

**SPORTS FD, INC.  
FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2009 AND 2008**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Sports FD, Inc.  
Colts Neck, New Jersey

I have audited the accompanying statements of financial position of the Sports FD, Inc. (the "Foundation") as of August 31, 2009 and August 31, 2008, and the related statements of activities and changes in fund balance and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

I conducted my audit 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 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. I believe that our audit provide a reasonable basis for our opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of August 31, 2009 and August 31, 2008 and the changes in its fund balance and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

New York, New York  
October 15, 2010

*John Moran*

**SPORTS FD, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2009 AND 2008**

**ASSETS**

	<b>2009</b>	<b>2008</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 117,544	\$ 57,975
Prepaid expenses	8,015	2,960
Other receivable	4,515	-
	130,074	60,935
	\$ 130,074	\$ 60,935

**LIABILITIES AND FUND BALANCE**

**Liabilities**

Accounts payable and accrued expenses	\$ 34,464	\$ 9,597
Deposits for Dinner Dance	-	2,660
Deposits for tennis	400	2,550
Deposits for wrestling	190	-
Deposits for soccer	73,844	32,727
	108,898	47,534

**Fund Balance - Unrestricted**

21,176	13,401
\$ 130,074	\$ 60,935

The accompanying notes are an integral part of these financial statements.

**SPORTS FD, INC.**  
**STATEMENTS OF ACTIVITIES**  
**AND CHANGES IN FUND BALANCE**  
**YEARS ENDED AUGUST 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>Revenues</b>		
Youth soccer	\$ 124,459	\$ 59,342
Youth baseball/softball	72,895	70,415
Youth basketball	71,965	101,672
Youth tennis	12,700	15,730
Adult basketball	16,811	8,251
Youth wrestling	4,105	3,865
Instructional camps and classes	941	390
Contributions	4,010	3,490
Net fundraising income (Note 2)	14,888	30,611
Interest (Note 1)	391	2,293
Other (Note 4)	27,850	23,171
	<u>351,015</u>	<u>319,230</u>
 <b>Program Expenses</b>		
Youth soccer	103,609	94,527
Youth baseball/softball	72,143	75,968
Youth basketball	72,832	74,005
Youth tennis	12,140	17,769
Adult basketball	14,454	15,409
Youth wrestling	4,182	3,755
Instructional training	4,587	4,582
Field improvements and recreation center contributions (Note 5)	21,991	22,362
Safety equipment	635	1,155
Miscellaneous and awards	3,575	1,560
	<u>310,148</u>	<u>311,092</u>
 <b>Support services</b>		
General administration (Note 3)	33,092	34,059
	<u>33,092</u>	<u>34,059</u>
 <b>Net excess/(deficiency) revenues over fund expenses</b>	7,775	(25,921)
 <b>Fund balance, beginning of year</b>	<u>13,401</u>	<u>39,322</u>
 <b>Fund balance, end of year</b>	<u>\$ 21,176</u>	<u>\$ 13,401</u>

The accompanying notes are an integral part of these financial statements.

**SPORTS FD, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2009 AND 2008**  
**Increase (decrease) in cash and cash equivalents**

	<b>2009</b>	<b>2008</b>
<b>Cash Flows From Operating Activities:</b>		
Net excess/(deficiency) revenues over fund expenses	\$ 7,775	\$ (25,921)
<b>Adjustments to reconcile net deficiency of revenues over expenses to net cash provided by/(used in) perating activities:</b>		
(Increase) decrease in prepaid expense	(5,055)	(675)
(Increase) decrease in other receivable	(4,515)	-
Increase (decrease) in accounts payable	24,867	(25,167)
Increase (decrease) in workbond payable	-	(21,550)
Increase (decrease) in Dinner Dance deposits	(2,660)	2,660
Increase (decrease) in tennis deposits	(2,150)	2,550
Increase (decrease) in wrestling deposits	190	-
Increase (decrease) in basketball deposits	-	(27,142)
Increase (decrease) in soccer deposits	41,117	18,807
<b>Net cash provided by/(used in) operating activities</b>	<b>59,569</b>	<b>(76,438)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>57,975</b>	<b>134,413</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 117,544</b>	<b>\$ 57,975</b>

The accompanying notes are an integral part of these financial statements.

