

MOMMY'S LIGHT LIVES ON FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2006

MOMMY'S LIGHT LIVES ON FUND

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-9

Fischer Cunnane & Associates Ltd

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Mommy's Light Lives on Fund
Lionville, Pennsylvania

We have audited the accompanying statement of financial position of the Mommy's Light Lives on Fund ("the Organization") as of June 30, 2006, 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 the Organization's June 30, 2005 financial statements and, in a report dated November 7, 2005, another auditor 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 Mommy's Light Lives on Fund as of June 30, 2006, 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.

Fischer Cunnane & Associates Ltd

November 1, 2006

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MOMMY'S LIGHT LIVES ON FUND
STATEMENT OF FINANCIAL POSITION

	AS OF JUNE 30,	
	2006	2005
ASSETS		
Cash	\$ 125,792	\$ 110,028
Contributions receivable	50,110	-
Deposits	1,000	3,000
Investment	25,228	-
Accrued interest	325	-
Prepaid expenses	600	-
	\$ 203,055	\$ 113,028
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	-	600
Accrued expenses	-	1,700
Payroll taxes payable	-	1,615
	-	3,915
TOTAL LIABILITIES		
NET ASSETS		
Unrestricted	195,815	101,988
Temporarily restricted	7,240	7,125
	203,055	109,113
TOTAL NET ASSETS	203,055	109,113
TOTAL LIABILITIES AND NET ASSETS	\$ 203,055	\$ 113,028

The accompanying Notes are an integral part of these statements.

MOMMY'S LIGHT LIVES ON FUND
STATEMENT OF ACTIVITIES

	UNRESTRICTED	TEMPORARILY RESTRICTED	FOR THE YEARS ENDED JUNE 30,	
			2006 TOTAL	2005 TOTAL
PUBLIC SUPPORT AND REVENUE				
Public Support - Received Directly				
Contributions	\$ 83,144	\$ -	\$ 83,144	\$ 42,673
Grants	48,420	-	48,420	32,850
Special events	273,592	-	273,592	126,733
less cost of direct benefit to donor	(90,884)	-	(90,884)	-
Gifts in kind	116,425	-	116,425	60,024
Interest income	1,708	115	1,823	1,064
Other income	344	-	344	1,233
Total public support and revenues	432,749	115	432,864	264,577
EXPENSES				
Program Services	245,243	-	245,243	163,403
Supporting services	86,057	-	86,057	52,921
Fundraising	7,622	-	7,622	33,659
Total expenses	338,922	-	338,922	249,983
CHANGE IN NET ASSETS	93,827	115	93,942	14,594
NET ASSETS - BEGINNING OF YEAR	101,988	7,125	109,113	94,519
NET ASSETS - END OF YEAR	\$ 195,815	\$ 7,240	\$ 203,055	\$ 109,113

MOMMY'S LIGHT LIVES ON FUND
STATEMENT OF FUNCTIONAL EXPENSES

				FOR THE YEARS ENDED JUNE 30,	
	PROGRAM SERVICES	SUPPORTING SERVICES	FUNDRAISING	2006 TOTAL EXPENSES	2005 TOTAL EXPENSES
Request items	\$ 26,559	\$ -	\$ -	\$ 26,559	\$ 16,387
Outreach	48,135	-	-	48,135	9,645
Printed materials	6,873	2,437	-	9,310	8,251
Office supplies and other	3,881	2,848	-	6,729	6,885
Public relations	3,792	2,203	-	5,995	1,033
Volunteer	2,433	281	-	2,714	6,722
Donated strategic planning and program design	11,550	450	-	12,000	42,387
Accounting/audit/financial services	5,976	2,524	-	8,500	5,150
Computer and web costs	1,706	432	-	2,138	1,053
Office space	5,040	2,160	-	7,200	9,150
Fundraising	-	-	313	313	1,857
Employee payroll	39,182	8,538	-	47,720	19,263
Independent contractor and donated services	74,735	57,100	-	131,835	79,317
Special events	-	-	7,309	7,309	33,659
Tax, legal fees and services	4,624	2,027	-	6,651	782
Payroll taxes	3,564	783	-	4,347	1,471
Graphic design	1,400	600	-	2,000	-
Insurance	1,444	488	-	1,932	2,446
Postage	1,545	1,163	-	2,708	2,822
Telephone	1,515	420	-	1,935	606
Travel	1,289	1,603	-	2,892	1,097
Total Expenses	\$ 245,243	\$ 86,057	\$ 7,622	\$ 338,922	\$ 249,983

The accompanying Notes are an integral part of these statements.

