

AMERICA SCORES NEW ENGLAND, INCORPORATED

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

AUGUST 31, 2020 AND 2019



Barrett & Scibelli, LLC
Certified Public Accountants

AMERICA SCORES NEW ENGLAND, INCORPORATED

FINANCIAL STATEMENTS

AUGUST 31, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
America SCORES New England, Incorporated
Jamaica Plain, Massachusetts

We have audited the accompanying financial statements of America SCORES New England, Incorporated (a Massachusetts nonprofit organization), which comprise the statements of financial position as of August 31, 2020 and 2019, and the related statements of activities, functional expenses 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.

Auditors' Responsibility

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 from 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 auditors' 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, we 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of America SCORES New England, Incorporated, as of August 31, 2020 and 2019, 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.

Emphasis of Matter

As discussed in Note B to the financial statements, America SCORES New England, Incorporated adopted Accounting Standards Codification (ASC) Topic 958, Not for Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. Our conclusion is not modified with respect to this matter.

Barrett & Scibelli, LLC

Winchester, Massachusetts

March 16, 2021

AMERICA SCORES NEW ENGLAND, INCORPORATED

STATEMENTS OF FINANCIAL POSITION

AUGUST 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Assets		
Cash	\$ 503,630	\$ 410,081
Investments	402,448	202,476
Grants and contributions receivable	90,707	159,133
Pledges receivable	268,500	523,000
Prepaid expenses and other assets	41,434	32,830
Property and equipment, net	<u>19,214</u>	<u>10,717</u>
 Total assets	 <u>\$ 1,325,933</u>	 <u>\$ 1,338,237</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 123,576	\$ 98,963
Due to other affiliates	<u>7,500</u>	<u>10,000</u>
 Total liabilities	 <u>131,076</u>	 <u>108,963</u>
 Net assets		
Without donor restrictions	687,177	480,357
With donor restrictions	<u>507,680</u>	<u>748,917</u>
 Total net assets	 <u>1,194,857</u>	 <u>1,229,274</u>
 Total liabilities and net assets	 <u>\$ 1,325,933</u>	 <u>\$ 1,338,237</u>

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

AMERICA SCORES NEW ENGLAND, INCORPORATED

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support						
Corporation and foundation contributions	\$ 505,525	\$ 144,100	\$ 649,625	\$ 748,966	\$ 143,000	\$ 891,966
Individual contributions	484,606	156,746	641,352	517,681	344,500	862,181
Grant revenue	196,500	-	196,500	-	-	-
Government contracts	129,856	-	129,856	155,678	-	155,678
School fees	94,250	-	94,250	21,750	3,750	25,500
Donated goods and services	56,099	-	56,099	65,769	-	65,769
Interest income	9,453	-	9,453	5,999	-	5,999
Other income	1,542	-	1,542	80	-	80
Net assets released from restrictions	542,083	(542,083)	-	581,058	(581,058)	-
Total support and revenue	2,019,914	(241,237)	1,778,677	2,096,981	(89,808)	2,007,173
Expenses						
Program services						
Elementary school program	332,722	-	332,722	457,748	-	457,748
Middle school program	320,275	-	320,275	430,008	-	430,008
High school program	131,661	-	131,661	148,520	-	148,520
Soccer only program	25,893	-	25,893	77,437	-	77,437
Summer programs	70,660	-	70,660	123,585	-	123,585
Kindergarten to Grade 2 program	37,588	-	37,588	41,911	-	41,911
Other programs	226,909	-	226,909	36,006	-	36,006
Total program services	1,145,708	-	1,145,708	1,315,215	-	1,315,215
Supporting services						
Fundraising	449,616	-	449,616	437,031	-	437,031
General and administrative	217,770	-	217,770	233,289	-	233,289
Total supporting services	667,386	-	667,386	670,320	-	670,320
Total expenses	1,813,094	-	1,813,094	1,985,535	-	1,985,535
Change in net assets	206,820	(241,237)	(34,417)	111,446	(89,808)	21,638
Net assets, beginning of year	480,357	748,917	1,229,274	368,911	838,725	1,207,636
Net assets, end of year	\$ 687,177	\$ 507,680	\$ 1,194,857	\$ 480,357	\$ 748,917	\$ 1,229,274