**SPORTS FD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Organization and Business Activity**

The Sports FD, 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 recreation and sports facilities and programs; to assist, train, coach, provide equipment and facilities for the participation in sports and recreation; to sponsor, and conduct special educational programs for the enjoyment and betterment of the members; to promote good fellowship, the maintenance of harmony and good citizenship among the members and 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.

**b. Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting in an unrestricted fund. This Fund represents the portion of expendable funds that are available for support of the Foundation’s operations.

**c. Cash and Cash Equivalents**

The Foundation considers all liquid investments with an original maturity of three months or less to be cash equivalents. For the years ended August 31, 2009 and 2008, the Foundation earned interest income of \$391 and \$2,293, respectively.

**d. Income Taxes**

The Foundation is exempt from Federal income taxes under Section 501(c) (3) of the Internal Revenue Code. The Foundation is classified by the Internal Revenue Service as “other than a private foundation”.

**e. Revenue Recognition**

Revenues from programs are recognized during the sports season to which it relates. In 2008, there was a one time adjustment to account for soccer deposits for the fiscal 2009 season received in fiscal 2008, resulting in a one time reduction in soccer revenue in fiscal 2008.

**f. Use of Estimates**

The preparation of financial statements includes the Foundation’s 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 period. Actual results could differ from those estimates.

**SPORTS FD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2009**

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**2. FUNDRAISING INCOME**

The Foundation runs several fundraising events during the year to offset increasing fees and support service costs.

	<u>2009</u>	<u>2008</u>
<b>Revenue</b>		
Dinner Dance	\$ 14,717	\$ --
Basketball Fundraising/Tournament	49,181	67,068
Soccer Game	624	864
Colts Neck Fair	<u>781</u>	<u>2,067</u>
Total fundraising revenue	<u>65,303</u>	<u>69,999</u>
<b>Expenses</b>		
Dinner Dance	9,015	--
Basketball Fundraising/Tournament	40,760	39,048
Soccer Game	540	135
Colts Neck Fair	<u>100</u>	<u>205</u>
Total fundraising expenses	<u>50,415</u>	<u>39,388</u>
Net fundraising revenue	<u>\$ 14,888</u>	<u>\$ 30,611</u>

**3. SUPPORT SERVICES**

Advertising	\$ 8,000	\$ 6,800
Concession Stand	2,547	2,153
Insurance	5,010	7,285
Professional Fee	4,250	4,250
Website Maintenance	4,500	4,500
Credit Card Fees	5,752	5,612
Office and other misc costs	<u>3,033</u>	<u>3,459</u>
	<u>\$ 33,092</u>	<u>\$ 34,059</u>

**4. OTHER REVENUE**

Concession Stand	\$ 4,515	\$ 3,345
Township Grant	12,000	10,000
Miscellaneous	235	662
Baseball Sponsorship	10,200	8,050
Photo Commissioners	<u>1,100</u>	<u>1,114</u>
	<u>\$ 27,850</u>	<u>\$ 23,171</u>



**SPORTS FD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2009**

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**5. FIELD IMPROVEMENTS AND RECREATION CENTER CONTRIBUTIONS**

In 2009, the Foundation paid \$16,660 for the installation of a new septic system located at Laird Road Park. In addition, the foundation paid \$5,331 for additional costs at Five Points Park.

In 2008, the Foundation paid \$22,362 for the installation of two new water wells located at Five Points Park.

**6. TOWNSHIP GRANT**

In fiscal year 2009 and 2008 the Foundation received a grant of \$12,000 and \$10,000, respectively from the Colts Neck Township.

**7. BOARD OF DIRECTORS**

The Board of Directors are all volunteers and receive no compensation for their work.

**8. AWARDS**

In 2009 and 2008, The Newt Hausman Award was awarded for an individual's "Love of the Game" and the Peter McKay Award was awarded Sportsmanship to an 8<sup>th</sup> grade boy and girl for each award. Thus, the four winners were each awarded a \$500 US Savings Bond.