

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

with

INDEPENDENT AUDITORS' REPORT

Audited Financial Statements

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

September 30, 2010

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Jack and Jill Late Stage Cancer Foundation, Inc.
Atlanta, Georgia

We have audited the accompanying statements of financial position of The Jack and Jill Late Stage Cancer Foundation, Inc. ("the Organization") as of September 30, 2010 and 2009, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jack and Jill Late Stage Cancer Foundation, Inc. as of September 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Williams Benator & Libby, LLP

Atlanta, Georgia
November 22, 2010

STATEMENTS OF FINANCIAL POSITION

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	September 30	
	2010	2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 128,866	\$ 121,853
Pledges receivable--Note C	5,000	7,100
Prepaid expenses	5,280	6,479
TOTAL CURRENT ASSETS	139,146	135,432
EQUIPMENT, net of accumulated depreciation of \$3,295 and \$3,007 at September 30, 2010 and 2009, respectively	524	812
WEBSITE DEVELOPMENT COSTS, net of accumulated amortization of \$7,778 and \$4,444 at September 30, 2010 and 2009, respectively	2,222	5,556
PLEDGE RECEIVABLE, net of unamortized discount of \$336 and \$667 at September 30, 2010 and 2009, respectively--Note C	9,664	14,333
TOTAL ASSETS	<u>\$ 151,556</u>	<u>\$ 156,133</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 2,184	\$ 20,037
Accrued payroll	224	24,670
TOTAL CURRENT LIABILITIES	2,408	44,707
NET ASSETS		
Unrestricted	134,484	89,993
Temporarily restricted--Note B	14,664	21,433
TOTAL NET ASSETS	<u>149,148</u>	<u>111,426</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 151,556</u>	<u>\$ 156,133</u>

See notes to financial statements.

STATEMENTS OF ACTIVITIES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	Year Ended September 30	
	2010	2009
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues and support and net revenues from special events		
Contributions	\$ 1,107,000	\$ 809,032
Interest and other income	80	781
FORE! Golf Marathon revenues	135,546	-0-
Less: Cost of direct benefits to donors	(38,193)	-0-
	<u>97,353</u>	<u>-0-</u>
TOTAL UNRESTRICTED REVENUES AND NET		
REVENUES FROM SPECIAL EVENTS	1,204,433	809,813
Net assets released from restrictions--Note B	<u>114,519</u>	<u>95,000</u>
 TOTAL UNRESTRICTED REVENUES AND SUPPORT	 1,318,952	 904,813
Expenses		
WOW! Experience® program services	1,071,055	836,746
Supporting services:		
Fundraising	105,350	100,756
Management and general	98,056	50,430
	<u>203,406</u>	<u>151,186</u>
 TOTAL EXPENSES	 <u>1,274,461</u>	 <u>987,932</u>
 INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	 44,491	 (83,119)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Restricted contributions	107,750	116,433
Net assets released from restrictions--Note B	<u>(114,519)</u>	<u>(95,000)</u>
(DECREASE) INCREASE IN TEMPORARILY		
RESTRICTED NET ASSETS	<u>(6,769)</u>	<u>21,433</u>
 INCREASE (DECREASE) IN NET ASSETS	 37,722	 (61,686)
Net assets at beginning of year	<u>111,426</u>	<u>173,112</u>
 NET ASSETS AT END OF YEAR	 <u><u>\$ 149,148</u></u>	 <u><u>\$ 111,426</u></u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

