

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

with

INDEPENDENT AUDITORS' REPORT

**Audited Financial Statements**

**THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.**

**September 30, 2012**

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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, 2012 and 2011, 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, 2012 and 2011, 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.



Atlanta, Georgia  
December 17, 2012

STATEMENTS OF FINANCIAL POSITION

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	September 30	
	2012	2011
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 100,279	\$ 121,416
Contributions receivable	22,308	-0-
Other accounts receivable	8,759	-0-
Pledges receivable--Note C	5,000	5,000
Prepaid expenses	5,128	5,499
<b>TOTAL CURRENT ASSETS</b>	<u>141,474</u>	<u>131,915</u>
EQUIPMENT, net of accumulated depreciation of \$4,409 and \$3,798 at September 30, 2012 and 2011, respectively	528	1,139
PLEDGE RECEIVABLE, net of unamortized discount of \$-0- and \$113 at September 30, 2012 and 2011, respectively--Note C	<u>-0-</u>	<u>4,887</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 142,002</u></u>	<u><u>\$ 137,941</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 72,208	\$ 947
<b>NET ASSETS</b>		
Unrestricted	64,794	127,107
Temporarily restricted--Note B	5,000	9,887
<b>TOTAL NET ASSETS</b>	<u>69,794</u>	<u>136,994</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 142,002</u></u>	<u><u>\$ 137,941</u></u>

See notes to financial statements.

STATEMENTS OF ACTIVITIES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	Year Ended September 30	
	2012	2011
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
Revenues and support and net revenues from special events		
Contributions	\$ 1,204,152	\$ 2,020,059
Interest and other income	25	134
FORE! Golf Marathon revenues	-0-	48,688
Less: Cost of direct benefits to donors	-0-	(23,973)
	<u>-0-</u>	<u>24,715</u>
TOTAL UNRESTRICTED REVENUES AND NET REVENUES FROM SPECIAL EVENTS	1,204,177	2,044,908
Net assets released from restrictions--Note B	<u>48,887</u>	<u>62,127</u>
TOTAL UNRESTRICTED REVENUES AND SUPPORT	1,253,064	2,107,035
Expenses		
WOW! Experience® program services	1,116,261	1,123,732
Public information	38,000	820,893
Supporting services:		
Fundraising	85,140	98,277
Management and general	75,976	71,510
	<u>161,116</u>	<u>169,787</u>
TOTAL EXPENSES	<u>1,315,377</u>	<u>2,114,412</u>
DECREASE IN UNRESTRICTED NET ASSETS	(62,313)	(7,377)
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>		
Restricted contributions	44,000	57,350
Net assets released from restrictions--Note B	<u>(48,887)</u>	<u>(62,127)</u>
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(4,887)</u>	<u>(4,777)</u>
DECREASE IN NET ASSETS	(67,200)	(12,154)
Net assets at beginning of year	<u>136,994</u>	<u>149,148</u>
NET ASSETS AT END OF YEAR	<u>\$ 69,794</u>	<u>\$ 136,994</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

Year Ended September 30, 2012

	Program Services		Supporting Services		Total Expenses
	WOW! Experience®	Public Information	Fundraising	Management and General	
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-	40,825	41,688
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>

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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, 2011

	<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	\$ 216,862	\$ -0-	\$ 59,300	\$ 17,712	\$ 293,874
Employee benefits	5,397	-0-	600	-0-	5,997
Payroll taxes	15,115	-0-	4,372	1,354	20,841
Total salaries and related expenses	<u>237,374</u>	<u>-0-</u>	<u>64,272</u>	<u>19,066</u>	<u>320,712</u>
Direct cost of WOW! Experience®	813,833	-0-	-0-	-0-	813,833
Trip memory packages	56,146	-0-	-0-	-0-	56,146
Meetings and travel	900	-0-	17,306	-0-	18,206
Advertising and media (in-kind)	-0-	820,893	-0-	-0-	820,893
Insurance	-0-	-0-	-0-	6,151	6,151
Fundraising	-0-	-0-	14,103	-0-	14,103
Professional fees	4,740	-0-	802	37,132	42,674
Supplies	745	-0-	228	244	1,217
Telephone and telecommunications	3,692	-0-	766	361	4,819
Postage, shipping, and delivery	199	-0-	580	263	1,042
Web hosting	-0-	-0-	-0-	425	425
Dues, subscriptions, and training	335	-0-	-0-	50	385
Bank and other fees	-0-	-0-	-0-	4,663	4,663
Software licenses and related expenses	5,768	-0-	166	24	5,958
Other	-0-	-0-	54	406	460
Depreciation and amortization	-0-	-0-	-0-	2,725	2,725
Total expenses	<u>\$ 1,123,732</u>	<u>\$ 820,893</u>	<u>\$ 98,277</u>	<u>\$ 71,510</u>	<u>\$ 2,114,412</u>