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

AMERICA SCORES NEW ENGLAND, INCORPORATED

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED AUGUST 31, 2020

	Program Services							Supporting Services			Total
	Elementary School Program	Middle School Program	High School Program	Soccer Only Program	Summer Programs	Kindergarten to Grade 2 Program	Other Programs	Total Program Services	Fundraising	General and Administrative	
Salaries and wages	\$ 137,334	\$ 151,935	\$ 67,239	\$ 14,713	\$ 40,577	\$ 20,390	\$ 124,920	\$ 557,108	\$ 265,425	\$ 118,749	\$ 941,282
Payroll taxes and benefits	54,072	55,285	22,666	5,127	13,623	7,007	39,705	197,485	86,147	41,868	325,500
Accounting fees	-	-	-	-	-	-	-	-	-	13,500	13,500
Advertising	46	376	-	9	-	6	-	437	47	46	530
Affiliate fees	2,387	2,132	679	148	417	249	1,112	7,124	2,293	1,083	10,500
Bad debt expense	-	-	-	-	-	-	-	-	20,000	-	20,000
Bank charges	-	-	-	-	-	-	-	-	5,464	2,223	7,687
Board expenses	-	-	-	-	-	-	-	-	98	-	98
Conference and meetings	1,495	1,306	513	228	38	175	54	3,809	424	340	4,573
Consultants	1,975	1,609	210	299	144	1,229	15,226	20,692	3,071	1,217	24,980
Depreciation	1,126	1,000	318	70	196	117	521	3,348	1,076	508	4,932
Dues and subscriptions	805	731	235	59	155	82	576	2,643	3,143	482	6,268
Equipment rental and maintenance	951	849	271	59	166	99	443	2,838	914	448	4,200
Insurance	1,119	1,018	327	83	217	114	437	3,315	1,060	633	5,008
Office supplies	-	-	131	-	-	-	-	131	510	401	1,042
Payroll service fees	6,064	5,275	1,365	255	713	495	2,403	16,570	4,668	1,617	22,855
Postage and delivery	-	-	-	-	37	-	-	37	862	235	1,134
Printing and reproduction	-	-	-	-	-	-	-	-	1,778	-	1,778
Program expenses	40,302	41,205	29,096	3,741	11,467	3,548	28,229	157,588	13	25,679	183,280
Rent, utilities and maintenance	14,089	12,583	4,010	880	2,461	1,469	6,564	42,056	13,537	6,390	61,983
Special events expense	-	-	-	-	-	-	-	-	35,960	-	35,960
Teacher and coach stipends	69,438	43,244	4,274	-	-	2,408	3,914	123,278	-	-	123,278
Telecommunications	872	809	285	65	170	89	356	2,646	977	2,351	5,974
Travel and meals	647	918	42	157	279	111	2,449	4,603	2,149	-	6,752
Total expenses	\$ 332,722	\$ 320,275	\$ 131,661	\$ 25,893	\$ 70,660	\$ 37,588	\$ 226,909	\$ 1,145,708	\$ 449,616	\$ 217,770	\$1,813,094

