

JACOB'S HEART CHILDREN'S CANCER
SUPPORT SERVICES
(A Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS
December 31, 2013

JACOB'S HEART CHILDREN'S CANCER SUPPORT SERVICES
(A Nonprofit Public Benefits Corporation)

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PATRICIA A. BECKWITH

CERTIFIED PUBLIC ACCOUNTANT



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Jacob's Heart Children's Cancer
Support Services

I have reviewed the accompanying statement of financial position Jacob's heart Children's Cancer Support Services (a nonprofit public benefit corporation) as of December 31, 2013 and the related statements of activities, functional expenses and cash flows expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for developing, implementing and maintaining internal controls relevant to preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform certain procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the result of my procedures provide a reasonable basis to my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Patricia Beckwith".

Aptos, CA
July 1, 2014

JACOB'S HEART CHILDREN'S CANCER SUPPORT SERVICES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

ASSETS		
Cash and cash equivalents	\$	128,682
Inventory		1,275
Grants receivable		77,641
Prepaid expenses		2,009
Deposits		500
Property and equipment		<u>-</u>
	TOTAL ASSETS	<u>\$ 210,107</u>
LIABILITIES		
Accounts payable	\$	858
Credit cards		<u>1,734</u>
	TOTAL LIABILITIES	<u>2,592</u>
NET ASSETS		
Unrestricted		160,794
Temporarily restricted		<u>46,720</u>
	TOTAL NET ASSETS	<u>207,514</u>
	TOTAL LIABILITIES AND NET ASSETS	<u>\$ 210,107</u>

See independent accountant's review report.

JACOB'S HEART CHILDREN'S CANCER SUPPORT SERVICES
STATEMENT OF ACTIVITIES
Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 401,303	\$ 84,980	\$ 486,283
Fundraising	39,403	-	39,403
In-Kind revenue	14,300	-	14,300
other to be reclassified	588	-	588
Net assets released from restrictions			
Restrictions satisfied by payments	100,065	(100,065)	
Total Revenue and Support	555,659	(15,085)	540,574
EXPENSES			
Program Services			
Family Support	46,020	-	46,020
Case Management	99,514	-	99,514
Direct Assistance	109,343	-	109,343
Community Awareness	84,090	-	84,090
Supporting Services			-
Management and General	56,366	-	56,366
Fundraising	50,212	-	50,212
Total Expenses	445,545		445,545
CHANGE IN NET ASSETS	110,114	(15,085)	95,029
NET ASSETS, beginning of year	50,680	61,805	112,485
NET ASSETS, end of year	\$ 160,794	\$ 46,720	\$ 207,514

See independent accountant's review report.

JACOB'S HEART CHILDREN'S CANCER SUPPORT SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2013

	Program Services					Total	
	Family Support	Case Management	Direct Assistance	Community Awareness	Management and General		Fundraising
Compensation and related expenses	\$ 18,232	\$ 58,240	\$ 8,854	\$ 60,123	\$ 32,943	\$ 14,456	\$ 192,848
Compensation	1,763	2,214	1,286	2,362	116	2,003	9,744
Employee benefits	1,806	5,488	920	5,550	2,792	1,524	18,080
Payroll Taxes	21,801	65,942	11,060	68,035	35,851	17,983	220,672
Advertising	408	17	16	1,725	1,497	17	3,680
Automobile expenses	274	1,721	69	33	428	19	2,544
Bank services	12	12	12	12	939	370	1,357
Depreciation	-	-	-	-	306	-	306
Direct family support	610	79	86,649	-	50	-	87,388
Dues and subscriptions	211	224	211	446	337	980	2,409
Event expenses	9,778	-	-	268	-	7,307	17,353
Insurance							
Property and casualty	1,332	1,332	1,332	1,332	1,332	-	6,660
Officer's and directors					1,658	-	1,658
Worker's compensation	202	202	202	202	202	1,012	2,022
General operating	691	475	322	446	4,146	1,046	7,126
Meeting expenses	111	55	-	-	126	-	292
Miscellaneous	-	-	-	100	-	66	166
Occupancy							
Rent	5,517	17,217	5,517	5,517	5,517	5,517	44,802
Repairs and maintenance	99	115	115	115	583	131	1,158
Utilities	531	2,582	531	531	530	531	5,236
Office supplies	1,106	1,852	835	1,366	1,496	1,218	7,873
Postage	824	322	286	585	363	387	2,767
Printing	66	66	66	568	142	457	1,365
Program operations	765	4,357	517	913	950	11,038	18,540
Small Equipment	26	26	26	68	26	26	198
Telephone & Communication	1,473	2,735	1,358	1,645	1,360	1,402	9,973
Total expenses, year ended	\$ 45,837	\$ 99,331	\$ 109,124	\$ 83,907	\$ 57,839	\$ 49,507	\$ 445,545
December 31, 2013							
	10%	22%	24%	19%	13%	11%	

See independent accountant's review report.