Year Ended September 30, 2010

	Program Services	Supporting Services		
	WOW! Experience®	Fundraising	Management and General	Total Expenses
Salaries	\$ 196,350	\$ 55,750	\$ 16,950	\$ 269,050
Employee benefits	5,029	559	-0-	\$ 5,588
Payroll taxes	13,875	4,137	1,297	19,309
Total salaries and related expenses	215,254	60,446	18,247	293,947
Direct cost of WOW! Experience®	772,602	-0-	-0-	772,602
✦ Trip memory packages	42,017	-0-	-0-	42,017
Meetings and travel	23,724	9,673	-0-	33,397
Insurance	-0-	-0-	10,102	10,102
Fundraising	-0-	32,549	-0-	32,549
Professional fees	2,590	310	62,113	65,013
Supplies	2,121	150	205	2,476
Telephone and telecommunications	4,568	1,133	402	6,103
Postage, shipping, and delivery	867	320	127	1,314
Web hosting	450	250	500	1,200
Dues, subscriptions, and training	204	75	470	749
Bank and other fees	-0-	-0-	519	519
Software licenses and related expenses	6,460	227	210	6,897
Other	198	217	120	535
Bad debt expense	-0-	-0-	1,000	1,000
Loss on sale of stock	-0-	-0-	419	419
Depreciation and amortization	-0-	-0-	3,622	3,622
Total expenses	\$ 1,071,055	\$ 105,350	\$ 98,056	\$ 1,274,461

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

Year Ended September 30, 2009

	Program Services	Supporting Services		
	WOW! Experience®	Fundraising	Management and General	Total Expenses
Salaries	\$ 189,990	\$ 55,750	\$ 15,360	\$ 261,100
Employee benefits	3,852	428	-0-	4,280
Payroll taxes	13,717	4,173	1,175	19,065
Total salaries and related expenses	207,559	60,351	16,535	284,445
Direct cost of WOW! Experience®	557,213	-0-	-0-	557,213
Trip memory packages	30,272	-0-	-0-	30,272
Meetings and travel	6,036	5,204	-0-	11,240
Insurance	-0-	-0-	9,301	9,301
Fundraising	-0-	26,003	-0-	26,003
Professional fees	11,463	3,276	17,354	32,093
Supplies	1,285	-0-	93	1,378
Telephone and telecommunications	4,462	1,100	106	5,668
Postage, shipping, and delivery	827	481	10	1,318
Printing and copying	3,798	2,820	90	6,708
Web hosting	400	100	-0-	500
Dues, subscriptions, and training	2,776	1,389	280	4,445
Bank and other fees	-0-	-0-	1,892	1,892
Software licenses and related expenses	10,492	22	22	10,536
Other	163	10	379	552
Depreciation and amortization	-0-	-0-	4,368	4,368
Total expenses	\$ 836,746	\$ 100,756	\$ 50,430	\$ 987,932

See notes to financial statements.

STATEMENTS OF CASH FLOWS

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	Year Ended September 30	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors	\$ 485,718	\$ 301,607
Cash paid to employees and service and product providers	(478,785)	(339,516)
Interest and other income received	80	781
NET CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES	7,013	(37,128)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for equipment	-0-	(856)
Cash paid for website development costs	-0-	(5,000)
NET CASH USED IN INVESTING ACTIVITIES	-0-	(5,856)
NET INCREASE (DECREASE) IN CASH		
AND CASH EQUIVALENTS	7,013	(42,984)
Cash and cash equivalents at beginning of year	121,853	164,837
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 128,866</u>	<u>\$ 121,853</u>
RECONCILIATION OF INCREASE (DECREASE) IN NET		
ASSETS TO NET CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 37,722	\$ (61,686)
Adjustments to reconcile increase (decrease) in net assets to		
net cash provided by (used in) operating activities:		
Depreciation and amortization	3,622	4,368
Decrease (increase) in pledges receivable	6,769	(21,433)
Decrease in prepaid expenses	1,199	195
(Decrease) increase in accounts payable	(17,853)	16,758
(Decrease) increase in accrued payroll	(24,446)	24,670
	<u>\$ 7,013</u>	<u>\$ (37,128)</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

September 30, 2010

NOTE A--DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Jack and Jill Late Stage Cancer Foundation, Inc. ("the Organization") is a not-for-profit organization whose purpose is to provide families with a WOW! Experience® giving children, who will lose their Mom or Dad to cancer, a timeout to create indispensable memories together while they can.

The following accounting policies are presented to assist the reader in understanding the Organization's financial statements:

Adoption of Codification: During the year ended September 30, 2010, the Organization adopted the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") as the sole source of authoritative guidance.

Financial Statement Presentation: The Organization 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. At September 30, 2010 and 2009, there were no permanently restricted net assets.