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

AMERICA SCORES NEW ENGLAND, INCORPORATED

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED AUGUST 31, 2019

	Program Services							Supporting Services			
	Elementary School Program	Middle School Program	High School Program	Soccer Only Program	Summer Programs	Kindergarten to Grade 2 Program	Other Programs	Program Services	Fundraising	General and Administrative	Total
Salaries and wages	\$ 133,603	\$ 164,283	\$ 72,575	\$ 33,731	\$ 59,738	\$ 23,029	\$ 24,387	\$ 511,346	\$ 231,881	\$ 125,713	\$ 868,940
Payroll taxes and benefits	65,155	69,696	26,794	14,104	22,040	8,370	8,478	214,637	83,161	40,640	338,438
Accounting fees	-	-	-	-	-	-	-	-	-	13,000	13,000
Advertising	127	127	353	127	-	-	-	734	901	728	2,363
Affiliate fees	2,312	2,555	740	381	697	221	183	7,089	2,231	1,180	10,500
Bank charges	-	15	-	-	-	-	-	15	7,901	568	8,484
Board expenses	-	-	-	-	-	-	-	-	283	19	302
Conference and meetings	3,867	1,629	2,187	426	6	113	2	8,230	225	2,845	11,300
Consultants	1,335	5,900	-	467	500	98	-	8,300	14,725	6,800	29,825
Depreciation	681	704	218	94	192	64	66	2,019	632	345	2,996
Dues and subscriptions	534	812	184	82	160	54	200	2,026	2,354	1,027	5,407
Equipment rental and maintenance	744	778	232	82	215	71	60	2,182	697	376	3,255
Insurance	1,061	1,155	340	150	303	100	101	3,210	989	538	4,737
Office supplies	-	63	-	-	12	-	-	75	252	1,923	2,250
Payroll service fees	10,177	9,521	2,910	1,763	2,341	963	852	28,527	8,272	2,665	39,464
Postage and delivery	325	326	-	75	55	25	56	862	906	524	2,292
Printing and reproduction	150	28	10	4	8	3	3	206	1,332	69	1,607
Program expenses	74,505	67,273	28,180	9,391	25,983	3,266	123	208,721	-	23,907	232,628
Rent, utilities and maintenance	13,979	14,540	4,492	1,984	3,998	1,319	1,332	41,644	13,084	7,656	62,384
Special events expense	-	-	-	-	-	-	-	-	63,641	-	63,641
Teacher and coach stipends	144,805	86,392	8,742	13,758	6,400	3,928	-	264,025	-	-	264,025
Telecommunications	958	1,177	384	157	261	72	91	3,100	1,148	1,418	5,666
Travel and meals	3,430	3,034	179	661	676	215	72	8,267	2,416	1,348	12,031
Total expenses	\$ 457,748	\$ 430,008	\$ 148,520	\$ 77,437	\$ 123,585	\$ 41,911	\$ 36,006	\$ 1,315,215	\$ 437,031	\$ 233,289	\$ 1,985,535

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

AMERICA SCORES NEW ENGLAND, INCORPORATED

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ (34,417)	\$ 21,638
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,932	2,996
Bad debt	20,000	-
Changes in:		
Grants and contributions receivable	48,426	154,626
Pledges receivable	254,500	(30,000)
Prepaid expenses and other assets	(8,604)	(8,397)
Accounts payable and accrued expenses	24,613	35,599
Due to other affiliates	(2,500)	10,000
	306,950	186,462
Net cash provided by operating activities		
Cash flows from investing activities		
Purchase of property and equipment	(13,429)	(5,206)
Purchase of investments	(199,972)	(202,476)
Sale of property and equipment	-	732
	(213,401)	(206,950)
Net cash used by investing activities		
Net increase in cash	93,549	(20,488)
Cash and equivalents, beginning of year	410,081	430,569
Cash and equivalents, end of year	\$ 503,630	\$ 410,081

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

AMERICA SCORES NEW ENGLAND, INCORPORATED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - ORGANIZATION

America SCORES New England, Incorporated (the “Organization”) is a Massachusetts nonprofit organization which incorporated in 1999.

The Organization's mission is to inspire and empower urban youth to lead healthy lives, be engaged students and have the confidence and character to make a difference in the world. The Organization partners with the Boston public schools to provide high-quality, team-based after-school programs that integrate soccer, academics, and the arts.

Under an affiliate agreement with America SCORES, the Organization has the right to use service marks and program materials and to participate in all America SCORES national program activities, tournaments, publications, and events (See Note K).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Accordingly, revenues and support are recognized when earned and expenses are recognized when incurred.

Change in Accounting Principle

The Organization adopted the provisions of Accounting Standards Update (ASU) No. 2018-08, Not-For-Profit Entities (Topic 958) *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The new guidance helps distinguish if grants and contracts with resource providers are exchange transactions or contributions. Once a transaction is deemed to be a contribution, the ASU also provides guidance to help determine when a contribution is conditional and evaluates the possibility that a condition will not be met is remote. Unconditional contributions are recognized immediately and classified as either net assets with or without donor restrictions, while conditional contributions received are accounted for as a liability until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with or without restrictions. The adoption of this standard did not result in a change in the account for the Organization’s revenues.

