

CROSSING THE FINISH LINE, INC.

Financial Statements

June 30, 2009 and 2008

TABLE OF CONTENTS

Independent Auditors' Report	3
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expense	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-15

BEE, BERGVALL & CO

A PROFESSIONAL CORPORATION

Certified Public Accountants

936 Easton Road, PO Box 754, Warrington, PA 18976

(215) 343-2727 Fax (215) 343-8080

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Crossing the Finish Line, Inc.
Blue Bell, PA

We have audited the accompanying statements of financial position of Crossing The Finish Line, Inc. (a non-profit corporation), as of June 30, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Crossing The Finish Line, Inc. 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 Crossing the Finish Line's financial statements for the year ended June 30, 2008 financial statements and in our report dated March 19, 2009, we expressed an unqualified opinion on those 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 our 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 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 Crossing The Finish Line, Inc. as of June 30, 2009, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Bee, Bergvall & Co.

Bee, Bergvall and Company, P.C.
Certified Public Accountants

April 14, 2010

CROSSING THE FINISH LINE, INC.

Statements of Financial Position

June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and cash equivalents	\$ 109,660	\$ 137,048
Pledges receivable, net	40,622	50,849
Investments	-	2,862
Other current assets	<u>24,690</u>	<u>12,424</u>
Total current assets	174,972	203,183
Property and equipment, net	<u>182,051</u>	<u>198,740</u>
Total assets	<u>\$ 357,023</u>	<u>\$ 401,923</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 17,841	\$ 16,800
Accrued expenses	<u>4,251</u>	<u>8,334</u>
Total current liabilities	<u>22,092</u>	<u>25,134</u>
Net assets:		
Unrestricted net assets:		
Undesignated	264,151	306,386
Board designated	<u>40,000</u>	<u>40,000</u>
Total unrestricted net assets	304,151	346,386
Temporarily restricted net assets	30,000	30,403
Permanently restricted net assets	<u>780</u>	<u>-</u>
Total net assets	<u>334,931</u>	<u>376,789</u>
Total liabilities and net assets	<u>\$ 357,023</u>	<u>\$ 401,923</u>

See independent auditors' report and
accompanying notes to the financial statements

CROSSING THE FINISH LINE, INC.

Statements of Activities

Year Ended June 30, 2009

With Summarized Comparative Totals for the Year Ended June 30, 2008

	2009				2008
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Support and revenues:					
Support:					
Contributions	\$ 293,337	\$ 15,825	780	\$ 309,942	\$ 436,705
Contributions in-kind	221,677	-	-	221,677	283,233
Total contributions	<u>515,014</u>	<u>15,825</u>	<u>780</u>	<u>531,619</u>	<u>719,938</u>
Revenues:					
Special events revenue:					
Fees	216,391	-	-	216,391	234,174
Contributions in-kind	35,924	-	-	35,924	57,682
	<u>252,315</u>	<u>-</u>	<u>-</u>	<u>252,315</u>	<u>291,856</u>
Special events direct costs	(179,689)	-	-	(179,689)	(205,823)
Net special events revenue	<u>72,626</u>	<u>-</u>	<u>-</u>	<u>72,626</u>	<u>86,033</u>
Investment income	2,332	-	-	2,332	4,486
Net assets released from restriction	<u>16,228</u>	<u>(16,228)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>606,200</u>	<u>(403)</u>	<u>780</u>	<u>606,577</u>	<u>810,457</u>
Expenses:					
Program services	479,006	-	-	479,006	520,713
Support services:					
Management and general	62,604	-	-	62,604	69,378
Fundraising	106,825	-	-	106,825	79,468
Total expenses	<u>648,435</u>	<u>-</u>	<u>-</u>	<u>648,435</u>	<u>669,559</u>
Change in net assets	(42,235)	(403)	780	(41,858)	140,898
Net assets at beginning of year	<u>346,386</u>	<u>30,403</u>	<u>-</u>	<u>376,789</u>	<u>235,891</u>
Net assets at end of year	<u>\$ 304,151</u>	<u>\$ 30,000</u>	<u>780</u>	<u>\$ 334,931</u>	<u>\$ 376,789</u>

See independent auditors' report and
accompanying notes to the financial statements.

