

**G. FRED DIBONA, JR. MEMORIAL
FOUNDATION
T/A FRED'S FOOTSTEPS**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2020 AND 2019

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

G. FRED DIBONA, JR. MEMORIAL FOUNDATION

T/A FRED'S FOOTSTEPS

DECEMBER 31, 2020 AND 2019

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Independent Auditor's Report

To: The Trustees
G. Fred DiBona, Jr. Memorial Foundation
t/a Fred's Footsteps
Bryn Mawr, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of ***G. Fred DiBona, Jr. Memorial Foundation, t/a Fred's Footsteps*** (a Pennsylvania non-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, 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 audit to obtain reasonable assurance about whether the financial statements are free of 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 **G. Fred DiBona, Jr. Memorial Foundation, t/a Fred's Footsteps**, as of December 31, 2020 and 2019, 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.

A handwritten signature in black ink that reads "Renzi, Bernacki, Frey & Co". The signature is written in a cursive, flowing style.

Cherry Hill, NJ
October 19, 2021

G. FRED DIBONA, JR. MEMORIAL FOUNDATION
T/A FRED'S FOOTSTEPS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current assets		
Cash and cash equivalents	\$ 242,238	\$ 275,537
Pledges receivable, net	115,417	118,899
Investment income receivable	4,385	5,408
Prepaid expenses and other	<u>13,270</u>	<u>8,220</u>
Total current assets	<u>375,310</u>	<u>408,064</u>
Investments, at market	<u>5,009,506</u>	<u>4,582,096</u>
Property and equipment, net	<u>16,099</u>	<u>23,013</u>
Total assets	<u>\$ 5,400,915</u>	<u>\$ 5,013,173</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 16,384	\$ 21,819
PPP loan advance	<u>53,500</u>	<u>-</u>
Total current liabilities	<u>69,884</u>	<u>21,819</u>
Net assets		
Without donor restrictions	<u>5,331,031</u>	<u>4,991,354</u>
Total liabilities and net assets	<u>\$ 5,400,915</u>	<u>\$ 5,013,173</u>

The accompanying notes are an integral part of this statement.

G. FRED DIBONA, JR. MEMORIAL FOUNDATION
T/A FRED'S FOOTSTEPS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

<u>OPERATING REVENUE AND SUPPORT</u>	<u>2020</u>	<u>2019</u>
Special events		
Golf outing	\$ 504,872	\$ 650,668
Party in the Yard	472,959	409,570
Other events	24,078	4,165
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Total special event revenue	1,001,909	1,064,403
Less: direct benefits to donors	(271,516)	(312,804)
	<hr/>	<hr/>
Special event revenue, net	730,393	751,599
Contributions	401,648	450,676
In-kind contributions	1,500	1,500
Other income	-	4,996
Dividend and interest income	87,439	84,097
	<hr/>	<hr/>
Total revenue and support	1,220,980	1,292,868
<u>EXPENSES</u>		
Program services		
Specific assistance to individuals and other program expense	1,008,466	873,096
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Support services		
Management and general	120,634	127,281
Fundraising	91,197	69,306
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Total support services	211,831	196,587
Total expenses	1,220,297	1,069,683
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Changes in operating net assets	682	223,185
<u>NONOPERATING ACTIVITIES</u>		
Realized and unrealized gains on investments	338,994	425,036
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Changes in net assets	339,676	648,221
Net assets, beginning of year	4,991,354	4,343,133
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Net assets, end of year	\$ 5,331,031	\$ 4,991,354
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The accompanying notes are an integral part of this statement.

G. FRED DIBONA, JR. MEMORIAL FOUNDATION
T/A FRED'S FOOTSTEPS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Support Services		Total Support Services	Total
		Management and General	Fundraising		
Bad debt expense	\$ -	\$ 800	\$ -	\$ 800	\$ 800
Bank and credit card fees	-	16,522	-	16,522	16,522
Conferences, meetings and travel	-	1,730	-	1,730	1,730
Depreciation and amortization expense	4,148	1,383	1,383	2,766	6,914
In-kind services	1,500	-	-	-	1,500
Insurance	-	7,640	-	7,640	7,640
Occupancy - rent and utilities	20,760	6,388	4,791	11,179	31,939
Office expense	7,148	2,383	2,383	4,766	11,914
Postage and shipping	2,486	829	829	1,658	4,144
Professional fees	8,000	18,666	-	18,666	26,666
Public relations	-	-	33,323	33,323	33,323
Registration fees and taxes	-	750	-	750	750
Salaries and payroll taxes	195,733	60,225	45,169	105,394	301,127
Software and technology	-	2,563	2,564	5,127	5,127
Specific assistance grants	753,998	-	-	-	753,998
Supplies	2,267	755	755	1,510	3,777
Telephone and internet	12,426	-	-	-	12,426
Total expenses before direct benefits to donors	1,008,466	120,634	91,197	211,831	1,220,297
Direct benefits to donors	-	-	271,516	271,516	271,516
Total expenses	\$ 1,008,466	\$ 120,634	\$ 362,713	\$ 483,347	\$ 1,491,813

The accompanying notes are an integral part of this statement.