JACOB'S HEART CHILDREN'S CANCER SUPPORT SERVICES
STATEMENT OF CASH FLOWS
Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets	\$ 95,029
Adjustments to reconcile changes in net assets to to net cash used in operating activities:	
Depreciation	306
(Increase) Decrease in:	
Grants receivable	(77,641)
Inventory	91
Prepaid expenses	2,745
Increase (Decrease) in:	
Accounts payable	(751)
Credit cards	(1,407)
Payroll liabilities	<u>(390)</u>
Net Cash Provided by Operating Activities	<u>17,982</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,982
CASH AND CASH EQUIVALENTS, beginning of year	<u>110,700</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 128,682</u>

See independent accountant's review report.

JACOB'S HEART CHILDREN'S CANCER SUPPORT SERVICES
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Jacob's Heart Children's Cancer Support Services (Jacob's Heart) exists to improve the quality of life for children with cancer and support their families in the challenges they face. Since 1998, they have served more than 500 families who have heard the devastating words, "your child has cancer." Through the years Jacob's Heart has celebrated remission for hundreds of children, and have grieved with families at the loss of a precious child.

Through it all, they remain steadfast in their mission; their reason for existence, an unwavering dedication to providing support to parents and families of children with cancer in Monterey, Santa Cruz, San Benito and South Santa Clara Counties.

Basis of Accounting

The accompanying financial statements of Jacob's Heart have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Jacob's Heart reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted net assets: Net assets that are not subject to donor-imposed restricted or for which Jacob's Heart has variance power. Restricted net assets are reclassified to this category when the restrictions are met.
- Temporarily restricted net assets: Net assets on which grantors or donors have placed restrictions regarding the use of the funds or the time period in which the funds can be used. When a time or purpose restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions:
- Permanently restricted net assets: Net assets, including contributions and any portion of investment income and appreciation that may not be spent pursuant to donor-imposed restrictions. There were no permanently restricted net assets at December 31, 2013.

JACOB'S HEART CHILDREN'S CANCER SUPPORT SERVICES
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Gilroy Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of the time spent on these functions by specific employees as estimated by management. Indirect expenses, include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 are capitalized while expenditures for repairs and maintenance that do not improve or extend the useful lives of respective assets are expensed currently. Property and equipment are carried at cost and depreciated using the straight-line method over the estimated useful lives of the assets ranging from 3-7 years.

Income Taxes

Jacob's Heart is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization on its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three and four years respectively, after they are filed.

JACOB'S HEART CHILDREN'S CANCER SUPPORT SERVICES
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Subsequent Events

These financial statements considered subsequent events through July 1, 2014 the date the financial statements were available to be issued.

NOTE 2. GRANTS RECEIVABLE

Grants receivables are deemed to be fully collectible by management and are comprised of the following:

Monterey Peninsula Community Foundation	<u>\$ 77,641</u>
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NOTE 3. PROPERTY AND EQUIPMENT

As of December 31, 2013, property and equipment consists of:

Automobile	\$ 36,215
Office equipment	24,266
Office furniture	<u>11,969</u>
Less: Accumulated depreciation	<u>(72,450)</u>
	<u>\$ --</u>

NOTE 4. IN KIND INCOME AND EXPENSES

Jacob's Heart was the beneficiary of donated rent space valued at \$3,258 for the year. The Organization also received donations of gift cards for gasoline and food, which is in turn, donated to clients for family support and financial assistance.

NOTE 9. TEMPORARILY RESTRICTED NET ASSETS

As noted in Note 1 above, Jacob's Heart receives grants and donations that are donor restricted.

JACOB'S HEART CHILDREN'S CANCER SUPPORT SERVICES
NOTES TO FINANCIAL STATEMENTS

NOTE 9. TEMPORARILY RESTRICTED NET ASSETS (Continued):

For the year ended December 31, 2013, activity in the temporarily restricted net assets was as follows:

Balance	<u>12/31/12</u>	Balance <u>Additions</u>	<u>Satisfied</u>	<u>12/31/13</u>
Hospice Foundation	\$ 56,250	\$ --	\$ 56,250	\$ --
Driscoll Farmworkers	5,556	--	5,556	--
Harden Foundation	--	20,000	15,000	5,000
Gilroy Foundation	--	1,930	1,072	858
Nancy Buck	--	10,000	5,000	5,000
PVCHT	--	6,250	1,563	4,687
Morgan Hill	--	300	--	300
Safeway	--	8,000	6,000	2,000
Monterey Peninsula Fd.	--	20,000	5,000	15,000
SC Community Fd.	--	15,000	3,750	11,250
Monterey Volunteer Ctr.	--	1,000	250	750
Yellow Brick Road	--	2,500	625	1,875
	<u>\$ 61,806</u>	<u>\$ 84,980</u>	<u>\$ 100,065</u>	<u>\$ 46,720</u>