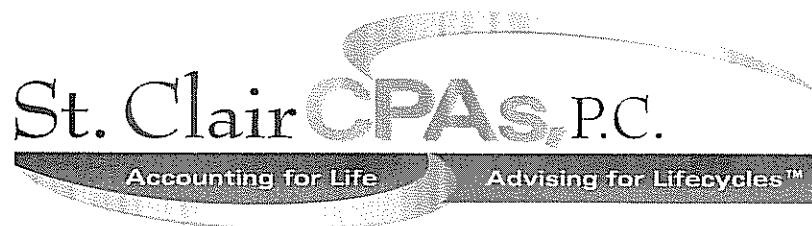


# KELLY ANNE DOLAN MEMORIAL FUND

(A PENNSYLVANIA NOT-FOR-PROFIT CORPORATION)

FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012



**KELLY ANNE DOLAN MEMORIAL FUND**  
**JUNE 30, 2013 AND 2012**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Kelly Anne Dolan Memorial Fund  
Ambler, Pennsylvania

We have audited the accompanying financial statements of Kelly Anne Dolan Memorial Fund (a Pennsylvania not-for-profit corporation), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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 the 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 audits 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 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 Kelly Anne Dolan Memorial Fund as of June 30, 2013 and 2012, 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.



Certified Public Accountants

Conshohocken, Pennsylvania  
September 4, 2013

**KELLY ANNE DOLAN MEMORIAL FUND  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 110,716	\$ 97,899
Investments	194,406	172,688
Cemetery plots	165,745	160,785
Inventory in kind	<u>7,637</u>	<u>7,637</u>
<b>TOTAL CURRENT ASSETS</b>	<u>478,504</u>	<u>439,009</u>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and fixtures	11,573	11,573
Leasehold improvements	7,950	7,950
Office equipment	<u>42,385</u>	<u>40,537</u>
	61,908	60,060
Less accumulated depreciation	<u>60,180</u>	<u>59,209</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<u>1,728</u>	<u>851</u>
	<u>\$ 480,232</u>	<u>\$ 439,860</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	<u>\$ 9,361</u>	<u>\$ 3,843</u>
<b>TOTAL LIABILITIES</b>	<u>9,361</u>	<u>3,843</u>
<b>NET ASSETS</b>		
Unrestricted		
Operating	210,319	233,785
Board designated	<u>194,406</u>	<u>172,688</u>
	404,725	406,473
Temporarily restricted	<u>66,146</u>	<u>29,544</u>
<b>TOTAL NET ASSETS</b>	<u>470,871</u>	<u>436,017</u>
	<u>\$ 480,232</u>	<u>\$ 439,860</u>

See accompanying notes.

**KELLY ANNE DOLAN MEMORIAL FUND  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2013 AND 2012**

	2013			2012				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUES</b>								
Contributions								
Foundations	\$ 73,422	\$ 117,000	\$ -	\$ 190,422	\$ 91,735	\$ 49,500	\$ -	\$ 141,235
Business donations	20,723	2,000	-	22,723	24,449	1,000	-	25,449
Memorial & miscellaneous	41,899	-	-	41,899	35,922	1,500	-	37,422
General appeal	51,254	-	-	51,254	34,136	-	-	34,136
School initiative	42,453	-	-	42,453	42,815	-	-	42,815
United Way donor choice	9,704	-	-	9,704	11,292	-	-	11,292
Gifts in kind	178,640	-	-	178,640	212,775	-	-	212,775
Special events and other	126,092	-	-	126,092	127,929	15,904	-	143,833
Investment income	3,255	-	-	3,255	276	-	-	276
Unrealized gain from investments/cemetery plots	23,500	-	-	23,500	4,868	-	-	4,868
Subtotal	570,942	119,000	-	689,942	586,197	67,904	-	654,101
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>								
Satisfaction of restrictions	82,398	(82,398)	-	-	57,595	(57,595)	-	-
<b>TOTAL SUPPORT AND REVENUES</b>	<b>653,340</b>	<b>36,602</b>	<b>-</b>	<b>689,942</b>	<b>643,792</b>	<b>10,309</b>	<b>-</b>	<b>654,101</b>
<b>FUNCTIONAL EXPENSES</b>								
Program services	470,700	-	-	470,700	499,655	-	-	499,655
Management and general	69,177	-	-	69,177	70,297	-	-	70,297
Fundraising	115,211	-	-	115,211	113,729	-	-	113,729
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>655,088</b>	<b>-</b>	<b>-</b>	<b>655,088</b>	<b>683,681</b>	<b>-</b>	<b>-</b>	<b>683,681</b>
<b>CHANGE IN NET ASSETS</b>	<b>(1,748)</b>	<b>36,602</b>	<b>-</b>	<b>34,854</b>	<b>(39,889)</b>	<b>10,309</b>	<b>-</b>	<b>(29,580)</b>
<b>NET ASSETS, BEGINNING</b>	<b>406,473</b>	<b>29,544</b>	<b>-</b>	<b>436,017</b>	<b>446,362</b>	<b>19,235</b>	<b>-</b>	<b>465,597</b>
<b>NET ASSETS, ENDING</b>	<b>\$ 404,725</b>	<b>\$ 66,146</b>	<b>\$ -</b>	<b>\$ 470,871</b>	<b>\$ 406,473</b>	<b>\$ 29,544</b>	<b>\$ -</b>	<b>\$ 436,017</b>

