

**Blue Ribbon Foundation, Inc.**  
**Financial Statements**  
**Fiscal Year :**  
**July 1, 2013 to June 30, 2014**

# BLUE RIBBON FOUNDATION, INC

## Statement of Financial Position

6/30/2014

### ASSETS

Cash	1,986.31
Restricted Cash (Fellowship)	4,000.00
<b>Total Assets</b>	<b><u>5,986.31</u></b>

### LIABILITIES

	0.00
<b>Total Liabilities</b>	<b><u>0.00</u></b>

### NET ASSETS

Unrestricted	1,986.31
Temporarily Restricted	4,000.00
<b>Total Net Assets</b>	<b><u>5,986.31</u></b>

<b>Total Liabilities and Net Assets</b>	<b><u>5,986.31</u></b>
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**BLUE RIBBON FOUNDATION, INC**  
Statement of Activities and Changes in Net Assets  
7/1/2013 to 6/30/2014

**Revenue**

Contributions	
Individual Contributions	24,238.19
Organization Contributions	200.00
	<u>24,438.19</u>
Film Contributions	
Producer Contributions	27,800.00
	<u>27,800.00</u>
Fellowship Contributions (Restricted)	
Fellowship Contributions	4,000.00
	<u>4,000.00</u>
Step Up for ME Events	
5 K Race	3,200.00
Concerts	
On-Line SUME Donations	450.00
	<u>3,650.00</u>
<b>Total Income</b>	<b>59,888.19</b>

**Expenses**

**Program**

**General**

Subscriptions, Memberships & Registrations	549.00
	<u>549.00</u>

**Advocacy (Film Production)**

Professional Services (Indep Contr)	24,574.00
Equipment	
Equipment Rental	4,092.92
Equipment Purchase	953.30
Production	1,083.00
Travel (Trans, Lodging, Meals)	15,490.70
Info Tech	426.19
Insurance	107.10
Supplies, Postage, Training	71.92
	<u>46,799.13</u>

**Total Program Expenses   47,348.13**

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7/1/2013 to 6/30/2014

**Management and General**

IT	143.86
Supplies & Postage	33.90
Subscriptions, Memberships, & Registration	30.00
Bank Fees	199.58
Rent	3,507.41

**Total Mgt & General Expenses** **3,914.75**

**Fundraising**

Supplies & Postage	68.89
Step Up for ME Events	
5 K Race	2,507.98
On-Line SUME Donations	29.50
Advocacy Marketing Communication	32.63

**Total Fundraising Expense** **2,639.00**

**Total Expenses** **53,901.88**

**Change in Net Assets** **5,986.31**

**Net Assets - Beginning of Year** 0.00

**Net Assets - End of Year** **5,986.31**

# **BLUE RIBBON FOUNDATION, INC**

## Statement of Cash Flows For the Year Ended 6/30/2014

<b>Increase (Decrease) in Net Assets</b>	<b>5,986</b>
Adjustments to Cash Flow from Operating Activities	0
Adjustments to Cash Flow from Investing Activities	0
Adjustments to Cash Flow from Financing Activities	0
Net Change in Cash	5,986
Cash, Beginning of Year	0
Cash, End of Year	5,986

**Blue Ribbon Foundation**  
Notes to Accompany Financial Statements  
June 30, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Blue Ribbon Foundation, Inc. (BRF) is a Georgia-based not-for-profit corporation established in September 2013.

Ryan Prior and Nicole Castillo initiated the idea of making a feature length documentary film about ME/CFS with a Kickstarter campaign in June 2013. The campaign was successful and generated over \$16,000.

In October 2014 the IRS granted tax-exempt status to the foundation with an effective date of September 13, 2013

The BRF mission is: “To foster a national dialogue toward finding the cause, cure, and prevention of neuro-immune diseases.”

The BRF is governed by a board of directors consisting of six regular members. The existing board selects new directors

**Basis of Accounting**

The financial statements of the BRF have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 958 (formerly Statement of Financial Accounting Standards (SFAS) No 117, *Financial Statements of Not-for-Profit Organizations*). Under FASB ASC 958, the organization is required to report 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. Accordingly, net assets of the BRF and changes thereof are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met, either by actions of the BRF and/or the passage of time. When a restriction is satisfied or expires, temporarily

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restricted net assets are reclassified as unrestricted and reported in the statement of activities as net assets released from restriction.

