

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

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2021 AND 2020

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

G. FRED DIBONA, JR. MEMORIAL FOUNDATION

T/A FRED'S FOOTSTEPS

DECEMBER 31, 2021 AND 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses December 31, 2021	5
Statement of Functional Expenses December 31, 2020	6
Statements of Cash Flows	7
Notes to Financial Statements	8

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of **G. Fred DiBona, Jr. Memorial Foundation** (a non-profit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of **G. Fred DiBona, Jr. Memorial Foundation** as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **G. Fred DiBona, Jr. Memorial Foundation** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **G. Fred DiBona, Jr. Memorial Foundation, Inc.'s** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ***G. Fred DiBona, Jr. Memorial Foundation's*** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ***G. Fred DiBona, Jr. Memorial Foundation's*** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Cherry Hill, NJ
October 24, 2022

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

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 270,358	\$ 242,238
Pledges receivable, net	30,197	115,417
Investment income receivable	1,454	4,385
Prepaid expenses and other	10,053	13,270
Total current assets	<u>312,062</u>	<u>375,310</u>
Investments, at market	<u>5,409,689</u>	<u>5,009,506</u>
Property and equipment, net	<u>11,624</u>	<u>16,099</u>
Total assets	<u><u>\$ 5,733,375</u></u>	<u><u>\$ 5,400,915</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 28,678	\$ 16,384
PPP loan advance	<u>-</u>	<u>53,500</u>
Total current liabilities	<u>28,678</u>	<u>69,884</u>
Net assets		
Without donor restrictions	<u>5,704,697</u>	<u>5,331,031</u>
Total liabilities and net assets	<u><u>\$ 5,733,375</u></u>	<u><u>\$ 5,400,915</u></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>2021</u>	<u>2020</u>
Special events		
Golf outing	\$ 606,415	\$ 504,872
Party in the Yard	414,901	472,959
Other events	<u>2,512</u>	<u>24,078</u>
Total special event revenue	1,023,828	1,001,909
Less: direct benefits to donors	<u>(226,854)</u>	<u>(271,516)</u>
Special event revenue, net	796,974	730,393
Contributions	428,572	401,648
In-kind contributions	30,199	1,500
Government grant (PPP)	53,500	-
Dividend and interest income	<u>88,994</u>	<u>87,439</u>
Total revenue and support	<u>1,398,239</u>	<u>1,220,980</u>
<u>EXPENSES</u>		
Program services		
Specific assistance to individuals and other program expense	<u>1,015,828</u>	<u>1,008,466</u>
Support services		
Management and general	149,752	120,634
Fundraising	<u>78,643</u>	<u>91,197</u>
Total support services	<u>228,395</u>	<u>211,831</u>
Total expenses	<u>1,244,223</u>	<u>1,220,297</u>
Changes in operating net assets	154,016	683
<u>NONOPERATING ACTIVITIES</u>		
Realized and unrealized gains on investments	<u>219,650</u>	<u>338,994</u>
Changes in net assets	373,666	339,677
Net assets, beginning of year	<u>5,331,031</u>	<u>4,991,354</u>
Net assets, end of year	<u>\$ 5,704,697</u>	<u>\$ 5,331,031</u>

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, 2021

	Program Services	Support Services		Total Support Services	Total
		Management and General	Fundraising		
Bank and credit card fees	\$ -	\$ 17,932	\$ -	\$ 17,932	\$ 17,932
Conferences, meetings and travel	-	53	-	53	53
Depreciation and amortization	4,587	1,411	1,059	2,470	7,057
In-kind services	30,199	-	-	-	30,199
Insurance	-	2,852	-	2,852	2,852
Miscellaneous	3,872	1,191	894	2,085	5,957
Occupancy - rent and utilities	20,274	6,238	4,678	10,916	31,190
Office expense	4,092	1,364	1,364	2,728	6,820
Postage and shipping	607	187	140	327	934
Professional fees	19,386	45,234	-	45,234	64,620
Public relations	-	-	15,462	15,462	15,462
Registration fees and taxes	-	875	-	875	875
Salaries and payroll taxes	225,170	69,283	51,963	121,246	346,416
Software and technology	-	2,940	2,939	5,879	5,879
Specific assistance grants	698,707	-	-	-	698,707
Supplies	625	192	144	336	961
Telephone and internet	8,309	-	-	-	8,309
Total expenses before direct benefits to donors	1,015,828	149,752	78,643	228,395	1,244,223
Direct benefits to donors	-	-	226,854	226,854	226,854
Total expenses	<u>\$ 1,015,828</u>	<u>\$ 149,752</u>	<u>\$ 305,497</u>	<u>\$ 455,249</u>	<u>\$ 1,471,077</u>

