

**Connecticut Sports Foundation
Against Cancer, Inc.**

**Report on Financial Statements
(With Supplementary Information)**

Years Ended June 30, 2010 and 2009

CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, INC.

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Report of Independent Public Accountants

To the Board of Directors
Connecticut Sports Foundation Against Cancer, Inc.

We have audited the accompanying statement of financial position of Connecticut Sports Foundation Against Cancer, Inc. (a nonprofit Foundation) as of June 30, 2010, and the related statements of activities and cash flows for the year 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 audit. The financial statements of Connecticut Sports Foundation Against Cancer, Inc. as of and for the yeared June 30, 2009 were audited by other auditors, whose report dated October 8, 2009 expressed an unqualified opinion on those statements.

We conducted our audit 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 audit provided 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 Connecticut Sports Foundation Against Cancer, Inc. as of June 30, 2010, and the change in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page 13 is presented for the purposes 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 audits 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.

 J.H. Cohn LLP

Glastonbury, Connecticut
December 8, 2010

CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, INC.

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 64,326	\$ 51,568
Investments	3,604,169	3,048,734
Prepaid expenses	3,048	2,579
Inventory	25,651	25,957
Equipment, net of accumulated depreciation	-	404
Special event accounts receivable	600	15,632
	<u>600</u>	<u>15,632</u>
Total assets	<u>\$ 3,697,794</u>	<u>\$ 3,144,874</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accruals	\$ 1,132	\$ 3,689
Commitments		
Net assets:		
Unrestricted	3,696,662	3,065,185
Temporarily restricted	-	76,000
	<u>3,696,662</u>	<u>3,141,185</u>
Total net assets	<u>3,696,662</u>	<u>3,141,185</u>
Total liabilities and net assets	<u>\$ 3,697,794</u>	<u>\$ 3,144,874</u>

See Notes to Financial Statements.

CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, INC.

**STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Change in unrestricted net assets:		
Support, revenues and gains:		
Contributions	\$ 77,619	\$ 54,487
Special events, net		
Connecticut	884,687	664,058
New York	24,660	60,451
Investment income (loss), net	190,593	(231,894)
Miscellaneous	113	-
	<u>1,177,672</u>	<u>547,102</u>
Net assets released from restrictions	76,000	191,013
Total support, revenues and gains	<u>1,253,672</u>	<u>738,115</u>
 Expenses:		
Research grant	100,000	100,000
Recipient payments	334,993	450,000
General and business expenses	187,202	127,820
Total expenses	<u>622,195</u>	<u>677,820</u>
 Increase in unrestricted net assets	<u>631,477</u>	<u>60,295</u>
 Change in temporary restricted net assets:		
Contributions	-	56,000
Releases of purpose restrictions	(76,000)	(191,013)
Decrease in temporarily restricted net assets	<u>(76,000)</u>	<u>(135,013)</u>
 Change in net assets	555,477	(74,718)
 Net assets, beginning of year	<u>3,141,185</u>	<u>3,215,903</u>
 Net assets, end of year	<u>\$ 3,696,662</u>	<u>\$ 3,141,185</u>

See Notes to Financial Statements.

CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, INC.

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Operating activities:		
Change in net assets	\$ 555,477	\$ (74,718)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	404	485
Bad debt expense	2,500	-
Unrealized (gains) losses on investments	(81,108)	12,454
Realized (gain) loss on sale of investments	(34,000)	326,234
Changes in operating assets and liabilities:		
Accrued income	-	7,958
Prepaid expenses	(469)	(638)
Inventory	306	(2,082)
Special event accounts receivable	12,532	(2,122)
Deferred revenue	-	(1,050)
Accounts payable and accruals	(2,557)	3,221
Net cash provided by operating activities	<u>453,085</u>	<u>269,742</u>
Investing activities:		
Purchases of investments	(655,253)	(6,294,797)
Proceeds from sale of investments	214,926	5,059,452
Net cash used in investing activities	<u>(440,327)</u>	<u>(1,235,345)</u>
Net increase (decrease) in cash and cash equivalents	12,758	(965,603)
Cash and cash equivalents, beginning of year	<u>51,568</u>	1,017,171
Cash and cash equivalents, end of year	<u>\$ 64,326</u>	<u>\$ 51,568</u>

See Notes to Financial Statements.

CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization and summary of significant accounting policies:

Organization:

Connecticut Sports Foundation Against Cancer, Inc. (the "Foundation") is a nonprofit corporation incorporated in 1987 in the State of Connecticut, whose purpose is to provide funds to benefit families affected by cancer and to support cancer research and education. The Foundation is led by a 15 member board of directors and a 21 member advisory board. Both boards consist of professionals, community leaders, financial experts and former professional athletes.

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. They are described below:

Unrestricted - Net assets that are not subject to explicit donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Foundation is subject to explicit donor-imposed stipulations or by operation of law that can be fulfilled by actions of the Foundation or that expire by the passage of time.

Permanently Restricted - Net assets subject to explicit donor-imposed stipulations that they be maintained permanently by the Foundation and stipulate the use of the income and/or appreciation as either unrestricted or temporarily restricted or by operation of law.

There are no permanently restricted net assets at June 30, 2010 or 2009.

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization and summary of significant accounting policies (continued):

Cash and cash equivalents:

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.

Investments:

The Foundation maintains investment accounts at Essex Financial Services that are under the direction of the Board of Directors. Investment activity is administered by an outside investment manager according to the Foundation's written investment policy which includes criteria for current and total returns, risk tolerance, diversification and asset allocation. The brokerage account is under the auspices of the Securities Investor Protection Corporation ("SIPC"), which provides limited protection in the event of a brokerage firm failure.

Income tax status:

The Foundation is organized as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and as such is not subject to Federal or state corporate income taxes.

The Foundation adopted the new accounting for uncertainty in income taxes guidance on July 1, 2009. The adoption of that guidance did not result in the recognition of any unrecognized tax benefits and the Foundation has no unrecognized tax benefits at June 30, 2010. The Foundation's U.S. Federal information returns prior to fiscal year 2007 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If the Foundation has unrelated business income taxes, it would recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statements of financial position.

Donated services:

A substantial number of unpaid volunteers have made significant contributions of their time to develop and staff the Foundation's events and programs. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

Fundraising expenses:

The Foundation is currently involved in several fundraising activities, including the annual sports dinner, wine tasting, ride America and other ongoing initiatives. The related fundraising expenses of \$399,130 and \$230,000, in 2010 and 2009 respectively, are netted against revenues in the statements of activities. Included in the fundraising expenses are in-kind contributions of \$250,000 and \$125,000 in 2010 and 2009, respectively, for the facilities and various expenses for the annual sports dinner.

CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization and summary of significant accounting policies (concluded):

Use of estimates:

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events:

The Foundation has evaluated subsequent events through December 8, 2010, which is the date the financial statements were available to be issued.

Note 2 - Concentrations:

Concentrations of credit risk:

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents, investments and receivables. The Foundation maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed Federally insured limits. The Foundation has not experienced any losses in such accounts.

Investments consist of mutual funds with high credit ratings. This investment policy limits the Foundation's exposure to concentrations of credit risk.

Concentrations of revenue:

The Foundation's principal source of revenues is from table sales, auction proceeds and raffle proceeds in connection with its annual sports dinner. For the years ended June 30, 2010 and 2009, \$1,100,007 and \$892,816, respectively, was recognized as revenue and \$313,717 and \$217,575, respectively, of related expenses were incurred for this event. The net proceeds from this event represented 86% and 81% of the Foundation's total donations and special events net revenue for the years ended June 30, 2010 and 2009, respectively.

Note 3 - Fair value measurements:

The Foundation values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, INC.

NOTES TO FINANCIAL STATEMENTS

Note 3 - Fair value measurements (concluded):

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Financial assets carried at fair value at June 30, 2010 are classified in the table below:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market	\$ 6,467	\$ -	\$ -	\$ 6,467
Mutual funds:				
Domestic:				
Large value	303,825	-	-	303,825
Large blend	230,421	-	-	230,421
Large growth	367,249	-	-	367,249
Mid cap blend	1,234,265	-	-	1,234,265
Multi sector	497,747	-	-	497,747
Small growth	394,453	-	-	394,453
International	569,742	-	-	569,742
	<u>\$3,604,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,604,169</u>

Financial assets carried at fair value at June 30, 2009 are classified in the table below:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Level 3</u>
Money market funds	\$ 173,063	\$ -	\$ -	\$ 173,063
Mutual funds	2,875,671	-	-	2,875,671
	<u>\$3,048,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,048,734</u>

The fair values of mutual funds and money markets for June 30, 2010 and 2009 were obtained from real time quotes for transactions in active exchange markets (Level 1). There were no changes in methodologies in 2010 and 2009.

