

THE MARTY LYONS FOUNDATION, INC.
(A Non-Profit Corporation)

FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

THE MARTY LYONS FOUNDATION, INC.
(A Non-Profit Corporation)

DECEMBER 31, 2007 AND 2006

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The Marty Lyons Foundation, Inc.
(A Non-Profit Corporation)
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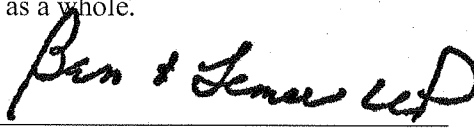
Independent Auditors' Report

We have audited the accompanying statements of financial position of The Marty Lyons Foundation, Inc. (a non-profit corporation), as of December 31, 2007 and 2006 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of The Marty Lyons Foundation, Inc.'s management. 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. 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 audits provide 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 The Marty Lyons Foundation, Inc. as of December 31, 2007 and 2006 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule 1 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Certified Public Accountants

West Hempstead, New York
May 30, 2008

THE MARTY LYONS FOUNDATION, INC.
(A Non-Profit Corporation)

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 101,532	\$ 128,049
Sundry Receivables	19,755	-
Prepaid Expenses	6,888	8,000
Total Current Assets	<u>128,175</u>	<u>136,049</u>
<u>Furniture and Equipment:</u>		
Furniture and Equipment (Net of Depreciation)	4,396	5,546
<u>Other Assets:</u>		
Investments (at Market Value)	<u>120,387</u>	<u>243,263</u>
TOTAL ASSETS	<u>\$ 252,958</u>	<u>\$ 384,858</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts Payable	\$ 84,667	\$ 58,748
Deferred Revenue	-	15,500
Total Current Liabilities	<u>84,667</u>	<u>74,248</u>
Total Net Assets - Unrestricted	<u>168,291</u>	<u>310,610</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 252,958</u>	<u>\$ 384,858</u>

The accompanying summary of accounting principles, policies and notes to financial statements are an integral part of these statements.

THE MARTY LYONS FOUNDATION, INC.
(A Non-Profit Corporation)

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
<u>Revenue and Other Support:</u>		
Fund Raising Events	\$ 465,422	\$ 351,334
Celebrity Golf Classic	374,442	305,176
Unrestricted Contributions and Grants	312,449	303,481
Interest and Dividend Income on Investments	16,220	14,735
Realized and Unrealized Gains (Loss) on Investments	(2,486)	2,870
Total Revenue and Other Support	1,166,047	977,596
<u>Expenses:</u>		
Specific Assistance to Individuals	622,900	597,043
Fund Raising Events Expenses	369,536	333,097
Payroll and Payroll Taxes	147,129	143,095
Public Relations and Fund Raising	61,963	46,064
Telephone	16,164	14,633
Employee Health Insurance	12,927	12,314
Rent Expense	12,000	12,000
Professional Fees	11,184	9,258
Postage and Delivery	9,086	5,774
Supplies	8,121	9,659
Insurance	7,444	12,078
Chapter and Board Meeting Expenses	7,065	11,858
Administrative and Office Expenses	5,433	6,111
Pension Plan Contribution	4,020	3,812
Credit Card Fees	3,150	2,800
Bank Charges and Miscellaneous	2,334	2,209
Seminar Fees	2,128	6,320
Payroll Processing	1,881	1,699
Professional Dues, Registrations and Licenses	1,656	5,273
Depreciation	1,150	1,150
Website and Computer Costs	1,095	9,904
Total Expenses	1,308,366	1,246,151
Decrease in Net Assets (Unrestricted)	(142,319)	(268,555)
Net Assets (Unrestricted) - Beginning of Year	310,610	579,165
Net Assets (Unrestricted) - End of Year	\$ 168,291	\$ 310,610

The accompanying summary of accounting principles, policies and notes to financial statements are an integral part of these statements.

