

RYAN McELROY CHILDREN'S CANCER FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2013

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, 2013

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

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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, 2013, 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, 2013, and changes in its financial position for the years then ended in accordance with U.S. generally accepted accounting principles.

DaPonte & Company, P.C.

DaPonte & Company, P.C.
Certified Public Accountants
November 3, 2014

RYAN McELROY CHILDREN'S CANCER FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013

ASSETS

Cash	<u>\$ 123,122</u>
Total Current Assets	<u>123,122</u>
 Fixed Assets	
Land	158,000
Building Construction	<u>353,021</u>
Total Fixed Assets	<u>511,021</u>
 Total Assets	<u><u>634,143</u></u>

LIABILITIES

Current Liabilities	
Construction Loan Payable	134,423
Other Payable	<u>2,187</u>
Total Liabilities	<u>136,610</u>

NET ASSETS

Unrestricted Net Assets	<u>497,533</u>
 Total Liabilities and Net Assets	<u><u>\$ 634,143</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, 2013

Unrestricted Net assets	
Support & Revenue	
Donations	\$ 63,533
Interest Income	28
Special Events- net of expenses	<u>161,183</u>
Total unrestricted Net assets	224,744
Functional expenses:	
Program Services	\$ 148,746
Supporting Services	7,090
Fundraising	<u>217</u>
Total functional expenses	<u>156,053</u>
Excess of revenue over expenses	68,691
Net assets, beginning of year	<u>428,842</u>
Net assets, end of year	<u><u>\$ 497,533</u></u>

See notes to financial statements

RYAN McELROY CHILDREN'S CANCER FOUNDATION
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 68,691
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>68,691</u>
CASH FLOWS USED FOR INVESTING ACTIVITIES	
Building Construction	<u>(138,586)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(138,586)</u>
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	
Increase in Loan Payable	94,423
Increase in Other Payable	(2,033)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>92,390</u>
NET INCREASE IN CASH	<u>22,495</u>
CASH, BEGINNING OF YEAR	<u>100,627</u>
CASH, END OF YEAR	<u><u>\$ 123,122</u></u>
Interest Paid	<u><u>\$6,280</u></u>

See notes to financial statements

RYAN McELROY CHILDREN'S CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFCANT ACCOUNTING POLICES

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, 2013

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, 2013 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>353,021</u>
Total Fixed Assets	<u>\$ 511,021</u>

RYAN McELROY CHILDREN'S CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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	\$ 56,238	\$ 23,290	\$ 32,948
Annual Golf Outing	17,955	15,774	2,181
Ryan's 5K Run	7,561	4,340	3,221
Clay Shoot	30,589	8,316	22,273
Angels of Gold	97,543	9,722	87,821
Dutchess County Fair	2,714	6,379	(3,665)
Concert in the Park	12,545	5,854	6,691
Wine Tasting Event	18,247	8,533	9,714
Total	<u>\$ 243,392</u>	<u>\$ 82,208</u>	<u>\$161,184</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, 2013 is \$123,521.

RYAN McELROY CHILDREN'S CANCER FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013

	<u>Total</u>	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>
Family Assistances	\$ 108,150	\$ 108,150	\$ -	\$ -
Donations	6,655	6,655	-	-
Fundraising	217	-	-	217
Newsletter Advertisement	8,053	7,248	805	-
Insurance	4,540	3,859	681	-
Telephone	1,115	948	167	-
Meals	387	-	387	-
Office & Supplies	2,494	2,120	374	-
Bank & Interest Charges	6,703	5,362	1,341	-
Merchant Fees	1,852	1,852	-	-
Website	5,368	4,724	644	-
Professional fees	8,500	7,225	1,275	-
Storage	1,020	153	867	-
Scholarships	1,000	1,000	-	-
Total	<u>\$ 156,054</u>	<u>\$ 149,296</u>	<u>\$ 6,541</u>	<u>\$ 217</u>