

**AMERICA SCORES NEW ENGLAND, INCORPORATED**  
**Financial Statements**  
**August 31, 2024 and 2023**  
**With Independent Auditor's Report**

**America SCORES New England, Incorporated**  
**Table of Contents**  
**August 31, 2024 and 2023**

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<b>Independent Auditor's Report</b>	1 - 2
<b>Financial Statements</b>	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 15

## 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 statements of financial position as of August 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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, 2024 and 2023 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.

#### Basis for Opinion

We conducted our audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### 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 17, 2025

**America SCORES New England, Incorporated**  
**Statements of Financial Position**  
**August 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Assets		
Cash and equivalents	\$ 3,800,375	\$ 7,783,237
Restricted cash	-	1,344,458
Grants receivable	96,650	5,845
Accounts receivable	46,766	193,859
Contribution receivable - donated land	1,758,405	-
Pledges receivable	289,888	490,881
Prepaid expenses and other assets	93,651	66,980
Property and equipment, net	<u>12,020,159</u>	<u>5,230,653</u>
 Total assets	 <u>\$ 18,105,894</u>	 <u>\$ 15,115,913</u>
 <b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 670,254</u>	<u>\$ 727,737</u>
Net assets		
Without donor restrictions	15,018,509	12,240,768
With donor restrictions	<u>2,417,131</u>	<u>2,147,408</u>
Total net assets	<u>17,435,640</u>	<u>14,388,176</u>
 Total liabilities and net assets	 <u>\$ 18,105,894</u>	 <u>\$ 15,115,913</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, 2024 and 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support</b>						
Corporation and foundation contributions of financial assets	\$ 2,423,419	\$ -	\$ 2,423,419	\$ 1,454,522	\$ -	\$ 1,454,522
Contributions of non-financial assets, land	-	1,805,781	1,805,781	-	-	-
Individual contributions of financial assets	690,486	283,500	973,986	5,895,989	1,264,466	7,160,455
School fees	100,000	-	100,000	121,500	-	121,500
Government contracts	90,667	-	90,667	16,090	-	16,090
Contributions of non-financial assets	43,845	-	43,845	14,040	-	14,040
Other income	37,224	-	37,224	19,140	-	19,140
Field rental income	12,800	-	12,800	-	-	-
Net assets released from restrictions	1,819,558	(1,819,558)	-	5,309,974	(5,309,974)	-
Total revenue and support	5,217,999	269,723	5,487,722	12,831,255	(4,045,508)	8,785,747
<b>Expenses</b>						
Program services						
Elementary school program	583,083	-	583,083	450,830	-	450,830
Middle school program	517,662	-	517,662	379,812	-	379,812
High school program	238,554	-	238,554	215,076	-	215,076
Other programs	172,738	-	172,738	160,685	-	160,685
Summer programs	95,578	-	95,578	77,585	-	77,585
Kindergarten to Grade 2 program	35,068	-	35,068	24,252	-	24,252
Total program services	1,642,683	-	1,642,683	1,308,240	-	1,308,240
Supporting services						
Fundraising	759,544	-	759,544	886,094	-	886,094
General and administrative	290,687	-	290,687	271,249	-	271,249
Total supporting services	1,050,231	-	1,050,231	1,157,343	-	1,157,343
Total expenses	2,692,914	-	2,692,914	2,465,583	-	2,465,583
Change in net assets from operating activities	2,525,085	269,723	2,794,808	10,365,672	(4,045,508)	6,320,164
<b>Non-operating activity</b>						
Investment return, net	252,656	-	252,656	192,541	-	192,541
Total non-operating activity	252,656	-	252,656	192,541	-	192,541
<b>Changes in net assets</b>	2,777,741	269,723	3,047,464	10,558,213	(4,045,508)	6,512,705
<b>Net assets</b>						
Beginning of year	12,240,768	2,147,408	14,388,176	1,682,555	6,192,916	7,875,471
End of year	\$ 15,018,509	\$ 2,417,131	\$ 17,435,640	\$ 12,240,768	\$ 2,147,408	\$ 14,388,176

