

AMERICA SCORES NEW ENGLAND, INCORPORATED
Financial Statements
August 31, 2023 and 2022
With Independent Auditor's Report

America SCORES New England, Incorporated
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August 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
America SCORES New England, Incorporated:

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of America SCORES New England, Incorporated (the "Organization"), which comprise the statement of financial position as of August 31, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of August 31, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements and related notes of the Organization as of and for the year ended August 31, 2022, were audited by O'Connor & Drew, P.C., who joined with WithumSmith+Brown, PC on January 1, 2023, and expressed an unmodified opinion on those statements dated January 31, 2023.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Withum Smith + Brown, PC

March 18, 2024

America SCORES New England, Incorporated
Statements of Financial Position
August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Assets		
Cash and equivalents	\$ 7,783,237	\$ 1,215,489
Restricted cash	1,344,458	6,101,816
Other receivable	5,730	-
Grants receivable	193,974	88,232
Pledges receivable	490,881	-
Prepaid expenses and other assets	66,980	69,451
Property and equipment, net	<u>5,230,653</u>	<u>606,832</u>
 Total assets	 <u>\$ 15,115,913</u>	 <u>\$ 8,081,820</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 727,737	\$ 203,849
Due to other affiliates	<u>-</u>	<u>2,500</u>
Total liabilities	<u>727,737</u>	<u>206,349</u>
Net assets		
Without donor restrictions	12,240,768	1,682,555
With donor restrictions	<u>2,147,408</u>	<u>6,192,916</u>
Total net assets	<u>14,388,176</u>	<u>7,875,471</u>
 Total liabilities and net assets	 <u>\$ 15,115,913</u>	 <u>\$ 8,081,820</u>

The Notes to Financial Statements are an integral part of these statements.

America SCORES New England, Incorporated
Statements of Activities and Changes in Net Assets
Years Ended August 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support						
Individual contributions of financial assets	\$ 5,895,989	\$ 1,264,466	\$ 7,160,455	\$ 827,941	\$ 5,192,916	\$ 6,020,857
Corporation and foundation contributions of financial assets	1,454,522	-	1,454,522	835,535	-	835,535
School fees	121,500	-	121,500	84,000	-	84,000
Other income	19,140	-	19,140	40,928	-	40,928
Government contracts	16,090	-	16,090	150,466	-	150,466
Contributions of non-financial assets	14,040	-	14,040	18,730	-	18,730
Net assets released from restrictions	5,309,974	(5,309,974)	-	78,100	(78,100)	-
Total revenue and support	<u>12,831,255</u>	<u>(4,045,508)</u>	<u>8,785,747</u>	<u>2,035,700</u>	<u>5,114,816</u>	<u>7,150,516</u>
Expenses						
Program services						
Elementary school program	450,830	-	450,830	473,348	-	473,348
Middle school program	379,812	-	379,812	391,949	-	391,949
High school program	215,076	-	215,076	221,124	-	221,124
Summer programs	77,585	-	77,585	99,460	-	99,460
Kindergarten to Grade 2 program	24,252	-	24,252	23,925	-	23,925
Other programs	160,685	-	160,685	7,187	-	7,187
Total program services	<u>1,308,240</u>	<u>-</u>	<u>1,308,240</u>	<u>1,216,993</u>	<u>-</u>	<u>1,216,993</u>
Supporting services						
Fundraising	886,094	-	886,094	583,738	-	583,738
General and administrative	271,249	-	271,249	291,132	-	291,132
Total supporting services	<u>1,157,343</u>	<u>-</u>	<u>1,157,343</u>	<u>874,870</u>	<u>-</u>	<u>874,870</u>
Total expenses	<u>2,465,583</u>	<u>-</u>	<u>2,465,583</u>	<u>2,091,863</u>	<u>-</u>	<u>2,091,863</u>
Change in net assets from operating activities	<u>10,365,672</u>	<u>(4,045,508)</u>	<u>6,320,164</u>	<u>(56,163)</u>	<u>5,114,816</u>	<u>5,058,653</u>
Non-operating activity						
Investment return, net	192,541	-	192,541	12,334	-	12,334
Total non-operating activity	<u>192,541</u>	<u>-</u>	<u>192,541</u>	<u>12,334</u>	<u>-</u>	<u>12,334</u>
Changes in net assets	<u>10,558,213</u>	<u>(4,045,508)</u>	<u>6,512,705</u>	<u>(43,829)</u>	<u>5,114,816</u>	<u>5,070,987</u>
Net assets						
Beginning of year	<u>1,682,555</u>	<u>6,192,916</u>	<u>7,875,471</u>	<u>1,726,384</u>	<u>1,078,100</u>	<u>2,804,484</u>
End of year	<u>\$ 12,240,768</u>	<u>\$ 2,147,408</u>	<u>\$ 14,388,176</u>	<u>\$ 1,682,555</u>	<u>\$ 6,192,916</u>	<u>\$ 7,875,471</u>

