

Colts Neck Sports Foundation, Inc.

Financial Statements

August 31, 2011, 2012, 2013, and 2014

Colts Neck Sports Foundation, Inc.

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DAVID M. MULDOWNNEY, JR.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Colts Neck Sports Foundation, Inc.

I have audited the accompanying financial statements of the Colts Neck Sports Foundation, Inc., which comprise the statements of financial position as of August 31, 2012, 2013 and 2014, and 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; 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

(Continued...)

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Colts Neck Sport Foundation, Inc. as of August 31, 2012, 2013, and 2014 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.

Other Matter

The financial statements of the Colts Neck Sports Foundation, Inc. as of August 31, 2011 were audited by other auditors whose report dated May 20, 2012, expressed an unmodified opinion on those statements.

David M. Muldowney, Jr. CPA

David M. Muldowney, Jr., CPA
July 15, 2015

Colts Neck Sports Foundation, Inc.
 Statements of Financial Position
 August 31, 2011, 2012, 2013, and 2014

	2011	2012	2013	2014
Assets				
Current assets				
Cash and cash equivalents	\$ 184,383	\$ 222,108	\$ 255,649	\$ 271,842
Prepaid expenses	13,805	-	-	-
Improvements, net of accumulated depreciation	-	19,110	23,062	25,498
Total assets	<u>\$ 198,188</u>	<u>\$ 241,218</u>	<u>\$ 278,711</u>	<u>\$ 297,340</u>
Liabilities and net assets				
Current liabilities				
Accounts payable and accrued expenses	\$ 24,176	\$ 30,377	\$ 27,288	\$ 22,025
Deferred revenue	139,813	136,465	115,016	144,596
Total current liabilities	163,989	166,842	142,304	166,621
Net assets	34,199	74,376	136,407	130,719
Total liabilities and net assets	<u>\$ 198,188</u>	<u>\$ 241,218</u>	<u>\$ 278,711</u>	<u>\$ 297,340</u>

See notes to financial statements

Colts Neck Sports Foundation, Inc.
 Statements of Activities
 For the Years Ended August 31, 2011, 2012, 2013, and 2014

	2011	2012	2013	2014
Revenues				
Baseball registration fees				
Recreational	\$ 47,347	\$ 53,000	\$ 53,750	\$ 46,750
Travel	35,511	34,105	33,530	16,461
Basketball registration fees				
Recreational	47,246	59,600	54,675	52,350
Travel	29,800	45,450	44,400	40,200
Men's league	15,875	12,560	16,325	13,075
High school	6,070	7,875	7,800	9,725
Soccer registration fees				
Recreational	40,150	50,625	43,000	38,006
Travel	94,261	95,967	105,764	106,089
Softball registration fees	10,325	16,525	10,550	11,675
Wrestling registration fees	2,415	3,365	3,100	3,050
Snack shed revenue	1,467	4,452	8,147	5,007
Fundraising revenue	894	51,556	30,280	27,970
Donations	33,059	100	320	-
Township grant	-	1,750	2,500	-
Other income	6,000	455	150	200
Tennis commission	-	-	-	230
Photo commission	635	450	1,172	652
Rutgers certification class	929	1,833	1,400	1,260
Interest	258	180	212	219
Total revenues	<u>\$ 372,242</u>	<u>\$ 439,848</u>	<u>\$ 417,075</u>	<u>\$ 372,919</u>

See notes to financial statements

Colts Neck Sports Foundation, Inc.
 Statements of Activities
 For the Years Ended August 31, 2011, 2012, 2013, and 2014

Expenses	2011	2012	2013	2014
Sports				
Baseball				
Recreational	\$ 85,769	\$ 57,349	\$ 55,220	\$ 41,610
Travel	21,613	35,670	20,767	18,155
Basketball				
Recreational	52,828	45,024	44,851	52,236
Travel	16,981	31,824	36,808	36,972
Men's League	11,112	13,508	12,299	14,342
Soccer				
Recreational	46,213	31,964	26,314	51,260
Travel	82,412	84,396	85,550	96,001
Softball	3,954	-	5,744	4,440
Tennis	2,706	-	-	-
Wrestling	1,200	2,493	2,010	4,506
Total sports expenses	<u>324,788</u>	<u>302,228</u>	<u>289,563</u>	<u>319,522</u>

See notes to financial statements

Colts Neck Sports Foundation, Inc.
 Statements of Activities
 For the Years Ended August 31, 2011, 2012, 2013, and 2014

