

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

with

INDEPENDENT AUDITORS' REPORT

Audited Financial Statements

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

September 30, 2013

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CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of The Jack and Jill Late Stage Cancer Foundation, Inc. ("the Organization") which comprise the statements of financial position as of September 30, 2013 and 2012, the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Organization's 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 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 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 auditors consider 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.

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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 The Jack and Jill Late Stage Cancer Foundation, Inc. as of September 30, 2013 and 2012, 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

Williams Benatar + Livvy, LLP
Atlanta, Georgia
December 9, 2013

STATEMENTS OF FINANCIAL POSITION

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	September 30	
	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 290,668	\$ 100,279
Contributions receivable--Note D	312,500	22,308
Other accounts receivable	8,543	8,759
Pledge receivable--Note C	-0-	5,000
Prepaid expenses	5,150	5,128
TOTAL CURRENT ASSETS	<u>616,861</u>	<u>141,474</u>
EQUIPMENT, net of accumulated depreciation of \$279 and \$4,409 at September 30, 2013 and 2012, respectively	<u>2,253</u>	<u>528</u>
TOTAL ASSETS	<u>\$ 619,114</u>	<u>\$ 142,002</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses--Note D	\$ 5,992	\$ 72,208
NET ASSETS		
Unrestricted	300,622	64,794
Temporarily restricted--Note B	312,500	5,000
TOTAL NET ASSETS	<u>613,122</u>	<u>69,794</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 619,114</u>	<u>\$ 142,002</u>

See notes to financial statements.

STATEMENTS OF ACTIVITIES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	Year Ended September 30	
	2013	2012
	<u>2013</u>	<u>2012</u>
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues and support		
Contributions	\$ 1,269,772	\$ 1,204,152
Interest and other income	50	25
TOTAL UNRESTRICTED REVENUES	<u>1,269,822</u>	<u>1,204,177</u>
Net assets released from restrictions--Note B	61,550	48,887
TOTAL UNRESTRICTED REVENUES AND SUPPORT	<u>1,331,372</u>	<u>1,253,064</u>
 Expenses		
WOW! Experience® program services	902,029	1,116,261
Public information	22,722	38,000
Supporting services:		
Fundraising	94,019	85,140
Management and general	76,774	75,976
	<u>170,793</u>	<u>161,116</u>
TOTAL EXPENSES	<u>1,095,544</u>	<u>1,315,377</u>
 INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	235,828	(62,313)
 CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Restricted contributions--Note D	369,050	44,000
Net assets released from restrictions--Note B	(61,550)	(48,887)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>307,500</u>	<u>(4,887)</u>
 INCREASE (DECREASE) IN NET ASSETS	543,328	(67,200)
 Net assets at beginning of year	<u>69,794</u>	<u>136,994</u>
 NET ASSETS AT END OF YEAR	<u><u>\$ 613,122</u></u>	<u><u>\$ 69,794</u></u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

Year Ended September 30, 2013

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>WOW! Experience®</u>	<u>Public Information</u>	<u>Fundraising</u>	<u>Management and General</u>	
Salaries	\$ 227,203	\$ -0-	\$ 61,079	\$ 13,689	\$ 301,971
Employee benefits	10,922	-0-	743	470	12,135
Payroll taxes	14,149	-0-	4,429	1,099	19,677
Total salaries and related expenses	<u>252,274</u>	<u>-0-</u>	<u>66,251</u>	<u>15,258</u>	<u>333,783</u>
Direct cost of WOW! Experience®	588,868	-0-	-0-	-0-	588,868
Trip memory packages	47,681	-0-	-0-	-0-	47,681
Meetings and travel	740	-0-	19,636	424	20,800
Advertising and media (in-kind)	-0-	18,486	-0-	-0-	18,486
Insurance	3,302	-0-	-0-	2,176	5,478
Fundraising	-0-	-0-	4,956	-0-	4,956
Professional fees	642	4,236	-0-	11,745	16,623
Professional fees (in-kind)	-0-	-0-	-0-	23,000	23,000
Supplies	1,246	-0-	138	1,325	2,709
Telephone and telecommunications	3,918	-0-	1,167	420	5,505
Postage, shipping, and delivery	402	-0-	730	558	1,690
Dues, subscriptions, and training	-0-	-0-	-0-	975	975
Bank and other fees	-0-	-0-	-0-	17,734	17,734
Software licenses and related expenses	2,898	-0-	1,082	2,001	5,981
Other	58	-0-	59	479	596
Loss on disposal of asset	-0-	-0-	-0-	217	217
Depreciation and amortization	-0-	-0-	-0-	462	462
Total expenses	<u>\$ 902,029</u>	<u>\$ 22,722</u>	<u>\$ 94,019</u>	<u>\$ 76,774</u>	<u>\$ 1,095,544</u>

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See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

