

Receptions for Research –  
The Greg Olsen Foundation, Inc.

Financial Statements

December 31, 2020

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## Independent Auditors' Report

To the Board of Directors  
Receptions for Research – The Greg Olsen Foundation, Inc.  
Fort Lauderdale, Florida

We have audited the accompanying financial statements of Receptions for Research – The Greg Olsen Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation'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 Foundation'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.

*Continued from previous page*

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Receptions for Research – The Greg Olsen Foundation, Inc. as of December 31, 2020, and the change 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.

*Wagtail Capital LLP*

Boca Raton, Florida  
May 18, 2021

Receptions for Research – The Greg Olsen Foundation, Inc.  
Statement of Financial Position  
December 31, 2020

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ASSETS

Assets:		
Cash	\$	422,990
Prepaid rent		<u>2,607</u>
Total assets	\$	<u><u>425,597</u></u>

LIABILITIES AND NET DEFICIT

Liabilities:		
Unconditional promises to give, current	\$	<u>1,790,000</u>
Total liabilities		<u>1,790,000</u>
Commitments and contingencies		
Net deficit:		
Without donor restriction		<u>(1,364,403)</u>
Total net deficit		<u>(1,364,403)</u>
Total liabilities and net deficit	\$	<u><u>425,597</u></u>

See accompanying notes to financial statements.

Receptions for Research – The Greg Olsen Foundation, Inc.  
 Statement of Activities  
 For the Year Ended December 31, 2020

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	<u>Without Donor Restriction</u>
Revenues and other support:	
Donations	\$ 553,897
Total revenues and other support	<u>553,897</u>
Expenses:	
Program	7,140
Management and general	69,146
Fundraising	39,531
Total expenses	<u>115,816</u>
Change in net assets	438,081
Net deficit, beginning of year	<u>(1,802,484)</u>
Net deficit, end of year	<u>\$ (1,364,403)</u>

See accompanying notes to financial statements.

Receptions for Research – The Greg Olsen Foundation, Inc.  
Statement of Functional Expenses  
For the Year Ended December 31, 2020

	Program	Management and General	Fundraising	Total Functional Expenses
Grant assistance	\$ 350	\$ -	\$ -	\$ 350
Event expenses	-	-	3,319	3,319
Professional fees	-	37,740	-	37,740
Merchandise	-	-	31,908	31,908
Rent	-	27,846	3,094	30,940
Website	6,518	815	815	8,148
Office expenses	272	2,174	272	2,717
Bank fees	-	185	123	308
Licenses	-	386	-	386
Total functional expenses	<u>\$ 7,140</u>	<u>\$ 69,146</u>	<u>\$ 39,531</u>	<u>\$ 115,816</u>

See accompanying notes to financial statements.

Receptions for Research – The Greg Olsen Foundation, Inc.  
Statement of Cash Flows  
For the Year Ended December 31, 2020

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Cash flows from operating activities:	
Change in net assets	\$ 438,081
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in operating assets:	
Prepaid rent	(107)
Accounts payable	(4,922)
Unconditional promise to give	(150,000)
Net cash provided by operating activities	<u>283,052</u>
Cash flows from investing activities	<u>-</u>
Cash flows from financing activities	<u>-</u>
Net increase in cash	283,052
Cash, beginning of year	<u>139,938</u>
Cash, end of year	<u><u>\$ 422,990</u></u>

See accompanying notes to financial statements.



## Note 1 – Description of Foundation

Receptions for Research – The Greg Olsen Foundation, Inc. (the "Foundation") was organized on September 23, 2009 as a not-for-profit corporation under the laws of the State of Illinois. On December 28, 2011, the Foundation was moved and organized as a not-for-profit corporation under the laws of the State of Florida. The Foundation's purpose is to provide hospitals, doctors and scholars with the resources necessary to enhance the lives of those affected by various forms of cancer and cardiovascular diseases or disorders. The Foundation's support comes primarily from contributions from individual donors and revenues from annual events.

## Note 2 – Summary of Significant Accounting Policies

### *Basis of Presentation*

The Foundation's financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

### *Financial Statement Presentation*

The Foundation reports information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of Foundation's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

As of December 31, 2020, the Foundation did not have net assets with donor restrictions.

### *Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs, general and administrative, and fundraising services benefited.