	2008						Total
	Program		General and Administrative		Fundraising		
	Ordinary	In-Kind	Ordinary	In-Kind	Ordinary	In-Kind	
Accommodations	\$ -	\$ 79,295	\$ -	\$ -	\$ -	\$ -	\$ 79,295
Airline travel	29,102	-	-	-	-	-	29,102
Bank service charges	77	-	1,247	-	5,311	-	6,635
Car rental	8,543	6,410	-	-	-	-	14,953
Computer equipment and software	661	-	2,079	-	2,830	-	5,570
Conference and training	722	-	744	-	722	-	2,188
Depreciation	6,406	-	119	-	339	-	6,864
Dues and subscriptions	-	-	-	-	-	-	-
Employee benefits	18,470	-	3,503	-	5,060	-	27,033
Employment taxes	12,420	-	2,355	-	3,403	-	18,178
Facility repairs and maintenance	11,006	1,660	-	-	-	-	12,666
Insurance	6,988	-	202	-	484	-	7,674
Limousine travel	-	-	-	-	-	-	-
Meetings	1,095	-	1,388	-	1,554	-	4,037
Miscellaneous	1,435	-	4,050	-	369	-	5,854
Patient stipend	42,808	-	-	-	-	-	42,808
Port Support	14,383	-	-	-	-	-	14,383
Postage and delivery	4,824	-	1,197	-	1,597	-	7,618
Professional fees	3,037	-	8,819	5,750	832	-	18,438
Printing and reproduction	10,706	600	44	1,040	6,723	1,245	20,358
Rent expense	-	13,660	-	2,590	-	3,742	19,992
Sailor Program	2,940	83,415	-	-	-	-	86,355
Salaries and wages	133,330	-	25,285	-	36,529	-	195,144
Strategic planning	600	-	6,189	-	-	-	6,789
Supplies	5,618	-	761	-	1,352	-	7,731
Technology and website	-	8,009	735	721	-	5,096	14,561
Telephone	5,995	-	413	-	1,860	-	8,268
Utilities	6,498	-	147	-	420	-	7,065
Total Functional Expenses	<u>\$ 327,664</u>	<u>\$ 193,049</u>	<u>\$ 59,277</u>	<u>\$ 10,101</u>	<u>\$ 69,385</u>	<u>\$ 10,083</u>	<u>\$ 669,559</u>
		<u>\$ 520,713</u>		<u>\$ 69,378</u>		<u>\$ 79,468</u>	

See independent auditors' report and accompanying notes to the financial statements.

CROSSING THE FINISH LINE, INC.

Statements of Cash Flows

Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$ (41,858)	\$ 140,898
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	32,041	6,864
Provision for doubtful accounts	(3,011)	2,772
Realized gain on sale of investments	(840)	(2,028)
Contributed investments	(6,343)	(3,924)
Contributed property and equipment	(2,033)	(70,000)
Increase in:		
Pledges receivable	13,237	(43,620)
Other current assets	(12,266)	(3,399)
(Decrease) increase in:		
Accounts payable	1,041	2,266
Other payables	(4,083)	8,191
Net cash provided by (used in) operating activities	<u>(24,115)</u>	<u>38,020</u>
Cash flows from investing activities:		
Sales proceeds of investment	10,046	9,435
Purchase of property and equipment	<u>(13,319)</u>	<u>(12,438)</u>
Net cash (used in) provided by investing activities	<u>(3,273)</u>	<u>(3,003)</u>
Net increase (decrease) in cash and cash equivalents	(27,388)	35,017
Cash and cash equivalents at beginning of year	<u>137,048</u>	<u>102,031</u>
Cash and cash equivalents at end of year	<u>\$ 109,660</u>	<u>\$ 137,048</u>

See independent auditors' report and
accompanying notes to the financial statements.

CROSSING THE FINISH LINE, INC.