THE MARTY LYONS FOUNDATION, INC.
(A Non-Profit Corporation)
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

2007	Program Services	Management and General	Fund Raising	Total
Specific Assistance to Individuals	\$622,900	\$ -	\$ -	\$ 622,900
Fund Raising Events Expenses	-	-	369,536	369,536
Payroll and Payroll Taxes	147,129	-	-	147,129
Public Relations and Fund Raising	-	-	61,963	61,963
Telephone	14,548	1,616	-	16,164
Employee Health Insurance	12,927	-	-	12,927
Rent Expense	9,000	3,000	-	12,000
Professional Fees	-	11,184	-	11,184
Postage and Delivery	8,177	909	-	9,086
Supplies	7,309	812	-	8,121
Insurance	7,444	-	-	7,444
Chapter and Board Meeting Expenses	6,358	707	-	7,065
Administrative and Office Expenses	4,890	543	-	5,433
Pension Plan Contribution	4,020	-	-	4,020
Credit Card Fees	-	3,150	-	3,150
Bank Charges and Miscellaneous	-	2,334	-	2,334
Seminar Fees	1,596	532	-	2,128
Payroll Processing	1,881	-	-	1,881
Professional Dues, Registrations and Licenses	1,490	166	-	1,656
Depreciation	-	1,150	-	1,150
Website and Computer Costs	821	274	-	1,095
Totals	<u>\$850,490</u>	<u>\$ 26,377</u>	<u>\$ 431,499</u>	<u>\$1,308,366</u>
2006				
Specific Assistance to Individuals	\$597,043	\$ -	\$ -	\$ 597,043
Fund Raising Events Expenses	-	-	333,097	333,097
Payroll and Payroll Taxes	143,095	-	-	143,095
Public Relations and Fund Raising	-	-	46,064	46,064
Telephone	13,170	1,463	-	14,633
Employee Health Insurance	12,314	-	-	12,314
Insurance	12,078	-	-	12,078
Rent Expense	9,000	3,000	-	12,000
Chapter and Board Meeting Expenses	10,672	1,186	-	11,858
Website and Computer Costs	7,428	2,476	-	9,904
Supplies	8,693	966	-	9,659
Professional Fees	-	9,258	-	9,258
Seminar Fees	4,740	1,580	-	6,320
Administrative and Office Expenses	5,500	611	-	6,111
Postage and Delivery	5,197	577	-	5,774
Registrations and Licenses	4,746	527	-	5,273
Pension Plan Contribution	3,812	-	-	3,812
Credit Card Fees	-	2,800	-	2,800
Bank Charges and Miscellaneous	-	2,209	-	2,209
Payroll Processing	1,699	-	-	1,699
Depreciation	-	1,150	-	1,150
Totals	<u>\$839,187</u>	<u>\$ 27,803</u>	<u>\$ 379,161</u>	<u>\$1,246,151</u>

The accompanying summary of accounting principles, policies and notes to financial statements are an integral part of these statements.

THE MARTY LYONS FOUNDATION, INC.
(A Non-Profit Corporation)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>Cash Flows from Operating Activities:</u>		
Decrease in Net Assets	\$ (142,319)	\$ (268,555)
<i>Adjustments to Reconcile Decrease in Net Assets to Net Cash (Used) in Operating Activities -</i>		
Depreciation	1,150	1,150
Realized and Unrealized (Gains) Loss on Investments	2,486	(2,870)
Increase in Receivables	(19,755)	-
Decrease in Prepaid Expenses	1,112	11,248
Increase in Accounts Payable	25,919	15,344
(Decrease) Increase in Deferred Revenue	(15,500)	11,900
Total Adjustments	<u>(4,588)</u>	<u>36,772</u>
Net Cash (Used) in Operating Activities	<u>(146,907)</u>	<u>(231,783)</u>
<u>Cash Flows from Investing Activities:</u>		
Purchase of Investments	(29,610)	(303,734)
Sales of Investments	150,000	140,343
Net Cash Provided by/(Used) in Investing Activities	<u>120,390</u>	<u>(163,391)</u>
Net Decrease in Cash and Cash Equivalents	(26,517)	(395,174)
Cash and Cash Equivalents at Beginning of Year	<u>128,049</u>	<u>523,223</u>
Cash and Cash Equivalents at End of Year	<u>\$ 101,532</u>	<u>\$ 128,049</u>
<u>Cash and Cash Equivalents at End of Year:</u>		
Cash in Checking Accounts	\$ 9,398	\$ 80,344
Cash in Money Market and Savings Accounts	92,134	47,705
Total	<u>\$ 101,532</u>	<u>\$ 128,049</u>
<u>Supplementary Information:</u>		
Interest Paid on a Cash Basis	\$ -	\$ -
Income Taxes Paid on a Cash Basis	\$ -	\$ -

The accompanying summary of accounting principles, policies and notes to financial statements are an integral part of these statements.

