

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

FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

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

DECEMBER 31, 2008 AND 2007

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To the Board of Directors
The Marty Lyons Foundation, Inc.
(A Non-Profit Corporation)
326 West 48th Street
New York, NY 10036

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, 2008 and 2007, 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, 2008 and 2007 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 7, 2009

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

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 147,172	\$ 101,532
Sundry Receivables	4,695	19,755
Prepaid Expenses	8,500	6,888
Total Current Assets	<u>160,367</u>	<u>128,175</u>
<i>Furniture and Equipment:</i>		
Furniture and Equipment (Net of Depreciation)	3,246	4,396
<i>Other Assets:</i>		
Investments (at Market Value)	<u>56,316</u>	<u>120,387</u>
TOTAL ASSETS	<u>\$ 219,929</u>	<u>\$ 252,958</u>
<u>LIABILITIES AND NET ASSETS</u>		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 27,877	\$ 84,667
Total Net Assets - Unrestricted	<u>192,052</u>	<u>168,291</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 219,929</u>	<u>\$ 252,958</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, 2008 AND 2007

	2008	2007
<u>Revenue and Other Support:</u>		
Fund Raising Events	\$ 443,647	\$ 465,422
Celebrity Golf Classic	301,800	374,442
Unrestricted Contributions and Grants	269,649	312,449
Interest and Dividend Income on Investments	7,525	16,220
Realized and Unrealized Loss on Investments	(41,720)	(2,486)
Total Revenue and Other Support	980,901	1,166,047
<u>Expenses:</u>		
Fund Raising Events Expenses	368,330	369,536
Specific Assistance to Individuals	286,979	622,900
Payroll and Payroll Taxes	156,265	147,129
Public Relations and Fund Raising	40,107	61,963
Employee Health Insurance	19,728	12,927
Supplies	13,742	8,121
Professional Fees	12,500	11,184
Insurance	12,017	7,444
Rent Expense	12,000	12,000
Telephone	11,269	16,164
Chapter and Board Meeting Expenses	4,964	7,065
Pension Plan Contribution	4,352	4,020
Credit Card Fees	3,014	3,150
Postage and Delivery	2,810	9,086
Administrative and Office Expenses	1,958	5,433
Payroll Processing	1,958	1,881
Professional Dues, Registrations and Licenses	1,538	1,656
Bank Charges and Miscellaneous	1,181	2,334
Depreciation	1,150	1,150
Website and Computer Costs	900	1,095
Seminar Fees	378	2,128
Total Expenses	957,140	1,308,366
Increase (Decrease) in Net Assets (Unrestricted)	23,761	(142,319)
Net Assets (Unrestricted) - Beginning of Year	168,291	310,610
Net Assets (Unrestricted) - End of Year	\$ 192,052	\$ 168,291

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, 2008 AND 2007

2008	Program Services	Management and General	Fund Raising	Total
Fund Raising Events Expenses	\$ -	\$ -	\$ 368,330	\$ 368,330
Specific Assistance to Individuals	286,979	-	-	286,979
Payroll and Payroll Taxes	156,265	-	-	156,265
Public Relations and Fund Raising	-	-	40,107	40,107
Employee Health Insurance	19,728	-	-	19,728
Supplies	12,368	1,374	-	13,742
Professional Fees	-	12,500	-	12,500
Insurance	6,851	5,166	-	12,017
Rent Expense	9,000	3,000	-	12,000
Telephone	10,142	1,127	-	11,269
Chapter and Board Meeting Expenses	4,468	496	-	4,964
Pension Plan Contribution	4,352	-	-	4,352
Credit Card Fees	-	3,014	-	3,014
Postage and Delivery	2,529	281	-	2,810
Administrative and Office Expenses	1,762	196	-	1,958
Payroll Processing	1,958	-	-	1,958
Professional Dues, Registrations and Licenses	1,384	154	-	1,538
Bank Charges and Miscellaneous	-	1,181	-	1,181
Depreciation	-	1,150	-	1,150
Website and Computer Costs	675	225	-	900
Seminar Fees	-	378	-	378
Totals	<u>\$ 518,461</u>	<u>\$ 30,242</u>	<u>\$ 408,437</u>	<u>\$ 957,140</u>

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

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007 (CONCLUDED)