Notes to Financial Statements

June 30, 2009 and 2008

1. Nature of Operations and Summary of Significant Accounting Policies:

This summary of significant accounting policies of Crossing the Finish Line, Inc. ("CFL") is presented to assist in the understanding of CFL's financial statements. The financial statements and notes are representations of CFL's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America ("GAAP") and have been consistently applied in the preparation of the financial statements.

Nature of Operations:

CFL was formed under the laws of Pennsylvania in 1999 and is a tax-exempt organization as defined by Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code ("IRC") that is publicly supported and, therefore, not a private foundation. In 2007, CFL was the 34th not-for-profit organization in Pennsylvania to be awarded the Seal of Excellence for successfully completing the Pennsylvania Association of Nonprofit Organizations ("PANO") *Standards for Excellence* program. *Standards for Excellence* are based on fundamental values such as honesty, integrity, fairness, respect, trust, responsibility, and accountability.

CFL was created for the purpose of providing respite and relief to struggling young adult cancer patients, thereby alleviating the burdens of the sick and distressed and providing the patient and family with the means necessary to embrace this devastating diagnosis and address the psychological, emotional and spiritual trauma associated with cancer. Eligible candidates ("Sailors"), from Pennsylvania, New Jersey and Delaware receive an expense-paid respite excursion to select destinations, accompanied with a generous stipend and supplementary materials such as journals, inspirational writings, robes and other amenities to complement the retreat experience. Sailors and their families receive ancillary services or "Port Support" upon the return home and as the journey with cancer continues. The volunteer-based Port Support Committee is dedicated to the continued support of the emotional, psychological, and spiritual needs of the Sailors. The Port Support program encourages a Sailor's interaction with CFL, facilitates links to informational and third-party resources, and helps Sailors overcome the loneliness, fear, anxiety, and isolation that accompany the cancer diagnosis.

Key Program statistics follow:

	<u>2009</u>	<u>2008</u>
Family members served (including sailors)	82	123
Family members, including sailors	272	385
Nominations received	62	84
Respite excursions provided	57	78
Travelers	206	272

CROSSING THE FINISH LINE, INC.

Notes to Financial Statements

June 30, 2009 and 2008

1. **Nature of Operations and Summary of Significant Accounting Policies (continued):**

Nature of Operations (continued):

CFL offers young adult cancer patients, ages 24 to 50, and their families a retreat from the unyielding physical and emotional demands of cancer by providing all expense paid respite excursions to address the psychological, emotional, economic and spiritual trauma associated with a cancer diagnosis. To be eligible for the program, a patient must be nominated by a member of his/her oncology team. The role of the healthcare provider is integral to CFL's program as all patients MUST be nominated by a member of his/her oncology team. CFL nominators use clinical assessment factors to best identify patients in need of respite time and travel. New nominators participate in a short telephone educational program about CFL's mission. Lastly, nominators also participate on CFL's program committee, charged with overseeing the entire patient program and program guidelines.

CFL uses donated homes for respite excursions and also owns a home near Orlando, Florida that is used year round for CFL excursions. Over \$200,000 of in-kind support is donated to the program in the form of complimentary office space, donated computer services, donated lodging for CFL patients and ancillary materials provided to families in the form of journals, inspirational writings, etc. Non cash contributions are critical to the organization's success, especially in light of the economic downturn. Hence, the economy only slightly impacted the delivery of services to families facing the crisis of cancer that lived within CFL's geographic limitations.

CFL is transparent in all aspects of its operation, including program ratings pre and post respite. CFL posts its patient and nominator outcome measures matrix on its website. CFL reports a 100% success rate, with all professional post respite evaluations reporting improved patient/caregiver/family coping post respite. Patients report quantitative improvement from pre respite to post respite. Transparency is further integrated via its website with the publication of the Sailor Demographic Matrix outlining the number of people served and the publication of both the 990 and audited financial statements. CFL is proud recipient of the Pennsylvania Association of Nonprofit Organization's Standard of Excellence certification. This award recognizes CFL as an ethical and accountable organization dedicated to the highest level of excellence within the nonprofit sector.