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, 2024**

	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	\$ 196,970	\$ 194,572	\$ 96,061	\$ 61,725	\$ 13,218	\$ 62,801	\$ 625,347	\$ 417,354	\$ 178,346	\$ 1,221,047
Payroll taxes and benefits	73,379	68,338	32,618	19,250	5,110	21,021	219,716	128,762	52,283	400,761
Professional fees	-	-	-	-	-	-	-	-	18,641	18,641
Advertising	1,433	272	-	-	-	88	1,793	9,835	785	12,413
Affiliate fees	2,309	2,168	864	500	163	352	6,356	2,903	1,241	10,500
Bank charges	54	39	-	-	8	-	101	15,008	660	15,769
Board expenses	-	187	49	-	-	-	236	1,996	468	2,700
Conference and meetings	7,712	6,009	2,984	439	197	636	17,977	2,945	10,944	31,866
Consultants	19,904	19,000	5,084	2,730	1,000	2,018	49,736	31,639	2,163	83,538
Depreciation	26,103	24,494	9,771	5,646	1,847	4,004	71,865	1,790	683	74,338
Dues and subscriptions	1,888	1,773	822	418	132	824	5,857	10,345	2,922	19,124
Equipment and maintenance	734	725	341	233	48	183	2,264	1,512	1,710	5,486
Insurance	1,210	1,136	453	262	86	184	3,331	1,521	650	5,502
Miscellaneous	-	-	-	-	-	6,014	6,014	-	286	6,300
In-kind services	-	-	-	-	-	-	-	1,500	-	1,500
Office and field supplies	423	309	11	6	58	472	1,279	484	5,545	7,308
Payroll service fees	1,528	1,434	571	331	108	232	4,204	1,926	815	6,945
Postage and delivery	-	12	-	-	-	-	12	683	395	1,090
Printing and reproduction	-	-	-	-	-	-	-	2,349	372	2,721
Program expenses	110,600	103,435	50,454	50	1,680	42,042	308,261	7	1,270	309,538
Rent-in-kind	10,254	9,104	4,195	1,681	617	3,038	28,889	13,358	5,129	47,376
Lease, utilities and maintenance	7,383	6,852	2,841	1,547	516	1,549	20,688	9,699	2,891	33,278
Special events expense	-	-	-	-	-	-	-	97,189	-	97,189
Teacher and coach stipends	115,891	73,153	29,393	-	9,931	26,360	254,728	-	-	254,728
Telecommunications	4,560	4,278	1,705	760	323	920	12,546	5,730	2,308	20,584
Travel and meals	748	372	337	-	26	-	1,483	1,009	180	2,672
<b>Total expenses</b>	<b>\$ 583,083</b>	<b>\$ 517,662</b>	<b>\$ 238,554</b>	<b>\$ 95,578</b>	<b>\$ 35,068</b>	<b>\$ 172,738</b>	<b>\$ 1,642,683</b>	<b>\$ 759,544</b>	<b>\$ 290,687</b>	<b>\$ 2,692,914</b>

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		Total
	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	
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 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
<b>Total expenses</b>	<b>\$ 450,830</b>	<b>\$ 379,812</b>	<b>\$ 215,076</b>	<b>\$ 77,585</b>	<b>\$ 24,252</b>	<b>\$ 160,685</b>	<b>\$ 1,308,240</b>	<b>\$ 886,094</b>	<b>\$ 271,249</b>	<b>\$ 2,465,583</b>

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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating activities</b>		
Changes in net assets	\$ 3,047,464	\$ 6,512,705
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	74,338	6,531
Discount on pledges receivable	(19,857)	26,319
Changes in assets and liabilities:		
Grants and contribution receivable	(1,849,210)	(5,730)
Accounts receivable	147,093	(105,742)
Pledges receivable	220,850	(517,200)
Prepaid expenses and other assets	(26,671)	2,471
Accounts payable and accrued expenses	(543,322)	(24,879)
Due to other affiliates	-	(2,500)
Net cash provided by operating activities	<u>1,050,685</u>	<u>5,891,975</u>
<b>Investing activity</b>		
Purchase of property and equipment	<u>(6,378,005)</u>	<u>(4,081,585)</u>
Net cash used in investing activity	<u>(6,378,005)</u>	<u>(4,081,585)</u>
Net change in cash and equivalents and restricted cash	(5,327,320)	1,810,390
<b>Cash and equivalents and restricted cash</b>		
Beginning of year	<u>9,127,695</u>	<u>7,317,305</u>
End of year	<u>\$ 3,800,375</u>	<u>\$ 9,127,695</u>
<b>Cash and equivalents and restricted cash</b>		
Cash and equivalents	\$ 3,800,375	\$ 7,783,237
Restricted cash	<u>-</u>	<u>1,344,458</u>
Total cash and equivalents and restricted cash	<u>\$ 3,800,375</u>	<u>\$ 9,127,695</u>
<b>Supplemental disclosure</b>		
Purchase of property and equipment through accounts payable	<u>\$ 485,839</u>	<u>\$ 548,767</u>

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

**America SCORES New England, Incorporated**  
**Notes to Financial Statements**  
**August 31, 2024 and 2023**

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**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 resources that generate returns from investments and 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, 2024 and 2023**

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**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.

