

Colts Neck Sports Foundation, Inc.

Financial Statements

August 31, 2015 and 2014

Colts Neck Sports Foundation, Inc.

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DAVID M. MULDOWNEY, 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, 2015 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.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Colts Neck Sports Foundation, Inc. as of August 31, 2015, and 2014 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


David M. Muldowney, Jr., CPA
May 2, 2016

Colts Neck Sports Foundation, Inc.
 Statements of Financial Position
 August 31, 2015 and 2014

	2015	2014
Assets		
Current assets		
Cash and cash equivalents	\$ 265,799	\$ 271,842
Improvements, net of accumulated depreciation	41,424	25,499
Total assets	\$ 307,223	\$ 297,341
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 3,503	\$ 22,025
Deferred revenue	99,193	144,596
Total current liabilities	102,696	166,621
Net assets	204,527	130,720
Total liabilities and net assets	\$ 307,223	\$ 297,341

See notes to financial statements

Colts Neck Sports Foundation, Inc.
 Statements of Activities
 For the Years Ended August 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues		
Member registrations		
Fall	\$ 145,875	\$ 163,880
Winter	110,925	120,456
Spring	62,458	53,045
Summer	1,920	-
Sponsorships	23,064	-
Tournament revenue	1,850	-
Team funds	630	-
Uniform fees	20,483	-
Volunteer fees	5,650	-
Field rental	1,070	-
Snack shed revenue	14,258	5,007
Fundraising revenue	35,783	27,970
Donations	5,862	-
Township grant	2,500	-
Other income	282	200
Tennis commission	250	230
Photo commission	-	652
Rutgers certification class	-	1,260
Interest	-	219
	<u> </u>	<u> </u>
Total revenues	<u>\$ 432,860</u>	<u>\$ 372,919</u>
Expenses		
Sports		
Clinics	\$ 11,017	\$ 2,500
Equipment	7,760	16,165
Rental fees	16,416	20,861
League fees	23,426	42,202
Opening day expenses	4,210	4,723
Other expenses	9,842	2,094
Referees		
Professional	37,911	26,199
Youth	10,466	21,112
Scorekeepers	10,024	14,342
Tournaments	19,721	13,206
Training expenses	52,863	51,700
Uniform fees	70,042	90,711
	<u> </u>	<u> </u>
Total sports expenses	<u>\$ 273,698</u>	<u>\$ 305,815</u>

See notes to financial statements

Colts Neck Sports Foundation, Inc.
 Statements of Activities
 For the Years Ended August 31, 2015 and 2014

	2015	2014
Expenses (Continued)		
Supporting services		
Snack shed	\$ 8,126	\$ 7,997
Field improvements	4,925	5,424
Fundraising	18,273	12,219
Advertising	6,000	4,000
Awards	600	400
Background check	747	-
Bank charge	78	-
Depreciation	2,530	1,724
Board meetings	1,494	964
Coaches training	50	1,760
Credit card fees	8,456	12,011
Insurance	7,536	6,157
Licenses and permits	235	1,140
Miscellaneous	-	8,616
Office supplies	320	455
Postage and delivery	229	183
Professional fees	16,940	4,205
Safety equipment	4,361	-
Safety clinic	210	-
Website expense	5,500	5,536
	86,610	72,791
Total supporting services		
	360,308	378,606
Total expenses		
Increase (decrease) in net assets	73,807	(5,687)
Net assets before prior period adjustment	130,720	136,407
Prior period adjustment	1,255	-
Net assets - end of year	\$ 204,527	\$ 130,720

See notes to financial statements

Colts Neck Sports Foundation, Inc.
 Statements of Cash Flows
 For the Years Ended August 31, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 73,807	\$ (5,687)
Adjustments to reconcile net increase to net cash provided by operating activities:		
Depreciation	1,275	1,724
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expenses	(18,522)	(5,263)
Deferred revenue	(45,403)	29,580
	11,157	20,354
Net cash provided by operating activities		
Cash flows from investing activities		
Capital improvements	(17,200)	(4,161)
	(17,200)	(4,161)
Net cash used by investing activities		
Net (decrease) increase in cash for the year	(6,043)	16,193
Cash - beginning of year	271,842	255,649
Cash - end of year	\$ 265,799	\$ 271,842

See notes to financial statements

Colts Neck Sports Foundation, Inc.
Notes to Financial Statements
For the Years Ended August 31, 2015 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. The Foundation is staffed solely by volunteers.

Note 2 - Summary of significant accounting policies

Financial statement presentation

a) Nature of the entity

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.

b) Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting which reflects income when earned and expenses when incurred.

c) Use of 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.

d) Cash and cash equivalents

Cash and cash equivalents include monies in banks and highly liquid investments with an original maturity of three months or less.

Colts Neck Sports Foundation, Inc.
Notes to Financial Statements
For the Years Ended August 31, 2015 and 2014

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, 2015 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.

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, 2012 through 2015. 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- 30 years
Equipment	10 years

Colts Neck Sports Foundation, Inc.
Notes to Financial Statements
For the Years Ended August 31, 2015 and 2014

Note 6- Buildings, improvements, and equipment

Buildings, improvements, and equipment as of August 31, 2015 and 2014 consist of the following:

	<u>2015</u>	<u>2014</u>
Field improvements	\$ 18,799	\$ 1,600
Gymnasium improvements	7,104	7,104
Snack shed	<u>21,629</u>	<u>21,629</u>
	47,532	30,333
Less: Accumulated depreciation	<u>(6,108)</u>	<u>(4,834)</u>
	<u>\$ 41,424</u>	<u>\$ 25,499</u>

Note 7- Reclassifications

Certain amounts in the prior year financial statements have been reclassified in order to be comparable with the current year presentation.

Note 8- Prior period adjustment

Net assets at the beginning of 2015 has been adjusted for the current depreciation recognized in error in prior periods. The correction has no effect on the results of the current year's activities; however, the cumulative effect increases beginning net assets for 2015 by \$1,255. Had the error not occurred, ending net assets for 2014 would have been increased by \$1,255.

Note 9 - Subsequent events

The entity evaluated subsequent events through May 2, 2016, the date which the financial statements were available for issue.