KMR LLP

JEWELERS FOR CHILDREN
(A NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 AND 2014

JEWELERS FOR CHILDREN
FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

INDEX

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Jewelers for Children

We have audited the accompanying statements of Jewelers for Children (a non-profit organization) which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities and change in net assets 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 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 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 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 of Jewelers for Children as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

KMR LLP

New York, New York
November 25, 2015

JEWELERS FOR CHILDREN
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2015 AND 2014

	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	$ 595,251	$ 542,071
Unconditional promises to give, net of allowance for doubtful accounts of $1,400 and $4,000 in 2015 and 2014, respectively	88,630	127,550
Prepaid expenses and other current assets	8,408	5,009
Total current assets	692,289	674,630
Office equipment and software, net of accumulated depreciation and amortization of $23,335 and $21,947 for 2015 and 2014	2,080	3,468
Total assets	$ 694,369	$ 678,098
Liabilities and Net Assets		
Current liabilities:		
Accrued expenses	$ 25,391	$ 25,066
Grants payable	100,000	100,000
Total liabilities	125,391	125,066
Net Assets:		
Unrestricted	568,978	553,032
Total liabilities and net assets	$ 694,369	$ 678,098

See independent auditor's report and accompanying notes to financial statements

JEWELERS FOR CHILDREN
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Support and revenue:		
Special event	$ 3,407,041	$ 3,311,686
Less: cost of direct expenses of event	640,127	619,529
Net revenue from special event	2,766,914	2,692,157
Contributions and other fundraising activities	768,562	845,544
Interest income	116	161
Donated items, non-cash income, net of donated materials of $574,147 and $574,340 in 2015 and 2014	16,496	16,496
Total support and revenue	3,552,088	3,554,358
Functional expenses:		
Program service expenses - Schedule I	2,934,625	2,916,410
Fundraising expenses - Schedule II	136,133	124,773
Administrative expenses - Schedule III	465,384	492,517
Total functional expenses	3,536,142	3,533,700
Change in net assets	15,946	20,658
Net assets, beginning of year	553,032	532,374
Net assets, end of year	$ 568,978	$ 553,032

See independent auditor's report and accompanying notes to financial statements

JEWELERS FOR CHILDREN
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Cash flows from operating activities:		
Change in net assets	$ 15,946	$ 20,658
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,387	1,387
Changes in operating assets and liabilities:		
Decrease in unconditional promises to give	38,920	25,750
(Increase) decrease in prepaid expenses and other current assets	(3,398)	4,857
Increase (decrease) in accrued expenses	325	(1,438)
Net cash provided by operating activities	53,180	51,214
Net increase in cash and cash equivalents	53,180	51,214
Cash and cash equivalents, beginning of year	542,071	490,857
Cash and cash equivalents, end of year	$ 595,251	$ 542,071
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ -	$ -
Cash paid for taxes	$ -	$ -

See independent auditor's report and accompanying notes to financial statements

NOTE 1 - THE ORGANIZATION

Jewelers for Children (the "Organization"), a not-for-profit corporation, was incorporated on March 24, 1993. The Organization was formed by the manufacturers and retailers in the jewelry industry to raise money for donations to worthy charitable 501(c) (3) organizations. Revenue is raised from an annual gala dinner ("special event") and other fundraising activities.

The Organization receives substantially all of its support and revenue from the annual Special Event it hosts. The Special Event is an annual gala dinner held in June in Las Vegas that is primarily attended by manufacturers, trade association representatives, and retailers in the jewelry industry. The net proceeds from the special event and other fundraising activities are donated to charities.

The Organization also makes annual pledges to charities. Generally, all contributions raised flow through the Organization to fund operations and the net proceeds are donated to worthy charities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting:

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

Basis of presentation:

Financial statement presentation follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 958, "Not-for-Profit Entities." Under Topic 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, the net assets of the Organization and changes therein 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 Organization and/or the passage of time.

Permanently Restricted Net Assets
Permanently restricted net assets is the class of net assets that is subject to donor-imposed stipulations that they be maintained permanently by an organization.

At September 30, 2015 and 2014, the Organization's net assets are unrestricted.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents:

The Organization considers all cash and cash equivalents with maturities of three months or less to be cash equivalents.

Concentration of credit risk:

The Organization maintains its cash and cash equivalents at a financial institution, which is insured by the Federal Deposit Insurance Corporation up to $250,000. In the normal course of business, the Organization may have deposits that exceed the insured balance.

Fair value of financial instruments:

Fair value of financial instruments requires disclosures of the fair value of financial instruments, both assets and liabilities, recognized and not recognized in the statement of financial position of the Organization, for which it is practicable to estimate fair value. The Organization has a number of financial instruments, including cash and cash equivalents, unconditional promises to give, and grants payable.

The Organization estimates that the fair value of all financial instruments at September 30, 2015 and 2014 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of amounts the Organization could realize in a current market exchange.

Revenue and expense recognition:

Revenue is reported as increases in unrestricted net assets unless its use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Promises to Give:

Contributions, which include unconditional promises to give (pledges), are recognized as revenue in the period received. Unconditional promises to give are recognized as revenue in the period received or pledged and recorded as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The Organization considers all contributions available for unrestricted use, unless specifically restricted by the donor or due in future periods, in which case they are recorded as temporarily restricted.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated assets

Donated marketable securities and other non-cash donations are recorded as contributions at their fair values at the date of donation.