**Accounts Receivable**

The Organization performs ongoing credit evaluations of its customers' financial condition and generally does not require collateral for accounts receivable arising in the normal course of business. Allowances for potential credit losses are determined by evaluating the collectability of the receivable based on the credit history of the third party, the age of the receivable, past collection experience, current economic conditions, and reasonable and supportable forecasts of future conditions. Management believes any receivables deemed as uncollectible are immaterial as of August 31, 2024 and 2023 and accordingly has not provided an allowance for credit losses. As of August 31, 2024 and 2023, current accounts receivable were \$46,766 and \$193,859, respectively.

Contract assets consist of accounts receivable. The balance of accounts receivable as September 1, 2022 was \$0. There were no contract liabilities as of September 1, 2022.

**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, 2024 and 2023, the Organization considered its grants and pledges receivable to be fully collectible. Accordingly, no allowance for uncollectible amounts has been recorded. As of August 31, 2024 and 2023, current grants receivable were \$96,650 and \$5,845, respectively.

**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.

Depreciation is computed by the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Life (Years)</u>
Equipment, furniture and fixtures	5
Leasehold improvements	40 (Note 4)

**America SCORES New England, Incorporated**  
**Notes to Financial Statements**  
**August 31, 2024 and 2023**

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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. Lease arrangement assets are amortized over the lower economic life of the underlying asset or lease term.

**Contribution Revenue**

Contributions are recognized as revenue when the conditions contained in the respective agreements have been met. Contributions are conditional if there is a barrier that must be overcome before the recipient is entitled to the asset transferred and the donor has the right to request the asset back if it was not used properly.

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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding the purpose and how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

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 Recognition**

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.

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.

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.

**America SCORES New England, Incorporated**  
**Notes to Financial Statements**  
**August 31, 2024 and 2023**

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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.

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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Performance obligation satisfied over time - school fees	\$ 100,000	\$ 121,500
Performance obligation satisfied over time - field rental	12,800	-
Performance obligation satisfied at a point of time - govt. contracts	90,667	16,090
Performance obligation satisfied at a point of time - other income	<u>37,224</u>	<u>19,140</u>
	<u>\$ 240,691</u>	<u>\$ 156,730</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 \$12,413 and \$15,402 for the years ended August 31, 2024 and 2023, 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 2024 and 2023.

**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.

**America SCORES New England, Incorporated**  
**Notes to Financial Statements**  
**August 31, 2024 and 2023**

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**Adopted Accounting Pronouncement**

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update amending the accounting for credit losses on financial instruments. This methodology replaced the incurred loss methodology with the expected credit losses using a wide range of reasonable and supportable information. The amendment affects loans, debt securities, trade receivables, net investments in leases, off-balance sheet credit exposure and other financial instruments recorded at amortized cost.

The Organization adopted the new standard effective September 1, 2023, using the modified retrospective approach. Comparative prior periods were not adjusted upon adoption. The implementation of this standard did not have a material impact on the financial statements.

**3. PLEDGES RECEIVABLE**

Pledges receivable are due as follows as of August 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Due in one year	\$ 207,350	\$ 224,350
Due in two years	82,750	223,850
Due in three years	6,250	62,750
Due in four years	-	6,250
Less: Discount to net present value	<u>(6,462)</u>	<u>(26,319)</u>
Pledges receivable, net	<u>\$ 289,888</u>	<u>\$ 490,881</u>

The long-term portion of pledges receivable is discounted at 3.71% and 4.27% as of August 31, 2024 and 2023, respectively.

**4. CONTRIBUTION RECEIVABLE – DONATED LAND**

In May 2022, the Organization entered into an agreement with the Salesian Society, Inc. (see Note 5). The agreement, which expires in March 2044, requires the Organization to pay no rent. The Organization has two 10-year options to extend the lease agreement. Phase 1 of soccer facility was in use starting March 1, 2024.

In connection with this agreement, the Organization has reflected the following amounts in the accompanying financial statements based upon the estimated fair market value of the leased land.

