taxes	18,030	-	3,163	-	10,439	-	31,632
Facility repairs and maintenance	14,069	-	-	-	-	-	14,069
Fundraising expenses	-	-	-	-	3,313	-	3,313
Gas expense	3,003	-	-	-	-	-	3,003
Insurance	5,334	-	3,209	-	-	-	8,543
Licenses and fees	676	-	675	-	801	-	2,152
Limousine travel	286	4,307	-	-	-	-	4,593
Marketing	1,621	39,600	13	-	1,536	-	42,770
Meetings	2,152	-	267	-	2,649	-	5,068
Miscellaneous	4,265	-	158	-	-	-	4,423
Patient stipend	97,157	-	-	-	-	-	97,157
Payroll service fees	587	-	90	-	318	-	995
Postage and delivery	5,983	-	574	-	4,259	-	10,816
Printing and reproduction	9,986	500	777	-	13,131	-	24,394
Professional fees	-	-	7,025	-	800	24,300	32,125
Program support	30,779	74,077	-	-	-	-	104,856
Rent expense	-	32,633	-	4,662	-	9,324	46,619
Salaries and wages	207,805	30,065	36,457	-	120,307	-	394,634
Supplies	4,855	89	701	14	2,497	48	8,204
Technology and website	6,973	17,946	271	2,578	9,839	5,511	43,118
Telephone	9,580	-	1,161	-	2,322	-	13,063
Travel	573	-	-	-	4,685	-	5,258
Utilities	18,486	-	1,265	-	2,529	-	22,280
Total Functional Expenses	\$ 614,770	\$ 290,196	\$ 64,628	\$ 7,254	\$ 213,816	\$ 39,183	\$ 1,229,847
		\$ 904,966		\$ 71,882		\$ 252,999	

(continued)

2014

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

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

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Statements of Cash Flows

For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 269,142	\$ 307,877
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	18,286	20,631
(Increase) decrease in:		
Pledges receivable	(206,016)	12,735
Other current assets	849	2,027
Beneficial Interest in Remainder Trust	19,840	(209,823)
(Decrease) increase in:		
Accounts payable	<u>5,979</u>	<u>(4,440)</u>
Net cash provided by (used in) operating activities	<u>108,080</u>	<u>129,007</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(10,313)</u>	<u>(1,831)</u>
Net cash (used in) investing activities	<u>(10,313)</u>	<u>(1,831)</u>
Net increase (decrease) in cash and cash equivalents	97,767	127,176
Cash and cash equivalents at beginning of year	<u>294,906</u>	<u>167,730</u>
Cash and cash equivalents at end of year	<u>\$ 392,673</u>	<u>\$ 294,906</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>

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

FOR PETE’S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2015 and 2014

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 recertified by PANO. Once recertified, the seal is awarded for five years. FPS is proud of this designation and its focus on fiscal and program efficiency.

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

FOR PETE’S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2015 and 2014

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

Nature of Operations (continued):

Key Program statistics follow:

	<u>2015</u>	<u>2014</u>
Patients served	188	188
Nominations received	154	159
Respite vacations provided	110	111
Total travelers, including patients	404	413
Total served	555	595

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

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

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

Use of Estimates in Financial Statements:

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

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2015 and 2014

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

Basis of Presentation:

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

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

Temporarily Restricted Net Assets: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of June 30, 2015 and 2014 FPS had \$205,327 and \$234,639, respectively of net assets temporarily restricted by donors. The 2015 and 2014 temporarily restricted net assets are designated for the 2016 fiscal year operations.

During fiscal year 2014, FPS received a donation in the form of an irrevocable Charitable Remainder Unitrust. In each taxable year of the trust and during the life of the donor the trustees will pay to the donor an amount equal to 5% of the net fair value of the assets of the trust. Upon the death of the donor, the trustees will distribute to FPS 40% of the then principal and income of the trust. As of June 30, 2015, the fair value of FPS's portion of its beneficial interest in the charitable remainder trust was \$189,983, recorded as an asset on the Organization's statement of financial position. During the life of the donor, earnings on the trust assets will be recorded at the beginning of each year as a change in the beneficial interest in a charitable remainder trust on the statement of activities with a corresponding change in the asset.

Permanently Restricted Net Assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. As of June 30, 2015 and 2014, there were permanently restricted net assets of \$256,538 and \$25,805, respectively for the purpose of an endowment.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2015 and 2014

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

Cash and Cash Equivalents:

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

Pledges Receivable:

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are substantially met. Pledges are reported net of an allowance for doubtful collections of \$2,000 for each of the years ended June 30, 2015 and 2014. The allowance for doubtful accounts is based on past experience. Accounts are charged against the allowance when they are determined to be uncollectible.

Property and Equipment:

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

Contributions and Expenses:

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

FPS has been notified that donors have named FPS as beneficiaries in their wills. The future contributions are for the operating support toward meeting the Organization's mission. The amounts of gifts are unknown and will be recognized upon notification. For the years ended June 30, 2015 and 2014 no amounts have been recognized or recorded in the accompanying financial statements.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2015 and 2014

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

Donated Services:

FPS recognizes donated services, that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of unpaid volunteers have made significant contributions of their time to FPS's program functions and special event activities. During the years ended June 30, 2015 and 2014, respectively, FPS received approximately 2,283 and 3,170 donated program service and administrative hours. FPS received approximately 3,854 and 2,277 special event activity volunteer hours for the years ended June 30, 2015 and 2014, 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, 2015 and 2014 FPS did recognize professional services of nursing care of \$30,065 and \$15,186, respectively.

