

**SWIM ACROSS AMERICA, INC.
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
Years Ended
December 31, 2015 and 2014**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Swim Across America, Inc.
Charlotte, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Swim Across America, Inc. (Organization) (a Connecticut non-profit Corporation), which comprise the statements of financial position as of December 31, 2015 and 2014, the related statements of activities 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 (US GAAP); 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.

Auditors' 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 (US GAAS). 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 auditors' 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2015 and 2014 and the changes in its net assets and its cash flows for the years then ended in accordance with US GAAP.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are 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 audits 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 statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Restivo Monacelli LLP

Providence, Rhode Island
May 18, 2016

SWIM ACROSS AMERICA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2015 and 2014

	2015	2014
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 1,432,020	\$ 1,194,932
OTHER ASSETS		
Contributions receivable	49,000	85,000
Inventory	12,692	13,160
Prepaid expenses and other current assets	12,440	6,682
Property and equipment, net	<u>55,310</u>	<u>29,752</u>
	<u>129,442</u>	<u>134,594</u>
TOTAL ASSETS	<u>\$ 1,561,462</u>	<u>\$ 1,329,526</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 6,941	\$ 7,620
Grants payable	<u>680,000</u>	<u>80,000</u>
TOTAL LIABILITIES	686,941	87,620
NET ASSETS		
Unrestricted net assets	786,178	1,153,563
Permanently restricted net assets	<u>88,343</u>	<u>88,343</u>
	<u>874,521</u>	<u>1,241,906</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,561,462</u>	<u>\$ 1,329,526</u>

See accompanying notes to financial statements.

SWIM ACROSS AMERICA, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2015 and 2014

	2015			2014		
	Unrestricted	Permanently Restricted	Total	Unrestricted	Permanently Restricted	Total
SUPPORT AND REVENUE						
Contributions	\$ 6,378,768	\$ -	\$ 6,378,768	\$ 6,253,147	\$ -	\$ 6,253,147
In-kind contributions	15,000	-	15,000	13,736	-	13,736
Investment income, net	1,407	-	1,407	4,516	-	4,516
TOTAL SUPPORT AND REVENUE	6,395,175	-	6,395,175	6,271,399	-	6,271,399
EXPENSES						
Program Services						
Grants - cancer research	4,650,311	-	4,650,311	4,523,638	-	4,523,638
Supporting Services						
Management and general	989,669	-	989,669	776,575	-	776,575
Fundraising	1,122,580	-	1,122,580	912,455	-	912,455
	2,112,249	-	2,112,249	1,689,030	-	1,689,030
TOTAL EXPENSES	6,762,560	-	6,762,560	6,212,668	-	6,212,668
CHANGE IN NET ASSETS	(367,385)	-	(367,385)	58,731	-	58,731
NET ASSETS, beginning	1,153,563	88,343	1,241,906	1,094,832	88,343	1,183,175
NET ASSETS, ending	\$ 786,178	\$ 88,343	\$ 874,521	\$ 1,153,563	\$ 88,343	\$ 1,241,906

See accompanying notes to financial statements.

SWIM ACROSS AMERICA, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (367,385)	\$ 58,731
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	23,358	15,386
Provision for bad debt	-	5,000
Changes in assets and liabilities:		
Contributions receivable	36,000	(60,000)
Inventory	468	(2,160)
Prepaid expenses and other current assets	(5,758)	14,377
Accounts payable and accrued expenses	(679)	(8,535)
Deferred revenue	-	(10,250)
Grants payable	600,000	74,245
Total adjustments	<u>653,389</u>	<u>28,063</u>
NET CASH FROM OPERATING ACTIVITIES	286,004	86,794
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	<u>(48,916)</u>	<u>(14,411)</u>
NET CASH FROM INVESTING ACTIVITIES	<u>(48,916)</u>	<u>(14,411)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	237,088	72,383
CASH AND CASH EQUIVALENTS, beginning	<u>1,194,932</u>	<u>1,122,549</u>
CASH AND CASH EQUIVALENTS, ending	<u><u>\$ 1,432,020</u></u>	<u><u>\$ 1,194,932</u></u>

See accompanying notes to financial statements.