The Notes to Financial Statements are an integral part of these statements.

America SCORES New England, Incorporated
Statements of Functional Expenses
Year Ended August 31, 2023

	Program Services						Supporting Services			
	Elementary School Program	Middle School Program	High School Program	Summer Programs	Kindergarten to Grade 2 Program	Other Programs	Total Program Services	Fundraising	General and Administrative	Total
Salaries and wages	\$ 131,983	\$ 131,197	\$ 87,630	\$ 37,967	\$ 11,343	\$ 118,872	\$ 518,992	\$ 362,350	\$ 169,599	\$ 1,050,941
Payroll taxes and benefits	54,409	49,296	29,166	12,630	3,897	33,465	182,863	107,368	48,684	338,915
Professional fees	-	-	-	-	-	-	-	-	17,650	17,650
Advertising	2,612	2,672	428	179	215	452	6,558	4,627	4,217	15,402
Affiliate fees	2,278	1,902	928	396	146	723	6,373	3,017	1,110	10,500
Bank charges	12	13	107	-	-	-	132	16,563	1,033	17,728
Board expenses	-	-	-	-	-	-	-	2,179	215	2,394
Conference and meetings	8,203	7,249	1,957	1,007	383	394	19,193	1,006	5,130	25,329
Consultants	8,249	1,781	730	233	89	-	11,082	213,862	1,485	226,429
Depreciation	1,306	1,146	559	234	86	590	3,921	1,942	668	6,531
Dues and subscriptions	1,511	1,238	611	260	96	454	4,170	7,735	1,229	13,134
Equipment rental and maintenance	906	796	391	162	60	410	2,725	1,319	3,495	7,539
Insurance	1,350	1,064	1,048	227	84	225	3,998	1,542	622	6,162
Miscellaneous	422	369	180	75	28	190	1,264	26,944	1,565	29,773
Office supplies	200	195	125	56	16	154	746	763	2,369	3,878
Payroll service fees	1,448	1,259	614	258	95	619	4,293	2,107	734	7,134
Postage and delivery	24	21	10	4	2	11	72	1,383	469	1,924
Printing and reproduction	-	-	-	-	-	-	-	1,437	-	1,437
Program expenses	73,777	68,789	53,826	9,758	1,585	41	207,776	55	58	207,889
Lease, utilities and maintenance	18,649	14,546	7,096	3,112	1,149	2,632	47,184	20,761	3,459	71,404
Special events expense	10	-	-	-	-	-	10	107,261	-	107,271
Teacher and coach stipends	141,994	94,950	29,112	10,445	4,900	1,011	282,412	-	-	282,412
Telecommunications	934	838	409	171	63	432	2,847	1,420	6,518	10,785
Travel and meals	553	491	149	411	15	10	1,629	453	940	3,022
Total expenses	\$ 450,830	\$ 379,812	\$ 215,076	\$ 77,585	\$ 24,252	\$ 160,685	\$ 1,308,240	\$ 886,094	\$ 271,249	\$ 2,465,583

The Notes to Financial Statements are an integral part of these statements.