CFL was the first nonprofit in Montgomery County and is only one of 53 nonprofits statewide to achieve the Pennsylvania Association of Nonprofit Organization's Standards of Excellence certification. This award is bestowed only to the most well-managed and responsibly governed nonprofit organizations that have demonstrated compliance with the 56 specific Standards for Excellence based on honesty, integrity, fairness, respect, trust, responsibility, and accountability. CFL has met, complied with, and integrated the certification program - and thus, all governance questions asked in the 990 have been addressed by the organization in its normal course of business.

CROSSING THE FINISH LINE, INC.

Notes to Financial Statements

June 30, 2009 and 2008

1. Nature of Operations and Summary of Significant Accounting Policies (continued):

Use of Estimates in Financial Statements:

Management uses estimates and assumptions in preparing the financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from those estimates.

Basis of Presentation:

CFL reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets (including board designated), temporarily restricted net assets, and permanently restricted net assets. As of June 30, 2009 and 2008, CFL had \$30,000 and \$30,403, respectively of net assets temporarily restricted by donors for capital improvements to be made to CFL's residence located in Davenport, Florida. As of June 30, 2009 and 2008, there was \$780 and \$0 of permanently restricted net assets, respectively.

Prior Year Summarized Comparative Information:

The 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 GAAP. Accordingly, such information should be read in conjunction with CFL's financial statements as of and for the year ended June 30, 2008, from which the summarized information was derived.

Cash and Cash Equivalents:

CFL considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Pledges Receivable:

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are substantially met. At year end all pledges were due within one year. Pledges are reported net of an allowance for doubtful collections of \$4,763 and \$7,772 for the years ended June 30, 2009 and 2008, respectively.

CROSSING THE FINISH LINE, INC.

Notes to Financial Statements

June 30, 2009 and 2008

1. **Nature of Operations and Summary of Significant Accounting Policies (continued):**

Investments:

Investments in equity securities are carried at fair value with gains and losses reported as unrestricted in the statements of activities. Fair value is based on quoted prices for securities traded on public exchanges. Investments acquired by gift or bequest are initially recorded at market or appraised value at the date so acquired. As of June 30, 2009, there were no investments.

As of June 30, 2008, investments consisted of donated shares of stock. Gifts of stock are recorded at fair value on the date of donation.

Property and Equipment:

Property and equipment are stated at acquisition cost or at fair value on the date of a donated gift. Major additions and betterments are charged to the asset accounts while maintenance and repairs, which do not improve or extend the lives of the assets, are expensed. Property and equipment are depreciated using the straight-line method over their estimated useful lives, from 3 to 27.5 years, with a half of year's depreciation recognized in the years of acquisition and disposal. Depreciation expense is allocated among program services and supporting activities expense.

Contributions and Expenses:

Contributions are recognized when cash is received, unconditional promises are made, or ownership of other assets is transferred to CFL. This support is recorded as increases in unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence or nature of any donor restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, CFL reports the support as unrestricted. Expenses are reported when costs are incurred.

Temporarily restricted net assets were released during fiscal year 2009 for patient stipends, a sailor reception, technology improvements, special event production, and capital improvements.

CROSSING THE FINISH LINE, INC.

Notes to Financial Statements

June 30, 2009 and 2008

1. Nature of Operations and Summary of Significant Accounting Policies (continued):

Donated Services:

CFL recognizes donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of unpaid volunteers have made significant contributions of their time to CFL's program functions and special event activities. During the years ended June 30, 2009 and 2008, respectively, CFL received approximately 1100 and 1050 donated program service hours. CFL received approximately 1000 and 3290 special event activity volunteer hours for the years ended June 30, 2009 and 2008. The cost of these hours is not recorded in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

Functional Allocation of Expenses:

The costs of providing the various programs and other activities of CFL have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of CFL.

Income Taxes:

CFL is exempt from Federal taxation as a charitable organization under IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the financial statements.