SWIM ACROSS AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Swim Across America, Inc. (Organization) is a Connecticut non-profit corporation organized on May 5, 1992. The Organization's purpose is to promote, educate and raise funds for cancer research and treatment. The Organization solicits public and private contributions to allocate among various cancer facilities.

The program services of the Organization consists of annual swim events located in Atlanta, Baltimore, Boston, Chicago, Dallas, San Francisco, Greenwich, Long Island Sound, Nantucket, Nassau/Suffolk, Rhode Island, Seattle and Tampa Bay. The funds raised at the annual swims benefited various cancer research and treatment organizations as detailed in Note 7.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America (US GAAP). Under this method of accounting, revenue is recognized when amounts are earned and when the amount and timing of the revenue can be reasonably estimated. Expenses are recognized when they occur.

Financial Statement Presentation

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. Donor contributions of cash and other assets with stipulations that they be used for a specific purpose or for a specific time period are classified as temporarily restricted assets until such time as the purpose restriction is met or the stipulated time restriction ends. Donor contributions and bequests that create endowment funds to provide a permanent source of income are classified as permanently restricted net assets. Income from temporarily and permanently restricted contributions, including realized and unrealized gains and losses, may be utilized for unrestricted or temporarily restricted purposes as established by the donor. The Organization does not have any temporarily restricted net assets.

The Organization records contributions with donor-imposed restrictions that are fulfilled in the same period in which the contribution is received as unrestricted.

SWIM ACROSS AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Organization considers operating checking, interest bearing liquid investment accounts, savings and certificate of deposit accounts to be cash equivalents.

As of December 31, 2015 and 2014, cash and cash equivalents consisted of the following:

	<u>2015</u>	<u>2014</u>
Cash	\$ 1,147,807	\$ 1,135,519
Certificates of deposit	<u>284,213</u>	<u>59,413</u>
	<u>\$ 1,432,020</u>	<u>\$ 1,194,932</u>

Contributions Receivable

The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on past experience and management's analysis of specific contributions made. As of December 31, 2015 and 2014, management believes that no such allowance is deemed necessary based on its analysis of outstanding contributions receivable.

Inventory

Inventory consists primarily of T-shirts and hats and is stated at the lower of cost or market.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at the estimated fair market value at the date of donation. The Organization capitalizes all costs incurred over \$1,000. Depreciation and amortization is calculated using the straight-line method over the expected useful lives of the assets ranging from three to five years.

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. No such restrictions on property and equipment exist at December 31, 2015 and 2014.

SWIM ACROSS AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contributions

In-kind contributions are reflected in the accompanying statement of activities and changes in net assets at their estimated fair values at the date of receipt to the extent that they create or enhance nonfinancial assets or require specialized skills which, if not provided by donation, would have to be purchased by the Organization. The in-kind contributions have been reported in the accompanying statements of activities and changes in net assets as in-kind contributions and an offsetting expense classified based upon the nature of the good or service contributed.

Functional Expenses

Direct expenses are charged to program or management and general categories based on specific identification. Indirect expenses have been allocated based on the percentage of direct expenses charged to each category.

Advertising Costs

The Organization expenses advertising costs as they are incurred. Advertising costs totaled \$286,674 and \$123,165 for the years ended December 31, 2015 and 2014.

Income Taxes

The Organization qualifies as a tax-exempt organization as provided under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Accordingly, the Organization is not required to take any tax positions in order to qualify as a tax-exempt organization. The Organization is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Organization has no other tax positions which must be considered for disclosure. The Organization's returns are subject to examination by taxing authorities generally for the three years preceding the year ended December 31, 2015.

Estimates

The preparation of financial statements in conformity with US GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

SWIM ACROSS AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management evaluated the activity of the Organization through May 18, 2016, the date of the independent auditors' report, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE 2 - PROPERTY AND EQUIPMENT

As of December 31, 2015 and 2014, property and equipment consisted of the following:

	<u>2015</u>	<u>2014</u>
Office equipment	\$ 15,969	\$ 13,104
Promotional equipment	<u>93,322</u>	<u>47,271</u>
	109,291	60,375
Less accumulated depreciation	<u>53,981</u>	<u>30,623</u>
	<u>\$ 55,310</u>	<u>\$ 29,752</u>