See accompanying notes.

**KELLY ANNE DOLAN MEMORIAL FUND  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED JUNE 30, 2013 AND 2012**

	2013		2012					
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 94,294	\$ 36,146	\$ 49,697	\$ 180,137	\$ 95,227	\$ 36,504	\$ 50,189	\$ 181,920
Payroll taxes	10,865	4,165	5,725	20,755	15,419	5,910	8,124	29,453
Employee benefits	7,566	2,902	3,989	14,457	5,382	2,064	2,838	10,284
Depreciation	641	262	68	971	572	234	61	867
Dues and subscriptions	1,072	439	113	1,624	435	178	46	659
Equipment rental	553	228	846	1,627	452	186	691	1,329
Family assistance	308,234	-	-	308,234	333,670	-	-	333,670
Fundraising	-	-	39,818	39,818	-	-	37,290	37,290
Insurance	1,988	814	210	3,012	2,009	823	212	3,044
Occupancy	5,576	2,282	592	8,450	5,148	2,106	546	7,800
Postage	1,157	473	2,180	3,810	1,204	492	1,950	3,646
Printing	779	319	4,818	5,916	2,832	1,157	5,390	9,379
Professional fees	3,000	500	1,500	5,000	3,000	500	1,500	5,000
Public relations and marketing	23,620	14,741	3,439	41,800	23,962	14,954	3,489	42,405
Repairs and maintenance	457	187	48	692	841	344	89	1,274
Telephone	2,617	1,071	277	3,965	2,600	1,064	275	3,939
Travel and conferences	92	99	30	221	68	74	22	164
Utilities	1,432	585	152	2,169	2,405	983	256	3,644
Website design	2,052	1,026	1,026	4,104	332	166	166	664
Other	4,705	2,938	683	8,326	4,097	2,558	595	7,250
<b>TOTAL</b>	<b>\$ 470,700</b>	<b>\$ 69,177</b>	<b>\$ 115,211</b>	<b>\$ 655,088</b>	<b>\$ 499,655</b>	<b>\$ 70,297</b>	<b>\$ 113,729</b>	<b>\$ 683,681</b>

See accompanying notes.

**KELLY ANNE DOLAN MEMORIAL FUND  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 34,854	\$ (29,580)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	971	867
Net unrealized gains from investments / cemetery plots	(23,500)	(4,868)
Donated cemetery plots included in contributions	-	(8,985)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	<u>5,518</u>	<u>(3,154)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>17,843</u>	<u>(45,720)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(3,178)	-
Purchases of property and equipment	<u>(1,848)</u>	<u>-</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(5,026)</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	12,817	(45,720)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>97,899</u>	<u>143,619</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 110,716</u>	<u>\$ 97,899</u>

See accompanying notes.