	<u>2024</u>	<u>2023</u>
Statement of financial position		
Contributions receivable		
Gross	\$ 1,766,463	\$ -
Principal payments	<u>(8,058)</u>	<u>-</u>
	<u>\$ 1,758,405</u>	<u>\$ -</u>
Statement of functional expenses		
Rent-in-kind	<u>\$ 47,376</u>	<u>\$ -</u>

**America SCORES New England, Incorporated**  
**Notes to Financial Statements**  
**August 31, 2024 and 2023**

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**5. PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consist of the following at August 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Furniture and fixtures	\$ 42,063	\$ 34,659
Construction in progress	7,554,812	5,218,874
Building and improvements	<u>4,520,502</u>	<u>-</u>
	12,117,377	5,253,533
Less: Accumulated depreciation	<u>(97,218)</u>	<u>(22,880)</u>
	<u>\$ 12,020,159</u>	<u>\$ 5,230,653</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. During fiscal year 2024, this capital project was still on-going.

In September 2023, the Organization completed Phase 1 of a \$13 million capital project to build a recreation, education, and training facility in East Boston. Phase 1 included the partial renovation of a building to create an office headquarters, two high tech classroom spaces, a homework help space, elevators to make the facility ADA compliant, and a soccer mini-pitch. Phase 2 of the project was ongoing as of August 31, 2024 and includes the complete renovation of an athletic field to create a multi-field soccer facility for after school and community based programs.

The project is reflected in the property and equipment, net line item on the statements of financial position and is being depreciated using the straight-line method over forty years resulting in an annual depreciation expense of \$74,338 and \$6,531, respectively as of August 31, 2024 and 2023.

**6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of August 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Time restricted	\$ 611,350	\$ 802,950
Capital campaign (see Note 2)	<u>-</u>	<u>1,344,458</u>
	<u>\$ 611,350</u>	<u>\$ 2,147,408</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, 2024 and 2023, were \$475,100 and \$91,100, 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, 2024 and 2023, were \$1,344,458 and \$5,218,874, respectively.

**America SCORES New England, Incorporated**  
**Notes to Financial Statements**  
**August 31, 2024 and 2023**

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**7. CONTRIBUTED NON-FINANCIAL ASSETS**

During the years ended August 31, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities and changes in net assets included the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 1,805,781	\$ -
Soccer equipment and apparel	42,345	11,980
Support services	<u>1,500</u>	<u>2,060</u>
	<u>\$ 1,849,626</u>	<u>\$ 14,040</u>

Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Equipment and other departmental gifts are generally unrestricted by the donor. Land is restricted for the purpose of building a soccer facility. The value of donated goods and services is reported in the accompanying financial statements as contributions of non-financial assets with offsetting expenses included in program expenses. Fair value of land is determined by average property cap rates within the area. Fair value of the equipment is determined by the donor in conjunction with Organization’s personnel and is based upon the fair value of the services. Fair value of support services is determined by the vendor providing the service to the Organization and is based upon the fair value of the services.

**8. 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, 2024 and 2023 totaled \$41,126 and \$34,855, respectively, and are included in the statements of functional expenses in payroll taxes and benefits.

**9. 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, 2024, and 2023.

During the years ended August 31, 2024 and 2023, the Organization received contributions of \$430,121, or 12% of total support and revenue, and \$6,071,597, or 69% of total support and revenue, respectively, from members of the Board of Directors for the “Love to Play” campaign.

**10. 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.

**America SCORES New England, Incorporated**  
**Notes to Financial Statements**  
**August 31, 2024 and 2023**

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**11. 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. At August 31, 2024, management believes the Organization has no liquidity issues.

The following reflects the Organization's financial assets as of August 31:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end		
Cash	\$ 3,800,375	\$ 9,127,695
Grants, pledges, and other receivables	<u>2,191,709</u>	<u>690,585</u>
Total cash and receivables	5,992,084	9,818,280
Less: donated land	(1,758,405)	-
Less: time restricted support greater than one year	(283,500)	(802,950)
Less: long-term receivables	(20,000)	(292,850)
Less: support for capital campaign	<u>-</u>	<u>(1,344,458)</u>
Financial assets available to meet general operating expenses within one year	<u>\$ 3,930,179</u>	<u>\$ 7,378,022</u>

**12. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 17, 2025, the date for which the financial statements were available for issuance, and did not identify any events subsequent to August 31, 2024, requiring disclosure in the financial statements.