See notes to financial statements.

## STATEMENTS OF CASH FLOWS

### THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	Year Ended September 30	
	2012	2011
	<u>          </u>	<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from contributors	\$ 322,710	\$ 462,685
Cash paid to employees and service and product providers	(343,872)	(469,151)
Interest and other income received	25	134
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(21,137)</u>	<u>(6,332)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash paid for equipment	<u>-0-</u>	<u>(1,118)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(21,137)	(7,450)
 Cash and cash equivalents at beginning of year	<u>121,416</u>	<u>128,866</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 100,279</u></u>	<u><u>\$ 121,416</u></u>
 <b>RECONCILIATION OF DECREASE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Decrease in net assets	\$ (67,200)	\$ (12,154)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation and amortization	611	2,725
Increase in contributions receivable	(22,308)	-0-
Increase in other receivable	(8,759)	-0-
Decrease in pledge receivable	4,887	4,777
Decrease (increase) in prepaid expenses	371	(219)
Increase (decrease) in accounts payable and accrued expenses	<u>71,261</u>	<u>(1,461)</u>
	<u><u>\$ (21,137)</u></u>	<u><u>\$ (6,332)</u></u>

See notes to financial statements.



## NOTES TO FINANCIAL STATEMENTS

### THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

September 30, 2012

#### 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, 2012 and 2011, 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, 2012 and 2011, the Organization recognized revenues from the receipt of donated services and materials of \$908,021 and \$1,692,162, respectively. Such donated amounts included airfare, hotel accommodations, event and theme park tickets, meals, and legal and accounting services. In addition, donated services included a contribution of \$631,368 during the year ended September 30, 2011 for a public awareness campaign provided by a media company for which a member of the executive team also served on the Organization's board of directors.

Advertising and media is used to help the Organization communicate its message or mission and includes informational materials or advertising, and may be in the form of an audio or video tape of a public service announcement, media time, or space for public service announcements. Advertising and media contributions are reported as contribution revenue and public information expense when received. The reporting of such contributions is unaffected by whether the Organization could afford to purchase, or would have purchased, the advertising and media at fair value.

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, 2012 and 2011, 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 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.

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, disclosure, and transition. The tax returns for fiscal years 2009 to 2012 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.

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 17, 2012, which is the date the financial statements were available to be issued.

NOTE B--TEMPORARILY RESTRICTED NET ASSETS

At September 30, 2012 and 2011, net assets of \$5,000 and \$9,887, respectively, were temporarily restricted due to time restrictions, based on when pledges are supposed to be paid by the donor.

During the years ended September 30, 2012 and 2011, net assets were released from restrictions by incurring expenses to satisfy the restricted purposes or due to lapse of time restrictions as follows:

	<u>2012</u>	<u>2011</u>
WOW! Experience®	\$ 44,000	\$ 57,350
Pledges collected	<u>4,887</u>	<u>4,777</u>
	<u>\$ 48,887</u>	<u>\$ 62,127</u>

NOTES TO FINANCIAL STATEMENTS--Continued

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

NOTE C--PLEDGE RECEIVABLE

At September 30, 2012 and 2011, the Organization had a pledge receivable from one individual. The pledge was stated at the present value of expected future cash flows.

Pledge receivable consisted of the following at September 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Unconditional pledge receivable	\$ 5,000	\$ 10,000
Less unamortized discount at 2.31%	<u>-0-</u>	<u>(113)</u>
	<u>\$ 5,000</u>	<u>\$ 9,887</u>

This pledge is scheduled to be collected in the fiscal year ending September 30, 2013.