**KELLY ANNE DOLAN MEMORIAL FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Kelly Anne Dolan Memorial Fund (the "Fund") was established in 1976 and was incorporated as a nonprofit organization in 1978. The Kelly Anne Dolan Memorial Fund provides advocacy, education, information and financial assistance for the uninsured needs of families with terminally, critically, chronically ill, seriously disabled or severely injured children. Requests are handled through social workers, case managers, doctors and nurses at various hospitals, medical facilities and social service agencies throughout Pennsylvania, New Jersey and Delaware. The Fund is supported primarily through grants from private foundations and corporations, individual donors and fundraising activities.

Basis of Accounting and Presentation

The Fund follows FASB ASC 958 *Financial Statements for Not-for-Profit Organizations*, to prepare its financial statements. Under FASB ASC 958, the Fund is required to report information regarding their financial position and activities according to three classes of assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Promises to Give and Restricted/Unrestricted Support

The Fund follows FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*, in recording contributions received. Contributions received are recorded as unrestricted, or temporarily restricted, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end. As of June 30, 2013 and 2012, there were no promises to give therefore no allowance was necessary.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Materials, Facilities and Services

The Fund recognizes donated materials and facilities in accordance with FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*. The Fund also receives donated services from unpaid volunteers who assist in program activities, administrative duties and fundraising. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under FASB ASC 958-605.

**KELLY ANNE DOLAN MEMORIAL FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Fund considers all highly liquid investments with maturity of three months or less when acquired to be cash equivalents.

Investments

In accordance with FASB ASC 958-320, investments are stated at fair market value, with unrealized gains and losses and realized gains and losses recognized on the statement of activities. The Fund considers all of its securities to be available-for-sale. Generally, for available-for-sale securities, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions.

Cemetery Plots

Cemetery plots are donated to the Fund for future use of families in need. They are included in the statement of financial position at fair market value as of June 30, 2013 and 2012 as determined by comparable sales of similar plots. As of June 30, 2013 and 2012, an unrealized gain (loss) in fair value for the cemetery plots of \$4,960 and \$-0- was classified as such in the statement of activities.

Inventory in Kind

Inventory in kind consists of donated promotional items and is recorded at estimated fair value.

Property and Equipment

Property and equipment is stated at cost. The cost of the property and equipment is depreciated over the estimated useful lives of the related assets on a straight-line basis.

Tax Status

The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The Fund has been classified as a publicly supported charitable organization and is registered with the Pennsylvania Bureau of Charitable Organizations.

The Fund is no longer subject to examination by U.S. federal and state tax authorities for the tax years prior to the fiscal year ending June 30, 2010.

**KELLY ANNE DOLAN MEMORIAL FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Costs

All costs associated with advertising are expensed in the year incurred. Public relations and marketing expense for the years ended June 30, 2013 and 2012 was \$41,800 and \$42,405, respectively.

Reclassifications

Certain reclassifications have been made to the 2012 presentation to conform to the 2013 presentation. Postage and printing have been reallocated in the statement of functional expenses to better reflect actual expenses incurred.

NOTE 2 CONCENTRATION OF CREDIT RISK INVOLVING CASH

The Fund maintains cash balances at a financial institution, which at various times during the year may exceed the threshold for insurance provided by the Federal Deposit Insurance Corporation (FDIC). During the years ended June 30, 2013 and 2012, the Fund did not exceed the threshold and has not experienced any losses on such accounts. The Fund believes they are not exposed to any significant credit risk on their cash.

NOTE 3 INVESTMENTS, CEMETERY PLOTS AND FAIR VALUE MEASUREMENTS

The Fund's investments consist entirely of mutual funds and stocks and are detailed below:

	<u>Historical Basis</u>	<u>Market Value</u>	<u>Carrying Value</u>
<u>June 30, 2013</u>			
Marketable securities	<u>\$ 165,932</u>	<u>\$ 194,406</u>	<u>\$ 194,406</u>
<u>June 30, 2012</u>			
Marketable securities	<u>\$ 162,954</u>	<u>\$ 172,688</u>	<u>\$ 172,688</u>

The Fund's investments experienced unrealized gains of \$18,540 and \$4,868 classified as such in the statement of activities for the years ended June 30, 2013 and 2012, respectively.

