

**SWIM ACROSS AMERICA, INC.
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
Years Ended
December 31, 2014 and 2013**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Swim Across America, Inc.
Boston, 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, 2014 and 2013, the related statements of activities and changes 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 (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.

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, 2014 and 2013 and the changes in its net assets and its cash flows for the years then ended in accordance with US GAAP.

Report on Supplementary Information

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
June 4, 2015

SWIM ACROSS AMERICA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2014 and 2013

	2014	2013
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 1,194,932	\$ 1,122,549
OTHER ASSETS		
Contributions receivable	85,000	30,000
Inventory	13,160	11,000
Prepaid expenses and other current assets	6,682	21,059
Property and equipment, net	29,752	30,727
	134,594	92,786
TOTAL ASSETS	\$ 1,329,526	\$ 1,215,335
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 7,620	\$ 16,155
Deferred revenue	-	10,250
Grants payable	80,000	5,755
TOTAL LIABILITIES	87,620	32,160
NET ASSETS		
Unrestricted net assets	1,153,563	1,094,832
Permanently restricted net assets	88,343	88,343
	1,241,906	1,183,175
TOTAL LIABILITIES AND NET ASSETS	\$ 1,329,526	\$ 1,215,335

See accompanying notes to financial statements.

SWIM ACROSS AMERICA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended December 31, 2014 and 2013

	2014			2013		
	Unrestricted	Permanently Restricted	Total	Unrestricted	Permanently Restricted	Total
SUPPORT AND REVENUE						
Contributions	\$ 6,253,147	\$ -	\$ 6,253,147	\$ 6,027,362	\$ -	\$ 6,027,362
In-kind contributions	13,736	-	13,736	12,376	-	12,376
Investment income, net	4,516	-	4,516	2,181	-	2,181
TOTAL SUPPORT AND REVENUE	6,271,399	-	6,271,399	6,041,919	-	6,041,919
EXPENSES						
Program Services						
Grants - cancer research	4,523,638	-	4,523,638	4,196,815	-	4,196,815
Supporting Services						
Management and general	790,870	-	790,870	723,963	-	723,963
Fundraising	898,160	-	898,160	878,867	-	878,867
	1,689,030	-	1,689,030	1,602,830	-	1,602,830
TOTAL EXPENSES	6,212,668	-	6,212,668	5,799,645	-	5,799,645
CHANGE IN NET ASSETS	58,731	-	58,731	242,274	-	242,274
NET ASSETS, beginning	1,094,832	88,343	1,183,175	852,558	88,343	940,901
NET ASSETS, ending	\$ 1,153,563	\$ 88,343	\$ 1,241,906	\$ 1,094,832	\$ 88,343	\$ 1,183,175

See accompanying notes to financial statements.

SWIM ACROSS AMERICA, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 58,731	\$ 242,274
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	15,386	8,601
Provision for bad debt	5,000	-
Changes in assets and liabilities:		
Contributions receivable	(60,000)	(25,000)
Inventory	(2,160)	(400)
Prepaid expenses and other current assets	14,377	(845)
Accounts payable and accrued expenses	(8,535)	16,155
Deferred revenue	(10,250)	(3,870)
Grants payable	74,245	(339,245)
	28,063	(344,604)
NET CASH FROM OPERATING ACTIVITIES	86,794	(102,330)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(14,411)	(35,441)
NET CASH FROM INVESTING ACTIVITIES	(14,411)	(35,441)
NET CHANGE IN CASH AND CASH EQUIVALENTS	72,383	(137,771)
CASH AND CASH EQUIVALENTS, beginning	1,122,549	1,260,320
CASH AND CASH EQUIVALENTS, ending	\$ 1,194,932	\$ 1,122,549

See accompanying notes to financial statements.

SWIM ACROSS AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2014 and 2013

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, 2014 and 2013

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, 2014 and 2013, cash and cash equivalents consisted of the following:

	<u>2014</u>	<u>2013</u>
Cash	\$ 1,135,519	\$ 702,807
Certificates of deposit	<u>59,413</u>	<u>419,742</u>
	<u>\$ 1,194,932</u>	<u>\$ 1,122,549</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, 2014 and 2013, 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, 2014 and 2013.

SWIM ACROSS AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2014 and 2013

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 \$123,165 and \$119,855 for the years ended December 31, 2014 and 2013.

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, 2014.

