

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

with

INDEPENDENT AUDITORS' REPORT

Audited Financial Statements

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

September 30, 2015

Independent Auditors' Report.....	1
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses.....	5
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8



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, 2015 and 2014, 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, 2015 and 2014, 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 + Libby, LLP

Atlanta, Georgia
December 11, 2015

STATEMENTS OF FINANCIAL POSITION

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	September 30	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 123,315	\$ 232,045
Contribution receivable--Note C	-0-	73,839
Pledges receivable, net--Note D	24,000	-0-
Air ticket inventory--Note C	13,774	65,198
Prepaid expenses	5,158	5,208
TOTAL CURRENT ASSETS	166,247	376,290
EQUIPMENT , net of accumulated depreciation of \$1,367 and \$760 at September 30, 2015 and 2014, respectively	1,165	1,772
WEBSITE DEVELOPMENT COSTS , net of accumulated amortization of \$10,000 at September 30, 2015 and 2014	5,450	-0-
PLEDGES RECEIVABLE , net--Note D	65,358	-0-
TOTAL ASSETS	\$ 238,220	\$ 378,062
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 2,725	\$ -0-
NET ASSETS		
Unrestricted	146,137	304,223
Temporarily restricted--Note B	89,358	73,839
TOTAL NET ASSETS	235,495	378,062
TOTAL LIABILITIES AND NET ASSETS	\$ 238,220	\$ 378,062

See notes to financial statements.

STATEMENTS OF ACTIVITIES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	Year Ended September 30	
	2015	2014
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues and support		
Contributions	\$ 822,369	\$ 1,011,456
Interest and other income	96	38
TOTAL UNRESTRICTED REVENUES	822,465	1,011,494
Net assets released from restrictions--Note B	154,961	284,236
TOTAL UNRESTRICTED REVENUES AND SUPPORT	977,426	1,295,730
Expenses		
WOW! Experience® program services	977,697	1,137,165
Public information	-0-	2,900
Supporting services:		
Fundraising	100,033	97,667
Management and general	57,782	54,397
	157,815	152,064
TOTAL EXPENSES	1,135,512	1,292,129
(DECREASE) INCREASE IN UNRESTRICTED NET ASSETS	(158,086)	3,601
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Restricted contributions	170,480	45,575
Net assets released from restrictions--Note B	(154,961)	(284,236)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	15,519	(238,661)
DECREASE IN NET ASSETS	(142,567)	(235,060)
Net assets at beginning of year	378,062	613,122
NET ASSETS AT END OF YEAR	\$ 235,495	\$ 378,062

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

Year Ended September 30, 2015

	Program Services	Supporting Services		
	WOW! Experience®	Fundraising	Management and General	Total Expenses
Salaries	\$ 233,360	\$ 64,133	\$ 14,373	\$ 311,866
Employee benefits	21,826	1,217	1,211	24,254
Payroll taxes	15,360	4,648	1,100	21,108
Total salaries and related expenses	270,546	69,998	16,684	357,228
Direct cost of WOW! Experience® (in-kind)	622,536	-0-	-0-	622,536
Trip memory packages	70,985	-0-	-0-	70,985
Trip memory packages (in-kind)	4,963	6,318	-0-	11,281
Meetings and travel	307	13,467	126	13,900
Insurance	1,250	138	4,262	5,650
Fundraising	-0-	4,850	-0-	4,850
Professional fees	-0-	-0-	12,076	12,076
Professional fees (in-kind)	-0-	-0-	13,500	13,500
Supplies	828	539	1,582	2,949
Telephone and telecommunications	2,623	1,290	454	4,367
Postage, shipping, and delivery	243	883	131	1,257
Bank and other fees	-0-	-0-	4,043	4,043
Software licenses and related expenses	3,375	2,550	1,475	7,400
Other	41	-0-	2,842	2,883
Depreciation and amortization	-0-	-0-	607	607
Total expenses	\$ 977,697	\$ 100,033	\$ 57,782	\$ 1,135,512

