

**The Boomer Esiason Foundation**

**Financial Statements**  
and  
Independent Auditor's Report

Year Ended March 31, 2010

**483 10<sup>th</sup> Avenue, Suite 300**  
**New York, NY 10018**

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Independent Auditor's Report

**Members of the Board**  
**The Boomer Esiason Foundation**  
New York, NY

We have audited the accompanying statement of financial position of The Boomer Esiason Foundation as of March 31, 2010, and the related statements of activities, functional expenses, 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.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. 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 provides 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 The Boomer Esiason Foundation as of March 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Snyder Cohn, PC*

November 24, 2010  
North Bethesda, Maryland



# The Boomer Esiason Foundation

## Statement of Financial Position

March 31, 2010

### Assets

#### Current assets:

Cash and cash equivalents	\$ 4,045,593
Contributions receivable, net	1,414,654
Prepaid expenses	163,755
Other current assets	<u>37,511</u>
Total current assets	<u>5,661,513</u>

#### Property and equipment

11,914

#### Other assets:

Cash - restricted	73,349
Deposits	<u>20,000</u>
Total other assets	<u>93,349</u>

#### Total assets

\$ 5,766,776

### Liabilities and net assets

#### Current liabilities:

Accounts payable and accrued expenses	\$ 1,502,056
Deferred revenue	469,714
Total current liabilities	<u>1,971,770</u>

#### Commitments

#### Net assets:

Unrestricted	3,464,362
Temporarily restricted	230,473
Permanently restricted	<u>100,171</u>
Total net assets	<u>3,795,006</u>

#### Total liabilities and net assets

\$ 5,766,776

See Accompanying Notes

**The Boomer Esiason Foundation**

**Statement of Activities**

**For the year ended March 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Public support and revenues:</b>				
Public support	\$ 2,645,351	\$ 723,645	\$ 7,021	\$ 3,376,017
Special events	4,696,114	-	-	4,696,114
Interest	25,014	1,254	-	26,268
Gain on investments	37	-	-	37
<b>Total public support and revenues</b>	<u>7,366,516</u>	<u>724,899</u>	<u>7,021</u>	<u>8,098,436</u>
<b>Net assets released from restrictions</b>	<u>627,142</u>	<u>(627,142)</u>	<u>-</u>	<u>-</u>
<b>Expenses:</b>				
Programs:				
Special events	2,162,771	-	-	2,162,771
Educational	2,643,168	-	-	2,643,168
Scholarship program	678,343	-	-	678,343
Web services	337,276	-	-	337,276
<b>Total programs</b>	<u>5,821,558</u>	<u>-</u>	<u>-</u>	<u>5,821,558</u>
Support services:				
Management and general	485,199	-	-	485,199
Fundraising	383,459	-	-	383,459
<b>Total support services</b>	<u>868,658</u>	<u>-</u>	<u>-</u>	<u>868,658</u>
<b>Total expenses</b>	<u>6,690,216</u>	<u>-</u>	<u>-</u>	<u>6,690,216</u>
<b>Change in net assets</b>	1,303,442	97,757	7,021	1,408,220
<b>Net assets - beginning</b>	<u>2,160,920</u>	<u>132,716</u>	<u>93,150</u>	<u>2,386,786</u>
<b>Net assets - ending</b>	<u>\$ 3,464,362</u>	<u>\$ 230,473</u>	<u>\$ 100,171</u>	<u>\$ 3,795,006</u>

See Accompanying Notes

**The Boomer Esiason Foundation**  
**Statement of Functional Expenses**

	Programs					Support Services			Total Expenses
	Special Events	Educational	Scholarship Program	Web Services	Total Programs	Management and General	Fundraising	Total Support Services	
Advertising	\$ 8,557	\$ 17,793	\$ 90,000	\$ -	\$ 116,350	\$ -	\$ -	\$ -	\$ 116,350
Bank charges	102	7	18,836	-	18,945	2,391	50	2,441	21,386
Grants and allocations	-	1,769,946	426,574	-	2,196,520	15,525	-	15,525	2,212,045
Insurance	22,199	5,487	5,132	7,466	40,284	20,877	201	21,078	61,362
Licenses and fees	-	-	1,605	56,754	150,005	3,590	-	3,590	3,590
Office expense	38,568	53,078	-	-	91,646	82,296	11,976	94,272	244,277
Photographer	1,895	-	-	-	1,895	-	-	-	1,895
Postage and delivery	6,467	1,423	3,221	-	11,111	5,957	4,520	10,477	21,588
Printing and reproduction	62,006	17,940	1,956	2,080	83,982	2,889	202	3,091	87,073
Prizes	81,622	-	-	-	81,622	-	-	-	81,622
Project expenses	1,195,654	447,691	44,316	32,977	1,720,638	243,912	347,863	591,775	2,312,413
Recognition gifts	111,946	-	156	-	112,102	18,903	1,240	20,143	132,245
Rent	79,686	111,239	-	-	190,925	7,419	7,416	14,835	205,760
Salaries and benefits	465,403	176,791	83,816	237,978	963,988	71,388	6,979	78,367	1,042,355
Travel	88,666	41,773	2,731	21	133,191	8,478	3,012	11,490	144,681
Total functional expenses before depreciation	2,162,771	2,643,168	678,343	337,276	5,821,558	483,625	383,459	867,084	6,688,642
Depreciation	-	-	-	-	-	1,574	-	1,574	1,574
<b>Total functional expenses</b>	<b>\$ 2,162,771</b>	<b>\$ 2,643,168</b>	<b>\$ 678,343</b>	<b>\$ 337,276</b>	<b>\$ 5,821,558</b>	<b>\$ 485,199</b>	<b>\$ 383,459</b>	<b>\$ 868,658</b>	<b>\$ 6,690,216</b>