The Financial Accounting Standards Board (FASB) issued ASU 2016-18, Restricted Cash (Topic 230). The purpose of this pronouncement is to provide guidance on the classification of restricted cash in the statements of cash flows. The Organization adopted the provisions of ASU 2016-18 on a retrospective basis and did not necessitate an adjustment to net assets in the prior period.

AMERICA SCORES NEW ENGLAND, INCORPORATED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Future New Accounting Pronouncements

FASB issued ASU 2016-02 – *Leases*, and additional ASUs containing modifications to this standard. The standard is effective for periods beginning after December 15, 2021 for non-public entities. Implementation of this standard will require lessees to recognize a right to use asset and a lease liability, for all leases with terms longer than 12 months, on the statements of financial position. Management does not believe that the implementation of this standard will have a material effect on the financial statements.

FASB issued 2014-09 *Revenue from Contracts with Customers* and additional ASUs containing modifications to ASU 2014-09 (collectively referred to as “the new revenue recognition standard”). In May 2020, The FASB voted to extend the implementation date by one year for non-public entities for periods beginning after December 15, 2019. The purpose of this new standard is to remove inconsistencies and weaknesses and improve comparability in current revenue recognition requirements. Management is in the process of evaluating this standard and has not yet determined the impact on the financial statements.

Estimates

The presentation 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 differ from those estimates.

Investments

The Organization applies fair value measurements on financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Organization uses a fair value hierarchy for valuation inputs which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs such as quoted prices, interest rates and yield curves. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The Organization maintains its investments in certificates of deposit which are carried at initial investment plus accrued interest based on observable market-based inputs or unobservable inputs that are corroborated by market data (Level 2 measurements). The fair values of the certificates of deposit was \$402,448 and \$202,476 as of August 31, 2020 and 2019, respectively.

AMERICA SCORES NEW ENGLAND, INCORPORATED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Grants, Contributions and Pledges Receivable

Unconditional promises to give are included in the financial statements as pledges receivable, subject to a discount, if applicable, and recorded in the appropriate net asset category, at the time a donor makes a promise that is, in substance, unconditional.

The Organization evaluates its grants, contributions, and pledges receivable for collectability on a periodic basis and establishes an allowance based on prior experience of write-offs and collections and current credit conditions. As of August 31, 2020, the Organization considered its grants, contributions and pledges receivable to be fully collectible. Accordingly, no allowance for uncollectible amounts has been recorded.

During the year ended August 31, 2020, a \$20,000 contribution receivable from the prior year was written-off directly to bad debt expense.

Property and Equipment, Net

Property and equipment are recorded at cost if purchased or at estimated fair value at the date of gift if donated, net of accumulated depreciation. The Organization's policy is to capitalize property and equipment costs of \$1,000 or more. Major additions and improvements are capitalized while maintenance and repairs, which do not extend the lives of the respective assets, are expensed in the year incurred. When property and equipment is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statements of activities for the respective period. Depreciation is computed using the straight-line method over the estimated useful life of the related asset.

Net Assets

The Organization reports information regarding its financial position and activities according to the following classes of net assets based on the existence or absence of donor-imposed restrictions:

Net assets without donor restrictions are resources that are not restricted by donors.

Net assets with donor restrictions represent those resources that have been restricted by donors for specific purposes or for specific time periods. Net assets with donor restrictions may also represent resources subject to donor-imposed restrictions that they be maintained permanently by the Organization. Net assets released from restrictions represent the satisfaction of the donor restricted purposes or the passage of time restrictions.

Revenue and Support

The Organization receives revenues and support from contributions, grants, special events and government contracts. Contributions received are recorded as without donor restriction or with donor restriction support depending on the existence and or the nature of any donor restrictions.

AMERICA SCORES NEW ENGLAND, INCORPORATED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue and Support - Continued

Unrestricted contributions including unconditional promises to give, are recognized as support in the period received or unconditionally pledged. Conditional promises to give are recognized as contributions when substantially all conditions are met. Contributions of noncash assets are reported at their estimated fair value. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are satisfied or expire in the same year in which the contributions are recognized. Special event revenue is recognized when the event has taken place.

Contributions of donated services that create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period in which the services are provided.

