



FAMILY REACH FOUNDATION

FINANCIAL STATEMENTS

December 31, 2010



FAMILY REACH FOUNDATION
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FRIZZELL, KAFAFIAN, DE VRIES & COMPANY, LLC

ACCOUNTANTS, AUDITORS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of

Family Reach Foundation

We have audited the accompanying statement of financial position of Family Reach Foundation (a nonprofit organization) as of December 31, 2010 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The prior year summarized comparative information has been derived from Family Reach Foundation's 2009 financial statement and, in our report dated June 21, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Reach Foundation as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Frizzell, Kafafian, De Vries & Company, LLC

Newton, New Jersey
April 19, 2011

FAMILY REACH FOUNDATION
STATEMENT OF FINANCIAL POSITION
 December 31, 2010
 (with comparative totals for 2009)

ASSETS			
		<u>2010</u>	<u>2009</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$	230,653	\$ 175,666
Unconditional promises to give		7,950	25,000
Prepaid expenses		3,441	-
Security Deposit		<u>1,670</u>	<u>1,670</u>
Total Current Assets	\$	<u>243,714</u>	\$ <u>202,336</u>
Furniture and Equipment		2,089	2,089
Less: accumulated depreciation		<u>578</u>	<u>160</u>
		<u>1,511</u>	<u>1,929</u>
Total Assets	\$	<u>245,225</u>	\$ <u>204,265</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	\$	<u>18,314</u>	\$ <u>18,495</u>
Total Current Liabilities/Total Liabilities	\$	<u>18,314</u>	\$ <u>18,495</u>
NET ASSETS:			
Unrestricted Net Assets:			
Operating	\$	<u>126,911</u>	\$ <u>85,770</u>
Total Unrestricted Net Assets	\$	126,911	\$ 85,770
Temporarily Restricted Net Assets	\$	<u>100,000</u>	\$ <u>100,000</u>
Total Net Assets	\$	<u>226,911</u>	\$ <u>185,770</u>
Total Liabilities and Net Assets	\$	<u>245,225</u>	\$ <u>204,265</u>

The accompanying notes are an integral
 part of these financial statements.

FAMILY REACH FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010
(with comparative totals for 2009)

	<u>2010</u>	<u>2009</u>
PUBLIC SUPPORT AND REVENUE:		
Grants	\$ 223,000	\$ 33,000
Fundraising Events	460,995	476,812
Contributions	133,228	76,404
In-Kind Service Donations	67,132	45,000
Interest	280	895
Total Public Support and Revenue	\$ 884,635	\$ 632,111
DIRECT EVENT EXPENSE	<u>139,166</u>	<u>139,846</u>
Total Net Revenue	\$ <u>745,469</u>	\$ <u>492,265</u>
EXPENSES:		
Program:		
Family Financial Assistance	\$ 369,625	\$ 210,686
Program Support	<u>64,028</u>	<u>60,595</u>
Total Program	433,653	281,281
Other:		
General and Administrative	117,682	80,687
Fundraising	<u>152,994</u>	<u>104,760</u>
Total Other	<u>270,676</u>	<u>185,447</u>
Total Expenses	\$ <u>704,328</u>	\$ <u>456,728</u>
Changes in Net Assets	41,141	35,537
Net Assets as of Beginning of Year	<u>185,770</u>	<u>150,233</u>
Net Assets as of End of Year	\$ <u>226,911</u>	\$ <u>185,770</u>

The accompanying notes are an integral part of these financial statements.

FAMILY REACH FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2010
(with comparative totals for 2009)

	<u>2010</u>	<u>2009</u>
<u>Cash Flows Utilized by Operating Activities</u>		
Change in net assets	\$ 41,141	\$ 35,537
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	418	160
(Increase) Decrease in deposits	-	(1,670)
Decrease (Increase) in unconditional promises to give	17,050	(9,006)
(Increase) Decrease in prepaid expenses	(3,441)	500
(Decrease) in accounts payable	(181)	(20,689)
Purchase of fixed assets	<u>-</u>	<u>(2,089)</u>
Net Cash Provided by Operating Activities	\$ <u>54,987</u>	\$ <u>2,743</u>
Cash and Cash Equivalents - Beginning of Year	<u>175,666</u>	<u>172,923</u>
Cash and Cash Equivalents - End of Year	\$ <u>230,653</u>	\$ <u>175,666</u>

The accompanying notes are an integral
part of these financial statements.

