

Receptions for Research –  
The Greg Olsen Foundation, Inc.

Financial Statements

December 31, 2018

## Table of Contents

Independent Auditors' Report.....	1 – 2
Financial Statements:	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows.....	6
Notes to Financial Statements .....	7 – 10

## 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, 2018, 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 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.

*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, 2018, 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  
July 19, 2019

Receptions for Research – The Greg Olsen Foundation, Inc.  
Statement of Financial Position  
December 31, 2018

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ASSETS

Assets:

Cash	\$	116,592
Accounts receivable		5,000
Website development costs, net		<u>3,075</u>
Total assets	\$	<u><u>124,667</u></u>

NET ASSETS

Commitments and contingencies

Net assets:

Without donor restriction	\$	<u>124,667</u>
Total net assets	\$	<u><u>124,667</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, 2018

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	<u>Without Donor Restriction</u>
Revenues and other support:	
Donations	\$ 575,161
Events	285,605
In-kind contributions	29,716
Total revenues and other support	<u>890,482</u>
Expenses:	
Program	811,467
Management and general	39,572
Fundraising	80,841
Total expenses	<u>931,880</u>
Change in net assets	(41,398)
Net assets, beginning of year	<u>166,065</u>
Net assets, end of year	<u>\$ 124,667</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, 2018

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	Program	Management and General	Fundraising	Total Functional Expenses
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Grant assistance	\$ 770,000	\$ -	\$ -	\$ 770,000
Event expenses	-	-	52,856	52,856
Professional fees	-	34,500	-	34,500
In-kind contributions	29,716	-	-	29,716
Merchandise	-	-	25,894	25,894
Website	6,831	853	853	8,537
Amortization	4,920	615	615	6,150
Office supplies	-	1,629	-	1,629
Licenses	-	1,208	-	1,208
Bank fees	-	300	623	923
Insurance	-	467	-	467
Total functional expenses	<u>\$ 811,467</u>	<u>\$ 39,572</u>	<u>\$ 80,841</u>	<u>\$ 931,880</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, 2018

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Cash flows from operating activities:	
Change in net assets	\$ (41,398)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Amortization	6,150
Change in operating assets:	
Accounts receivable	(5,000)
Net cash used in operating activities	<u>(40,248)</u>
Cash flows from investing activities	<u>-</u>
Cash flows from financing activities	<u>-</u>
Net decrease in cash	(40,248)
Cash, beginning of year	<u>156,840</u>
Cash, end of year	<u>\$ 116,592</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, 2018, 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, 2018.

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

### Accounts Receivable

Accounts receivable are presented net of a reserve for doubtful accounts, should the Foundation's management deem that a reserve is necessary. Receivables are considered impaired if full payments are not received in accordance with the agreed upon terms. The Foundation's allowance for doubtful accounts as of December 31, 2018 was \$0.

### 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.

### Accounting Pronouncements Adopted

The Foundation has adopted the financial statement presentation and disclosure standards contained in the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, modifying Accounting Standards Codification ("ASC") 958. The change has been applied as of December 31, 2018 with no effect on beginning net assets.

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

### Recent Accounting Pronouncements

In June 2018, the FASB issued 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. Early adoption is permitted. The Foundation does not expect the adoption of ASU No. 2018-08 to have a material effect on the financial statements and disclosures.

### Date of Management's Review

Management has evaluated subsequent events through July 19, 2019, 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, 2018, comprise of the following:

Financial assets as of December 31, 2018		
Cash	\$	116,592
Accounts receivable		5,000
Total financial assets		<u>121,592</u>
Less: financial assets not available for general expenditure		<u>-</u>
Total financial assets available for general expenditure	\$	<u><u>121,592</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 – Website Development Costs

Website development costs consisted of the following as of December 31, 2018:

	<u>Estimated Useful</u>		
	<u>Life (in Years)</u>		
Website development costs	3	\$	18,450
Less: accumulated amortization			<u>(15,375)</u>
Website development costs, net		\$	<u><u>3,075</u></u>

Amortization expense for the year ended December 31, 2018 was \$6,150. In 2019, the book value of \$3,075 as of December 31, 2018 will become fully amortized.

**Note 5 – Related Party Transaction**

The Foundation received \$29,716 of donated materials from a member of the executive board during the year ended December 31, 2018.