Revenue from cost-reimbursement grants is recognized when the Organization has expended the program costs in accordance with the grant agreements. Revenue from this source is subject to audit and possible adjustments by the funding agencies. The effects of any such adjustments are recorded when reasonably determinable. Management believes that the effect of possible audit adjustments, if any, will not have a material effect on the accompanying financial statements.

Income Taxes

The Organization is exempt from federal income taxes as provided under Internal Revenue Code (IRC) Section 501(c)(3) and is not classified as a private foundation. Contributions made to the Organization are deductible by donors as provided in IRC Section 170.

Accounting principles generally accepted in the United States of America prescribe the threshold a tax position is required to meet before being recognized in the financial statements. A liability for uncertain tax positions is recognized and recorded as a component of current income tax expense for differences between financial and income tax reporting positions which do not meet this threshold. Any interest and penalties related to uncertain tax positions are recorded as a component of income tax expense. The Organization has reviewed its tax positions that remain subject to examination by tax authorities and has not identified any material uncertain tax positions and thus has not recorded any liability at August 31, 2020 or 2019.

The Organization's federal and state tax returns are subject to possible examination by taxing authorities until the expiration of the related returns statutes. In general, the federal and state tax returns have a three-year statute of limitation from the date the tax returns were due or filed, whichever is later. The Organization is no longer subject to examinations by tax authorities for years prior to 2016, and has no open examinations as of the date of these financial statements.

AMERICA SCORES NEW ENGLAND, INCORPORATED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Functional Allocation of Expenses

The costs for providing for various programs and supporting services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated by management among the programs and supporting services benefited.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising costs were \$530 and \$2,363 for the years ended August 31, 2020 and 2019, respectively.

Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform to the current year presentation. These reclassifications had no impact on the previously reported change in net assets and net asset balances.

NOTE C - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its cash position on a regular basis to ensure that adequate funds are available to meet operating expenses over a 12-month period. Management believes grants, contributions and pledges receivables are fully collectible and will provide funds for operating expenses. Management believes the Organization has no liquidity issues.

The following reflects the Organization's financial assets as of August 31, 2020 and August 31, 2019:

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash	\$ 503,630	\$ 410,081
Investments	402,448	202,476
Grants, contributions and pledges receivable	<u>359,207</u>	<u>682,133</u>
Total cash and receivables	1,265,285	1,294,690
Less time restricted support greater than one year	<u>(15,000)</u>	<u>(216,834)</u>
Financial assets available to meet general operating expenses within one year:	<u>\$ 1,250,285</u>	<u>\$ 1,077,856</u>

AMERICA SCORES NEW ENGLAND, INCORPORATED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE D – PLEDGES RECEIVABLE

Pledges receivable are due as follows as of August 31:

	<u>2020</u>	<u>2019</u>
Due in one year	\$ 253,500	\$ 339,500
Due in two years	15,000	178,500
Due in three years	-	5,000
	<u>\$ 268,500</u>	<u>\$ 523,000</u>

NOTE E – PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consisted of the following at August 31:

	<u>2020</u>	<u>2019</u>
Furniture and fixtures	\$ 65,143	\$ 51,713
Leasehold improvements	<u>15,000</u>	<u>15,000</u>
	80,143	66,713
Less accumulated depreciation	<u>60,929</u>	<u>55,996</u>
	<u>\$ 19,214</u>	<u>\$ 10,717</u>

NOTE F – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of August 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Time/purpose restricted	<u>\$ 507,680</u>	<u>\$ 748,917</u>

During the years ended August 31, 2020 and 2019, net assets with donor restrictions were released from restrictions by incurring expenses satisfying the purpose and/or time restriction specified by donors as follows:

	<u>2020</u>	<u>2019</u>
Soccer program	\$ -	\$ 10,000
Time restricted	<u>542,083</u>	<u>571,058</u>
	<u>\$ 542,083</u>	<u>\$ 581,058</u>

NOTE G – LEASE COMMITMENTS

The Organization leases office facilities in Jamaica Plain, Massachusetts under a non-cancellable operating lease expiring in July 2021. In addition to the base rent, the lease requires additional rent for the Organization's proportionate share of the real estate taxes and operating expenses.