G. FRED DIBONA, JR. MEMORIAL FOUNDATION
T/A FRED'S FOOTSTEPS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services	Support Services			Total
		Management and General	Fundraising	Total Support Services	
Bad debt expense	\$ -	\$ 11,362	\$ -	\$ 11,362	\$ 11,362
Bank and credit card fees	-	17,624	-	17,624	17,624
Conferences, meetings and travel	4,960	-	-	-	4,960
Depreciation and amortization expense	4,381	1,460	1,460	2,920	7,301
In-kind services	1,500	-	-	-	1,500
Insurance	-	3,375	-	3,375	3,375
Miscellaneous	-	1,574	-	1,574	1,574
Occupancy - rent and utilities	27,888	8,581	6,436	15,017	42,905
Office expense	3,535	1,139	1,138	2,277	5,812
Postage and shipping	3,208	1,070	1,069	2,139	5,347
Professional fees	9,083	21,194	-	21,194	30,277
Public relations	-	-	13,618	13,618	13,618
Registration fees and taxes	-	535	-	535	535
Salaries and payroll taxes	179,162	55,127	41,345	96,472	275,634
Software and technology	-	2,761	2,761	5,522	5,522
Specific assistance grants	625,809	-	-	-	625,809
Supplies	4,438	1,479	1,479	2,958	7,396
Telephone and internet	9,132	-	-	-	9,132
Total expenses before direct benefits to donors	873,096	127,281	69,306	196,587	1,069,683
Direct benefits to donors	-	-	312,804	312,804	312,804
Total expenses	\$ 873,096	\$ 127,281	\$ 382,110	\$ 509,391	\$ 1,382,487

The accompanying notes are an integral part of this statement.

G. FRED DIBONA, JR. MEMORIAL FOUNDATION
T/A FRED'S FOOTSTEPS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2020</u>	<u>2019</u>
Changes in net assets	\$ 339,676	\$ 648,221
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	6,914	7,301
Realized and unrealized (gains) on investments, net	(338,994)	(425,036)
Loss on disposal of assets	-	335
(Increase) decrease in:		
Pledges receivable	3,482	(37,749)
Investment income receivable	1,023	1,285
Prepaid expenses and other	(5,050)	(4,000)
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>(5,435)</u>	<u>6,942</u>
Net cash provided by operating activities	<u>1,616</u>	<u>197,299</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of furniture and equipment	-	(9,005)
Purchase, sales and withdrawals of investments, net	<u>(88,415)</u>	<u>(85,261)</u>
Net cash (used in) investing activities	<u>(88,415)</u>	<u>(94,266)</u>
 <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
PPP loan advance	<u>53,500</u>	<u>-</u>
Net cash provided by investing activities	<u>53,500</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(33,299)	103,033
Cash and cash equivalents, beginning of year	<u>275,537</u>	<u>172,504</u>
Cash and cash equivalents, end of year	<u>\$ 242,238</u>	<u>\$ 275,537</u>

The accompanying notes are an integral part of this statement.

G. FRED DIBONA, JR. MEMORIAL FOUNDATION
T/A FRED'S FOOTSTEPS
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

G. Fred DiBona, Jr. Memorial Foundation t/a Fred's Footsteps (the "Foundation"), is a Pennsylvania non-profit corporation dedicated to helping foster human growth and improve the quality of life for people in the community. The Foundation provides direct financial support to families who have found themselves in a financial crisis due to the costs associated with caring for a critically or chronically ill child.

The significant accounting policies followed are described below.

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, which require the Foundation to report 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 the 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.

The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) during the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions on the statement of activities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

G. FRED DIBONA, JR. MEMORIAL FOUNDATION
T/A FRED'S FOOTSTEPS
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Allocation of Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

Cash held in checking accounts and money market accounts with maturities of less than 90 days are classified as cash and cash equivalents.

Credit and Market Risk

Cash equivalents are held at highly rated financial institutions. Credit exposure is limited to one institution. The Foundation has not incurred any losses on its cash equivalents. The Foundation's investments are held in a diversified portfolio with no concentrations of credit risk.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Dividends and interest income are recorded during the period earned.

Pledges Receivable

Contributions are recognized when the donor makes a pledge to the Foundation that is unconditional in substance. Pledges that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the pledges are recognized.

The Foundation uses the allowance method to determine uncollectible pledges. The allowance is based on prior years' experience and management's analysis. At December 31, 2020 and 2019, the allowance for uncollectible accounts was \$0.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

Specific Assistance Grants

Unconditional specific assistance grants are recorded as an expense when payment is made. The Foundation's policy is to determine which families and individuals will receive assistance, what types of assistance they are to receive and the maximum amounts of assistance they will receive. The Foundation does not normally promise any specific assistance to individuals and families and reserves the right to make changes for specific awards up to the actual time of payment.