The BRF has a key program element to fund fellowships for medical school students doing research at a recognized ME/CFS institute. The Wisconsin CFS Association contributed \$4,000 to fund the first fellowship. As of June 30, 2014, that contribution is restricted specifically for that purpose. In the summer of 2015 the BRF expects to support a fellowship for a student doing neuro-immune disease research at the Institute of Medicine at Nova Southeastern University in Fort Lauderdale, Florida.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that must be maintained permanently by the BRF. Generally donors of these assets permit the BRF to use all or part of the income earned on any related investment for general or specific purposes. The BRF has no permanently restricted assets as of Jun 30, 2014.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the BRF considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### **Revenue Recognition**

The Organization recognizes all contributed support received as income in the period received. Contributed support is reported as unrestricted or as restricted, depending upon the existence of donor stipulations that limit the use of the support. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

### **In-Kind Support**

The BRF receives various types of in-kind support, including contributed services. Contributed professional services are recognized if (a) the services received, create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. Any amounts reflected as in-kind support are offset by like amounts included in expenses.

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Additionally, the Organization receives skilled, contributed time, which does not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined, and is not reflected in the accompanying financial statements.

**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.

**Income Taxes**

The IRS recognized the BRF as exempt under Section 501(c)(3) of the Internal Revenue Code effective September 13, 2013 and, as such, is not subject to federal or state income tax. The BRF is required to file IRS Form 990 EZ, Return for Organization Exempt from Income Tax. Continued exemption from income taxes is dependent on the BRF's continued operation as a qualifying organization.

**NOTE 2 – CASH AND DEPOSITS**

As of June 30, 2014, cash consisted of deposits totaling \$5,987. Deposits are carried at cost and are fully insured by the Federal Deposit Insurance Corporation (FDIC).

**NOTE 3 – RESTRICTED CASH**

Restricted cash at June 30, 2014 consists of \$4,000 to support a fellowship to study Neuro-Immune Disease.

**NOTE 4 – CONTRACTS WITH INDEPENDENT CONTRACTORS TO DIRECT FILM**

On October 15, 2013 the foundation entered into contracts with Ryan Prior and Nicole Castillo to direct a documentary film that may be distributed via Netflix, Hulu, iTunes or Amazon on Demand. The contracts call for the foundation to pay independent contractor fees of \$9,000 to each and to complete the project by December 31, 2013.

On December 15, 2013 it became apparent the October contracts would not cover the full scope of the project and the project would not be complete by December 31, 2013. The foundation modified the October 15, 2013 contract with Nicole Castillo to pay her an additional \$13,600. The foundation modified the contract with Ryan Prior to pay him an additional \$22,100. The revised completion date for the project is January 31, 2015. Nicole will reduce her involvement with the project in August 2013 to attend graduate school in Los Angeles, thus her agreed contractor fee is less than Ryan's.



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**NOTE 5 – INCOME TAXES**

The BRF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the year ended June 30, 2014, the Organization is taking the position that all income is derived as a result of its tax-exempt purpose and there is no income derived from unrelated business activities. As a result, no tax liability has been recorded. The BRF believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

**BLUE RIBBON FOUNDATION, INC**

## Statement of Functional Expenses

7/1/2013 to 6/30/2014

	<b>Program</b>	<b>Management &amp; General</b>	<b>Fund- raising</b>	<b>Total</b>
Professional Services (Indep Contractors)	24,574.00			24,574.00
Equipment & Production	6,128.92			6,128.92
Supplies, Postage, Rent, Other	53.97	233.48	68.89	356.34
Travel	15,491.00			15,491.00
Rent		3,507.41		3,507.41
Training	17.95			17.95
Information Technology	426.19	143.86		570.05
Insurance	107.10			107.10
Subscriptions, Memberships & Registration	549.00	30.00		579.00
Advocacy & Marketing			32.63	32.63
Special Events			2,537.48	2,537.48
Fellowships				
<b>Total Expenses</b>	<b>47,348.13</b>	<b>3,914.75</b>	<b>2,639.00</b>	<b>53,901.88</b>