NOTE 3 - GRANTS PAYABLE

As of December 31, 2015 and 2014, grants payable consisted of the following:

	<u>2015</u>	<u>2014</u>
Cold Spring Harbor Laboratory	\$ -	\$ 80,000
Johns Hopkins - The Sidney Kimmel Comprehensive Care Center	460,000	-
Mercy Medical Center	15,000	-
Seattle Cancer Care Alliance	<u>205,000</u>	<u>-</u>
	<u>\$ 680,000</u>	<u>\$ 80,000</u>

NOTE 4 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets relate to contributions received for the development of an endowment, the principal of which must remain intact in perpetuity and is currently maintained in cash and cash equivalents. Earnings on these net assets are recorded as unrestricted.

SWIM ACROSS AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

NOTE 5 - DEFINED CONTRIBUTION PLAN

The Organization maintains an employee retirement plan to which the participants may contribute up to the Internal Revenue Service limits. The plan covers all employees who have met certain service requirements. The Organization had no contributions to the plan for the years ended December 31, 2015 and 2014.

NOTE 6 - AGENCY DONATIONS

In connection with the Organization's annual swim events, donations totaling \$19,550 and \$13,310 for 2015 and 2014 were made directly to the beneficiaries on behalf of the Organization. Such amounts are not reflected in the Organization's financial statements as they are considered agency transactions and not contributions to the Organization.

NOTE 7 - GRANTS - CANCER RESEARCH

During the years ended December 31, 2015 and 2014, the Organization made grants to the following beneficiaries:

<u>Beneficiary</u>	<u>2015</u>	<u>2014</u>
Feinstein Institute for Medical Research	\$ 75,000	\$ 65,000
United Hospice of Rockland	8,000	7,000
Women and Infants	140,000	100,000
Baylor Cancer Center	370,000	450,000
Seattle Cancer Care Alliance	205,000	190,000
Johns Hopkins - The Sidney Kimmel Comprehensive Care Center	460,000	375,000
Children's Hospital of New York - Columbia Presbyterian	-	125,000
Children's Hospital of Oakland Research Institute	225,000	225,000
Cold Spring Harbor Laboratory	90,000	80,000
Fighting Chance	89,000	80,000
Alliance for Cancer Gene Therapy	330,000	310,000
University of California San Francisco's Children's Hospital Survivorship Clinic	225,000	225,000
Children's Hospital at Montefiore Medical Center	158,000	145,000
Cancer Support Team of Westchester	360,000	438,000
Dana Farber Cancer Institute	140,000	150,000
Memorial Sloan-Kettering Cancer Center	433,000	500,000
Mercy Medical Center	15,000	15,000
Glen Cove Cares	3,000	6,000
Ben Towne Foundation	10,500	11,238

SWIM ACROSS AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2015 and 2014

NOTE 7 - GRANTS – CANCER RESEARCH (Continued)

<u>Beneficiary</u>	<u>2015</u>	<u>2014</u>
Palliative & Supportive Care of Nantucket	75,000	70,000
Nantucket Cottage Hospital	305,000	110,000
Rush University Cancer Center	300,000	285,000
Moffitt Cancer Center	173,211	190,000
Saint Barnabas Medical Center Foundation	4,500	8,400
North Carolina Agricultural Foundation	5,600	18,000
Massachusetts General Hospital	120,000	150,000
Children's Healthcare of Atlanta	141,500	195,000
Children's Brain Cancer Foundation	2,000	-
Emory Prostate Cancer Center	100,000	-
St. Jude's Hospital	50,000	-
City of Hope	33,000	-
Mount Nittany Health Cancer Program	4,000	-
	<u>\$ 4,650,311</u>	<u>\$ 4,523,638</u>

NOTE 8 - CONCENTRATIONS OF CREDIT RISK

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist of cash and cash equivalents.

The Organization maintains its cash balances in a financial institution with branches located throughout the United States of America. This institution participates with over 30 unrelated banks to extend available FDIC coverage to depositors up to \$14,000,000. All cash balances were within insured limits at December 31, 2015.

The Organization has not experienced any losses on such accounts and monitors the credit-worthiness of the financial institutions with which it conducts business. Management believes that the Organization is not exposed to any significant credit risk with respect to its cash and cash equivalents balances.