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, 2014 and 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management evaluated the activity of the Organization through June 4, 2015, 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, 2014 and 2013, property and equipment consisted of the following:

	<u>2014</u>	<u>2013</u>
Office equipment	\$ 13,104	\$ 12,043
Promotional equipment	<u>47,271</u>	<u>33,921</u>
	60,375	45,964
Less accumulated depreciation	<u>30,623</u>	<u>15,237</u>
	<u>\$ 29,752</u>	<u>\$ 30,727</u>

NOTE 3 - GRANTS PAYABLE

As of December 31, 2014 and 2013, grants payable consisted of the following:

	<u>2014</u>	<u>2013</u>
Ben Towne Foundation	\$ -	\$ 5,755
Cold Spring Harbor Laboratory	<u>80,000</u>	<u>-</u>
	<u>\$ 80,000</u>	<u>\$ 5,755</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, 2014 and 2013

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, 2014 and 2013.

NOTE 6 - AGENCY DONATIONS

In connection with the Organization's annual swim events, donations totaling \$13,310 and \$8,500 for 2014 and 2013 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, 2014 and 2013, the Organization made grants to the following beneficiaries:

<u>Beneficiary</u>	<u>2014</u>	<u>2013</u>
Feinstein Institute for Medical Research	\$ 65,000	\$ 60,000
United Hospice of Rockland	7,000	6,500
Women and Infants	100,000	105,000
Baylor Cancer Center	450,000	280,000
Seattle Cancer Care Alliance	190,000	226,000
John Hopkins - The Sidney Kimmel Comprehensive Care Center	375,000	315,000
Children's Hospital of New York – Columbia Presbyterian	125,000	90,000
Children's Hospital of Oakland Research Institute	225,000	190,000
Cold Spring Harbor Laboratory	80,000	70,000
Fighting Chance	80,000	70,000
Alliance for Cancer Gene Therapy	310,000	460,000
University of California San Francisco's Children's Hospital Survivorship Clinic	225,000	190,000
Children's Hospital at Montefiore Medical Center	145,000	125,000
Cancer Support Team of Westchester	438,000	350,000
Dana Farber Cancer Institute	150,000	150,000
Memorial Sloan-Kettering Cancer Center	500,000	503,500
Mercy Medical Center	15,000	15,000
Glen Cove Cares	6,000	3,000
Ben Towne Foundation	11,238	5,755

SWIM ACROSS AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2014 and 2013

NOTE 7 - GRANTS – CANCER RESEARCH (Continued)

<u>Beneficiary</u>	<u>2014</u>	<u>2013</u>
Palliative & Supportive Care of Nantucket	70,000	70,000
Nantucket Cottage Hospital	110,000	70,000
Rush University Cancer Center	285,000	325,000
Moffitt Cancer Center	190,000	150,000
Saint Barnabas Medical Center Foundation	8,400	8,000
North Carolina Agricultural Foundation	18,000	12,000
Massachusetts General Hospital	150,000	150,000
Children’s Healthcare of Atlanta	195,000	195,060
Children’s Brain Cancer Foundation	-	<u>2,000</u>
	<u>\$ 4,523,638</u>	<u>\$ 4,196,815</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, 2014.

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, 2014

	Grants - Cancer Research	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ -	\$ 454,328	\$ -	\$ 454,328
Payroll taxes	-	30,736	-	30,736
Employee benefits	-	12,781	-	12,781
	-	497,845	-	497,845
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	-	15,386	-	15,386
Total expenses	\$ 4,523,638	\$ 790,870	\$ 898,160	\$ 6,212,668

See independent auditors' report.

SWIM ACROSS AMERICA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended December 31, 2013

	Grants - Cancer Research	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ -	\$ 391,705	\$ -	\$ 391,705
Payroll taxes	-	28,197	-	28,197
Employee benefits	-	16,929	-	16,929
	-	436,831	-	436,831
Grants - cancer research	4,196,815	-	-	4,196,815
Advertising and promotional	-	76,281	43,574	119,855
Auto, boat and rental	-	-	46,963	46,963
Bank and credit card charges	-	4,791	214,400	219,191
Banners and balloons	-	-	11,214	11,214
Database and website	-	26,536	-	26,536
Insurance	-	22,972	-	22,972
Office supplies	-	9,448	25,462	34,910
Outside services	-	1,370	156,366	157,736
Postage	-	15,183	31,386	46,569
Printing	-	3,776	45,160	48,936
Professional fees	-	35,278	-	35,278
Reception expenses	-	-	113,104	113,104
Registration fees	-	890	22,019	22,909
Rent-in-kind	-	12,376	-	12,376
Rent	-	11,624	-	11,624
Telephone	-	2,270	580	2,850
Travel and entertainment	-	54,808	15,845	70,653
Trophies and gifts	-	928	86,578	87,506
T-shirts and hats	-	-	66,216	66,216
Depreciation	-	8,601	-	8,601
Total expenses	\$ 4,196,815	\$ 723,963	\$ 878,867	\$ 5,799,645

See independent auditors' report.