G. FRED DIBONA, JR. MEMORIAL FOUNDATION
T/A FRED'S FOOTSTEPS
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Advertising

The Foundation uses advertising to promote its fundraising activities. Advertising costs are expensed as incurred. During the years ended December 31, 2020 and 2019, no advertising costs were incurred.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. In-kind contributions consisted of donated goods and services valued at \$1,500 and \$1,500 for the years ended December 31, 2020 and 2019, respectively.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Foundation's ongoing program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

2. LIQUIDITY AND AVAILABILITY

The Foundation's financial assets available to meet cash needs for general expenditures within one year were as follows, as of December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 242,238	\$ 275,537
Investments, at market	5,009,506	4,582,096
Pledges receivable	115,417	118,899
Investment income receivable	<u>4,385</u>	<u>5,408</u>
	5,371,546	4,981,940
Donor-imposed restricted funds	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,371,546</u>	<u>\$ 4,981,940</u>

The Foundation manages its liquidity by operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. During the years ended December 31, 2020 and 2019, the Foundation was able to meet cash needs for general expenditures within each respective year.

G. FRED DIBONA, JR. MEMORIAL FOUNDATION
T/A FRED'S FOOTSTEPS
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020 AND 2019

3. INVESTMENTS

The valuation techniques required by FASB ASC 820 are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect management's market assumptions. These two types of inputs create the three levels of fair value hierarchy described below.

On January 1, 2009, the Foundation adopted the provisions of ASC No. 820 "Fair Value Measurements and Disclosures" for financial statement elements currently required to be measured at fair value. ASC No. 820 clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements. The three levels of the fair value hierarchy under ASC No. 820 are as follows:

- Level 1 - quoted prices in active markets for identical securities
- Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 - significant unobservable inputs (including the Foundation's own assumptions in determining the fair value of investments)

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to fair value measurement. The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The summary of inputs used to value the Foundation's investments is as follows at December 31, 2020:

	<u>Total</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
Cash and cash equivalents	\$ 382,269	\$ 382,269	\$ -	\$ -
Equity and bond funds	4,126,359	4,126,359	-	-
Fixed income securities	<u>500,878</u>	<u>500,878</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,009,506</u>	<u>\$ 5,009,506</u>	<u>\$ -</u>	<u>\$ -</u>

G. FRED DIBONA, JR. MEMORIAL FOUNDATION
T/A FRED'S FOOTSTEPS
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020 AND 2019

3. INVESTMENTS (CONT'D)

The summary of inputs used to value the Foundation's investments is as follows at December 31, 2019:

	<u>Total</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
Cash and cash equivalents	\$ 353,927	\$ 353,927	\$ -	\$ -
Equity and bond funds	3,670,008	3,670,008	-	-
Fixed income securities	<u>558,161</u>	<u>558,161</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,582,096</u>	<u>\$ 4,582,096</u>	<u>\$ -</u>	<u>\$ -</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Website development	\$ 52,847	\$ 52,847
Leasehold improvements	3,945	3,945
Furniture and equipment	<u>7,815</u>	<u>7,815</u>
	64,607	64,607
Less: accumulated depreciation and amortization	<u>(48,508)</u>	<u>(41,594)</u>
Total property and equipment, net	<u>\$ 16,099</u>	<u>\$ 23,013</u>

Depreciation and amortization expense for the years ended December 31, 2020 and 2019 was \$6,914 and \$7,301, respectively.

5. INCOME TAX STATUS

The Foundation is a non-profit organization that is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3), and is exempt from state income taxes under the provisions of the Pennsylvania Department of Revenue.

The Foundation has adopted current accounting principles for uncertain income tax positions that require evaluation of tax positions taken on its income tax returns and recognizing a tax asset or liability if the position would not be sustained under audit. The Foundation's policy is to record interest and penalties from tax examinations as income taxes. For federal income tax purposes, the returns remain open for possible examination three years after they are filed.

G. FRED DIBONA, JR. MEMORIAL FOUNDATION
T/A FRED'S FOOTSTEPS
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020 AND 2019

6. COMMITMENTS

In October 2020 the Foundation entered into a five-year and two months lease for office space, commencing January 2020. The terms of the lease include future minimum annual payments as follows for the years ended December 31:

2021	\$ 30,952
2022	34,779
2023	35,822
2024	36,897
2025	<u>6,330</u>
Total	<u>\$ 144,780</u>

Rent expense was \$31,939 and \$42,905 for the years ended December 31, 2020 and 2019, respectively.

7. PPP LOAN ADVANCE

In May 2020, the Foundation received a Paycheck Protection Program ("PPP") loan advance in the amount of \$53,500. Pursuant to the terms of the CARES Act, the Foundation applied for the loan to be forgiven by the Small Business Administration in whole or in part. The entire loan was forgiven in June 2021.

8. SUBSEQUENT EVENTS

In preparing these financial statements, management of the Foundation has evaluated events and transactions for potential recognition or disclosure through October 19, 2021, the date the financial statements were available to be issued.

The Foundation had no significant or material subsequent events through October 19, 2021.