

CROSSING THE FINISH LINE, INC.

Financial Statements

June 30, 2008 and 2007

(See Independent Auditors' Report)

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A P R O F E S S I O N A L C O R P O R A T I O N

Certified Public Accountants

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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, 2008, 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, 2007 which, were audited by other auditors whose report thereon dated February 6, 2008, 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, 2008, 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 and Company, P.C.
Certified Public Accountants

March 19, 2009

CROSSING THE FINISH LINE, INC.
Statements of Financial Position
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 137,048	\$ 102,031
Pledges receivable, net	50,849	10,000
Investments	2,862	6,348
Other current assets	<u>12,424</u>	<u>9,025</u>
Total current assets	203,183	127,404
Property and equipment, net	<u>198,740</u>	<u>123,166</u>
Total assets	<u><u>\$ 401,923</u></u>	<u><u>\$ 250,570</u></u>
 LIABILITIES AND NET ASSETS		
Accounts payable	\$ 16,800	\$ 14,536
Accrued expenses	<u>8,334</u>	<u>143</u>
Total current liabilities	<u>25,134</u>	<u>14,679</u>
Net assets:		
Unrestricted net assets:		
Undesignated	306,386	180,891
Board designated	<u>40,000</u>	<u>40,000</u>
Total unrestricted net assets	346,386	220,891
Temporarily restricted net assets	<u>30,403</u>	<u>15,000</u>
Total net assets	<u>376,789</u>	<u>235,891</u>
Total liabilities and net assets	<u><u>\$ 401,923</u></u>	<u><u>\$ 250,570</u></u>

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

CROSSING THE FINISH LINE, INC.
Statements of Activities
Year Ended June 30, 2008
With Comparative Totals for the Year Ended June 30, 2007

	2008			2007
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenues:				
Support:				
Contributions	\$ 396,705	\$ 40,000	\$ 436,705	\$ 402,742
Contributions in-kind	283,233	-	283,233	167,334
Total contributions	<u>679,938</u>	<u>40,000</u>	<u>719,938</u>	<u>570,076</u>
Revenues:				
Special events revenue:				
Fees	234,174	-	234,174	188,742
Contributions in-kind	57,682	-	57,682	83,472
Special events direct costs	291,856 (205,823)	- -	291,856 (205,823)	272,214 (218,576)
Net special events revenue	<u>86,033</u>	<u>-</u>	<u>86,033</u>	<u>53,638</u>
Investment income	4,486	-	4,486	2,192
Net assets released from restriction	<u>24,597</u>	<u>(24,597)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>795,054</u>	<u>15,403</u>	<u>810,457</u>	<u>625,906</u>
Expenses:				
Program services	520,713	-	520,713	413,445
Support services:				
Management and general	69,378	-	69,378	39,802
Fundraising	79,468	-	79,468	45,768
Total expenses	<u>669,559</u>	<u>-</u>	<u>669,559</u>	<u>499,015</u>
Change in net assets	125,495	15,403	140,898	126,891
Net assets at beginning of year	<u>220,891</u>	<u>15,000</u>	<u>235,891</u>	<u>109,000</u>
Net assets at end of year	<u>\$ 346,386</u>	<u>\$ 30,403</u>	<u>\$ 376,789</u>	<u>\$ 235,891</u>

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

CROSSING THE FINISH LINE, INC.
Statements of Functional Expenses
Years Ended June 30, 2008 and 2007

	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
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
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	\$ 327,664	\$ 193,049	\$ 59,277	\$ 10,101	\$ 69,385	\$ 10,083	\$ 669,559
		<u>\$ 520,713</u>		<u>\$ 69,378</u>		<u>\$ 79,468</u>	

(continued)