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

Year Ended September 30, 2014

	Program Services		Supporting Services		Total Expenses
	WOW! Experience®	Public Information	Fundraising	Management and General	
Salaries	\$ 238,079	\$ -0-	\$ 64,133	\$ 14,373	\$ 316,585
Employee benefits	18,873	-0-	1,122	975	20,970
Payroll taxes	16,174	-0-	4,798	1,151	22,123
Total salaries and related expenses	273,126	-0-	70,053	16,499	359,678
Direct cost of WOW! Experience® (in-kind)	789,086	-0-	-0-	-0-	789,086
Trip memory packages	62,056	-0-	-0-	-0-	62,056
Meetings and travel	-0-	-0-	11,580	212	11,792
Advertising and media (in-kind)	-0-	2,900	-0-	-0-	2,900
Insurance	3,302	-0-	-0-	2,126	5,428
Fundraising	-0-	-0-	10,150	-0-	10,150
Professional fees	958	-0-	-0-	11,250	12,208
Professional fees (in-kind)	-0-	-0-	-0-	14,000	14,000
Supplies	2,282	-0-	749	1,760	4,791
Telephone and telecommunications	2,992	-0-	1,247	344	4,583
Postage, shipping, and delivery	636	-0-	1,369	81	2,086
Bank and other fees	-0-	-0-	8	4,679	4,687
Software licenses and related expenses	2,672	-0-	2,511	1,227	6,410
Other	55	-0-	-0-	1,738	1,793
Depreciation and amortization	-0-	-0-	-0-	481	481
Total expenses	\$ 1,137,165	\$ 2,900	\$ 97,667	\$ 54,397	\$ 1,292,129

See notes to financial statements.

STATEMENTS OF CASH FLOWS

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	Year Ended September 30	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors	\$ 369,637	\$ 415,378
Cash paid to employees and service and product providers	(475,738)	(474,039)
Interest and other income received	96	38
NET CASH USED IN OPERATING ACTIVITIES	(106,005)	(58,623)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for website development costs	(2,725)	-0-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(108,730)	(58,623)
Cash and cash equivalents at beginning of year	232,045	290,668
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 123,315	\$ 232,045
RECONCILIATION OF DECREASE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Decrease in net assets	\$ (142,567)	\$ (235,060)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation and amortization	607	481
Decrease in contribution receivable	73,839	238,661
Decrease in other accounts receivable	-0-	8,543
Increase in pledges receivable	(89,358)	-0-
Decrease (increase) in prepaid expenses	50	(58)
Decrease (increase) in air ticket inventory	51,424	(65,198)
Decrease in accounts payable and accrued expenses	-0-	(5,992)
	\$ (106,005)	\$ (58,623)

SUPPLEMENTAL INFORMATION OF NONCASH INVESTING AND FINANCING ACTIVITIES

At September 30, 2015, accrued expenses included \$2,725 related to additions to website development costs.

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

September 30, 2015

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, 2015 and 2014, 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, 2015 and 2014, the Organization recognized revenues from the receipt of donated services and materials of \$533,854 and \$650,196, respectively. Donated amounts included airfare, hotel accommodations, event and theme park tickets, meals, and accounting services. Such materials and services are contributed mostly by travel and hospitality industry companies. A total of \$627,499 and \$797,005 of donated services and materials was utilized for the Organization's programs during the years ended September 30, 2015 and 2014, 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 year ended September 30, 2015, the Organization recognized contribution revenue of \$30,000 from a member of the Organization's board of directors, of which \$24,000 was included in pledges receivable as of September 30, 2015.

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, 2015 and 2014, 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.

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.

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

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

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 11, 2015, which is the date the financial statements were available to be issued.

NOTE B--TEMPORARILY RESTRICTED NET ASSETS

At September 30, 2015 and 2014, net assets of \$89,358 and \$73,839, 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, 2015 and 2014, net assets were released from restrictions by incurring expenses to satisfy the restricted purposes or due to lapse of time restrictions as follows:

	2015	2014
WOW! Experience®	\$ 81,122	\$ 45,575
Pledges and contributions collected	73,839	238,661
	<u>\$ 154,961</u>	<u>\$ 284,236</u>

NOTE C--CONTRIBUTION RECEIVABLE

At September 30, 2014, contribution receivable consisted of a receivable of \$73,839 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. The contribution was received in full during the year ended September 30, 2015.

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. During the years ended September 30, 2015 and 2014, air tickets in the amount of \$125,264 and \$170,891, respectively, were utilized under this agreement. At September 30, 2015 and 2014, the Organization had an air ticket inventory of \$13,774 and \$65,198, respectively, for media space that was already provided under the terms of the agreement.

NOTES TO FINANCIAL STATEMENTS--Continued

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

NOTE D--PLEDGES RECEIVABLE

Pledges receivable consist of WOW! Society pledges towards the WOW! Experience® program. 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, 2015:

Pledges receivable	\$ 96,000
Less unamortized discount	<u>(6,642)</u>
	<u>\$ 89,358</u>

These pledges are scheduled to be collected as follows:

Year Ending September 30:	
2016	\$ 24,000
2017-2019	<u>72,000</u>
	<u>\$ 96,000</u>