America SCORES New England, Incorporated
Statements of Functional Expenses
Year Ended August 31, 2022

	Program Services						Supporting Services			
	Elementary School Program	Middle School Program	High School Program	Summer Programs	Kindergarten to Grade 2 Program	Other Programs	Total Program Services	Fundraising	General and Administrative	Total
Salaries and wages	\$ 195,305	\$ 174,675	\$ 95,115	\$ 51,420	\$ 12,378	\$ 1,449	\$ 530,342	\$ 330,025	\$ 163,719	\$ 1,024,086
Payroll taxes and benefits	67,655	57,736	30,982	15,823	3,943	1,312	177,451	94,519	50,705	322,675
Professional fees	-	-	-	-	-	-	-	-	28,082	28,082
Advertising	2,304	1,781	729	327	121	31	5,293	2,700	864	8,857
Affiliate fees	2,811	2,081	1,016	455	168	43	6,574	2,704	1,222	10,500
Bank charges	-	-	-	-	-	-	-	15,385	-	15,385
Board expenses	-	-	-	-	-	-	-	164	835	999
Conference and meetings	8,085	6,561	4,008	838	423	28	19,943	3,832	4,605	28,380
Consultants	2,207	4,677	2,506	72	228	2	9,692	36,395	20,939	67,026
Depreciation	1,739	1,287	628	282	104	26	4,066	1,674	830	6,570
Dues and subscriptions	844	626	304	137	51	398	2,360	7,578	1,050	10,988
Equipment rental and maintenance	1,129	836	408	183	68	17	2,641	1,085	491	4,217
Insurance	2,656	2,267	960	430	159	40	6,512	2,255	1,154	9,921
Office supplies	240	150	27	-	-	-	417	884	1,029	2,330
Payroll service fees	1,951	1,458	828	345	112	-	4,694	1,730	1,053	7,477
Postage and delivery	91	57	-	-	-	32	180	719	296	1,195
Printing and reproduction	-	-	-	-	-	-	-	1,994	-	1,994
Program expenses	40,618	44,170	37,356	14,407	1,130	3,794	141,475	-	-	141,475
Lease, utilities and maintenance	19,748	14,667	7,118	3,221	1,182	-	45,936	20,528	7,661	74,125
Special events expense	-	-	-	-	-	-	-	57,732	-	57,732
Teacher and coach stipends	124,833	77,789	38,707	10,775	3,796	-	255,900	-	423	256,323
Telecommunications	919	710	378	148	54	14	2,223	889	5,801	8,913
Travel and meals	213	421	54	597	8	1	1,294	946	373	2,613
Total expenses	\$ 473,348	\$ 391,949	\$ 221,124	\$ 99,460	\$ 23,925	\$ 7,187	\$ 1,216,993	\$ 583,738	\$ 291,132	\$ 2,091,863

The Notes to Financial Statements are an integral part of these statements.

America SCORES New England, Incorporated
Statements of Cash Flows
Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating activities		
Changes in net assets	\$ 6,512,705	\$ 5,070,987
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	6,531	6,570
Discount on pledges receivable	26,319	-
Realized loss on investments	-	619
Changes in assets and liabilities:		
Other receivable	(5,730)	248,943
Grants receivable	(105,742)	21,431
Pledges receivable	(517,200)	15,000
Prepaid expenses and other assets	2,471	(38,108)
Accounts payable and accrued expenses	(24,879)	85,399
Due to other affiliates	(2,500)	-
Net cash provided by operating activities	<u>5,891,975</u>	<u>5,410,841</u>
Investing activities		
Purchase of property and equipment	(4,081,585)	(598,898)
Proceeds from sale of investments	-	405,519
Net cash used in investing activities	<u>(4,081,585)</u>	<u>(193,379)</u>
Net change in cash and equivalents and restricted cash	1,810,390	5,217,462
Cash and equivalents and restricted cash		
Beginning of year	<u>7,317,305</u>	<u>2,099,843</u>
End of year	<u>\$ 9,127,695</u>	<u>\$ 7,317,305</u>
Cash and equivalents and restricted cash		
Cash and equivalents	\$ 7,783,237	\$ 1,215,489
Restricted cash	<u>1,344,458</u>	<u>6,101,816</u>
Total cash and equivalents and restricted cash	<u>\$ 9,127,695</u>	<u>\$ 7,317,305</u>
Supplemental Disclosure:		
Purchase of property and equipment through accounts payable	<u>\$ 548,767</u>	<u>\$ -</u>

The Notes to Financial Statements are an integral part of these statements.

America SCORES New England, Incorporated
Notes to Financial Statements
August 31, 2023 and 2022

1. ORGANIZATION

America SCORES New England, Incorporated (the “Organization”) is a Massachusetts nonprofit organization which was incorporated in 1999. The Organization’s mission is to help urban youth build essential life skills and character through soccer and team-based enrichment programs. The Organization envisions a world where all youth feel a sense of belonging and achieve their full potential.

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.