Recent Accounting Pronouncements:

Effective June 30, 2009, as required by the Accounting for Uncertainty in Income Taxes topic of the FASB Standards Codification, the Company adopted this policy. This topic clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. This topic requires entities to determine whether it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the financial statements. It also provides guidance on the recognition, measurement, and classification of income tax uncertainties, along with any related interest or penalties. This had no impact on the Company's financial statements.

CROSSING THE FINISH LINE, INC.

Notes to Financial Statements

June 30, 2009 and 2008

2. Property and Equipment:

Property and equipment consisted of the following as of June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Computer software	\$ 91,952	\$ 85,914
Computer equipment	8,991	6,697
Office equipment	7,033	2,294
Residence - Davenport, Florida	144,340	142,060
Land - Davenport, Florida	<u>14,402</u>	<u>14,402</u>
	266,718	251,367
Accumulated depreciation	<u>(84,667)</u>	<u>(52,627)</u>
Property and equipment, net	<u>\$ 182,051</u>	<u>\$ 198,740</u>

Depreciation expense was \$32,041 and \$6,864 for the years ended June 30, 2009 and 2008, respectively.

3. Line of Credit:

CFL has a revolving line of credit available in the amount of \$50,000 bearing an interest rate of 4.25%. As of June 30, 2009 there was no outstanding balance on the line of credit.

4. Contributions and Expenses In-Kind:

Donated facilities, services and materials have been reflected in the financial statements at market value as both a contribution and corresponding expense and consisted of the following for the years ended June 30, 2009 and 2008, respectively:

	<u>2009</u>	<u>2008</u>
Accommodations	\$ 44,750	\$ 80,510
Computer processing and website design	5,250	83,826
Professional services	25,353	5,750
Printing and reproduction	1,194	2,885
Marketing	60,000	-
Miscellaneous	2,908	-
Rent expense	18,744	19,992
Retreat amenities and supplies	63,478	91,271
Special events	<u>35,924</u>	<u>57,681</u>
Total contributions and expenses in-kind	<u>\$ 257,601</u>	<u>\$ 341,915</u>

CROSSING THE FINISH LINE, INC.

Notes to Financial Statements

June 30, 2009 and 2008

5. **Related Parties:**

Board members provided cash contributions totaling \$19,810 for special events and \$16,227 for the annual appeal to CFL during the year ended June 30, 2009. During the year ended June 30, 2008, board members provided cash contributions totaling \$14,340 for special events and \$26,385 for the annual appeal to CFL.

6. **Board Designated Unrestricted Net Assets:**

The Board of Directors has designated \$40,000 as of June 30, 2009 and 2008 for future capital and operational needs.

7. **Special Events:**

The Organization had special event expenses for the years ended June 30, 2009 and 2008 as follows:

	2009			2008		
	Ordinary	In-Kind	Total	Ordinary	In-Kind	Total
Auction merchandise	\$ 2,494	\$ 27,874	\$ 30,368	\$ -	\$ 40,208	\$ 40,208
Awards/recognition	1,933	-	1,933	-	1,825	1,825
Decoration	3,341	5,000	8,341	6,333	2,602	8,935
Entertainment	3,625	-	3,625	4,395	-	4,395
Event production	15,880	1,600	17,480	14,889	2,982	17,871
Facility rental	11,760	300	12,060	13,450	-	13,450
Food/beverage	77,447	1,150	78,597	71,378	7,461	78,839
Miscellaneous	793	-	793	15,004	-	15,004
Postage and delivery	6,654	-	6,654	3,475	-	3,475
Printing and reproduction	15,222	-	15,222	19,217	990	20,207
Raffle prizes	4,616	-	4,616	-	1,614	1,614
	<u>\$ 143,765</u>	<u>\$ 35,924</u>	<u>\$ 179,689</u>	<u>\$ 148,141</u>	<u>\$ 57,682</u>	<u>\$ 205,823</u>

8. **Comparability:**

The 2008 figures reported in these financial statements have in some case been reclassified in order to be comparative with the current period.

9. **Subsequent Events:**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through April 14, 2010, which is the date the financial statements were available for release. No subsequent events have been recognized or disclosed.