

SPORTS FD, INC.
FINANCIAL STATEMENTS
AUGUST 31, 2011 AND
AUGUST 31, 2010

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying statements of financial position of Sports FD, Inc. (the "Foundation") as of August 31, 2011 and 2010, and the related statements of activity and changes in fund balance and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

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 my audit provides a reasonable basis for my 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, 2011 and 2010 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, NY
May 20, 2012

John Moran

SPORTS FD, INC.

STATEMENTS OF FINANCIAL POSITION

AUGUST 31,

	<u>2011</u>	<u>2010</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
ASSETS		
Current assets:		
Cash & cash equivalents (Note 2)	\$ 166,679	\$ 168,738
Raffle Account	500	
Trade receivables	-	2,242
Prepaid Assets (Note 9)	<u>13,805</u>	<u>8,230</u>
Total current assets	<u>180,984</u>	<u>179,210</u>
Total assets	<u><u>\$ 180,984</u></u>	<u><u>\$ 179,210</u></u>
LIABILITIES AND UNRESTRICTED NET ASSETS		
Current liabilities		
Accounts Payable	\$ 24,176	\$ 5,390
Deferred Sign Revenue	11,030	12,800
Deferred Revenue - Laird Road Turf Project	-	10,350
Deposits for Fall Baseball	1,000	-
Deposits for Soccer	<u>127,782</u>	<u>112,258</u>
Total current liabilities	<u>163,988</u>	<u>140,798</u>
NET ASSETS		
Unrestricted net assets	<u>16,996</u>	<u>38,412</u>
Total liabilities and net assets	<u><u>\$ 180,984</u></u>	<u><u>\$ 179,210</u></u>

The accompanying notes are an integral part of these financial statements

SPORTS FD, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED AUGUST 31,

	2011	2010
	Unrestricted	Unrestricted
Increases in unrestricted net assets		
Revenue and other support		
Youth Soccer	\$ 134,411	\$ 107,539
Youth Baseball & Softball	84,133	95,468
Youth Basketball	83,117	66,468
Youth Tennis	1,467	4,480
Adult Basketball	15,875	14,925
Youth Wrestling	2,415	3,420
Contributions	400	-
Net fundraising income (Note 2)	40,859	22,110
Interest	258	282
Other (Note 4)	8,458	15,330
7854	371,393	330,022
Decreases in unrestricted net assets		
Expenses		
Program Services:		
Youth Soccer	127,325	93,363
Youth Baseball & Softball	63,671	79,881
Youth Basketball	69,810	72,186
Adult Basketball	11,112	15,575
Youth Wrestling	2,706	3,025
Youth Tennis	1,200	2,889
Instructional Training	5,267	3,965
Field Improvements and Snack Shed (Note 5)	78,737	16,895
Safety Equipment	3,806	-
Awards (Note 8)	1,608	1,000
Total program expenses	365,242	288,779
Support services:		
General administration (Note 3)	27,567	24,008
Total support service	27,567	24,008
Total expenses	392,809	312,787
Increase in unrestricted net assets	(21,416)	17,235
- Unrestricted net assets at September 1,	38,412	21,177
- Unrestricted net assets at August 31,	\$ 16,996	\$ 38,412

The accompanying notes are an integral part of these financial statements

SPORTS FD, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED AUGUST 31,

	<u>2011</u>	<u>2010</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
Cash flows from operating activities:		
Increase (decrease) in net assets		
Net change in net assets	\$ (21,416)	\$ 17,235
Adjustments to reconcile increase (decrease) in net assets		
(Increase) decrease in operating assets:		
(Increase) Decrease in Raffle Account	(500)	
(Increase) Decrease in receivables	2,242	2,273
(Increase) Decrease in prepaid insurance	(5,575)	(215)
Increase (decrease) in operating liabilities:		
Increase (Decrease) in accounts payable	18,786	(29,074)
Increase (Decrease) in sign revenue	(1,770)	12,800
Increase (Decrease) in Laird Road Turf Project	(10,350)	10,350
Increase (Decrease) in fall baseball	1,000	
Increase (Decrease) in tennis deposits		(400)
Increase (Decrease) in wrestling deposits	-	(190)
Increase (Decrease) in soccer deposits	15,524	38,414
	<u> </u>	<u> </u>
Cash provided/(used) by operating activities	(2,059)	51,193
Cash/cash equivalents, September 1	<u>168,738</u>	<u>117,545</u>
Cash/cash equivalents, August 31	<u><u>\$ 166,679</u></u>	<u><u>\$ 168,738</u></u>

The accompanying notes are an integral part of these financial statements

SPORTS FD INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2011

1. NATURE OF ACTIVITIES

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial Statement Presentation

The Foundation is required to report information regarding its financial position and activities according to generally accepted accounting principles in three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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 or less to be cash equivalents.

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". The Foundation has not taken any uncertain tax positions and thus does not have any potential tax liabilities that might need to be disclosed in accordance with FIN 48 under generally accepted accounting principles.

e. Revenue Recognition

Revenue from programs are recognized during the sports season to which it relates.

SPORTS FD INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

AUGUST 31, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. 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.

2. FUNDRAISING INCOME

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

Revenue	2011	2010
Colts Neck Gallop	\$ -	\$ 3,973
Bar B Q - Picnic & Raffle	3,620	15,280
Basketball Fundraising/Tournament	-	1,250
Baseball Sign & Team Sponsorships	16,020	14,724
Laird Road Turf & Shed	15,454	-
Dinner Dance - Father. Daughter	6,615	-
Colts Neck Fair	-	874
Total fundraising revenue	<u>41,709</u>	<u>36,101</u>
Expenses		
Bar B Q - Picnic & Raffle	-	8,410
Basketball Fundraising/Tournament	-	775
Promotional signs	850	4,706
Colts Neck Fair	-	100
Total fundraising expenses	<u>850</u>	<u>13,991</u>
Net fundraising revenue	<u>\$ 40,859</u>	<u>\$ 22,110</u>

3. SUPPORT SERVICES

Advertising	\$ -	\$ 1,050
Concession Stand	358	1,147
Insurance	5,447	5,261
Professional Fee	7,125	2,500
Website Maintenance	3,395	5,695
Credit Card Fees	10,107	7,196
Office and other misc costs	1,135	1,159
	<u>\$ 27,567</u>	<u>\$ 24,008</u>

SPORTS FD INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2011

4. OTHER REVENUE

Concession Stand	\$	894	\$	3,010
Township Grant		6,000		10,000
Instructional camps and classes		635		306
Photo Commissioners		929		2,014
	\$	<u>8,458</u>	\$	<u>15,330</u>

5. FIELD IMPROVEMENTS AND RECREATION CENTER CONTRIBUTIONS

In 2011 and 2010, the Foundation paid \$78,737 and \$16,895, respectively for Field Improvements and improvements and repairs to the snack shed.

6. TOWNSHIP GRANT

In fiscal year 2011 and 2010 the Foundation received a grant of \$6,000 and \$10,000, respectively from the Colts Neck Township.

7. BOARD OF DIRECTORS

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

8. AWARDS

The Newt Hausman Award is awarded for an individual's "Love of the Game" and the Peter McKay Award is awarded for Sportsmanship to an 8th grade boy and girl for each award. Thus, the winners are each awarded a \$500 US Savings Bond.

9. PREPAID ASSETS

	2011	2010
Travel Referee Fees	\$ -	\$ 8,230
Travel Soccer Costs	11,800	-
Fundraising	<u>2,005</u>	<u>-</u>
	<u>\$ 13,805</u>	<u>\$ 8,230</u>