Functional Allocation of Expenses:

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

Income Taxes:

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

Accounting for Uncertainty in Income Taxes: As required by the FASB Accounting Standards Codification, entities are required to determine whether it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the financial statements. It also provides guidance on the recognition, measurement, and classification of income tax uncertainties, along with any related interest or penalties. This standard had no impact on the Organization's financial statements. The Organization's federal tax return is subject to audit by taxing authorities. The Organization's returns open audit periods are for the fiscal years ended June 30, 2012 - 2014.

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2015 and 2014

2. Property and Equipment

Property and equipment consisted of the following as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Computer software	\$ 35,511	\$ 35,511
Computer equipment	10,809	10,809
Office equipment	5,113	-
Residences - Davenport, Florida	318,313	313,113
Land - Davenport, Florida	<u>14,402</u>	<u>14,402</u>
	384,148	373,835
Accumulated depreciation	<u>(141,544)</u>	<u>(123,259)</u>
Property and equipment, net	<u>\$ 242,604</u>	<u>\$ 250,576</u>

Depreciation expense was \$18,286 and \$20,632 for the years ended June 30, 2015 and 2014, respectively

3. Line of Credit

FPS has a revolving line of credit available in the amount of \$50,000 bearing an interest rate of 4.25%. As of June 30, 2015 and 2014 there was no outstanding balance on the line of credit at year end.

4. In-Kind Contributions and Expenses

Donated facilities, services and materials have been reflected in the financial statements at fair value as both contributions and corresponding expenses and consisted of the following for the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Accommodations	\$ 79,243	\$ 85,640
Computer processing and website design	26,035	1,745
Professional services	54,365	15,186
Marketing	39,600	198,695
Miscellaneous	150	1,379
Rent	46,688	45,996
Ancillary Services	11,667	12,200
Respite amenities and supplies	78,885	66,048
Special events	<u>199,892</u>	<u>206,093</u>
Total contributions and expenses in-kind	<u>\$ 536,525</u>	<u>\$ 632,982</u>

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2015 and 2014

5. Related Parties

Board members and FPS staff provided cash contributions totaling \$151,957 for special events and \$19,693 for the annual appeal to FPS during the year ended June 30, 2015. During the year ended June 30, 2013, board members and staff provided cash contributions totaling \$44,464 for special events and \$31,612 for the FPS annual appeal.

6. Board-Designated Unrestricted Net Assets

The Board of Directors has designated \$60,000 of unrestricted net assets as of June 30, 2015 and \$60,000 as of June 30, 2014 for future capital and operational needs.

7. Special Events

The Organization reported special event expenses for the years ended June 30, 2015 and 2014 as follows:

	2015			2014		
	<u>Ordinary</u>	<u>In-Kind</u>	<u>Total</u>	<u>Ordinary</u>	<u>In-Kind</u>	<u>Total</u>
Auction merchandise	\$ 10,445	\$ 94,759	\$ 105,204	\$ 3,435	\$ 104,780	\$ 108,215
Community event	43,825	5,010	48,835	54,374	10,571	64,945
Entertainment	4,068	-	4,068	4,425	-	4,425
Event production	41,320	74,479	115,799	36,416	74,868	111,284
Facility rental	27,081	-	27,081	23,701	-	23,701
Food/beverage	57,652	13,844	71,496	62,688	8,844	71,532
Miscellaneous	4,023	-	4,023	3,171	-	3,171
Postage and delivery	3,536	-	3,536	5,105	-	5,105
Printing and reproduction	2,220	11,800	14,020	6,052	7,030	13,082
Promotional items	9,377	-	9,377	9,406	-	9,406
Raffle prizes	3,380	-	3,380	6,540	-	6,540
	<u>\$ 206,927</u>	<u>\$ 199,892</u>	<u>\$ 406,819</u>	<u>\$ 215,313</u>	<u>\$ 206,093</u>	<u>\$ 421,406</u>

8. Concentration of Credit Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization places its cash and temporary cash investments with a high credit quality institution. At times, such investments may be in excess of the \$250,000 FDIC insurance limit (SIPC insurance for investments, not including market losses) thus exposing the Organization to a loss in the amount of the excess. As of June 30, 2015 and 2014 no amounts were in excess of the FDIC and SIPC limits.

FOR PETE’S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2015 and 2014

9. Temporarily Restricted Net Assets

For the years ended June 30, 2015 and 2014, net assets were restricted for the following purposes:

	<u>2015</u>	<u>2014</u>
Charitable remainder unitrust	\$ 189,982	\$ 209,823
Special event production	824	6,500
Patient respites	<u>14,521</u>	<u>18,316</u>
	<u>\$ 205,327</u>	<u>\$ 234,639</u>

Temporarily restricted net assets during the year ended June 30, 2015 were released from donor restrictions by incurring expenses satisfying the restricted purposes, as follows:

	<u>2015</u>
Patient Respites	\$ 18,316
Special event production	<u>6,500</u>
	<u>\$ 24,816</u>

10. Endowment Fund

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

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

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

FOR PETE’S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2015 and 2014

10. Endowment Fund (Continued)

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

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

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

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

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

Endowment net assets, July 1, 2013	\$ 805
Contributions	25,000
Investment income	-
Net appreciation	-
Amounts appropriated for expenditure	-
Endowment net assets, June 30, 2014	25,805
Contributions	230,733
Investment income	-
Net appreciation	-
Amounts appropriated for expenditure	-
Endowment net assets, June 30, 2015	<u>\$ 256,538</u>

FOR PETE'S SAKE CANCER RESPITE FOUNDATION

Notes to Financial Statements

June 30, 2015 and 2014

10. Endowment Fund (Continued)

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

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

11. Subsequent Events

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