2. 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 (“U.S. GAAP”).

Financial Statement Presentation

Assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expensed for any purpose in performing the objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations

The statements of activities and changes in net assets report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization’s ongoing purpose. Nonoperating activities are limited to other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Management evaluates the estimates and assumptions on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances. Adjustments to estimates and assumptions are made as facts and circumstances require. As future events and their effects cannot be determined with certainty, actual results may differ from the estimates used in preparing the accompanying financial statements. Significant estimates and assumptions are required as part of determining the allowance for doubtful accounts, pledge discounting, and depreciation of useful lives.

America SCORES New England, Incorporated
Notes to Financial Statements
August 31, 2023 and 2022

Cash and Equivalents

The Organization considers investments with an original maturity of three months or less at the date of purchase to be cash and equivalents.

Restricted Cash

Restricted cash represents contributions from donors for the Organization's capital campaign to help fund the construction of a facility that will expand the Organization's reach and impact.

Grants 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 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, 2023 and 2022, the Organization considered its grants and pledges receivable to be fully collectible. Accordingly, no allowance for uncollectible amounts has been recorded. Grants and pledges receivable at September 1, 2021 were \$124,663.

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 are 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 and changes in net assets for the respective period. Depreciation is computed using the straight-line method over the estimated useful life of the related asset.

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.

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 and changes in net assets as net assets released from restrictions. Contributions restricted by the donor are reported as increases in net assets with donor restrictions if the restrictions are satisfied or expire in the same year in which the contributions are recognized.

Special events are held during the year to raise funds to cover operating activities. The Organization considers the performance obligation to be the special event and recognizes the revenue at the time the event occurs. The expenses to hold the event are shown on the statement of activities and changes in net assets as fundraising expenses for the events.

Revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the Organization expects to receive in exchange for those goods or services.

America SCORES New England, Incorporated
Notes to Financial Statements
August 31, 2023 and 2022

Revenue from school fees is recorded as the services are performed. The revenue is recognized monthly, as recognizing the revenue daily is not practical based on the services provided for the programs.

The principles in Accounting Standards Codification 606 should be applied using the five-step model that includes: 1) identifying the contract(s) with a customer, 2) identifying the performance obligations in the contract, 3) determining the transaction price, 4) allocating the transaction price to the performance obligations in the contract, and 5) recognizing revenue when (or as) the performance obligations are satisfied.

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.

Government contract revenue is recognized as the program services are provided. The performance obligation of the contract is completed at the time the services are provided in accordance with the contract. The revenue is recognized monthly.

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.

The following summarizes the disaggregated revenue to customer by source as of August 31:

	<u>2023</u>	<u>2022</u>
Performance obligation satisfied over time - school fees	\$ 1,454,522	\$ 835,535
Performance obligation satisfied at a point of time - other income	<u>19,140</u>	<u>40,928</u>
	<u>\$ 1,473,662</u>	<u>\$ 876,463</u>

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 changes in net assets and the statements of functional expenses. Accordingly, certain costs have been allocated by management among the program and supporting services benefited.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising costs were \$15,402 and \$8,857 for the years ended August 31, 2023 and 2022, respectively.

Leases

The Organization categorizes leases with contractual terms longer than 12 months as either operating or finance. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the statements of financial position. The Organization has no finance or operating leases with contractual terms longer than 12 months that are material during fiscal years 2023 and 2022.

America SCORES New England, Incorporated
Notes to Financial Statements
August 31, 2023 and 2022

Tax Status

U.S. GAAP requires an entity to assess the probability that a tax position has a “more likely than not” sustainability after review by tax authorities. If a tax position is deemed not to meet this threshold, any unrecognized tax benefits and costs are estimated and recognized. As a not-for-profit entity, the Organization is exempt from income taxes in accordance with Section 501(c)(3) of the Internal Revenue Code. The Organization may, however, be subject to tax on unrelated business income.

Adopted Accounting Pronouncement

The Financial Accounting Standards Board issued Accounting Standards Update 2016-02, *Leases*, which is effective for periods after December 15, 2021. The purpose of this pronouncement will require lessees to recognize on their statement of financial position the rights and obligations resulting from leases categorized as operating leases as assets and liabilities. It provides for an election on leases with terms of less than 12 months to be excluded. The implementation of this standard did not have a material impact to the financial statements.

