

Receptions for Research –
The Greg Olsen Foundation, Inc.

Financial Statements

December 31, 2017

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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, 2017, and the related statements of activities 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.

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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, 2017, 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
April 17, 2018

Receptions for Research – The Greg Olsen Foundation, Inc.
Statement of Financial Position
December 31, 2017

ASSETS

Assets:

Cash	\$	156,840
Website development costs, net		<u>9,225</u>
Total assets	\$	<u><u>166,065</u></u>

NET ASSETS

Commitments and contingencies

Net assets:

Unrestricted	\$	<u>166,065</u>
Total net assets	\$	<u><u>166,065</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, 2017

	<u>Unrestricted</u>
Revenues:	
Donations	\$ 725,568
Events	158,433
In-kind contributions	37,813
Total revenues	<u>921,814</u>
Expenses:	
Grants and awards	810,000
Events	99,822
Fundraising	2,405
Management and general	45,699
Total expenses	<u>957,926</u>
Change in net assets	(36,112)
Net assets, beginning of year	<u>202,177</u>
Net assets, end of year	<u>\$ 166,065</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, 2017

Cash flows from operating activities:	
Change in net assets	\$ (36,112)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Amortization expense	6,150
Change in operating assets:	
Accounts receivable	15,000
Net cash used in operating activities	<u>(14,962)</u>
Cash flows from investing activities	<u>-</u>
Cash flows from financing activities	<u>-</u>
Net decrease in cash	(14,962)
Cash, beginning of year	<u>171,802</u>
Cash, end of year	<u>\$ 156,840</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 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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets – not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by the actions of the Board of Directors.

Temporarily Restricted Net Assets – subject to donor-imposed stipulations that may be fulfilled by the actions of the Board of Directors or become unrestricted at the date specified by the donor.

Permanently Restricted Net Assets – subject to donor-imposed stipulations that are to be maintained permanently.

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 at December 31, 2017.

Note 2 – Summary of Significant Accounting Policies, continued

Contributions

Contributions received are recorded as unrestricted, temporarily unrestricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Foundation has no temporarily or permanently restricted net assets.

Contributed Services and In-Kind Contributions

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. During 2017, there were no donated services received by the Foundation. During 2017, the Foundation received \$37,813 of in-kind contributions from a related party (see Related Party Transaction Note), which is included in the accompanying statement of activities.

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 no longer subject to U.S. federal income tax examinations by tax authorities for three (3) years from the date of filing.

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-14 Not-For-Profit (“NFP”) Entities (Topic 958), *Presentation of Financial Statements of Not-For-Profit Entities*. Under the new guidance, NFP entities are required to: (1) present on the face of the statement of financial position amounts for two classes of net assets at the end of the period, rather than the currently required three classes. That is, an NFP will report amounts for net assets with donor restrictions and net assets without donor restrictions, as well as the currently required amount for total net assets; (2) present on the face of the statement of activities the amount of the change in each of the two classes of net assets rather than that of the currently required three classes; (3) continue to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting but no longer require the presentation or disclosure of the indirect method reconciliation if using the direct method; (4) provide enhanced disclosure on (a) governing board designations, appropriation, and similar

Note 2 – Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements, continued

actions that result in self-imposed limits on use of resources without donor-imposed restrictions as of the end of the period; (b) composition of net assets with donor restrictions at the end of the period; (c) qualitative information that communicates how the Foundation manages its liquid resources to meet cash needs for general expenditures within one year of the financial position date; (d) qualitative information that communicates availability of the Foundation's financial asset at the financial position date to meet cash needs for general expenditures within one year of the financial position date; (e) amount of expenses by both their natural and functional classification; (f) methods used to allocate costs among programs and support functions; (g) additional disclosures on underwater endowment funds. The new reporting guidance is effective for fiscal years beginning after December 15, 2017. Management is evaluating the potential impact of this new guidance on the financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* ("ASU 2016-18"), which provides guidance on the classification of restricted cash in the statement of cash flows. ASU 2016-18 is effective for fiscal years beginning January 1, 2018. Early adoption is permitted. Management does not expect the adoption of ASU 2016-18 to have a material effect on the financial statements and disclosures.

Date of Management's Review

Management has evaluated subsequent events through April 17, 2018, the date on which the financial statements were available to be issued.

Note 3 – Website Development Costs

Website development costs consisted of the following at December 31, 2017:

	<u>Estimated Useful Life (in Years)</u>		
Website development costs	3	\$	18,450
Less: accumulated amortization			<u>(9,225)</u>
Website development costs, net		\$	<u><u>9,225</u></u>

Amortization expense for the year ended December 31, 2017 was \$6,150.

Future amortization expense for the website development costs is as follows:

	<u>Years Ending December 31,</u>	
2018	\$	6,150
2019		<u>3,075</u>
	\$	<u><u>9,225</u></u>

Note 4 – Related Party Transaction

One member of the executive board made a \$37,813 in-kind contribution during the year ended December 31, 2017.