MOMMY'S LIGHT LIVES ON FUND
STATEMENT OF CASH FLOWS

	FOR THE YEARS ENDED	
	JUNE 30,	
	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 93,942	\$ 14,594
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in assets		
Contributions receivable	(50,110)	-
Deposits	2,000	(3,000)
Accrued interest	(325)	-
Prepaid expenses	(600)	-
Decrease in liabilities		
Accounts payable	(600)	-
Accrued expenses	(1,700)	1,700
Payroll taxes payable	(1,615)	1,615
	40,992	14,909
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment	(25,228)	-
	(25,228)	-
Net cash used in investing activities		
NET INCREASE IN CASH	15,764	14,909
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	110,028	95,119
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 125,792	\$ 110,028

MOMMY'S LIGHT LIVES ON FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE A - Organization

Mommy's Light Lives on Fund (the "Organization"), P.O. Box 494, Lionville, Pa 19353, was incorporated in Pennsylvania on October 31, 1997. The Organization's purpose is to assist in bringing joy and comfort to children and teens by helping them keep alive traditions and simple pleasures they shared with their terminally ill or deceased mothers. The purpose is accomplished through providing direct services and educational materials to these maternally bereaved young children.

NOTE B - Summary of Significant Accounting Policies

Basis of Accounting - The accompanying financial statements have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets - Balances and transactions are presented according to the existence or absence of donor-imposed restrictions. This has been accomplished by recording transactions into the following classes of net assets:

Unrestricted net assets - Net assets resulting from public support and revenue not subject to donor-imposed restrictions.

Temporarily restricted net assets - Net assets resulting from public support and revenue whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those donor-imposed restrictions.

Permanently restricted net assets - Net assets that generally represent contributions and other inflows of assets whose use by the Organization is permanently limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Public support and revenue are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Temporarily restricted net assets, whose restrictions are met in the same reporting period, (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as unrestricted net assets. Expenses are reported as decreases in unrestricted net assets.

MOMMY'S LIGHT LIVES ON FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE B - Summary of Significant Accounting Policies continued

Revenue recognition - The Organization's records revenues and other support when they are received, unconditionally, at their fair value. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. Substantially all of the Organization's grants are considered to be contributions, for purposes of applying revenue recognition policies. The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific contributions receivable. No allowance was provided at June 30, 2006 since management considers all contributions receivable to be collectible. All contributions receivable are due within one year of the statement of financial position date.

Cash and cash equivalents - The Organization considers all short-term deposits with an original maturity of three months or less to be cash equivalents.

Investment - The Organization's investment consists of a certificate of deposit with an original maturity of one year. The certificate of deposit is recorded at fair value which is based on market prices, where available. Interest earned on the investment which increased unrestricted net assets for the year ended June 30, 2006 was \$325.

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

Income Taxes - The Organization qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for federal and state income taxes.

Summarized comparative information - These 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2005, from which the summarized information was derived.

MOMMY'S LIGHT LIVES ON FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE C - Donated services

Donated professional services are recorded as contributions at their fair value when received. The donated services and offsetting compensation expense in the amount of \$53,524 for the fiscal year ending June 30, 2006 are recognized in the accompanying financial statements.

Volunteers also donated their valuable time to develop and maintain the Organization's programs. The value of this time does not meet the criteria for recognition of contributed services for financial reporting purposes and, therefore, is not reflected on the accompanying financial statements.

NOTE D - Restrictions on Assets

Temporarily restricted net assets consist of the following:

Cash to be used to provide direct services to a maternally bereaved young child who meets certain qualifications	\$7,240
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NOTE E - Lease Commitment

Effective October 1, 2004, the Organization entered into a lease for its office space. The lease term is month to month at \$600 per month.

NOTE F - Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and investments. The Organization places its cash and investments with high-quality credit financial institutions and limits the amount of credit exposure to any one financial institution. Although cash balances at times may exceed federally insured limits, the Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

NOTE G - Reclassifications

Certain amounts in the prior periods have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on the previously reported change in net assets.