

RYAN McELROY CHILDREN'S CANCER FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
DECEMBER 31, 2014

**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, 2014

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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, 2014, and the related statements of activities and net assets, 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

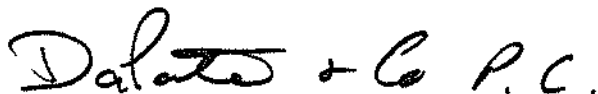
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2014, 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 3, 2015

RYAN McELROY CHILDREN'S CANCER FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2014

ASSETS

Current Assets

Cash	\$ 82,260
Advances Receivable	<u>3,315</u>
Total Current Assets	<u>85,575</u>

Fixed Assets

Land	158,000
Building Construction	<u>479,691</u>
Total Fixed Assets	<u>637,691</u>

Total Assets	<u><u>723,266</u></u>
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LIABILITIES

Current Liabilities

Construction Loan Payable	120,384
Bank Line of Credit Payable	10,902
Other Payable	<u>11,304</u>
Total Liabilities	<u>142,590</u>

NET ASSETS

Unrestricted Net Assets	<u>580,676</u>
Total Liabilities and Net Assets	<u><u>\$ 723,266</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, 2014

Unrestricted Net assets	
Support & Revenue	
Donations	\$ 62,985
Interest Income	25
Grant Income	6,469
Special Events- net of expenses	<u>131,226</u>
Total unrestricted Net assets	200,705
Functional expenses:	
Program Services	\$ 102,919
Supporting Services	9,870
Fundraising	<u>4,773</u>
Total functional expenses	<u>117,562</u>
Excess of revenue over expenses	83,143
Net assets, beginning of year	<u>497,533</u>
Net assets, end of year	<u><u>\$ 580,676</u></u>

See notes to financial statements

RYAN McELROY CHILDREN'S CANCER FOUNDATION  
 STATEMENTS OF CASH FLOWS  
 YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 83,143
Advances Receivables	<u>(3,315)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><b>79,828</b></u>
<b>CASH FLOWS USED FOR INVESTING ACTIVITIES</b>	
Building Construction	<u>(126,670)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u><b>(126,670)</b></u>
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>	
Decrease in Loan Payable	(14,039)
Increase in Other Payable	9,117
Increase in Bank Line of Credit Payable	<u>10,902</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u><b>5,980</b></u>
<b>NET DECREASE IN CASH</b>	<u><b>(40,862)</b></u>
<b>CASH, BEGINNING OF YEAR</b>	<u><b>123,122</b></u>
<b>CASH, END OF YEAR</b>	<u><u><b>\$ 82,260</b></u></u>
Interest Paid	<u><u><b>\$9,472</b></u></u>

See notes to financial statements

RYAN McELROY CHILDREN'S CANCER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT 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 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's Form 990, "Return of an Organization exempt from Income Tax" for the years ending in December 31, 2013, 2012, and 2011, are subject to examination by the IRS, for generally up to three years after they have been filed.

RYAN McELROY CHILDREN'S CANCER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

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, 2014 the construction expenses represents work in process. The organization will begin depreciating the asset 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.

Revenue Recognition

All contribution revenue is considered to be available for unrestricted use in the Current year unless specifically restricted by the donor. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is



RYAN McELROY CHILDREN'S CANCER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

accomplished, temporality restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTE 2: FIXED ASSETS:

Land	\$ 158,000
Building Construction	<u>479,691</u>
Total Fixed Assets	<u>\$ 637,691</u>

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 Golf Outing	\$ 20,781	\$ 17,650	\$ 3,131
Mayhem Madness	1,486	300	1,186
Clay Shoot	38,937	18,960	19,977
Angels of Gold	149,283	26,560	122,723
Dutchess County Fair	3,375	4,170	( 795 )
Montgomery Gentry-Concert	8,400	31,990	(23,590 )
Wine Tasting Event	<u>25,270</u>	<u>16,676</u>	<u>8,594</u>
Total	<u>\$ 247,532</u>	<u>\$ 116,306</u>	<u>\$131,226</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, 2014 is \$120,384.

RYAN McELROY CHILDREN'S CANCER FOUNDATION  
SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2014

	<u>Total</u>	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>
Family Assistances	\$ 59,024	\$ 59,024	\$ -	\$ -
Donations	2,050	2,050	-	-
Fundraising	4,773	-	-	4,773
Payroll & Related Expense	5,349	4,279	1,070	-
Newsletter Advertisement	4,595	4,135	460	-
Insurance	11,409	9,698	1,711	-
Telephone	997	848	149	-
Office & Supplies	4,340	3,689	651	-
Bank & Interest Charges	9,664	8,214	1,450	-
Merchant Fees	3,871	3,871	-	-
Website	1,500	1,275	225	-
Professional fees	5,000	4,250	750	-
Filing fees	210	-	210	-
Dues	375	-	375	-
Building Maintenance	1,682	1,586	96	-
Board & Committee Meetings	2,723	-	2,723	-
<b>Total</b>	<b>\$ 117,562</b>	<b>\$ 102,919</b>	<b>\$ 9,870</b>	<b>\$ 4,773</b>

See accountants' report on supplementary information