

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

with

INDEPENDENT AUDITORS' REPORT

Audited Financial Statements

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

September 30, 2021

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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 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, 2021 and 2020, 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, 2021 and 2020, 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 Benator + Libby, LLP

Atlanta, Georgia
December 10, 2021

STATEMENTS OF FINANCIAL POSITION

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	September 30	
	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,377,269	\$ 906,768
Pledges receivable, net--Note C	82,003	130,000
Prepaid expenses	6,084	5,747
TOTAL CURRENT ASSETS	<u>1,465,356</u>	<u>1,042,515</u>
EQUIPMENT, net of accumulated depreciation of \$2,532 at September 30, 2021 and 2020	-0-	-0-
SOFTWARE AND WEBSITE DEVELOPMENT COSTS, net of accumulated amortization of \$25,772 and \$33,636 at September 30, 2021 and 2020, respectively	4,781	15,411
PLEDGES RECEIVABLE, net--Note C	<u>22,857</u>	<u>89,098</u>
TOTAL ASSETS	<u>\$ 1,492,994</u>	<u>\$ 1,147,024</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued payroll and other accrued expenses	\$ -0-	\$ 7,524
NET ASSETS		
Without donor restrictions	1,388,134	920,402
With donor restrictions--Note B	104,860	219,098
TOTAL NET ASSETS	<u>1,492,994</u>	<u>1,139,500</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,492,994</u>	<u>\$ 1,147,024</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

Year Ended September 30, 2021

	Program Services	Supporting Services		
	WOW! Experience®	Fundraising	Management and General	Total Expenses
Salaries	\$ 237,593	\$ 100,811	\$ 14,722	\$ 353,126
Employee benefits	23,624	4,722	415	28,761
Payroll taxes	16,590	7,039	1,028	24,657
Total salaries and related expenses	<u>277,807</u>	<u>112,572</u>	<u>16,165</u>	<u>406,544</u>
Direct cost of WOW! Experience® (in-kind)	261,559	-0-	-0-	261,559
Trip memory packages	28,727	-0-	-0-	28,727
Insurance	1,673	-0-	5,335	7,008
Professional fees	28,559	-0-	12,193	40,752
Professional fees (in-kind)	-0-	42,754	23,328	66,082
Telephone and telecommunications	2,981	-0-	2,657	5,638
Postage, shipping, and delivery	1,991	-0-	1,000	2,991
Bank and other fees	-0-	-0-	7,590	7,590
Software related expenses	901	-0-	1,119	2,020
Other	2,948	2,989	2,564	8,501
Depreciation and amortization	<u>6,147</u>	<u>6,147</u>	<u>6,147</u>	<u>18,441</u>
Total expenses	<u>\$ 613,293</u>	<u>\$ 164,462</u>	<u>\$ 78,098</u>	<u>\$ 855,853</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

Year Ended September 30, 2020

	Program Services	Supporting Services		
	WOW! Experience®	Fundraising	Management and General	Total Expenses
Salaries	\$ 237,593	\$ 100,811	\$ 14,722	\$ 353,126
Employee benefits	25,215	5,034	442	30,691
Payroll taxes	16,612	7,049	1,029	24,690
Total salaries and related expenses	<u>279,420</u>	<u>112,894</u>	<u>16,193</u>	<u>408,507</u>
Direct cost of WOW! Experience® (in-kind)	281,037	-0-	5,275	286,312
Trip memory packages	14,834	-0-	-0-	14,834
Meetings and travel	1,194	55	-0-	1,249
Insurance	6,651	-0-	1,332	7,983
Professional fees	31,482	1,200	23,345	56,027
Telephone and telecommunications	2,384	1,480	640	4,504
Postage, shipping, and delivery	883	101	-0-	984
Bank and other fees	-0-	3,632	35	3,667
Software related expenses	928	494	576	1,998
Other	2,735	3,076	3,745	9,556
Depreciation and amortization	<u>5,626</u>	<u>5,626</u>	<u>5,625</u>	<u>16,877</u>
Total expenses	<u>\$ 627,174</u>	<u>\$ 128,558</u>	<u>\$ 56,766</u>	<u>\$ 812,498</u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

	Year Ended September 30	
	2021	2020
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors	\$ 987,802	\$ 637,049
Cash paid to employees and service and product providers	(517,332)	(512,804)
Interest and other income received	31	2,497
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>470,501</u>	<u>126,742</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for software	<u>-0-</u>	<u>(14,268)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	470,501	112,474
Cash and cash equivalents at beginning of year	<u>906,768</u>	<u>794,294</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 1,377,269</u></u>	<u><u>\$ 906,768</u></u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase in net assets	\$ 353,494	\$ 5,860
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Other income for contribution of software by vendor	(7,811)	-0-
Depreciation and amortization	18,441	16,877
(Increase) decrease in operating assets:		
Pledges receivable	114,238	107,500
Depreciation and amortization	(337)	(80)
Increase (decrease) in operating liabilities:		
Accrued payroll and other accrued expenses	<u>(7,524)</u>	<u>(3,415)</u>
	<u><u>\$ 470,501</u></u>	<u><u>\$ 126,742</u></u>

SUPPLEMENTAL INFORMATION ON NONCASH INVESTING ACTIVITIES

During the year ended September 30, 2021, the Organization received a contribution of software of \$7,811 from a vendor.