Note 4 - Investments:

At June 30, 2010 and 2009, investments consisted of the following:

	<u>2010</u>	
	<u>Cost</u>	<u>Fair Value</u>
Mutual funds	\$ 3,509,619	\$ 3,597,702
Money market funds	6,467	6,467
	<u>\$ 3,516,086</u>	<u>\$ 3,604,169</u>
	<u>2009</u>	
	<u>Cost</u>	<u>Fair Value</u>
Mutual funds	\$ 2,868,696	\$ 2,875,671
Money market funds	173,063	173,063
	<u>\$ 3,041,759</u>	<u>\$ 3,048,734</u>

CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, INC.

NOTES TO FINANCIAL STATEMENTS

Note 4 - Investments (concluded):

The following summarizes the investment income (loss) for the years ended June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Interest and dividends	\$ 88,435	\$ 127,042
Less investment management fees	(12,950)	(20,248)
Net investment income	75,485	106,794
Realized gains (losses)	34,000	(326,234)
Unrealized gains (losses)	81,108	(12,454)
Total investment income (loss)	<u>\$ 190,593</u>	<u>\$ (231,894)</u>

Note 5 - Commitments:

Operating leases:

The Foundation occupies an office under an operating lease that expired August 31, 2010. The Foundation's office lease expense was \$20,841 and \$18,563 for the year ended June 30, 2010 and 2009, respectively.

The Foundation has relocated its administrative office effective September 2010. The lease includes monthly payments of \$1,549 through August 2012.

The future minimum annual base rental payments under the noncancelable operating lease is as follows:

<u>Year Ending June 30,</u>	
2011	\$ 18,981
2012	18,585
2013	3,098
	<u>\$ 40,664</u>

Note 6 - Endowment:

The Foundation's endowment consists of funds established for a variety of purposes. Its endowment includes funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America ("GAAP"), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act ("CTUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, INC.

NOTES TO FINANCIAL STATEMENTS

Note 6 - Endowment (continued):

Interpretation of Relevant Law (concluded:)

As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by CTUPMIFA. In accordance with CTUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Endowment net asset composition by type of fund as of June 30, 2010 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-Designated Endowment Funds	\$ 3,604,169	\$ -	\$ -	\$ 3,604,169

Changes in Endowment net assets for the year ended June 30, 2010 is as follows:

Endowment net assets, beginning of year	\$ 3,048,734	\$ -	\$ -	\$ 3,048,734
Interest and dividends, net of fees	75,484	-	-	75,484
Net realized and unrealized appreciation	115,108	-	-	115,108
Additional designation	579,769	-	-	579,769
Appropriation of endowment	(214,926)	-	-	(214,926)
Endowment net assets, end of year	\$ 3,604,169	\$ -	\$ -	\$ 3,604,169

CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, INC.

NOTES TO FINANCIAL STATEMENTS

Note 6 - Endowment (concluded):

Endowment net asset composition by type of fund for the year ended June 30, 2009 was as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board-Designated Endowment Funds	<u>\$ 3,048,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,048,734</u>

Changes in Endowment net assets for the year ended June 30, 2009 was as follows:

Endowment net assets, beginning of year	\$ 2,152,077	\$ -	\$ -	\$ 2,152,077
Interest and dividends, net of fees	106,794	-	-	106,794
Net realized and unrealized depreciation	(338,688)	-	-	(388,688)
Additional designation	<u>1,128,551</u>	<u>-</u>	<u>-</u>	<u>1,128,551</u>
Endowment net assets, end of year	<u>\$ 3,048,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,048,734</u>

CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, INC.

**SCHEDULES OF GENERAL AND BUSINESS EXPENSES
YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Marketing and event planning	\$ 59,145	\$ 17,500
Salaries	41,348	49,048
Rent	20,841	18,563
Insurance - employment	20,175	13,172
Audit	12,750	12,825
Payroll taxes	8,296	5,186
Office supplies	3,794	1,877
Website	6,076	1,225
Memorabilia supplies	3,621	2,660
Bad debt expense	2,500	-
Dues and credit card fees	2,490	170
Telephone	1,861	844
Payroll processing fees	1,207	1,091
Insurance	1,064	337
Postage	981	825
Insurance - workers compensation	461	603
Depreciation	404	485
Bank charges	36	580
Miscellaneous	152	829
	<u>\$ 187,202</u>	<u>\$ 127,820</u>

See Report of Independent Public Accountants.