

RYAN McELROY CHILDREN'S CANCER FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2011

DaPonte & Company, P.C.
Certified Public Accountants
98 Mill Plain Road
Danbury, Connecticut 06811

RYAN McELROY CHILDREN'S CANCER FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Ryan McElroy Children's Cancer Foundation

We have audited the accompanying statements of financial position of the Ryan McElroy Children's Cancer Foundation as of December 31, 2011 and the related statement of activities, functional expenses, and cash flows for the year 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 audit.

We conducted our audit 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 audit provides 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 Ryan McElroy Children's Cancer Foundation as of December 31, 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.

DaPonte & Company P.C.

DaPonte & Company, P.C.
Certified Public Accountants
October 30, 2012

RYAN McELROY CHILDREN'S CANCER FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011

ASSETS

Cash	\$ 81,865
Total Current Assets	<u>81,865</u>
 Fixed Assets	
Land	158,000
Building Construction	180,277
Total Fixed Assets	<u>338,277</u>
 Total Assets	<u><u>420,142</u></u>

LIABILITIES

Total Liabilities	<u>-</u>
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NET ASSETS

Unrestricted Net Assets	<u>420,142</u>
 Total Liabilities and Net Assets	<u><u>\$ 420,142</u></u>

See notes to financial statements

RYAN McELROY CHILDREN'S CANCER FOUNDATION
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 YEAR ENDED DECEMBER 31, 2011

Unrestricted Net assets	
Support & Revenue	
Donations	\$ 43,801
Interest Income	39
Contribution in kind	160,290
Special Events- net of expenses	<u>78,097</u>
Total unrestricted Net assets	282,227
Functional expenses:	
Program Services	\$ 101,135
Supporting Services	7,540
Fundraising	<u>9,668</u>
Total functional expenses	<u>118,343</u>
Excess of revenue over expenses	163,884
Net assets, beginning of year	<u>256,258</u>
Net assets, end of year	<u><u>\$ 420,142</u></u>

See notes to financial statements

RYAN McELROY CHILDREN'S CANCER FOUNDATION
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 163,884
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
(Decrease) in accounts payable	(9,975)
(Decrease) in other liabilities	<u>(2,478)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	151,431
CASH FLOWS USED FOR INVESTING ACTIVITIES	
Construction in kind	<u>(169,851)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(169,851)</u>
NET DECREASE IN CASH	<u>(18,420)</u>
CASH, BEGINNING OF YEAR	<u>100,285</u>
CASH, END OF YEAR	<u><u>\$ 81,865</u></u>
Interest Paid	<u><u>\$91</u></u>

See notes to financial statements

RYAN McELROY CHILDREN'S CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

It is the foundation's mission to raise funds to support the children living in the community who are afflicted by cancer and other life threatening disease by improving the quality of life for them and their families by collecting, exchanging and disseminating research and information concerning the promotion of health and administration of systems for the promotion of health and the delivery of health care. To give to other organizations which in the judgment of the Board of Directors, are engaged in the promotion of the health of the community. To solicit funds from the public to carry out these objectives.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and cash equivalents:

For purposes of the cash flow statements, cash in bank and money market accounts are considered cash and cash equivalents.

Contributions:

The Organization accounts for contributions received in accordance with FASB ASC 958-605-50. Contributions received are record as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Temporarily restricted contributions are reclassified to unrestricted net assets up expiration of the time restriction.

Fair Value Measurements:

Ryan McElroy Children's Cancer Foundation has adopted Accounting Standards Update Asc-820, Fair Value Measurements and Disclosures, issued by the Financial Accounting Standards Board ("FASB"). This standard establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. The adoption of this standard did not have material impact on this financial statement.

Income Taxes:

Ryan McElroy Children's Cancer Foundation has adopted the provisions of FASB Accounting Standards Codification (ASC) 740, which provides standards for Establishing and classifying any uncertain tax positions. The adoption of ASC 740

RYAN McELROY CHILDREN'S CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

Income Taxes (continued):

did not have any effect on Ryan McElroy Children's Cancer Foundation's financial position or its change in net assets and cash flows for the year presented.

Ryan McElroy Children's Cancer Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code ("IRC") and is not subject to federal income taxes. Donors of money and/or property are entitled to a charitable contribution deduction as defined in the IRC. Continued qualification of tax exempt status is contingent upon compliance with the requirement of the IRC.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make statements and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Donated fixed assets:

The Organization recognizes revenue for certain equipment and fixed assets received at fair value of the donated items. During the year ended December 31, 2011 there were construction costs donated by various companies. A contribution in kind of construction costs was recorded at an estimated direct material and labor rate totaling \$159,000.

Donated Services:

Members of the governing board of the Organization and other volunteers donate their time to the Organization. The value of this time has not been reflected in the financial statements.

Property and Equipment:

Property and equipment are capitalized at cost if purchased or fair market value if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 40 years. The land is not depreciated. For the year ended December 31, 2011 the construction expenses represents work in process. The organization will begin depreciating the asses when it is placed in service.

RYAN McELROY CHILDREN'S CANCER FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

Functional allocation of expenses:

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Support and Functional Expenses. Certain costs have been allocated among the programs and supporting services benefited.

Concentration of credit risk:

The Organization maintains its cash in accounts that, at times, may exceed federally insured limits. The Organization has not experience any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents. The Company limits its risk by selecting institutions that are highly creditworthy.

NOTE 2: FIXED ASSETS:

Land	\$ 158,000
Building Construction	<u>180,426</u>
Total Fixed Assets	<u>\$ 338,277</u>

NOTE 3: SPECIAL EVENTS

The organization generates most of their contributions by organizaing various fund raising events as follow:

	<u>Income</u>	<u>Expense</u>	<u>Net</u>
Annual Gala & Auction	\$ 89,716	\$ 45,434	\$ 44,282
Annual Golf Outing	25,052	21,007	4,045
Ryan's 5K Run	12,457	1,042	11,415
Clay Shoot	12,435	3,311	9,124
Wine Tasting Event	<u>12,457</u>	<u>7,196</u>	<u>5,261</u>
Total	<u>\$ 152,117</u>	<u>\$ 77,990</u>	<u>\$ 74,127</u>

RYAN McELROY CHILDREN'S CANCER FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2011

	<u>Total</u>	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>
Family Assistances	\$ 44,028	44,028	-	-
Donations	\$ 30,870	30,870	-	-
Fundraising	\$ 8,338	-	-	8,338
Newsletter Advertisement	\$ 1,386	1,247	139	-
Filing Fees	\$ 758	-	758	-
Insurance	\$ 4,544	3,998	546	-
Telephone	\$ 609	517	92	-
Meals	\$ 160	-	160	-
Utilities	\$ 2,676	2,408	268	-
Office	\$ 4,628	3,934	694	-
Computer Support	\$ 4,712	4,146	566	-
Bank & Interest Charges	\$ 603	-	603	-
Merchant Fees	\$ 4,523	4,523	-	-
Dues	\$ 340	-	340	-
Website	\$ 2,159	1,899	260	-
Professional fees	\$ 3,440	516	2,924	-
Real estate taxes	\$ 3,016	3,016	-	-
Storage	\$ 223	33	190	-
Repairs and Maintenance	\$ 1,330	-	-	1,330
Total	<u>\$ 118,343</u>	<u>\$ 101,135</u>	<u>\$ 7,540</u>	<u>\$ 9,668</u>

See accountants' report on supplementary information