

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

with

INDEPENDENT AUDITORS' REPORT

Audited Financial Statements

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

September 30, 2017

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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 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, 2017 and 2016, 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.

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, 2017 and 2016, 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 Benator + Libby, LLP*

Atlanta, Georgia  
January 31, 2018

STATEMENTS OF FINANCIAL POSITION

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	September 30	
	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 381,323	\$ 157,195
Contribution receivable	12,438	-0-
Pledges receivable, net--Note C	109,000	58,000
Prepaid expenses	4,918	4,918
TOTAL CURRENT ASSETS	<u>507,679</u>	<u>220,113</u>
EQUIPMENT, net of accumulated depreciation of \$2,532 at September 30, 2017 and 2016	-0-	-0-
WEBSITE DEVELOPMENT COSTS, net of accumulated amortization of \$3,634 and \$1,817 at September 30, 2017 and 2016, respectively	1,816	3,633
PLEDGES RECEIVABLE, net--Note C	<u>154,257</u>	<u>156,279</u>
TOTAL ASSETS	<u>\$ 663,752</u>	<u>\$ 380,025</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued payroll and other accrued expenses	\$ 136	\$ 32,278
NET ASSETS		
Unrestricted	400,359	133,468
Temporarily restricted--Note B	263,257	214,279
TOTAL NET ASSETS	<u>663,616</u>	<u>347,747</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 663,752</u>	<u>\$ 380,025</u>

See notes to financial statements.

STATEMENTS OF ACTIVITIES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	Year Ended September 30	
	2017	2016
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
Revenues and support		
Contributions	\$ 989,762	\$ 658,341
Interest and other income	1,169	32
TOTAL UNRESTRICTED REVENUES	<u>990,931</u>	<u>658,373</u>
Net assets released from restrictions--Note B	233,015	148,009
TOTAL UNRESTRICTED REVENUES AND SUPPORT	<u>1,223,946</u>	<u>806,382</u>
Expenses		
WOW! Experience® program services	784,265	662,782
Supporting services:		
Fundraising	91,207	102,272
Management and general	81,583	53,997
	<u>172,790</u>	<u>156,269</u>
TOTAL EXPENSES	<u>957,055</u>	<u>819,051</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	266,891	(12,669)
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>		
Restricted contributions	281,993	272,930
Net assets released from restrictions--Note B	(233,015)	(148,009)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>48,978</u>	<u>124,921</u>
INCREASE IN NET ASSETS	315,869	112,252
Net assets at beginning of year	<u>347,747</u>	<u>235,495</u>
NET ASSETS AT END OF YEAR	<u>\$ 663,616</u>	<u>\$ 347,747</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

Year Ended September 30, 2017

	<b>Supporting Services</b>			<b>Total Expenses</b>
	<b>Program Services</b>	<b>Fundraising</b>	<b>Management and General</b>	
	<b>WOW! Experience®</b>			
Salaries	\$ 206,422	\$ 67,940	\$ 12,240	\$ 286,602
Employee benefits	10,949	1,216	-0-	12,165
Payroll taxes	16,489	6,636	1,276	24,401
Total salaries and related expenses	<u>233,860</u>	<u>75,792</u>	<u>13,516</u>	<u>323,168</u>
Direct cost of WOW! Experience® (in-kind)	514,392	-0-	-0-	514,392
Trip memory packages	19,359	-0-	-0-	19,359
Meetings and travel	2,566	880	-0-	3,446
Meetings and travel (in-kind)	5,843	2,196	-0-	8,039
Insurance	-0-	-0-	6,139	6,139
Fundraising	-0-	1,088	-0-	1,088
Professional fees	-0-	4,003	16,055	20,058
Supplies	580	695	89	1,364
Telephone and telecommunications	2,058	619	1,484	4,161
Postage, shipping, and delivery	314	2,306	205	2,825
Bank and other fees	-0-	-0-	10,122	10,122
Software licenses and related expenses	3,639	3,168	343	7,150
Bad debt	-0-	-0-	30,000	30,000
Other	1,654	460	1,813	3,927
Depreciation and amortization	-0-	-0-	1,817	1,817
Total expenses	<u>\$ 784,265</u>	<u>\$ 91,207</u>	<u>\$ 81,583</u>	<u>\$ 957,055</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