	2007						
	Program		General and Administrative		Fundraising		Total
	Ordinary	In-Kind	Ordinary	In-Kind	Ordinary	In-Kind	
Accommodations	\$ 111	\$ 56,300	\$ -	\$ -	\$ -	\$ -	\$ 56,411
Airline travel	24,544	-	-	-	-	-	24,544
Bank service charges	3,919	-	1,288	-	392	-	5,599
Car rental	10,886	-	-	-	-	-	10,886
Computer equipment and software	2,208	-	211	-	605	-	3,024
Conference and training	703	-	50	-	854	-	1,607
Depreciation	4,714	-	1,429	-	-	-	6,143
Dues and subscriptions	315	-	306	-	306	-	927
Employee benefits	15,383	-	2,324	-	4,215	-	21,922
Employment taxes	7,721	-	681	-	2,115	-	10,517
Facility repairs and maintenance	5,783	4,830	129	-	-	-	10,742
Insurance	2,435	-	234	-	667	-	3,336
Limousine travel	-	4,840	-	-	-	-	4,840
Miscellaneous	10,159	-	3,940	-	-	-	14,099
Patient stipend	39,600	-	-	-	-	-	39,600
Port Support	1,131	-	-	-	-	-	1,131
Postage and delivery	5,009	-	805	-	2,487	-	8,301
Professional fees	1,875	-	6,940	-	1,875	-	10,690
Printing and reproduction	15,940	-	1,237	4,000	1,594	-	22,771
Rent expense	-	14,594	-	1,400	-	3,998	19,992
Sailor Program	-	72,521	-	-	-	-	72,521
Salaries and wages	84,339	-	8,087	-	23,107	-	115,533
Strategic planning	-	-	5,650	-	-	-	5,650
Supplies	3,320	-	292	51	970	-	4,633
Technology and website	61	4,300	-	15	-	485	4,861
Telephone	5,992	-	518	-	1,482	-	7,992
Utilities	9,912	-	215	-	616	-	10,743
Total Functional Expenses	<u>\$ 256,060</u>	<u>\$ 157,385</u>	<u>\$ 34,336</u>	<u>\$ 5,466</u>	<u>\$ 41,285</u>	<u>\$ 4,483</u>	<u>\$ 499,015</u>
		<u>\$ 413,445</u>		<u>\$ 39,802</u>		<u>\$ 45,768</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, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ 140,898	\$ 126,891
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,864	6,143
Provision for doubtful accounts	2,772	5,000
Realized gain on sale of investments	(2,028)	-
Contributed investments	(3,924)	(6,348)
Contributed property and equipment	(70,000)	-
Increase in:		
Pledges receivable	(43,620)	(15,000)
Other current assets	(3,399)	(8,025)
(Decrease) increase in:		
Accounts payable	2,266	(45,222)
Other payables	8,191	(161)
Net cash provided by (used in) operating activities	<u>38,020</u>	<u>63,278</u>
 Cash flows from investing activities:		
Sales proceeds of investment	9,435	-
Purchase of property and equipment	<u>(12,438)</u>	<u>(2,294)</u>
Net cash (used in) provided by investing activities	<u>(3,003)</u>	<u>(2,294)</u>
 Net increase (decrease) in cash and cash equivalents	35,017	60,984
 Cash and cash equivalents at beginning of year	<u>102,031</u>	<u>41,047</u>
 Cash and cash equivalents at end of year	<u>\$ 137,048</u>	<u>\$ 102,031</u>

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

CROSSING THE FINISH LINE, INC.

Notes to Financial Statements

June 30, 2008 and 2007

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>2008</u>	<u>2007</u>
Families served	123	131
Family members, including sailors	385	399
Nominations received	84	106
Respite excursions provided	78	71

CROSSINGTHE FINISH LINE, INC.

Notes to Financial Statements

June 30, 2008 and 2007

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

Nature of Operations (continued):

Sailors traveled to CFL's home near Orlando, Florida and to other respite destinations along the New Jersey, North Carolina and Florida coasts. CFL continued to provide Port Support to all sailors and their families to help them through the crisis of cancer. CFL is supported primarily from proceeds of five special events, organized and executed by volunteer committees, and general public support from corporations, foundations, and individuals.

Evaluation of the program is assessed in part from statistics derived from the sailors' evaluation and impact study, and the overall rating since inception is 3.87 on a scale of one to four. One hundred percent of all nominating professionals recognize post-respite an improvement in the sailor's and sailor's family/caregiver ability to cope with cancer. CFL has established relationships with over 50 cancer centers in the tri-state area. A detailed list of sailor and center demographics is available on the Organization's website.

CFL posts all evaluation questions and scores, Internal Revenue Service Form 990, and audited financial statements on www.crossingthefinishline.org for complete transparency of its operations.

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:

The financial statement presentation follows Financial Accounting Standards Board Statement of Financial Accounting Standards ("SFAS") No. 117, *Financial Statements of Not-For-Profit Organizations*. 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, 2008 and 2007, CFL had \$30,403 and \$15,000, 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, 2008 and 2007, there were no permanently restricted net assets.