Contributions: Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Donated Services and Materials: The Organization recognizes revenues from the receipt of donated services and materials at the fair value of those services and materials. During the years ended September 30, 2010 and 2009, the Organization recognized revenues from the receipt of donated services and materials of \$870,347 and \$602,425, respectively. Such donated amounts included airfare, hotel accommodations, event and theme park tickets, meals, and legal and accounting services.

Recognition of Promises to Give: Unconditional promises to give are recorded as receivables and revenues in the year in which the promises are received. Promises to give that are expected to be collected within one year are recorded at their net realizable value. The portion of promises to give that are expected to be collected during years exceeding one year are recorded at the present value of their estimated future cash flows, and are discounted using risk-free interest rates applicable to the years in which the promises are received. The differences between the gross amount of estimated future receipts and the present value of those future receipts are recorded as discounts in the years in

NOTES TO FINANCIAL STATEMENTS--Continued

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

NOTE A--DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

which the promises are received. Amortization of the discounts is recognized over the time period between recognition of the initial promises and the dates on which the cash is received and is included in contributions. Conditional promises to give are recognized when the conditions on which they are dependent are substantially met.

An allowance for estimated uncollectible pledges is recorded during years after the year of the initial pledge, based on management's evaluation of uncollected pledges. Uncollectible pledges are written off against the allowance when they are determined to be uncollectible. During the year ended September 30, 2010, bad debt expense totaled \$1,000. No bad debt expense was recognized during the year ended September 30, 2009.

Functional Allocation of Expenses: The costs of providing the Organization's programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Income Taxes: The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Effective October 1, 2009, the Organization adopted the Financial Accounting Standards Board ("FASB") guidance on "Accounting for Uncertainty in Income Tax." It prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a company's income tax returns, including taxes on unrelated business income earned by non-profit organizations, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. As a result of the implementation of the FASB guidance, the Organization did not recognize a liability for unrecognized tax benefits related to tax positions taken in prior periods. Therefore, there was no corresponding adjustment in net assets.

Cash and Cash Equivalents: For purposes of reporting cash flows, the Organization considers demand deposits and all unrestricted, highly liquid investments purchased with an original maturity of three months or less which can be readily converted to cash on demand, without penalty, to be cash equivalents.

Equipment: Equipment is stated at cost. Depreciation is computed using the straight-line method over the assets' estimated useful lives of three years.

Website Development Costs: Website development costs are stated at cost. Amortization is computed using the straight-line method over the website's estimated useful life of three years.

NOTES TO FINANCIAL STATEMENTS--Continued

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

NOTE A--DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Subsequent Events: Subsequent events have been evaluated through November 22, 2010, which is the date the financial statements were available to be issued.

NOTE B--TEMPORARILY RESTRICTED NET ASSETS

At September 30, 2010 and 2009, net assets of \$14,664 and \$21,433, respectively, were temporarily restricted due to time restrictions, based on when pledges are supposed to be paid by the donors.

During the years ended September 30, 2010 and 2009, net assets were released from restrictions by incurring expenses to satisfy the restricted purposes or due to lapse of time restrictions as follows:

	<u>2010</u>	<u>2009</u>
WOW! Experience®	\$ 107,750	\$ 90,000
Pledge collected and written off	<u>6,769</u>	<u>5,000</u>
	<u>\$ 114,519</u>	<u>\$ 95,000</u>

NOTE C--PLEDGES RECEIVABLE

Pledges receivable are stated at the present value of expected future cash flows, using a discount rate of 2.31%. At September 30, 2010 and 2009, 100% and 90% of the Organization's gross pledges receivable, respectively, were from one individual. Pledges receivable consisted of the following at September 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Unconditional pledges receivable	\$ 15,000	\$ 22,100
Less unamortized discount	<u>(336)</u>	<u>(667)</u>
	<u>\$ 14,664</u>	<u>\$ 21,433</u>

NOTES TO FINANCIAL STATEMENTS--Continued

The Jack and Jill Late Stage Cancer Foundation, Inc.

NOTE C--PLEDGES RECEIVABLE--Continued

These pledges are scheduled to be collected as follows:

Amounts due in fiscal year ending:

2011	\$ 5,000
2012-2013	<u>10,000</u>
	<u>\$ 15,000</u>