Year Ended September 30, 2016

	<b>Supporting Services</b>			<b>Total Expenses</b>
	<b>Program Services</b>	<b>Fundraising</b>	<b>Management and General</b>	
	<b>WOW! Experience®</b>			
Salaries	\$ 223,596	\$ 69,315	\$ 17,816	\$ 310,727
Employee benefits	15,211	1,214	475	16,900
Payroll taxes	15,005	5,593	1,031	21,629
Total salaries and related expenses	<u>253,812</u>	<u>76,122</u>	<u>19,322</u>	<u>349,256</u>
Direct cost of WOW! Experience® (in-kind)	368,364	-0-	-0-	368,364
Trip memory packages	28,007	-0-	-0-	28,007
Trip memory packages (in-kind)	2,175	5,858	-0-	8,033
Meetings and travel	1,985	3,234	182	5,401
Meetings and travel (in-kind)	2,992	8,137	-0-	11,129
Insurance	-0-	162	5,447	5,609
Fundraising	-0-	2,201	-0-	2,201
Professional fees	-0-	-0-	13,080	13,080
Supplies	770	1,108	1,241	3,119
Telephone and telecommunications	1,965	915	696	3,576
Postage, shipping, and delivery	738	86	204	1,028
Bank and other fees	-0-	-0-	9,083	9,083
Software licenses and related expenses	1,704	4,449	1,576	7,729
Other	270	-0-	184	454
Depreciation and amortization	-0-	-0-	2,982	2,982
Total expenses	<u>\$ 662,782</u>	<u>\$ 102,272</u>	<u>\$ 53,997</u>	<u>\$ 819,051</u>

See notes to financial statements.



STATEMENTS OF CASH FLOWS

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	Year Ended September 30	
	2017	2016
	<u>          </u>	<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from contributors	\$ 657,908	\$ 432,598
Cash paid to employees and service and product providers	(434,949)	(396,025)
Interest and other income received	1,169	32
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>224,128</u>	<u>36,605</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash paid for website development costs	<u>-0-</u>	<u>(2,725)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	224,128	33,880
Cash and cash equivalents at beginning of year	<u>157,195</u>	<u>123,315</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 381,323</u>	<u>\$ 157,195</u>
<b>RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 315,869	\$ 112,252
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,817	2,982
(Increase) decrease in operating assets:		
Contribution receivable	(12,438)	-0-
Pledges receivable	(48,978)	(124,921)
Prepaid expenses	-0-	240
Air ticket inventory	-0-	13,774
Increase (decrease) in operating liabilities:		
Accrued payroll and other accrued expenses	<u>(32,142)</u>	<u>32,278</u>
	<u>\$ 224,128</u>	<u>\$ 36,605</u>

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

September 30, 2017

### 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, 2017 and 2016, 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 Statements 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, 2017 and 2016, the Organization recognized revenues from the receipt of donated services and materials of \$522,431 and \$373,752, respectively. Donated amounts included airfare, hotel accommodations, event and theme park tickets, and meals. Such materials and services are contributed mostly by travel and hospitality industry companies. A total of \$520,235 and \$373,531 of donated services and materials was utilized for the Organization’s programs during the years ended September 30, 2017 and 2016, respectively.

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

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

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.

During the years ended September 30, 2017 and 2016, the Organization recognized contribution revenue of \$118,518 and \$48,200, respectively, from members of the Organization's board of directors. At September 30, 2017 and 2016, the Organization had pledges receivable from members of the Organization's board of directors of \$86,500 and \$42,000, respectively.

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, 2017 and 2016, the Organization recognized \$30,000 and \$-0- of bad debt expense, respectively.

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.

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.

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 and begins when a website is placed in service.

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.

Recent Accounting Pronouncement: In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-14 (“ASU 2016-14”), “Presentation of Financial Statements of Not-for-Profit Entities”, that will change how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. ASU 2016-14 requires amended presentation and disclosures to help not-for-profits provide more relevant information about their resources, which includes qualitative and quantitative requirements related to net asset classes, investment return, expenses, liquidity and availability of resources, and presentation of operating cash flows. ASU 2016-14 is effective for annual financial statements issued for fiscal years beginning after December 15, 2017, with early application permitted. The Organization does not present its financial statements based on generally accepted accounting principles. However, the Organization plans to adopt relevant provisions of this accounting standard update and is currently evaluating the impact.

Subsequent Events: Subsequent events have been evaluated through January 31, 2018, which is the date the financial statements were available to be issued.

NOTE B--TEMPORARILY RESTRICTED NET ASSETS

At September 30, 2017 and 2016, net assets of \$263,257 and \$214,279, respectively, were temporarily restricted due to time restrictions, based on when the contributions were supposed to be provided by the donor.

During the years ended September 30, 2017 and 2016, net assets were released from restrictions by incurring expenses to satisfy the restricted purposes or due to lapse of time restrictions as follows:

	<u>2017</u>	<u>2016</u>
WOW! Experience®	\$ 203,015	\$ 148,009
Pledges collected	<u>30,000</u>	<u>-0-</u>
	<u>\$ 233,015</u>	<u>\$ 148,009</u>

NOTES TO FINANCIAL STATEMENTS--Continued

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

NOTE C--PLEDGES RECEIVABLE

Pledges receivable consist of WOW! Society pledges towards the WOW! Experience® program and pledges towards the Organization's general operations. Pledges expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of expected future cash flows, using a discount rate of 5.00%.

Pledges receivable consisted of the following at September 30, 2017:

Pledges receivable	\$ 275,500
Less unamortized discount	<u>(12,243)</u>
	<u>\$ 263,257</u>

These pledges are scheduled to be collected as follows:

Year Ending September 30:	
2018	\$ 109,000
2019-2021	<u>166,500</u>
	<u>\$ 275,500</u>