	2011	2012	2013	2014
Supporting services				
Snack shed	\$ 14,224	\$ 25,664	\$ 12,395	\$ 7,997
Field improvements	-	-	3,304	44
Promotional signs	850	640	540	-
Fundraising	-	26,776	12,516	12,219
Advertising	-	2,400	3,600	4,000
Awards	1,608	1,000	-	400
Background check	148	266	80	-
Donations	75	1,061	2,907	-
Depreciation	-	1,365	1,744	1,725
Board meetings	349	717	783	964
Coaches training	3,967	2,327	1,884	1,760
Credit card fees	10,107	12,341	11,542	12,011
Insurance	5,447	5,502	5,847	6,157
Licenses and permits	-	340	125	1,140
Miscellaneous	-	1,739	-	289
Office supplies	237	363	298	455
Postage and delivery	327	444	170	183
Professional fees	7,125	9,150	2,903	4,205
Safety equipment	3,806	523	156	-
Safety clinic	-	-	50	-
Website expense	3,395	4,825	4,637	5,536
Total supporting services	<u>51,665</u>	<u>97,443</u>	<u>65,481</u>	<u>59,085</u>
Total expenses	<u>376,453</u>	<u>399,671</u>	<u>355,044</u>	<u>378,607</u>
(Decrease) Increase in net assets	<u>(4,211)</u>	<u>40,177</u>	<u>62,031</u>	<u>(5,688)</u>
Net assets - beginning of year	<u>38,410</u>	<u>34,199</u>	<u>74,376</u>	<u>136,407</u>
Net assets - end of year	<u>\$ 34,199</u>	<u>\$ 74,376</u>	<u>\$ 136,407</u>	<u>\$ 130,719</u>

See notes to financial statements

Colts Neck Sports Foundation, Inc.
 Statements of Cash Flows
 For the Years Ended August 31, 2011, 2012, 2013, and 2014

	2011	2012	2013	2014
Cash flows from operating activities				
(Decrease) Increase in net assets	\$ (4,211)	\$ 40,177	\$ 62,031	\$ (5,688)
Adjustments to reconcile net increase to net cash provided by operating activities:				
Depreciation	-	1,365	1,744	1,725
Decrease (Increase) in operating assets:				
Other receivables	2,241	-	-	-
Prepaid expenses	(5,575)	13,805	-	-
(Decrease) Increase in operating liabilities:				
Accounts payable and accrued expenses	18,785	6,201	(3,089)	(5,263)
Deferred revenue	4,405	(3,348)	(21,449)	29,580
Net cash provided by operating activities	<u>15,645</u>	<u>58,200</u>	<u>39,237</u>	<u>20,354</u>
Cash flows from investing activities				
Capital improvements	-	(20,475)	(5,696)	(4,161)
Net cash (used) by investing activities	<u>-</u>	<u>(20,475)</u>	<u>(5,696)</u>	<u>(4,161)</u>
Net increase in cash for the year	15,645	37,725	33,541	16,193
Cash - beginning of year	<u>168,738</u>	<u>184,383</u>	<u>222,108</u>	<u>255,649</u>
Cash - end of year	<u>\$ 184,383</u>	<u>\$ 222,108</u>	<u>\$ 255,649</u>	<u>\$ 271,842</u>

See notes to financial statements

Colts Neck Sports Foundation, Inc.
Notes to Financial Statements
For the Years Ended August 31, 2011, 2012, 2013, and 2014

Note 1 - Nature of activities

The Colts Neck Sports Foundation, Inc. (the Foundation) was founded in 1968 to promote, encourage, and foster the moral, mental, and physical development of the youth of the community by providing recreational sports facilities and programs; to assist, train, coach, provide equipment and facilities for the enjoyment and betterment of the members; to promote good fellowship, the maintenance of harmony and good citizenship among the members; the cultivation of patriotism and civic betterment among the members and the youth of the community; to promote adult interest and participation in these community youth programs; to provide adult recreation programs, and to promote community spirit and teamwork. The Foundation's primary source of revenue is the registration fees charged to participants.

Note 2 - Summary of significant accounting policies

Financial statement presentation

The Colts Neck Sports Foundation, Inc. has adopted FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Reporting by fund groups is not a necessary part of the external financial reporting. Accounting standards require providing information about three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The following accounting policies are presented to facilitate the understanding of information presented in the financial statements.

Revenues - All revenues are recognized as earned during the athletic season to which it relates.

Estimates - The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect 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.

Cash and cash equivalents - The Foundation considers all certificates of deposit to be cash equivalents.

Note 3 - Concentration of credit risk

The Colts Neck Sports Foundation, Inc. maintains cash in a demand deposit account with a federally insured bank. At times, this balance may be in excess of federally insured limits. At August 31, 2014 the Colts Neck Sports Foundation, Inc. maintained a balance in excess of the federally insured limit. The officers of the Colts Neck Sports Foundation, Inc. do not believe it is exposed to significant credit risk in connection with cash and cash equivalents.

Colts Neck Sports Foundation, Inc.
Notes to Financial Statements
For the Years Ended August 31, 2011, 2012, 2013, and 2014

Note 4 - Income taxes

The Foundation is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, the Foundation is not taxed on income derived from its exempt functions.

The Foundation has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are for the years ending August 31, 2011 through 2014. The Foundation is not currently under audit nor has it been contacted by any jurisdiction. Based on the evaluation of the Foundation's tax positions, management believes all tax positions taken would be upheld under an examination.

Note 5- Improvements

Improvements made to the facilities used by the Foundation in excess of \$1,000 are capitalized. Improvements are carried at cost, or if donated, at the fair market value at the date of the donations. Depreciation is recorded over the estimated useful lives of assets using the straight-line method.

Estimated useful lives of improvements are as follows:

Building and improvements	15 years
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Note 6 - Subsequent events

The entity evaluated subsequent events through July 15, 2015, the date which the financial statements were available for issue.