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	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
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2021</u>	<u>2020</u>
Changes in net assets	\$ 373,666	\$ 339,677
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	7,057	6,914
Realized and unrealized (gains) on investments, net	(219,650)	(338,994)
Forgiveness of PPP loan	53,500	-
(Increase) decrease in:		
Pledges receivable	(85,220)	3,482
Investment income receivable	2,931	1,023
Prepaid expenses and other	3,217	(5,050)
Increase (decrease) in:		
Accounts payable and accrued expenses	12,294	(5,436)
Net cash provided by operating activities	<u>147,795</u>	<u>1,616</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of furniture and equipment	(2,582)	-
Purchase, sales and withdrawals of investments, net	<u>(117,093)</u>	<u>(88,415)</u>
Net cash (used in) investing activities	<u>(119,675)</u>	<u>(88,415)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
PPP loan advance	<u>-</u>	<u>53,500</u>
Net cash provided by investing activities	<u>-</u>	<u>53,500</u>
Net increase (decrease) in cash and cash equivalents	28,120	(33,299)
Cash and cash equivalents, beginning of year	<u>242,238</u>	<u>275,537</u>
Cash and cash equivalents, end of year	<u>\$ 270,358</u>	<u>\$ 242,238</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, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

G. Fred DiBona, Jr. Memorial Foundation (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, 2021 AND 2020

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, 2021 and 2020, 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, 2021 AND 2020

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, 2021 and 2020, 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 \$30,199 and \$1,500 for the years ended December 31, 2021 and 2020, 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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 270,358	\$ 242,238
Investments, at market	5,409,689	5,009,506
Pledges receivable	30,197	115,417
Investment income receivable	<u>1,454</u>	<u>4,385</u>
	5,711,698	5,371,546
Donor-imposed restricted funds	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,711,698</u>	<u>\$ 5,371,546</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, 2021 and 2020, 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, 2021 AND 2020

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.

The Foundation has 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, 2021:

	<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	\$ 443,893	\$ 443,893	\$ -	\$ -
Equity and bond funds	4,805,524	4,805,524	-	-
Fixed income securities	<u>160,272</u>	<u>160,272</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,409,689</u>	<u>\$ 5,409,689</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, 2021 AND 2020

3. INVESTMENTS (CONT'D)

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>

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Website development	\$ 52,847	\$ 52,847
Leasehold improvements	3,945	3,945
Furniture and equipment	<u>10,397</u>	<u>7,815</u>
	67,189	64,607
Less: accumulated depreciation and amortization	<u>(55,565)</u>	<u>(48,508)</u>
Total property and equipment, net	<u>\$ 11,624</u>	<u>\$ 16,099</u>

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 was \$7,057 and \$6,914, 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, 2021 AND 2020

6. COMMITMENTS

In October 2021 the Foundation entered into a five-year and two months lease for office space, commencing January 2021. The terms of the lease include future minimum annual payments as follows for the years ended December 31:

2022	\$ 34,779
2023	35,822
2024	36,897
2025	<u>6,330</u>
Total	<u>\$ 113,828</u>

Rent expense was \$31,190 and \$31,939 for the years ended December 31, 2021 and 2020, 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 24, 2022, the date the financial statements were available to be issued.

The Foundation had no significant or material subsequent events through October 24, 2022.