3. PLEDGES RECEIVABLE

Pledges receivable are due as follows as of August 31:

	<u>2023</u>	<u>2022</u>
Due in one year	\$ 224,350	\$ -
Due in two years	223,850	-
Due in three years	62,750	-
Due in four years	6,250	-
Less: Discount to net present value	<u>(26,319)</u>	<u>-</u>
Pledges receivable, net	<u>\$ 490,881</u>	<u>\$ -</u>

The long-term portion of pledges receivable is discounted at 4.27% at August 31, 2023.

4. PROPERTY AND EQUIPMENT, NET

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

	<u>2023</u>	<u>2022</u>
Furniture and fixtures	\$ 34,659	\$ 72,899
Construction in progress	5,218,874	592,071
Leasehold improvements	<u>-</u>	<u>15,000</u>
	5,253,533	679,970
Less: Accumulated depreciation	<u>(22,880)</u>	<u>(73,138)</u>
	<u>\$ 5,230,653</u>	<u>\$ 606,832</u>

The Organization entered into an agreement with Salesian Society, Inc. on May 5, 2022, wherein the Organization is required to expend a minimum of \$6,000,000 toward improvements on land and building space in East Boston in exchange for the right to use the space for a 20-year period through May 2042. The Organization has two 10-year options to extend the lease agreement.

America SCORES New England, Incorporated
Notes to Financial Statements
August 31, 2023 and 2022

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of August 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Time restricted	\$ 802,950	\$ 91,100
Capital campaign (see Note 2)	<u>1,344,458</u>	<u>6,101,816</u>
	<u>\$ 2,147,408</u>	<u>\$ 6,192,916</u>

Net Assets Released from Restrictions

Net assets with donor restrictions that were released from restrictions due to satisfying time restrictions for the years ended August 31, 2023 and 2022, were \$91,100 and \$78,100, respectively.

Net assets with donor restrictions that were released from restrictions by incurring expenses satisfying the purpose specified by the donors for the year ended August 31, 2023, were \$5,218,874.

6. CONTRIBUTED NON-FINANCIAL ASSETS

During the years ended August 31, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities and changes in net assets included the following:

	<u>2023</u>	<u>2022</u>
Soccer equipment and apparel	\$ 11,980	\$ 4,648
Legal services	-	14,082
Support services	<u>2,060</u>	<u>-</u>
	<u>\$ 14,040</u>	<u>\$ 18,730</u>

Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Equipment and other departmental gifts are generally unrestricted by the donor. 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. Fair value of the equipment is determined by the donor in conjunction with Organization's personnel. The fair value of legal services is determined by the firm providing the pro-bono legal service to the Organization.

7. 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, 2023 and 2022 totaled \$34,855 and \$39,745, respectively, and are included in the statements of functional expenses in payroll taxes and benefits.

8. RELATED PARTY TRANSACTIONS

The Organization is charged an annual license fee by America SCORES (see Note 1), currently based on the number of students served. Total fees to America SCORES were \$10,500 for the years ended August 31, 2023, and 2022.

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During the years ended August 31, 2023 and 2022, the Organization received contributions of \$6,071,597, or 69% of total support and revenue, and \$5,656,916, or 79% of total support and revenue, respectively, from members of the Board of Directors for the “Love to Play” campaign.

9. RISKS AND UNCERTANTIES

Cash

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. Any loss incurred or a lack of access to such funds could have a significant impact on the Organization’s financial condition, results of operations, and cash flows.

Uncertainties

The Organization is highly dependent on donor contributions and fundraising efforts. Although management believes that it will have sufficient funds to meet its operating expenses for the remainder of the fiscal year between funds already available and promised grants, there is no guarantee that its grants and fundraising activities will continue into future years.

10. 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, pledges, and other 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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash	\$ 9,127,695	\$ 7,317,305
Grants, pledges, and other receivables	<u>690,585</u>	<u>88,232</u>
Total cash and receivables	9,818,280	7,405,537
Less: Support for capital campaign	<u>(1,344,458)</u>	<u>(6,101,816)</u>
Financial assets available to meet general operating expenses within one year	<u>\$ 8,473,822</u>	<u>\$ 1,303,721</u>

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 18, 2024, the date for which the financial statements were available for issuance, and did not identify any events subsequent to August 31, 2023, requiring disclosure in the financial statements.