CROSSINGTHE FINISH LINE, INC.

Notes to Financial Statements

June 30, 2008 and 2007

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

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, 2007, 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.

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, 2008, investments were comprised of common stock.

Investments consist of donated shares of stock. Gifts of stock are recorded at fair value on the date of donation. Investments are reported at quoted fair values as of June 30, 2008 and 2007.

Property and Equipment:

Property and equipment are stated at 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.

CROSSING THE FINISH LINE, INC.

Notes to Financial Statements

June 30, 2008 and 2007

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

Contributions and Expenses:

CFL accounts for contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. 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 FY2008 for patient stipends and capital improvements.

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, 2008 and 2007, respectively, CFL received approximately 1050 and 825 donated program service hours. CFL received approximately 3290 and 5711 special event activity volunteer hours for the years ended June 30, 2008 and 2007. 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 statement of activities. 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.

CROSSING THE FINISH LINE, INC.

Notes to Financial Statements

June 30, 2008 and 2007

2. Property and Equipment:

Property and equipment consisted of the following as of June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Computer software	\$ 85,914	\$ 15,913
Computer equipment	6,697	6,697
Office equipment	2,294	2,294
Residence - Davenport, Florida	142,060	129,622
Land - Davenport, Florida	<u>14,402</u>	<u>14,402</u>
	251,367	168,928
Accumulated depreciation	<u>(52,627)</u>	<u>(45,762)</u>
Property and equipment, net	<u>\$ 198,740</u>	<u>\$ 123,166</u>

Depreciation expense was \$6,864 and \$6,143 for the years ended June 30, 2008 and 2007, respectively.

3. Line of Credit:

CFL had a revolving line of credit available in the amount of \$25,000 bearing an interest rate of the current prime lending rate plus two points. The line of credit expired in November 2007 and management is renegotiating the contract for a \$50,000 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, 2008 and 2007, respectively:

	<u>2008</u>	<u>2007</u>
Accommodations	\$ 79,295	\$ 56,300
Computer processing and website design	83,826	4,800
Professional services	5,750	-
Printing and reproduction	2,885	4,000
Rent expense	19,992	19,992
Retreat amenities and supplies	91,485	82,242
Special events	<u>57,682</u>	<u>83,472</u>
Total contributions and expenses in-kind	<u>\$ 340,915</u>	<u>\$ 250,806</u>

CROSSING THE FINISH LINE, INC.

Notes to Financial Statements

June 30, 2008 and 2007

5. Related Parties:

Board members provided contributions of cash totaling \$14,340 for special events and \$26,385 for the annual appeal to CFL during the year ended June 30, 2008.

6. Board Designated Unrestricted Net Assets:

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

7. Special Events:

The Organization had special event expenses for the years ended June 30, 2008 and 2007 as follows:

	2008			2007		
	<u>Ordinary</u>	<u>In-Kind</u>	<u>Total</u>	<u>Ordinary</u>	<u>In-Kind</u>	<u>Total</u>
Auction merchandise	\$ -	\$ 40,208	\$ 40,208	\$ -	\$ -	\$ -
Awards/recognition	-	1,825	1,825	478	-	478
Decoration	6,333	2,602	8,935	3,472	1,200	4,672
Entertainment	4,395	-	4,395	6,165	-	6,165
Equipment rental	281	-	281	4,165	60	4,225
Event committee expense	691	-	691	560	-	560
Event insurance	675	-	675	2,899	-	2,899
Event production	7,259	1,739	8,998	5,537	3,000	8,537
Event signs	695	1,243	1,938	837	110	947
Facility rental	13,450	-	13,450	9,791	-	9,791
Food/beverage	71,378	7,461	78,839	80,324	11,233	91,557
Miscellaneous	14,313	-	14,313	-	1,250	1,250
Postage and delivery	3,475	-	3,475	3,761	-	3,761
Printing and reproduction	19,217	990	20,207	5,039	-	5,039
Promotional items and prizes	5,979	-	5,979	12,076	66,619	78,695
Raffle Prizes	-	1,614	1,614	-	-	-
	<u>\$ 148,141</u>	<u>\$ 57,682</u>	<u>\$ 205,823</u>	<u>\$ 135,104</u>	<u>\$ 83,472</u>	<u>\$ 218,576</u>

8. Comparability:

The 2007 figures reported in these financial statements have in some case been reclassified in order to be comparative with the current period.