Office equipment and software:

Office equipment and software are stated at cost less accumulated depreciation and amortization. The cost of the office equipment and software is charged against income over the estimated useful life, using the straight line method of depreciation and amortization. Upon sale or retirement, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in operations. Repairs and maintenance, which are not considered betterments and do not extend the useful life of property and equipment, are charged to expense as incurred.

Advertising expenses:

Advertising expenses are charged to operations in the period in which they are incurred. Advertising expense for the years ended September 30, 2015 and 2014 was $22,050 and $11,607, respectively.

Grant expenses:

The Organization recognizes grant expense when grants are approved and notification has been given to the grantee. Expenses not identifiable to specific programs are allocated to the various program services based on estimated time spent on programs.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - UNCONDITIONAL PROMISES TO GIVE

At September 30, 2015 and 2014, unconditional promises to give, net of the allowance for doubtful accounts were $88,630 and $127,550, respectively, and represent unconditional pledges from donors for the Special Event.

NOTE 4 - GRANTS PAYABLE

At September 30, grants payable consists of:

	2015	2014
American Family Children's Hospital	$ 10,000	$ 10,000
Camp Sunshine	10,000	10,000
Children's Heart Foundation	-	10,000
Chris Lantos Foundation	10,000	-
Franconi Anemia Research Fund	-	10,000
Gio's Garden	10,000	10,000
Junior League of Baton Rouge	-	10,000
Kenny Rogers Children Center	-	10,000
Matthew's Giving Tree Foundation	10,000	10,000
Meeting Street School	10,000	-
Morrow Manor	10,000	-
North Kitsap Fishline	-	10,000
Pediatric Therapy Network	10,000	-
Plant A Seed, Inspire a Dream Foundation	-	10,000
Something for Kelly	10,000	-
Songs of Love Foundation	10,000	-
	$ 100,000	$ 100,000

All of the grants are payable within one year.

NOTE 5 - DONATED SERVICES AND MATERIALS

The Organization receives donated materials and office space which have been recognized as net revenue in the Statement of Activities. The estimated fair market value of the materials received in 2015 and 2014 was $574,147 and $574,340, respectively, and recorded as follows:

	2015	2014
Fundraising	$ 574,147	$ 574,340
Use of office space	16,496	16,496
Total non-cash donated items	$ 590,643	$ 590,836

The use of office space is recorded in administrative expenses in 2015 and 2014 as $16,496 and $16,496, respectively.

The Organization also receives donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the Statement of Activities in accordance with FASB ASC 958 "Not-for-profit entities".

NOTE 6 - TAX STATUS

The Organization is a not-for-profit organization and is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and has been classified as a "charitable organization". Therefore, the Organization has made no provision for income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service ('IRS") not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the years ended September 30, 2015 and 2014.

The Organizations' form 990, "Return of Organization Exempt from Income Tax", is subject to examination by the IRS generally for three years after they are filed.

RETIREMENT PLAN

The Organization has a 401(k) plan for its employees. Substantially all of the employees of the Organization are eligible to participate. Participation in the plan is voluntary. Eligible employees may contribute into employee directed investments up to amounts allowed under the Internal Revenue Code. The Organization provides participants of the plan with a mandatory matching contribution to meet safe harbor provisions.

In addition, the Organization has a defined contribution plan in which discretionary contributions are made on an annual basis. Retirement plan expense for the years ended September 30, 2015 and 2014 was $7,975and $9,275, respectively.

NOTE 7 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 25, 2015, the date which the financial statements were available to be issued.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
Jewelers for Children

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program service expenses, fund raising expenses and administrative expenses are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material aspects in relation to the financial statements as a whole.

KMR LLP

New York, New York
November 25, 2015

JEWELERS FOR CHILDREN
SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Schedule I - Program service expenses		
Grants:		
Make-A-Wish of America	$ 759,625	$ 766,410
Elizabeth Glaser Pediatric AIDS and Research Foundation	625,000	600,000
St. Jude Children's Research Hospital	600,000	725,000
National CASA	600,000	600,000
Save the Children	125,000	-
Grants payable - See Note 4	100,000	100,000
Make-A-Wish International	100,000	100,000
Santa America	25,000	25,000
Total program service expenses	$ 2,934,625	$ 2,916,410
Schedule II - Fundraising expenses:		
Special programs	$ 107,788	$ 108,462
Advertising and marketing expense	22,050	11,607
Equipment rental	6,295	4,704
Total fundraising expenses	$ 136,133	$ 124,773
Schedule III - Administrative expenses:		
Salaries	$ 286,655	$ 309,241
Professional fees	40,609	43,493
Payroll taxes and fringe benefits	36,134	34,290
Credit card and bank charges	22,269	18,744
Postage and shipping	18,082	11,849
Rent	16,496	16,496
Office	14,917	21,664
Travel	14,010	19,254
Retirement plan expense	7,975	9,275
Telephone	4,239	4,213
Insurance	2,611	2,611
Depreciation and amortization	1,387	1,387
Total administrative expenses	$ 465,384	$ 492,517

See independent auditor's report on supplemental information