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>

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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
<u>Cash Flows from Operating Activities:</u>		
Increase (Decrease) in Net Assets	\$ 23,761	\$ (142,319)
<i>Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by/(Used) in Operating Activities -</i>		
Depreciation	1,150	1,150
Realized and Unrealized Loss on Investments	41,720	2,486
Decrease (Increase) in Sundry Receivables	15,060	(19,755)
(Increase) Decrease in Prepaid Expenses	(1,612)	1,112
(Decrease) Increase in Accounts Payable	(56,790)	25,919
Decrease in Deferred Revenue	-	(15,500)
Total Adjustments	(472)	(4,588)
Net Cash Provided by/(Used) in Operating Activities	23,289	(146,907)
<u>Cash Flows from Investing Activities:</u>		
Purchase of Investments	(5,671)	(29,610)
Sales of Investments	28,022	150,000
Net Cash Provided by Investing Activities	22,351	120,390
Net Increase (Decrease) in Cash and Cash Equivalents	45,640	(26,517)
Cash and Cash Equivalents - Beginning of Year	101,532	128,049
Cash and Cash Equivalents - End of Year	\$ 147,172	\$ 101,532
<u>Cash and Cash Equivalents at End of Year:</u>		
Cash in Checking Accounts	\$ 64,495	\$ 9,398
Cash in Money Market and Savings Accounts	82,677	92,134
Total	\$ 147,172	\$ 101,532
<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, 2008 AND 2007

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, 2008 AND 2007

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, 2008 AND 2007

Note 3 - Investments:

Investments at December 31, 2008 consist of the following:

<u>Description of Investment</u>	<u>Carrying Value</u>	<u>Market Value</u>	<u>Unrealized (Loss)</u>
Mutual Funds	<u>\$97,935</u>	<u>\$ 56,316</u>	<u>\$ (41,619)</u>

At December 31, 2008, the aggregate market value of investments was less than their aggregate carrying value by \$41,619. The Statement of Activities provides for a decrease in 2008 in unrestricted net assets for an unrealized loss on investments of \$41,619 and a realized loss on investments of \$101 for a net loss of \$41,720.

The following schedule summarizes the investment return and its classification in the Statement of Activities:

Interest and Dividend Income	\$ 7,525
Unrealized Losses	(41,619)
Realized Losses	(101)
Total Investment Return	<u>\$ (34,195)</u>

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 a decrease in 2007 in unrestricted net assets for an unrealized loss on investments of \$2,486 and no realized gain on investments.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

Note 3 - Investments (continued):

The following schedule summarizes the investment return and its classification in the Statement of Activities:

Interest and Dividend Income	\$ 16,220
Unrealized Losses	<u>(2,486)</u>
Total Investment Return	<u>\$ 13,734</u>

Note 4 - Program Activities:

During 2008 and 2007, The Marty Lyons Foundation, Inc. granted approximately 88 and 183 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 2008 and 2007, 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, 2008 AND 2007

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

The major fund raising events in 2008 were as follows:

Fund Raising Event	Revenue	Expenses	Net
Celebrity Golf Classic	\$ 301,800	\$ 142,979	\$158,821
Metropolitan Golf Outing	91,415	42,371	49,044
Long Island Golf Outing	74,693	36,266	38,427
John Brogle Golf Outing	49,010	12,976	36,034
Big Apple Golf	74,290	43,692	30,598
Woodcrest Golf	16,859	1,500	15,359
South Carolina Golf Classic	25,442	12,225	13,217
Norwalk Golf Classic	27,475	17,800	9,675
Suffolk Bowling for Wishes	12,180	2,524	9,656
Metro Cigar Night	21,590	12,006	9,584
NJ Summer Fun BBQ	7,985	2,417	5,568
Metro Beefsteak Benefit	6,520	4,588	1,932
Holiday Party	25,172	24,219	953
Nassau Bowling for Wishes	5,720	4,956	764
New England Bowling for Wishes	4,296	4,282	14
GA Golf Outing	1,000	3,529	(2,529)
Totals	<u>\$ 745,447</u>	<u>\$ 368,330</u>	<u>\$377,117</u>

The major fund raising events in 2007 were as follows:

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

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

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

DECEMBER 31, 2008 AND 2007

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:

There are no non-cash contributions in 2008 and 2007 included in unrestricted contributions.

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, 2008 and 2007 were pledged donations of \$4,695 and \$19,151, respectively, that were received the following year.

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

SCHEDULE 1
CELEBRITY GOLF CLASSIC
REVENUE AND EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Total Revenue	<u>\$ 301,800</u>	<u>\$ 374,442</u>
<i>Expenses:</i>		
Golf Course Fee and Food	113,495	144,051
Golf Windbreakers, Bags and Favors	16,117	12,944
Raffle Items	7,288	6,239
Printing and Supplies	5,981	6,122
Other Expenses	98	2,961
Total Expenses	<u>142,979</u>	<u>172,317</u>
Excess of Revenue over Expenses	<u>\$ 158,821</u>	<u>\$ 202,125</u>