THE MARTY LYONS FOUNDATION, INC.
(A Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

Note 1 - Summary of Significant Accounting Principles and Policies:

This summary of the significant accounting principles and policies of The Marty Lyons Foundation, Inc. is presented to assist in evaluating the corporation's financial statements included in this report. These principles and policies conform to accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions which impact the reported amounts of 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 and assumptions. A summary of the accounting principles and policies followed by The Marty Lyons Foundation, Inc. is as follows:

- Classification of an organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets - permanently restricted, temporarily restricted, and unrestricted - be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.
- All contributions received by the organization are recorded as unrestricted support because they are received without donor stipulations that would limit the use of the donated assets.
- Assets, liabilities, revenue and expenses are recognized on the accrual basis.
- For the purpose of the statements of financial position and cash flows, cash and cash equivalents includes cash deposited with banks and short-term highly liquid investments generally with original maturities of three months or less. These cash, cash equivalents and short-term investments approximate fair value because of the short maturities of these instruments.
- Investments are stated at market value which are determined at quoted market prices.
- Equipment is recorded at cost or, if donated, at fair market value and is depreciated on a straight-line basis over the estimated life of the respective asset.

THE MARTY LYONS FOUNDATION, INC.
(A Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

Note 1 - Summary of Significant Accounting Principles and Policies (continued):

- The organization adopted FAS No. 124, "Accounting for Certain Investments Held by Not-For-Profit Organization," in 1997. Under FAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.
- Cash and cash equivalents include cash in checking and money market accounts.
- The carrying amounts of cash, receivables, accounts payable and accrued expenses approximate fair value because of the short-term nature of the items. The fair value of marketable securities is determined by quoted market prices.

Note 2 - Formation, Tax Exempt Status:

The Marty Lyons Foundation, Inc. was incorporated on October 28, 1982 in New York State as a Not-for-Profit corporation. The purposes for which the corporation was formed was to raise funds to be used to fulfill the wishes of children with either chronic life-threatening illnesses or terminally ill children between the ages of three and seventeen. The Marty Lyons Foundation, Inc. provides activities that include trips and meetings with celebrities and sports figures. The corporation's support and revenue is generated through contributions, gifts, grants and special fund raising events and activities. The corporation received federal tax exempt 501(c)(3) status from the Internal Revenue Service on April 27, 1984. Donors may deduct contributions to the corporation as provided in Section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to the corporation can be deductible for Federal estate and gift tax purposes.

The Marty Lyons Foundation, Inc. is currently registered to solicit funds in New York, Florida, Georgia, Massachusetts, Maryland, New Jersey, South Carolina, Connecticut and Texas.

THE MARTY LYONS FOUNDATION, INC.
(A Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

Note 3 - Investments:

Investments at December 31, 2007 consist of the following:

<u>Description of Investment</u>	<u>Carrying Value</u>	<u>Market Value</u>	<u>Unrealized (Loss)</u>
Mutual Funds	\$ 97,873	\$ 95,401	\$(2,472)
Certificates of Deposit	25,000	24,986	(14)
Total	<u>\$122,873</u>	<u>\$120,387</u>	<u>\$(2,486)</u>

At December 31, 2007, the aggregate market value of investments was less than their aggregate carrying value by \$2,486. The Statement of Activities provides for an decrease in 2007 in unrestricted net assets for an unrealized loss on investments of \$2,486 and no realized gain on investments.

Investments at December 31, 2006 consist of the following:

<u>Description of Investment</u>	<u>Carrying Value</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
Mutual Funds	\$141,647	\$143,451	\$ 1,804
Certificates of Deposit	100,000	99,812	(188)
Total	<u>\$241,647</u>	<u>\$243,263</u>	<u>\$ 1,616</u>

At December 31, 2006, the aggregate market value of investments was greater than their aggregate carrying value by \$1,616. The Statement of Activities provides for an increase in 2006 in unrestricted net assets for an unrealized gain on investments of \$1,616 and realized gain on investments of \$1,254.

THE MARTY LYONS FOUNDATION, INC.
(A Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

Note 4 - Program Activities:

During 2007 and 2006, The Marty Lyons Foundation, Inc. granted approximately 183 and 223 children, respectively, who have terminal or life-threatening illnesses, the fulfillment of a "special wish". The "special wishes" included meeting a celebrity, educational and entertainment items, shopping sprees, special gifts, and trips to recreational sites and specific points of interest. The child's family is provided with airline tickets, hotel accommodations and travel expense allowance on trips outside of the area in which they reside. Applications for "special wishes" are reviewed by the Chapter's Board and Medical Advisor on a monthly basis. Reports on these wishes are then made quarterly to the Foundation's Board of Directors. Applications are accepted only for children between three and seventeen years of age who have a terminal or life-threatening illness. Children must also reside, or be receiving medical treatment, within the Foundation Chapter's designated geographic locations.