Year Ended September 30, 2012

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>WOW! Experience®</u>	<u>Public Information</u>	<u>Fundraising</u>	<u>Management and General</u>	
Salaries	\$ 219,863	\$ -0-	\$ 61,080	\$ 17,854	\$ 298,797
Employee benefits	15,102	-0-	694	984	16,780
Payroll taxes	14,563	-0-	4,421	1,365	20,349
Total salaries and related expenses	<u>249,528</u>	<u>-0-</u>	<u>66,195</u>	<u>20,203</u>	<u>335,926</u>
Direct cost of WOW! Experience®	822,427	-0-	-0-	-0-	822,427
Trip memory packages	35,042	-0-	105	-0-	35,147
Meetings and travel	-0-	-0-	11,644	200	11,844
Advertising and media (in-kind)	-0-	38,000	-0-	-0-	38,000
Insurance	-0-	-0-	-0-	5,939	5,939
Fundraising	-0-	-0-	5,329	-0-	5,329
Professional fees	863	-0-	-0-	9,000	9,863
Professional fees (in-kind)	-0-	-0-	-0-	31,825	31,825
Supplies	357	-0-	212	123	692
Telephone and telecommunications	4,011	-0-	1,153	448	5,612
Postage, shipping, and delivery	714	-0-	411	350	1,475
Dues, subscriptions, and training	100	-0-	-0-	-0-	100
Bank and other fees	-0-	-0-	-0-	3,692	3,692
Software licenses and related expenses	3,219	-0-	63	3,209	6,491
Other	-0-	-0-	28	376	404
Depreciation and amortization	-0-	-0-	-0-	611	611
Total expenses	<u>\$ 1,116,261</u>	<u>\$ 38,000</u>	<u>\$ 85,140</u>	<u>\$ 75,976</u>	<u>\$ 1,315,377</u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	Year Ended September 30	
	2013	2012
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors	\$ 706,110	\$ 322,710
Cash paid to employees and service and product providers	(513,367)	(343,872)
Interest and other income received	50	25
	<u> </u>	<u> </u>
NET CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES	192,793	(21,137)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for equipment	(2,404)	-0-
	<u> </u>	<u> </u>
NET INCREASE (DECREASE) IN CASH AND		
CASH EQUIVALENTS	190,389	(21,137)
 Cash and cash equivalents at beginning of year	<u>100,279</u>	<u>121,416</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 290,668</u></u>	<u><u>\$ 100,279</u></u>
 RECONCILIATION OF INCREASE (DECREASE) IN NET		
ASSETS TO NET CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 543,328	\$ (67,200)
Adjustments to reconcile increase (decrease) in net assets to		
net cash provided by (used in) operating activities:		
Depreciation and amortization	462	611
Loss on disposal of property and equipment	217	-0-
Increase in contributions receivable	(290,192)	(22,308)
Decrease (increase) in other accounts receivable	216	(8,759)
Decrease in pledge receivable	5,000	4,887
(Increase) decrease in prepaid expenses	(22)	371
(Decrease) increase in accounts payable and accrued		
expenses	(66,216)	71,261
	<u> </u>	<u> </u>
	<u><u>\$ 192,793</u></u>	<u><u>\$ (21,137)</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

September 30, 2013

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:

Accounting Standards: The Organization follows the Financial Accounting Standards Board Accounting Standards Codification as its 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, 2013 and 2012, 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, 2013 and 2012, the Organization recognized revenues from the receipt of donated services and materials of \$960,236 and \$908,021, respectively. Donated amounts included airfare, hotel accommodations, event and theme park tickets, meals, and legal and accounting services. Such materials and services are contributed mostly by travel and hospitality industry companies. A total of \$608,834 and \$860,427 was utilized for the Organization's programs during the years ended September 30, 2013 and 2012, respectively. During the year ended September 30, 2013, donated services included a temporarily restricted contribution of \$312,500 for media space provided by a media company to be exchanged for air tickets provided by an airline company, as more fully described in Note D.

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

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-inclusive 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 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 years ended September 30, 2013 and 2012, the Organization recognized no bad debt expense.

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 programs 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.

The Organization follows current accounting guidance on accounting for uncertainty in income tax. The accounting guidance 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 not-for-profit organizations, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure. The tax returns for fiscal years 2010 to 2013 remain open to examination by the major tax jurisdictions to which the Organization is subject. The Organization has concluded that there are no uncertain tax positions related to years open to examination that would require recognition in the financial statements.

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. At times, bank balances may exceed federally insured limits.

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

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

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 December 9, 2013, which is the date the financial statements were available to be issued.

NOTE B--TEMPORARILY RESTRICTED NET ASSETS

At September 30, 2013 and 2012, net assets of \$312,500 and \$5,000, respectively, were temporarily restricted due to time restrictions, based on when contributions and pledges are supposed to be provided or paid by the donors.

During the years ended September 30, 2013 and 2012, net assets were released from restrictions by incurring expenses to satisfy the restricted purposes or due to lapse of time restrictions as follows:

	<u>2013</u>	<u>2012</u>
WOW! Experience®	\$ 56,550	\$ 44,000
Pledges collected	<u>5,000</u>	<u>4,887</u>
	<u>\$ 61,550</u>	<u>\$ 48,887</u>

NOTES TO FINANCIAL STATEMENTS--Continued

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

NOTE C--PLEDGE RECEIVABLE

At September 30, 2012, the Organization had a pledge receivable of \$5,000 from one individual. The pledge was collected in full during the year ended September 30, 2013. There were no outstanding pledges at September 30, 2013.

NOTE D--CONTRIBUTION RECEIVABLE

At September 30, 2013, contributions receivable consisted of a receivable in the amount of \$312,500 for a media space contribution to the Organization by a media company for which a member of the executive team also served on the Organization's board of directors.

In July 2013, the Organization entered into an agreement with an airline company to exchange the contributed media space of \$312,500 for air tickets in the same value to be utilized for the Organization's programs through January 2015. If the media space is not provided in accordance with the airline company's specifications, the Organization will be required to pay for the air tickets used under the agreement or provide a mutually agreed upon media space. At September 30, 2013, air tickets in the amount of \$2,571 had been utilized under this agreement, and a payable in the same amount was included in accounts payable and accrued expenses, since no media space had been provided.