

**THE ROLLING JUBILEE FUND**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
The Rolling Jubilee Fund  
New York, NY

We have audited the accompanying financial statements of The Rolling Jubilee Fund (a nonprofit organization) , which comprise the statement of financial position in liquidation as of December 31, 2013, and the related statements of activities in liquidation, cash flows in liquidation, and functional expenses in liquidation, for the year ended December 31, 2013, 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 financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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 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 auditor's 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 in liquidation of The Rolling Jubilee Fund as of December 31, 2013, and the changes in net assets in liquidation, its cash flows in liquidation, and functional expenses in liquidation, for the year ended December 31, 2013, in accordance with accounting principles generally accepted in the United States of America applied on the basis of accounting described in Note 2 to the financial statements.

***Emphasis of Matter***

As further discussed in Note 1 to the financial statements, the board of directors of The Rolling Jubilee Fund approved a plan of liquidation in October 2013. In accordance with accounting principles generally accepted in the United States of America, the Company has changed its basis of accounting from the ongoing basis to the liquidation basis.

Fuoco Group, LLC

Hauppauge, New York  
May 26, 2014

**THE ROLLING JUBILEE FUND**  
**STATEMENT OF FINANCIAL POSITION IN LIQUIDATION**  
**DECEMBER 31, 2013**

**ASSETS**

Current Assets	
Cash and Cash Equivalents	\$ 208,908
Prepaid expenses	<u>45,212</u>
Total Current Assets	<u>254,120</u>
Total Assets	<u>\$ 254,120</u>

**LIABILITIES AND NET ASSETS**

Current Liabilities	
Accrued Expenses	<u>\$ 10,200</u>
Total Current Liabilities	<u>10,200</u>
Total Liabilities	<u>10,200</u>
Net Assets in liquidation	
Unrestricted	<u>243,920</u>
Total Net Assets in liquidation	<u>243,920</u>
Total Liabilities and Net Assets in liquidation	<u>\$ 254,120</u>

See notes to financial statements.

**THE ROLLING JUBILEE FUND**  
**STATEMENT OF ACTIVITIES IN LIQUIDATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**PUBLIC SUPPORT AND REVENUE**

Public Support	
Contributions	\$ 148,627
Donated Services	<u>45,636</u>
	<u>194,263</u>
Total Public Support	<u>194,263</u>
Total Public Support and Revenue	<u>194,263</u>

**EXPENSES**

Program Services	<u>373,600</u>
Supporting Services	
Management and General	<u>72,476</u>
Total Supporting Services	<u>72,476</u>
Total Expenses	<u>446,076</u>
Decrease in Net Assets in liquidation	<u>(251,813)</u>
<b>NET ASSETS, JANUARY 1, 2013</b>	<u>495,733</u>
<b>NET ASSETS IN LIQUIDATION, DECEMBER 31, 2013</b>	<u>\$ 243,920</u>

See notes to financial statements.

**THE ROLLING JUBILEE FUND**  
**STATEMENT OF CASH FLOWS IN LIQUIDATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**CASH FLOWS FROM OPERATIONS**

Decrease in Net Assets in liquidation	\$ (251,813)
(Increase) Decrease in Prepaid Expenses	(45,212)
(Decrease) Increase in Accrued Expenses	<u>(1,300)</u>
Net Cash Used By Operations	<u>(298,325)</u>
Net Decrease in Cash	(298,325)
<b>CASH AND CASH EQUIVALENTS, JANUARY 1, 2013</b>	<u>507,233</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31, 2013</b>	<u>\$ 208,908</u>

See notes to financial statements.