FASB ASC 820-10, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Marketable securities are reported at fair value on a recurring basis determined by quoted prices of shares held. Cemetery plots are reported at fair value on a recurring basis determined by reference to quoted prices for similar assets.

**KELLY ANNE DOLAN MEMORIAL FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

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NOTE 3 INVESTMENTS, CEMETERY PLOTS AND FAIR VALUE MEASUREMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Fund's investments and cemetery plots at June 30, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds and stocks				
Fixed income funds	\$ 71,148	\$ -	\$ -	\$ 71,148
Growth funds	48,537	-	-	48,537
Value funds	48,717	-	-	48,717
International funds	22,193	-	-	22,193
Other stocks	<u>3,811</u>	<u>-</u>	<u>-</u>	<u>3,811</u>
Total mutual funds and stocks	<u>\$ 194,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,406</u>
Cemetery plots	<u>\$ -</u>	<u>\$ 165,745</u>	<u>\$ -</u>	<u>\$ 165,745</u>

The following table sets forth by level, within the fair value hierarchy, the Fund's investments and cemetery plots at June 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds and stocks				
Fixed income funds	\$ 70,208	\$ -	\$ -	\$ 70,208
Growth funds	41,341	-	-	41,341
Value funds	38,839	-	-	38,839
International funds	19,077	-	-	19,077
Other stocks	<u>3,223</u>	<u>-</u>	<u>-</u>	<u>3,223</u>
Total mutual funds and stocks	<u>\$ 172,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,688</u>
Cemetery plots	<u>\$ -</u>	<u>\$ 160,785</u>	<u>\$ -</u>	<u>\$ 160,785</u>

NOTE 4 RESTRICTION OF NET ASSETS

Temporarily Restricted

Support contributions with donor-imposed restrictions that have not been met in the current year are reported as temporarily restricted net assets. Once the donor-imposed restrictions have been met, the net assets are released to the unrestricted net assets.

**KELLY ANNE DOLAN MEMORIAL FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

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NOTE 4      RESTRICTION OF NET ASSETS (continued)

Temporarily Restricted (continued)

As of June 30, 2013 and 2012, temporarily restricted net assets were available for the following purposes:

	<u>2013</u>	<u>2012</u>
*Help and Hope Program	\$ 4,873	\$ 6,341
Air conditioners/purifiers	-	886
Montgomery County children with disabilities	12,750	16,954
Montgomery County and West Philadelphia children with disabilities	543	1,997
Bergen & Passaic County, New Jersey	1,085	-
Philadelphia County children with disabilities	724	-
Children with disabilities in certain Phoenixville zip codes	2,400	-
Bucks County children with disabilities	4,600	-
Philadelphia, Bucks, Delaware, Montgomery, Chester & Camden County children with disabilities	36,235	-
Restricted to single mothers	2,936	-
Special equipment	-	2,463
Willow Grove area children with disabilities	-	903
	<u>\$ 66,146</u>	<u>\$ 29,544</u>

\*This program aims to assist families that are experiencing especially severe difficulties. Through the program, expenses for uninsured necessities – like utilities, rent, groceries, or transportation costs – of up to \$1,000 per family are paid directly to creditors (to avoid misappropriation of funds). Every dollar raised for the Help & Hope Program goes directly to help families in need.

NOTE 5      COMMITMENTS

The Fund leases a copier under an operating lease which expires in April 2017. Lease payments for the copier for the periods ended June 30, 2013 and 2012 were \$1,627 and \$1,329, respectively.

Future minimum annual payments required under the term of the copier lease are as follows:

<u>Years ending June 30.</u>	
2014	\$ 1,099
2015	1,099
2016	1,099
2017	914
	<u>\$ 4,211</u>

The Fund leases its office space on a month-to-month basis. The monthly lease payment is \$650. Rent expense for the years ended June 30, 2013 and 2012 was \$8,450 and \$7,800, respectively.

**KELLY ANNE DOLAN MEMORIAL FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

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**NOTE 6          SUBSEQUENT EVENTS**

The Fund has evaluated events or transactions that have occurred after June 30, 2013 (the financial statement date) through September 4, 2013, the date that the financial statements were available to be issued. During this period, the Fund did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.