Rent expense, utilities and maintenance, in the accompanying financial statements, was \$61,983 and \$62,384 for the years ended August 31, 2020 and 2019, respectively.

AMERICA SCORES NEW ENGLAND, INCORPORATED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE G – LEASE COMMITMENTS - CONTINUED

Additionally, the Organization leases office equipment under a non-cancellable operating lease expiring in October 2020 at \$260 per month and October 2022 at \$315 per month. The expenses are included in equipment rental and maintenance in the accompanying financial statements.

Future minimum lease rentals for the year ending August 31 are as follows:

2021	\$ 53,261
2022	3,780
2023	<u>315</u>
Total	<u>\$ 57,356</u>

NOTE H – DONATED GOODS AND SERVICES

The value of donated goods and services are reported in the accompanying financial statements as donated goods and services revenue with offsetting expenses included in program expenses. For the years ended August 31, 2020 and 2019, donated goods and services are as follows:

	<u>2020</u>	<u>2019</u>
Soccer equipment	\$ 27,882	\$ 41,027
Legal services	25,679	23,907
Support services	<u>2,538</u>	<u>835</u>
	<u>\$ 56,099</u>	<u>\$ 65,769</u>

NOTE I – PAYCHECK PROTECTION PROGRAM GRANT

In May 2020, the Organization received a Paycheck Protection Program (PPP) loan in the amount of \$196,500 granted by the Small Business Administration under the CARES Act. The Organization considered the PPP loan to be a conditional contribution, with a right of return in the form of an obligation to be repaid if a barrier to entitlement was not met. The barrier is that PPP loan funds must be used to maintain compensation costs, employee headcount and other qualifying expenses incurred following receipt of the loan funds.

The Organization recognized the amount received in grant revenue during the year ended August 31, 2020 as qualified expenses were incurred and the barrier to entitlement was met. A proper application for forgiveness of the loan was made and the loan was forgiven on November 11, 2020.

NOTE J – RETIREMENT PLAN

The Organization has a 401(k) retirement plan covering all eligible employees. The Organization makes matching contributions up to 4% of eligible compensation. Total matching contributions for the years ended August 31, 2020 and 2019 totaled \$33,473 and \$32,691, respectively, and are included on the statements of functional expenses in payroll taxes and benefits.

AMERICA SCORES NEW ENGLAND, INCORPORATED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE K - RELATED PARTY TRANSACTIONS

The Organization is charged an annual license fee by America SCORES (see Note A), currently based on the number of students served. Total fees to America SCORES was \$10,500 for the years ended August 31, 2020 and 2019.

During the years ended August 31, 2020 and 2019, the Organization received contributions of \$366,538, or 21% of total support and revenue, and \$620,128, or 31% of total support and revenue, respectively, from members of the Board of Directors.

During the years ended August 31, 2020 and 2019, 66% and 73%, respectively, of grants and contributions receivable and pledges receivable were due from members of the Board of Directors.

NOTE L - CONCENTRATIONS

The Organization maintains its cash in accounts that are federally insured. At times, the balances in the insured accounts may exceed federal limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks.

NOTE M - CONTINGENCIES

Periodically, the Organization may be involved in various claims and legal actions arising in the normal course of operations. In the opinion of Management, based upon current facts and circumstances and on consultation with legal counsel, losses, if any, from those matters, are covered by insurance or are immaterial to the financial position of the Organization.

NOTE N - SUBSEQUENT EVENTS

On February 16, 2021, the Organization was granted and received a second PPP loan in the amount of \$211,349 by the Small Business Administration under the CARES Act. The Organization expects that this second PPP loan will be forgiven.

Management has evaluated subsequent events through March 16, 2021, the date the financial statements were approved and authorized for issuance by management, and determined that, other than as disclosed herein, there are no subsequent events that would require recognition or disclosure in the notes to the financial statements.

The Governor of Massachusetts and other governmental authorities have issued a number of orders related to the COVID-19 pandemic that place restrictions on the operations of the Organization. For example, current restrictions prevent the operation of soccer tournaments such as the SCORES Cup (the Organization's largest fundraising event) from running programs using Boston Public School buildings or fields (the Organization's primary program locations). Management continues to adapt its operations to accommodate and mitigate against such restrictions and will continue to monitor changes over the coming months.