**THE ROLLING JUBILEE FUND**  
**STATEMENT OF FUNCTIONAL EXPENSES IN LIQUIDATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>SUPPORTING SERVICES</b>			<b>TOTAL EXPENSES</b>
	<b>PROGRAM SERVICES</b>	<b>GENERAL AND ADMINISTRATIVE</b>	<b>SUPPORTING SERVICES</b>	
Debt Purchases & Other Debt Costs	\$ 307,093	\$ -	\$ -	307,093
Consultants, Brokers and Professional Fees	66,017	61,321	61,321	127,338
Bank Wire Fees	490	85	85	575
Insurance	-	10,252	10,252	10,252
State Registration Fees	-	818	818	818
 Total Expenses	 <u>\$ 373,600</u>	 <u>\$ 72,476</u>	 <u>\$ 72,476</u>	 <u>\$ 446,076</u>

See notes to financial statements.

**THE ROLLING JUBILEE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION**

The Rolling Jubilee Fund (the “Fund”) is a corporation which was organized in the State of Delaware as a not-for-profit entity on October 1, 2012.

The Fund’s main goal is to reduce the level of indebtedness of members of the community by acquiring outstanding debt and abolishing it.

Plan to liquidate

In October 2013 the Board of Directors voted to liquidate the corporation and finalize the distribution of assets prior to December 31, 2014. As a result, no further donations will be accepted after January 2014. The Board anticipates acquiring and abolishing additional debt with the amount of monies on hand after paying expenses.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting and financial statement presentation - As a result of the Fund’s decision to wind down operations, the accompanying financial statements are presented under the liquidation basis of accounting in accordance with accounting principles generally accepted in the United States of America and include the accounts of the Fund’s programs, administration and fundraising. Under the liquidation basis of accounting, assets are stated at their estimated net realizable value, and liabilities are stated at their estimated settlement amounts. Assets and liabilities included in the accompanying financial statements are stated on the following bases:

Cash and cash equivalents are presented at face value

Prepaid and Accrued expenses are stated at estimated settlement amounts

As required by the financial Statements for *Not-for-Profit Organizations* topic of the FASB Accounting Standards Codification, the Fund is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets and change in net assets. The Fund’s net assets consist of only:

Unrestricted – net assets of the Fund which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Fund.

Expenses are allocated into functional categories depending upon the ultimate purpose of the expenditure.

Revenue recognition - Contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor.

**THE ROLLING JUBILEE FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash and cash equivalents - All highly liquid investments purchased with an original maturity of three months or less are considered cash equivalents.

The use of estimates in the preparation of financial statements - 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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates.

Income taxes - The Fund is exempt from income taxation under Internal Revenue Service Code Section 501(c)(4).

The Fund has not taken an unsubstantiated tax position that would require provision of a liability under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10 (formerly FIN Interpretation No. 48), "Accounting for Uncertainty in Income Taxes". Under ASC 740-10, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The Fund does not believe there are any material uncertain tax positions and, accordingly, has not recognized any liability for unrecognized tax benefits. The Fund will file IRS Form 990, as required, and all other applicable returns in jurisdictions when it is required. The Fund's information returns are subject to review by the appropriate authorities for a period of three years from the date of filing.

**NOTE 3 – CONCENTRATION OF CREDIT RISK**

Financial instruments that subject the Fund to concentrations of credit risk include cash and cash equivalents. The Fund maintains accounts at a Federal Credit Union and two online payment service providers. At times its deposit balance may exceed federally insured limits. The Fund has not experienced any losses in these accounts

**NOTE 4 – CONTRIBUTIONS**

The Fund uses two online payment service providers for accepting donations. Donations as reported in the accompanying financial statements are net of the provider's fees.

**NOTE 5 – FUNCTIONAL ALLOCATION OF EXPENSES**

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

**NOTE 7 – DONATED SERVICES**

Various services, including bookkeeping and legal advice, are provided to the Fund on a pro bono basis. The accompanying financial statements include \$45,636 of donated legal fees for services rendered. Since it is not possible to place a value on the bookkeeping and other various services, the corresponding expense for these services has not been included in the Statement of Activities.

**THE ROLLING JUBILEE FUND  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS**

There are no temporarily or Permanently Restricted Net Assets at December 31, 2013.

**NOTE 9 - SUBSEQUENT EVENTS**

The Fund has evaluated subsequent events and transactions that occurred through May 26, 2014, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.