See Accompanying Notes

# The Boomer Esiason Foundation

## Statement of Cash Flows

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**For the year ended March 31, 2010**

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**Cash flows from operating activities:**

Change in net assets	\$ 1,408,220
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,574
(Increase) decrease in:	
Contributions receivable, net	(620,610)
Prepaid expenses	(42,198)
Other current assets	1,302
Deposits	(20,000)
Increase (decrease) in:	
Accounts payable and accrued expenses	884,392
Contributions payable	(400,000)
Deferred revenue	167,318
<b>Net cash provided by operating activities</b>	<u>1,379,998</u>

**Cash flows from investing activities:**

Increase in restricted cash	(1,254)
Payments made for property and equipment	(4,500)
<b>Net cash used in investing activities</b>	<u>(5,754)</u>

Net increase in cash and cash equivalents	1,374,244
Cash and cash equivalents - beginning	<u>2,671,349</u>

<b>Cash and cash equivalents - ending</b>	<u><u>\$ 4,045,593</u></u>
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See Accompanying Notes

# The Boomer Esiason Foundation

## Notes to Financial Statements

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March 31, 2010

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### Note 1: Summary of significant accounting policies:

The Boomer Esiason Foundation (the Foundation) is a charitable organization created on February 1, 1993 under the laws of the State of New York. Since its inception, the primary purpose of the Foundation has been to financially assist and provide charitable funding for scientific and medical research regarding cystic fibrosis. The Foundation also provides enhanced support for patient services in addition to providing increased awareness and education about cystic fibrosis. The Foundation sponsors an annual dinner and golf tournament along with other charitable special events to raise funds for its primary purpose.

Basis of presentation - The Foundation prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation are classified and reported as followed:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Certain funds, while unrestricted, have been designated by the Foundation for a particular purpose or program.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets consist of monies received for a scholarship fund with an aggregate balance of \$230,473 as of March 31, 2010.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that must be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes. Permanently restricted net assets consist of monies received for a scholarship fund with an aggregate balance of \$100,171 as of March 31, 2010.

Cash and cash equivalents - For purposes of preparing the statements of financial position and cash flows, the Foundation considers all investments purchased with a maturity of three months or less to be cash equivalents.

# The Boomer Esiason Foundation

## Notes to Financial Statements

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March 31, 2010

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**Note 1: Summary of significant accounting policies:** (continued)

Restricted cash - During 2008, the Foundation began receiving donations to establish a permanent endowment fund to provide scholarships. Terms of the endowment require the funds to be segregated from other Foundation funds. The donor-designated endowment is reported as permanently restricted net assets. The Foundation held \$26,822 of funds that were not transferred to the restricted account as of March 31, 2010.

Investments - Investments, which consist of donated equity securities, are reported at fair value, which is established at readily determinable current market values. Investments are sold as soon after donation as possible. As of March 31, 2010 all donated investments had been sold and the Foundation had a realized gain of \$37.

Contributions receivable - Contributions are recorded as revenue in the period committed. All receivables are due within one year; therefore, no discount is required. Contributions receivable are stated net of an allowance for doubtful accounts. The Foundation estimates the allowance based on an analysis of specific donors, taking into consideration the age of the past due amounts and an assessment of the donor's ability to pay. At March 31, 2010, the allowance for doubtful accounts for contributions receivable was \$75,000.

Property and equipment - The Foundation capitalizes all expenditures for equipment in excess of \$2,500. Equipment is stated at original cost or, if donated, at fair market value at date of donation. Depreciation is computed using straight-line methods over their estimated useful lives of five to seven years. Depreciation expense for the year ended March 31, 2010 was \$1,574. As of March 31, 2010, property and equipment consisted of the following:

Equipment	\$	41,683
Leasehold Improvement		4,500
Accumulated depreciation		<u>(34,269)</u>
Total property and equipment	\$	<u>11,914</u>

Deferred revenue - Payments received prior to March 31, 2010 that relate to charitable special events to be held in the subsequent fiscal year have been deferred.

# The Boomer Esiason Foundation

## Notes to Financial Statements

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March 31, 2010

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**Note 1: Summary of significant accounting policies:** (continued)

Estimates - The preparation of 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 vary from the estimates that were used. Significant estimates were used when calculating the net realizable value of the contributions receivable. It is at least reasonably possible that the Foundation's estimate will change materially in the near term.