### *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *Cash and Cash Equivalents*

The Foundation considers all highly liquid investments with an original maturity of three (3) months or less to be cash equivalents. There were no cash equivalents as of December 31, 2020.

## Note 2 – Summary of Significant Accounting Policies, continued

### Contributions

Contributions received are recorded as revenue without donor restriction or with donor restriction depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires 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.

### Donated Services and Materials

Contributed services are recognized if the services received create or enhance non-financial assets or require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In-kind contributions are recognized when donated services received create or enhance long-lived assets or require specialized skills and when goods that would typically need to be purchased are provided by donation.

### Website Development

Website development costs are capitalized and amortized over their estimated useful lives. Costs related to the maintenance of the website are expensed as incurred.

### Income Taxes

The Foundation has been recognized by the Internal Revenue Services (“IRS”) as an organization that is exempt from federal income taxes under Internal Revenue Code (“IRC”) Section 501(c)(3) and is further classified as a public charity under IRC Section 509(a)(2).

No provision has been made for income taxes in the financial statements. Furthermore, the Foundation believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions. Generally, the Foundation is not subject to U.S. federal income tax examinations by tax authorities for three (3) years from the date of filing.

### Recent Accounting Pronouncement

In June 2018, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2018-08—Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the scope and the accounting guidance for contributions received and contributions made. ASU No. 2018-08 should assist entities in (i) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (ii) determining whether a contribution is conditional. ASU No. 2018-08 is effective for fiscal years beginning after December 15, 2019. The adoption of ASU No. 2018-08 did not have a material effect on the financial statements and disclosures for the year ended December 31, 2020.

### Date of Management’s Review

Management has evaluated subsequent events through May 18, 2021, the date on which the financial statements were available to be issued.

**Note 3 – Liquidity and Availability of Resources**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020, comprise of the following:

Financial assets as of December 31, 2020	
Cash	\$ 422,990
Total financial assets	<u>422,990</u>
Less: financial assets not available for general expenditure	-
Total financial assets available for general expenditure	<u><u>\$ 422,990</u></u>

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**Note 4 – Related Party Transaction**

One member of the executive board contributed \$350,000 to the Foundation during the year ended December 31, 2020.

During the year ended December 31, 2020, the Foundation made payments to two (2) related parties for professional services rendered totaling \$26,040.

**Note 5 – Commitments and Contingencies**

***COVID-19 Pandemic***

On March 11, 2020, the World Health Organization classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of these financial statements. As such, it is uncertain as to the full magnitude that the pandemic will have on the Foundation’s financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Foundation is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for 2021.

***Operating Lease***

In September 2019, the Foundation entered into an office lease agreement with an unrelated third party. The lease expires in September 2022, with monthly rental payments of \$2,500. Rent expense for the year ended December 31, 2020 was \$31,047.

Future minimum lease payments under the operating lease is as follows:

<u>Years Ending December 31,</u>	
2021	\$ 31,284
2022	<u>23,463</u>
Total	<u><u>\$ 54,747</u></u>

**Note 5 – Commitments and Contingencies, continued**

**Unconditional Promise to Give**

In May 2019, the Foundation executed a Gift & Naming Rights Agreement with another organization, where the Foundation pledged \$2,500,000 in yearly installments of \$500,000, with payments commencing in 2019.

Future payments under the pledge are as follows:

<u>Years Ending December 31,</u>	
2021	\$ 504,900
2022	504,855
2023	794,805
Total	<u>1,804,560</u>
Discount to present value	(14,560)
Total pledges receivable	<u><u>\$ 1,790,000</u></u>

**Note 6 – Prior Period Adjustment**

The Foundation previously issued audited financial statements as of and for the year ended December 31, 2019 on July 15, 2020. The accompanying financial statements include adjustments made to correct errors in these previously issued financial statements as follows:

	<u>Unrestricted</u>
Beginning net assets, as previously reported	\$ <u>119,667</u>
Increase in net assets, as previously reported	\$ 17,849
Decrease in unrestricted expenses	<u>(1,940,000)</u>
Decrease in deficiency in net assets, as restated	<u>\$ (1,922,151)</u>
Ending net assets, as previously reported	\$ 137,516
Adjustments to decrease the change in net assets	<u>(1,940,000)</u>
Ending net assets, as restated	<u><u>\$ (1,802,484)</u></u>