Note 5 - Unrestricted Contributions:

All contributions received by The Marty Lyons Foundation, Inc. have been recorded as unrestricted contributions. There were no donor stipulations that limit the use of the donated assets.

Note 6 - Special Fund Raising Events and Activities:

During 2007 and 2006, The Marty Lyons Foundation, Inc. had various fund raising events. The net proceeds from these events are to be used in achieving The Marty Lyons Foundation, Inc.'s commitment to its present and future recipients.

THE MARTY LYONS FOUNDATION, INC.
(A Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

Note 6 - Special Fund Raising Events and Activities (continued):

The major fund raising events in 2007 were as follows:

Fund Raising Event	Revenue	Expenses	Net
Metropolitan Golf Outing	\$ 88,036	\$ 32,498	\$ 55,538
Suffolk Bowling for Wishes	13,926	5,657	8,269
Long Island Golf Outing	87,210	30,078	57,132
Celebrity Golf Classic	374,442	172,317	202,125
U.S. Secret Service Big Apple Classic	72,816	35,164	37,652
South Carolina Golf Classic	23,700	11,524	12,176
Nassau Bowling for Wishes	23,420	8,008	15,412
Norwalk Golf Classic	21,710	3,773	17,937
John Brogle Golf Outing	23,605	9,306	14,299
New England Bowling for Wishes	5,595	1,143	4,452
Metro Beefsteak Benefit	7,145	4,467	2,678
Car Raffle	63,650	15,350	48,300
Holiday Party	34,609	40,251	(5,642)
Totals	<u>\$ 839,864</u>	<u>\$ 369,536</u>	<u>\$ 470,328</u>

The major fund raising events in 2006 were as follows:

Fund Raising Event	Revenue	Expenses	Net
Metropolitan Golf Outing	\$ 75,700	\$ 29,961	\$ 45,739
Suffolk Bowling for Wishes	11,522	3,145	8,377
Long Island Golf Outing	79,406	36,533	42,873
Celebrity Golf Classic	305,176	162,000	143,176
U.S. Secret Service Big Apple Classic	58,880	35,018	23,862
South Carolina Golf Classic	27,420	8,475	18,945
Nassau Bowling for Wishes	23,825	10,442	13,383
Norwalk Golf Classic	9,950	3,885	6,065
John Brogle Golf Outing	24,206	8,537	15,669
Celebrity Weekend for Kids	14,500	6,283	8,217
Holiday Party	25,925	28,818	(2,893)
Totals	<u>\$ 656,510</u>	<u>\$ 333,097</u>	<u>\$ 323,413</u>

THE MARTY LYONS FOUNDATION, INC.
(A Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

DECEMBER 31, 2007 AND 2006

Note 7 - Rent Expense:

The Marty Lyons Foundation, Inc. is currently leasing office space on a month-to-month basis at \$1,000 per month.

Note 8 - Non-Cash Contributions:

Included in unrestricted contributions at December 31, 2006 are non-cash contributions valued at \$3,960. There were no non-cash contributions in 2007.

Note 9 - Investment Risk:

The Foundation, at times, had cash deposits with Bank of America in excess of the \$100,000 FDIC insurance coverage.

The Securities Investor Protection Corporation (SIPC) provides up to \$500,000 of insurance coverage for the Foundation's securities with UBS Financial Services (\$100,000 cash; \$400,000 securities).

Note 10 - Contributed Services:

A portion of the Foundation's functions, including the fund raising events, is conducted by unpaid volunteer officers and committees. The value of the contributed time and expense is not reflected in the accompanying financial statements because it does not meet the recognition criteria of SFAS No. 116 and cannot be objectively measured or valued.

Note 11 - Sundry Receivables:

Included in sundry receivables at December 31, 2007 were pledged donations of \$19,151 that were received in 2008.

THE MARTY LYONS FOUNDATION, INC.
(A Non-Profit Corporation)

SCHEDULE 1
CELEBRITY GOLF CLASSIC
REVENUE AND EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Total Revenue	<u>\$ 374,442</u>	<u>\$ 305,176</u>
<i>Expenses:</i>		
Golf Course Fee and Food	144,051	124,310
Golf Windbreakers, Bags and Favors	12,944	29,572
Printing and Supplies	6,122	3,995
Raffle Items	6,239	3,284
Other Expenses	2,961	839
Total Expenses	<u>172,317</u>	<u>162,000</u>
Excess of Revenue over Expenses	<u>\$ 202,125</u>	<u>\$ 143,176</u>