SUPPLEMENTARY INFORMATION

SWIM ACROSS AMERICA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended December 31, 2015

	Grants - Cancer Research	Supporting Services Management and General	Fundraising	Total
Salaries	\$ -	\$ 515,125	\$ -	\$ 515,125
Payroll taxes	-	33,930	-	33,930
Employee benefits	-	21,576	-	21,576
	<u>-</u>	<u>570,631</u>	<u>-</u>	<u>570,631</u>
Grants - cancer research	4,650,311	-	-	4,650,311
Advertising and promotional	-	107,831	178,843	286,674
Auto, boat and rental	-	-	52,679	52,679
Bank and credit card charges	-	4,325	226,728	231,053
Banners and balloons	-	-	8,701	8,701
Database and website	-	6,262	-	6,262
Insurance	-	22,658	-	22,658
Office supplies	-	17,463	23,557	41,020
Outside services	-	1,463	206,833	208,296
Postage	-	25,047	15,180	40,227
Printing	-	3,003	53,985	56,988
Professional fees	-	26,611	-	26,611
Reception expenses	-	-	103,139	103,139
Registration fees	-	725	19,450	20,175
Rent-in-kind	-	16,211	-	16,211
Rent	-	9,000	-	9,000
Telephone	-	2,979	-	2,979
Travel and entertainment	-	172,472	27,643	200,115
Trophies and gifts	-	1,331	88,303	89,634
T-shirts and hats	-	-	95,838	95,838
Depreciation	-	1,657	21,701	23,358
	<u>-</u>	<u>1,657</u>	<u>21,701</u>	<u>23,358</u>
Total expenses	<u>\$ 4,650,311</u>	<u>\$ 989,669</u>	<u>\$ 1,122,580</u>	<u>\$ 6,762,560</u>

See independent auditor's report.

SWIM ACROSS AMERICA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended December 31, 2014

	Grants - Cancer Research	Supporting Services Management and General	Fundraising	Total
Salaries	\$ -	\$ 454,328	\$ -	\$ 454,328
Payroll taxes	-	30,736	-	30,736
Employee benefits	-	12,781	-	12,781
	<u>-</u>	<u>497,845</u>	<u>-</u>	<u>497,845</u>
Grants - cancer research	4,523,638	-	-	4,523,638
Advertising and promotional	-	68,997	54,168	123,165
Auto, boat and rental	-	-	47,885	47,885
Bad debt	-	5,000	-	5,000
Bank and credit card charges	-	5,025	215,437	220,462
Banners and balloons	-	-	8,293	8,293
Database and website	-	10,243	-	10,243
Insurance	-	24,516	-	24,516
Office supplies	-	14,967	23,075	38,042
Outside services	-	1,397	206,130	207,527
Postage	-	22,884	16,787	39,671
Printing	-	3,664	40,418	44,082
Professional fees	-	25,209	-	25,209
Reception expenses	-	-	89,848	89,848
Registration fees	-	22	19,170	19,192
Rent-in-kind	-	13,736	-	13,736
Rent	-	10,264	-	10,264
Telephone	-	2,099	-	2,099
Travel and entertainment	-	68,233	30,109	98,342
Trophies and gifts	-	1,383	84,350	85,733
T-shirts and hats	-	-	62,490	62,490
Depreciation	-	1,091	14,295	15,386
	<u>-</u>	<u>1,091</u>	<u>14,295</u>	<u>15,386</u>
Total expenses	<u>\$ 4,523,638</u>	<u>\$ 776,575</u>	<u>\$ 912,455</u>	<u>\$ 6,212,668</u>

See independent auditor's report.



Swim Across America attaches this additional document allocating our functional salary, payroll and employee benefit expenses for 2014 and 2015.

2015

	Fundraising	Grant Administration	Total
Salaries	\$360,588	\$154,535	\$515,125
Payroll taxes	\$23,751	\$10,179	\$33,930
Employee benefits	\$15,103	\$6,473	\$21,576

2014

	Fundraising	Grant Administration	Total
Salaries	\$318,030	\$136,298	\$454,328
Payroll taxes	\$21,515	\$9,221	\$30,736
Employee benefits	\$8,947	\$3,834	\$12,781