

RYAN McELROY CHILDREN'S CANCER FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2012

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, 2012

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 7
Schedule of Functional Expenses	8

DaPONTE & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS

98 MILL PLAIN ROAD, PENTHOUSE SUITE 4B
DANBURY, CONNECTICUT 06811
PHONE: 203-797-9681 FAX: 203-744-7890

704 ROUTE 6, MAHOPAC, NEW YORK 10541

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Ryan McElroy Children's Cancer Foundation

Report on the Financial Statement

We have audited the accompanying balance sheets of Ryan McElroy Children's Cancer Foundation as of December 31, 2012, and the related statements of operations and accumulated deficit, and cash flows for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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

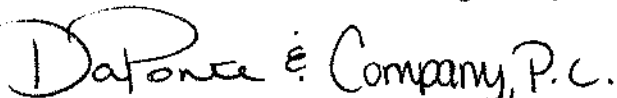
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 auditor considers 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 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 Ryan McElroy Children's Cancer Foundation as of December 31, 2012, and changes in its financial position for the years then ended in accordance with U.S. generally accepted accounting principles.



DaPonte & Company, P.C.
Certified Public Accountants
November 13, 2013

RYAN McELROY CHILDREN'S CANCER FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012

ASSETS

Cash	<u>\$ 100,627</u>
Total Current Assets	<u>100,627</u>
Fixed Assets	
Land	158,000
Building Construction	<u>214,435</u>
Total Fixed Assets	<u>372,435</u>
Total Assets	<u>473,062</u>

LIABILITIES

Current Liabilities	
Construction Loan Payable	40,000
Other Payable	<u>4,220</u>
Total Liabilities	<u>44,220</u>

NET ASSETS

Unrestricted Net Assets	<u>428,842</u>
Total Liabilities and Net Assets	<u>\$ 473,062</u>

See notes to financial statements

RYAN McELROY CHILDREN'S CANCER FOUNDATION
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 YEAR ENDED DECEMBER 31, 2012

Unrestricted Net assets		
Support & Revenue		
Donations		\$ 107,639
Interest Income		14
Special Events- net of expenses		<u>53,157</u>
Total unrestricted Net assets		160,810
Functional expenses:		
Program Services	\$ 132,726	
Supporting Services	12,350	
Fundraising	<u>7,034</u>	
Total functional expenses		<u>152,110</u>
Excess of revenue over expenses		8,700
Net assets, beginning of year		<u>420,142</u>
Net assets, end of year		<u><u>\$ 428,842</u></u>

See notes to financial statements

RYAN McELROY CHILDREN'S CANCER FOUNDATION
 STATEMENTS OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 8,700
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>8,700</u>
CASH FLOWS USED FOR INVESTING ACTIVITIES	
Building Construction	<u>(34,158)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(34,158)</u>
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	
Increase in Loan Payable	40,000
Increase in Other Payable	4,220
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>44,220</u>
NET INCREASE IN CASH	<u>18,762</u>
CASH, BEGINNING OF YEAR	<u>81,865</u>
CASH, END OF YEAR	<u>\$ 100,627</u>
Interest Paid	<u>\$167</u>

See notes to financial statements

RYAN McELROY CHILDREN'S CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

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.

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 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.

RYAN McELROY CHILDREN'S CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

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.

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, 2012 the construction expenses represents work in process. The organization will begin depreciating the asses when it is placed in service.

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>214,435</u>
Total Fixed Assets	<u>\$ 372,435</u>

RYAN McELROY CHILDREN'S CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

NOTE 3: SPECIAL EVENTS

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

	<u>Income</u>	<u>Expense</u>	<u>Net</u>
Annual Gala & Auction	\$ 55,877	\$ 27,333	\$ 28,544
Annual Golf Outing	24,404	21,708	2,696
Ryan's 5K Run	5,655	1,041	4,614
Clay Shoot	18,516	4,981	13,535
Pig Roast	2,782	5,327	(2,545)
Wine Tasting Event	<u>14,600</u>	<u>8,288</u>	<u>6,312</u>
Total	<u>\$ 121,834</u>	<u>\$ 68,678</u>	<u>\$ 53,156</u>

NOTE 4: CONSTRUCTION LOAN PAYABLE

During the year end December 31, 2012 the organization secured a construction loan in the amount of \$125,000. The current interest rate is the prime rate plus 1% per annum. The principal balance outstanding on the construction loan advances is due in full on June 21, 2018 or may be converted to a note payable. The interest rate on the converted note payable will be a prime rate plus 3.50% per annum. The draw down payable as of December 31, 2012 is \$40,000.

RYAN McELROY CHILDREN'S CANCER FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012

	<u>Total</u>	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>
Family Assistances	\$ 92,139	\$ 92,139	\$ -	\$ -
Donations	11,300	11,300	-	-
Fundraising	7,034	-	-	7,034
Newsletter Advertisement	3,657	3,291	366	-
Filing Fees	-	-	-	-
Insurance	19,810	16,838	2,972	-
Telephone	385	327	58	-
Meals	357	-	357	-
Utilities	-	-	-	-
Office	1,385	1,177	208	-
Computer Support	-	-	-	-
Bank & Interest Charges	356	-	356	-
Merchant Fees	2,706	2,706	-	-
Dues	450	-	450	-
Website	3,039	2,674	365	-
Professional fees	7,500	1,125	6,375	-
Real estate taxes	-	-	-	-
Storage	992	149	843	-
Scholarships	1,000	1,000	-	-
Total	<u>\$ 152,110</u>	<u>\$ 132,726</u>	<u>\$ 12,350</u>	<u>\$ 7,034</u>

See accountants' report on supplementary information