

FRIENDS OF FISHER HOUSE PUGET SOUND

AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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LUBY & THOMSON, PLLC
C e r t i f i e d P u b l i c A c c o u n t a n t s

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Friends of Fisher House Puget Sound
Seattle, Washington

We have audited the accompanying financial statements of Friends of Fisher House Puget Sound (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020 and the related statements of activities and net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management 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 risk 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 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 Friends of Fisher House Puget Sound as of September 30, 2020, and the changes 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.

A handwritten signature in black ink that reads "Luby & Thomson". The signature is written in a cursive, flowing style.

Luby and Thomson, PLLC
Certified Public Accountants
Bellevue, Washington
January 7, 2021

FRIENDS OF FISHER HOUSE PUGET SOUND

STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	706,740
Contributions receivable		25,000
Prepaid expenses		<u>937</u>

TOTAL ASSETS	\$	<u><u>732,677</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	<u>7,309</u>
Total current liabilities		<u>7,309</u>

NET ASSETS

Without donor restrictions		<u>725,368</u>
Total net assets		<u>725,368</u>

TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>732,677</u></u>
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The accompanying notes are an integral part of these financial statements

FRIENDS OF FISHER HOUSE PUGET SOUND

STATEMENT OF ACTIVITIES AND NET ASSETS
YEAR ENDED SEPTEMBER 30, 2020

NET ASSETS WITHOUT DONOR RESTRICTIONS	
Support and revenue	
Contributions	\$ 227,909
Interest income	2,078
Total support and revenue without donor restrictions	<u>229,987</u>
Expenses	
Program services	109,613
Administration	20,536
Total expenses	<u>130,149</u>
Change in net assets without donor restrictions	<u>99,838</u>
CHANGE IN NET ASSETS	<u>99,838</u>
Net Assets, beginning of year	<u>625,530</u>
Net Assets, end of year	<u>\$ 725,368</u>

The accompanying notes are an integral part of these financial statements

FRIENDS OF FISHER HOUSE PUGET SOUND

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

	Program Services	Administration	Total
Fisher House support	\$ 97,092	\$ -	\$ 97,092
Accounting fees	-	10,834	10,834
Newsletter	7,398	-	7,398
Office rent	-	4,500	4,500
Marketing	4,057	-	4,057
Office expenses	1,066	2,732	3,798
Insurance	-	1,836	1,836
Bank fees	-	634	634
	<u>\$ 109,613</u>	<u>\$ 20,536</u>	<u>\$ 130,149</u>

The accompanying notes are an integral part of these financial statements

FRIENDS OF FISHER HOUSE PUGET SOUND

STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020

Cash flows from operating activities	
Cash received from contributions	\$ 227,909
Cash paid to employees and vendors	(126,051)
Interest received	<u>2,078</u>
Net cash provided by operating activities	<u>103,936</u>
Net increase (decrease) in cash	103,936
Cash, at beginning of year	<u>602,804</u>
Cash, at end of year	<u><u>\$ 706,740</u></u>

The accompanying notes are an integral part of these financial statements

FRIENDS OF FISHER HOUSE PUGET SOUND

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

NOTE 1. **ORGANIZATION**

Friends of Fisher House Puget Sound (the Organization) is a nonprofit corporation formed in 2006. The Organization's mission is to ease the burden on our active duty military and Veterans and their families during difficult times. The Organization raises funds to "create a home away from home" at four Washington Fisher Houses - Joint Base Lewis McChord House I and House II, VA Portland Health Care System Fisher House (Vancouver, WA) and VA Puget Sound Health Care System Fisher House. In these beautiful homes across Washington, families find peace, respite, and a place for the entire family to heal together. Top operational priorities include:

- Providing the simple assurance of knowing what is for dinner
- Providing basic comforts of home
- Creating a peaceful healing indoor and outdoor spaces
- Providing a clean, safe environment
- Assuring access to transportation to accompany hospitalized loved ones
- Assuring access to technology similar to Home and
- Creating a sense of camaraderie, family, and normalcy

NOTE 2. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed by the Organization are as follows:

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report on the accrual basis of accounting and 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 Organization. These net assets may be used at the discretion of the Organization'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 the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. All of the Organization's net assets with donor restrictions are temporary in nature.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

FRIENDS OF FISHER HOUSE PUGET SOUND

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. At September 30, 2020, cash and cash equivalents consist of checking and savings and accounts deposited with major financial institutions. At times, balances may exceed the federally insured limit. The Organization mitigates this risk by using multiple financial institutions and has not experienced any losses related to this risk.

Contributions Receivable

Receivables are stated at their outstanding principal balances. Management reviews the collectability of receivables on a periodic basis and determines the appropriate amount of any allowance. The Organization charges receivables off to the allowance when management determines that a receivable is not collectible. No allowance was considered necessary at September 30, 2020. All receivable balances are due in less than one year.

As of September 30, 2020, 100% of contributions receivable was due from one donor.

Property and Equipment

Property and equipment are stated at cost or donated value. Property and equipment with a life of at least one year, and a cost or donated fair value in excess of \$1,000, are capitalized and depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. As of September 30, 2020, the Organization had no capitalized property and equipment.

Revenue Recognition

We have analyzed the provisions of the FASB's ASC Topic 606, Revenue from Contracts with Customers, and have concluded that no changes are necessary to conform with the new standard as the Organization's revenue is limited to contributions and interest income.

Revenue from contributions is recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Revenues that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction is met in the reporting period in which the revenue is recognized. All other donor restricted revenues are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

During the year ended September 30, 2020, 38% of total revenue was from one donor.

FRIENDS OF FISHER HOUSE PUGET SOUND

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Goods and Services

It is the Organization's policy that they do not accept non-cash donations.

The Organization receives donated services from unpaid volunteers who assist in administration and special projects. No amounts have been recorded for those hours as they did not meet the qualifying criteria for recognition.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Individual expenses that solely relate to one program or supporting service are allocated in full to that category. The majority of the Organization's expenses are allocated directly.

Office expenses on the statement of functional expenses includes postage expenses allocated based on management's estimate of the underlying purpose of the related mailings.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

The Organization has determined there are no uncertain tax positions for the year ended September 30, 2020, and the accompanying financial statements contain no interest or penalties with respect to federal income taxes. The Organization's federal income tax returns remain open for examination to the extent prescribed by the Internal Revenue Code.

NOTE 3. AVAILABILITY AND LIQUIDITY

The following represents the Organization's liquidity and availability at September 30, 2020:

Financial assets at year end:	
Cash and cash equivalents	\$ 706,740
Contributions receivable	25,000
Total financial assets	<u>\$ 731,740</u>

The Organization prepares budgets annually in order to determine the amount of financial support that can be provided to the supported Fisher Houses. The Board of Directors determines the amounts to be provided based on the Organization's budget and availability of assets, as well as the needs of the Houses. The Organization provides proffer letters to each House documenting the annual commitment by the Organization.

FRIENDS OF FISHER HOUSE PUGET SOUND

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date these financial statements were available to be issued, which was January 7, 2021.