Federal income taxes - The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Accounting for uncertainty in income taxes - The Foundation accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax effect is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for uncertain tax positions. Interest and penalties, if any, are accrued as a component of general and administrative expenses when assessed. The Foundation has identified its tax status as a tax exempt entity under Section 501(c)(3) and its determination that it has no unrelated business income as tax positions; however, the Foundation has determined that such tax positions do not result in an uncertainty requiring recognition.

Concentration of credit risk - The Foundation maintains its cash balances at various financial institutions. The accounts at each of these institutions are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At various times throughout the year, cash balances at these institutions exceeded the federally insured limits. The Foundation has not experienced any losses with respect to its cash balances.

Contributions payable - Contributions are recorded as expense in the period committed.

Designated net assets - The Foundation has designated \$120,712 to aid cystic fibrosis transplant recipients and their family members. This designation is funded by a specific cash account included in cash and cash equivalents.

# The Boomer Esiason Foundation

## Notes to Financial Statements

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March 31, 2010

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**Note 1: Summary of significant accounting policies:** (continued)

Expense allocation - Directly identifiable expenses are charged to programs and support services. Expenses related to more than one function are charged to programs and support services on the basis of personnel salary. Special events are primarily to educate and are deemed program. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. The overall expense allocated to programs was 87% for 2010.

**Note 2: Investments:**

Expenses relating to investment gains and losses, including custodial fees and investment advisory fees, amounted to \$11 and have been included in gain on investments.

**Note 3: Related party transactions:**

Certain members of the Board and companies owned by these Board members conduct business with the Foundation for accounting, consulting, and printing services. As of March 31, 2010, the amounts included in accounts payable that were due to various Board members were \$58,713. For the year then ended, the related expenses for these services were \$628,940.

**Note 4: Defined contribution plan:**

The Foundation sponsors a qualified pension plan for the benefit of eligible participating employees. Employer contributions to the plan are discretionary and based on a percentage of employee compensation. Participants are vested in employer contributions according to provisions of the plan. Employer contributions for the year ended March 31, 2010 were \$77,363.

# The Boomer Esiason Foundation

## Notes to Financial Statements

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**March 31, 2010**

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**Note 5: Commitments:**

During September 2010, the Foundation entered into a gift endowment with a not-for-profit organization and pledged to pay \$5 million over the course of the next five years under the condition that the Foundation raises \$7 million each fiscal year and that the Foundation's Executive Board gives approval. The purpose of the endowment is to support research and to find a cure for cystic fibrosis.

The conditions for the first payment were met as of March 31, 2010, and \$1,000,000 has been included in accounts payable and accrued expenses in the accompanying statement of financial position.

In December 2007, the Foundation entered into a 53-month lease for premises in New York City, NY, replacing the previously donated office space. Commencing January 1, 2009, the Foundation had the right, without penalty, to terminate the lease. The Foundation terminated the lease as of August 31, 2009.

The Foundation entered into a new 60-month lease for office space in New York City, NY effective September 1, 2009. In addition to base rent and additional rent for utilities, the Foundation is also required to reimburse the landlord for their proportionate share of real estate taxes. Minimum future rental payments under this lease are as follows:

2011	\$	138,388
2012		140,440
2013		141,051
2014		141,684
2015		<u>59,150</u>
Total	\$	<u>620,713</u>

Rent expense under these lease agreements was \$205,760 for the year ended March 31, 2010.

# The Boomer Esiason Foundation

## Notes to Financial Statements

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**March 31, 2010**

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**Note 6: Donor-designated endowment:**

At March 31, 2010, the Foundation's permanently restricted endowment consisted of one donor-restricted fund established to provide scholarships. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation does not have any Board designated endowments at March 31, 2010.

The Board of The Boomer Esiason Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. 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 SPMIFA. 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 expected total return from income and the appreciation of investments
- (5) Other resources of the Foundation

The endowment assets are currently deposited into an interest-bearing bank account. Under the terms of the endowment, interest earnings are to be used to fund scholarships and are therefore treated as temporarily restricted net assets; interest earned on this account for the year ended March 31, 2010 was \$1,254. The Foundation has yet to determine investment and spending policies for the endowment as of March 31, 2010.

# The Boomer Esiason Foundation

## Notes to Financial Statements

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**March 31, 2010**

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**Note 6: Donor-designated endowment:** (continued)

Composition of and changes in endowment net assets for the year ended March 31, 2010 were as follows:

Endowment net assets, beginning of year	\$	93,150
Contributions		7,021
Investment income, permanently restricted		-
Amounts appropriated for expenditure		<u>-</u>
Endowment net assets, end of year	\$	<u>100,171</u>

**Note 7: In-kind contributions:**

In-kind contributions are reflected as contributions at the estimated fair value of the donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Foundation benefited from donated prizes and food and beverages valued at \$35,270 for the year ended March 31, 2010.

**Note 8: Subsequent events:**

Subsequent events have been evaluated through November 24, 2010, which is the date the financial statements were available to be issued.