Exhibit D

FAMILY REACH FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2010
(with comparative totals for 2009)

	Program Support	General and Administrative	Fundraising	Total	2009 Totals
Development	\$ 12,743	\$ 11,830	\$ 49,358	\$ 73,930	\$ 55,028
Grant Writing			2,000	2,000	5,000
Project Management	7,245	23,592	25,192	56,029	42,162
Marketing & Design			19,929	19,929	20,649
Professional Fees	17,527	22,827		40,354	15,757
In-Kind Expenses	24,116	12,525	5,280	41,921	45,000
Event Management		2,850	16,164	19,014	7,220
Advertising		785	305	1,090	1,728
Telephone		2,062	74	2,137	553
Website		7,390	6,400	13,790	15,977
Office Expense	1,277	5,000	13,975	20,252	18,147
Travel-Meeting Expense	1,045	5,882	8,734	15,661	4,617
Occupancy		12,536	7	12,543	6,956
Equipment Rental & Maintenance			2,724	2,724	118
Depreciation		418		418	160
Insurance		3,395		3,395	3,372
Organizational Expenses		250		250	354
Miscellaneous	<u>75</u>	<u>6,340</u>	<u>2,852</u>	<u>9,267</u>	<u>3,244</u>
Total Expenses	\$ <u>64,028</u>	\$ <u>117,682</u>	\$ <u>152,994</u>	\$ <u>334,704</u>	\$ <u>246,042</u>

The accompanying notes are an integral
part of these financial statements.

FAMILY REACH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities - Family Reach Foundation (the Foundation) is an organization that provides financial relief and heartfelt support to families fighting cancer.

The Foundation incorporated April 7, 2003 in the State of Delaware and is a non-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income tax. The Foundation is also registered in the State of New Jersey.

Promises to Give - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

The Foundation relies on its network of hospital and social workers to identify families in need. The review committee communicates with the contacts at hospitals to ensure the mission is fulfilled:

Furniture and Equipment - Furniture and equipment is carried at cost. Depreciation is computed using the straight-line method

Public Support and Revenue - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the use of managements' estimates.

Contributed Services - The Foundation receives a substantial amount of services donated by volunteers in carrying out the Foundation's goals. The value of these contributions is reflected on the financial statements as in-kind donations.

FAMILY REACH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

Income Taxes - The Foundation is exempt from Federal and State income taxes under Internal Revenue Code Section 501(c)(3), as stated in a letter dated November 6, 2008 from the Internal Revenue Service

Comparative Financial Statements - The Financial Statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2009 from which the summarized information was derived.

Reclassification - Certain amounts in the prior year financial statements have been reclassified to conform to current year presentation.

Concentration of Credit Risk - The Foundation maintains its cash balance in one financial institution. The Federal Deposit Insurance Corporation insures cash balances up to \$250,000 at any one institution. Cash balances in excess of the FDIC limits at December 31, 2010 amounted to -0-.

Date of Management's Evaluation of Subsequent Events - Management has evaluated events through April 19, 2011, the date on which the financial statements were available to be issued.

Advertising - The Foundation expenses advertising cost as they are incurred.

NOTE 2 - TEMPORARILY RESTRICTED NET ASSETS:

Manton B. Metcalf Memorial Association dissolved, and upon doing so, donated \$100,000 to the Foundation. The Board has elected to adopt restriction on this amount to secure income from this donation. The specific guidelines dictate that only 10% of the Temporarily Restricted Contribution can be used to support the operating expenditure needs. Requests for funds beyond the 10% will require a special majority vote of the Board.

NOTE 3 - UNCONDITIONAL PROMISES TO GIVE:

Unconditional promises to give at December 31, 2010 totaled \$ 7,950 and is considered a receivable to be collected in less than one year.

FAMILY REACH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 4 – PROPERTY AND EQUIPMENT:

Property and equipment, together with accumulated depreciation and estimated useful lives consist of the following:

	<u>2010</u>	<u>2009</u>
Furniture and fixtures	\$ 2,089	\$ 2,089
Less: accumulated depreciation	(578)	(160)
	<u>\$ 1,511</u>	<u>\$ 1,929</u>

NOTE 5 – COMMITMENTS AND CONTINGENCIES:

Operating Lease - The Foundation entered into a lease for its Parsippany office. The lease commenced on July 1, 2009 and is renewable on a yearly basis. The estimated minimum non-cancelable base rentals on an annual basis are as follows:

2009	\$ 5,010
2010	10,284
2011	10,548
2012	10,548
2013	10,548

NOTE 6 – IN-KIND SERVICE DONATIONS:

The Foundation recorded in-kind donations for the year ended December 31, 2010; and for use of compatibility, management estimates \$45,000 for the prior year.