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

September 30, 2021

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 Association reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Contributions: Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Contributions are recorded as unrestricted or restricted support, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in donor restricted net assets. When a restriction expires, donor restricted net assets are reclassified to net assets without donor 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, 2021 and 2020, the Organization recognized revenues from the receipt of donated services and materials of \$327,641 and \$286,312, respectively. Donated amounts included airfare, hotel accommodations, event and theme park tickets, meals, and professional services. Such materials and services are contributed mostly by travel and hospitality industry companies. A total of \$261,559 and \$281,037 of donated services and materials was utilized for the Organization’s programs during the years ended September 30, 2021 and 2020, 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 in revenues when the conditions on which they are dependent are substantially met.

During the years ended September 30, 2021 and 2020, the Organization recognized contribution revenue of \$29,310 and \$66,225, respectively, from members of the Organization's board of directors. At September 30, 2021 and 2020, the Organization had pledges receivable from members of the Organization's board of directors of \$43,203 and \$67,500, respectively.

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, 2021 and 2020, the Organization recognized \$300 and \$(39,000) in bad debt recovery (expense), respectively.

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 Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, professional fees, and other, which are allocated on the basis of estimates of time and effort, and depreciation and amortization, which is allocated on the basis of usage of the underlying assets. The total amounts allocated during the years ended September 30, 2021 and 2020 were \$463,527 (\$309,264 to program expenses, \$116,838 to fundraising expenses, and \$37,425 to management and general expenses) and \$481,412 (\$316,520 to program expenses, \$119,727 to fundraising expenses, and \$45,165 to management and general expenses), respectively.

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.

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 for purchased items or fair value for contributed items. Depreciation is computed using the straight-line method over the assets' estimated useful lives of three years.

Software and Website Development Costs: Software and website development costs are stated at cost for purchased items or fair value for contributed items. Amortization is computed using the straight-line method over the asset's estimated useful lives of three years for website development costs and mostly five years for software and begins when the assets are 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 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.

Conditional Government Grant: The Organization recognizes revenue from conditional grants, that is those that have a measurable performance or other barrier that must be overcome, when the conditions on which they depend have been met.

In April 2020, the Organization obtained a loan in the amount of \$75,000 from a bank which was 100% guaranteed by the United States Small Business Administration under the Paycheck Protection Program of the Coronavirus Aid, Relief, and Economic Security Act of the U.S. government. The loan bore interest at 1% and was unsecured. Under the existing accounting guidance, the Organization elected to recognize the anticipated forgiveness of the loan as a conditional government grant. Accordingly, the Organization recorded conditional government grant support of \$75,000 in contributions and grants in the accompanying statements of activities during the year ended December 31, 2020. In March 2021, the loan was formally forgiven by the bank since it was funded by the SBA.

In May 2021, the Organization obtained a second loan in the amount of \$77,080 from a bank which is 100% guaranteed by the United States Small Business Administration under the Paycheck Protection Program. The loan bears interest at 1% and is unsecured. Based on the Organization's payroll costs, subject to certain limits as defined, and certain other covered expenses paid within a 24 week period starting from the date the loan was funded, a portion or all of the principal amount and accrued interest may be forgiven. While there are uncertainties that may result in all or a portion of the loan requiring repayment, the Organization believes that it met the conditions for forgiveness of the full amount of the principal and accrued interest. Accordingly, the Organization recognized \$77,080 in contributions and grants in the accompanying statements of activities during the year ended September 30, 2021.

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

Subsequent Events: Subsequent events have been evaluated through December 10, 2021, which is the date the financial statements were available to be issued.

NOTE B--DONOR RESTRICTED NET ASSETS

At September 30, 2021 and 2020, net assets of \$104,860 and \$219,098, respectively, were restricted for a purpose for the WOW! Experience® and time restrictions, based on when the contributions were supposed to be provided by the donor.

During the years ended September 30, 2021 and 2020, net assets of \$120,797 and \$160,000, respectively, were released from restrictions by incurring expenses to satisfy the restricted purposes for the WOW! Experience®. In addition, during the years ended September 30, 2021 and 2020, net assets of \$77,080 and \$75,000, respectively, were released from restrictions by incurring payroll expenses to satisfy the conditions of the Paycheck Protection Program of the Coronavirus Aid, Relief, and Economic Security Act of the U.S. government.

NOTE C--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:

	<u>2021</u>	<u>2020</u>
Pledges receivable	\$ 114,703	\$ 235,500
Less allowance for uncollectible pledges receivable	(8,700)	(9,000)
Less unamortized discount	<u>(1,143)</u>	<u>(7,402)</u>
	<u>\$ 104,860</u>	<u>\$ 219,098</u>

NOTES TO FINANCIAL STATEMENTS--Continued

THE JACK AND JILL LATE STAGE CANCER FOUNDATION, INC.

NOTE C--PLEDGES RECEIVABLE--Continued

These pledges are scheduled to be collected as follows:

Year Ending September 30:		
2022	\$	90,703
2023		<u>24,000</u>
	\$	<u>114,703</u>

NOTE D--EMPLOYEE BENEFIT PLAN

The Organization has a SIMPLE IRA plan that allows employees to contribute to traditional IRAs set up for employees. This Plan covers substantially all employees and allows participants to defer a portion of their annual compensation on a pre-tax basis. The Organization matches up to 3% of employee annual compensation. The Organization's matching contribution to the Plan totaled \$9,953 and \$10,593 for the years ended September 30, 2021 and 2020, respectively.

NOTE E--LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,377,269	\$ 906,768

NOTE F--CONCENTRATION OF CONTRIBUTIONS

During the year ended September 30, 2021, the Organization recognized contribution revenues from one donor, which represented 22% of total contribution and grant revenues.