

AMERICA SCORES NEW ENGLAND,  
INCORPORATED  
FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2011

AMERICA SCORES NEW ENGLAND, INCORPORATED  
FOR THE YEAR ENDED AUGUST 31, 2011

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of financial position	2
Statement of activities and changes in net assets	3
Statement of functional expenses	4
Statement of cash flows	5
Notes to financial statements	6 - 10



CITRIN COOPERMAN

Attest & Assurance | Tax Compliance & Research | Objectivity & Confidentiality

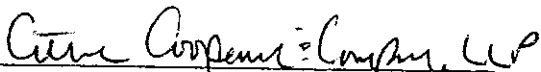
## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
America SCORES New England, Incorporated

We have audited the accompanying statement of financial position of America SCORES New England, Incorporated (a nonprofit organization) (the "Organization") as of August 31, 2011, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of America SCORES New England, Incorporated as of August 31, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

  
CERTIFIED PUBLIC ACCOUNTANTS

May 15, 2012

AMERICA SCORES NEW ENGLAND, INCORPORATED  
STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2011

ASSETS

Cash	\$ 25,591
Grants and contributions receivable	348,547
Prepaid expenses and other assets	21,299
Property and equipment, net	<u>21,331</u>
TOTAL ASSETS	<u>\$ 416,768</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 13,568
Tenant security deposit	<u>4,000</u>
Total liabilities	<u>17,568</u>
Commitments and contingencies (Note 3)	
Net assets:	
Unrestricted	314,367
Temporarily restricted	<u>84,833</u>
Total net assets	<u>399,200</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 416,768</u>

See accompanying notes to financial statements.

AMERICA SCORES NEW ENGLAND, INCORPORATED  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED AUGUST 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and support:			
Corporation and foundation contributions	\$ 319,639	\$ 84,833	\$ 404,472
Individual contributions	160,554	-	160,554
Registration fees	24,695	-	24,695
Special event income, net of direct expenses of \$36,517	288,495	-	288,495
Donations in-kind	28,791	-	28,791
Government contracts	97,327	-	97,327
Other income	8,612	-	8,612
Net assets released from restrictions	<u>43,167</u>	<u>(43,167)</u>	<u>-</u>
Total revenue and support	<u>971,280</u>	<u>41,666</u>	<u>1,012,946</u>
Expenses:			
Program services:			
Soccer program	240,680	-	240,680
Writing program	169,245	-	169,245
Middle school program	297,419	-	297,419
Other	<u>68,998</u>	<u>-</u>	<u>68,998</u>
Total program services	<u>776,342</u>	<u>-</u>	<u>776,342</u>
Supporting services:			
Fundraising	60,686	-	60,686
General and administrative	<u>92,233</u>	<u>-</u>	<u>92,233</u>
Total supporting services	<u>152,919</u>	<u>-</u>	<u>152,919</u>
Total expenses	<u>929,261</u>	<u>-</u>	<u>929,261</u>
Increase in net assets	42,019	41,666	83,685
Net assets - beginning	<u>272,348</u>	<u>43,167</u>	<u>315,515</u>
NET ASSETS - ENDING	<u>\$ 314,367</u>	<u>\$ 84,833</u>	<u>\$ 399,200</u>

See accompanying notes to financial statements.

**AMERICA SCORES NEW ENGLAND, INCORPORATED**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

	Program Services						Total
	Soccer Program	Writing Program	Middle School Program	Other Programs	Program Services	General and Administrative	
Salaries and wages	\$ 81,878	\$ 75,811	\$ 147,645	\$ 37,444	\$ 342,778	\$ 39,765	\$ 417,944
Payroll taxes and benefits	20,027	19,279	30,912	10,640	80,858	8,694	101,633
Accounting	-	-	-	-	-	-	3,000
Advertising	15	15	150	-	180	-	60
Affiliate fees	1,800	1,800	2,880	990	7,470	810	24,000
Bad debt expense	-	-	-	-	-	-	2,025
Bank charges	-	-	-	-	-	871	1,404
Conference and meetings	30	10	-	50	90	279	548
Consultants	9,676	2,130	4,333	921	17,060	59	21,420
Depreciation expense	1,395	1,301	2,444	658	5,798	603	7,111
Dues and publications	145	125	270	-	540	2,418	2,958
Equipment maintenance	1,250	1,150	1,840	633	4,873	518	6,485
Insurance	2,146	397	2,401	224	5,168	183	5,514
Office supplies	21	21	34	460	536	110	1,138
Payroll service	1,946	1,946	1,802	620	6,314	507	8,134
Postage and delivery	-	22	-	-	22	1,280	1,996
Printing and reproduction	658	2,376	875	22	3,931	1,242	7,210
Program expenses	54,659	9,956	27,886	1,429	93,930	-	95,288
Rent and utilities	3,987	3,817	6,978	3,745	18,527	6,560	27,545
Teacher and coach stipends	59,654	47,591	64,609	10,488	182,342	-	183,530
Telecommunications	859	872	1,374	472	3,577	406	5,873
Travel and meals	534	626	986	202	2,348	745	4,265
<b>TOTAL EXPENSES</b>	<b>\$ 240,680</b>	<b>\$ 169,245</b>	<b>\$ 297,419</b>	<b>\$ 68,998</b>	<b>\$ 776,342</b>	<b>\$ 60,686</b>	<b>\$ 929,261</b>

See accompanying notes to financial statements.

AMERICA SCORES NEW ENGLAND, INCORPORATED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2011

Cash flows from operating activities:	
Increase in net assets	\$ 83,685
Adjustments to reconcile increase in net assets to net decrease in cash:	
Depreciation	7,111
Changes in assets and liabilities:	
Grants and contracts receivable	(183,444)
Prepaid expenses and other assets	232
Accounts payable and accrued expenses	<u>(2,423)</u>
Net decrease in cash	(94,839)
Cash - beginning	<u>120,430</u>
CASH - ENDING	<u>\$ 25,591</u>

See accompanying notes to financial statements.

AMERICA SCORES NEW ENGLAND, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

America SCORES New England, Incorporated (the "Organization") was incorporated as a not-for-profit corporation by the Commonwealth of Massachusetts in 1999, with the purpose of empowering students in urban communities using soccer, writing, creative expression, and service-learning. With teamwork as a unifying value, the Organization inspires youth to lead healthy lifestyles, be engaged students, and become agents of change in their communities. The Organization is an affiliate of America SCORES, which controls the Organization and provides supervision as needed.

Financial statement presentation

The Organization follows the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-605, *Revenue Recognition*, which requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets and unrestricted net assets. Permanently restricted net assets are subject to donor-imposed stipulations that require that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. Temporarily restricted net assets represent donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "Net assets released from restrictions." Unrestricted net assets represent expendable funds that are available to support the operating activities of the Organization. Contributions with donor-imposed restrictions that are met in the same accounting period are recorded as unrestricted revenue. At August 31, 2011, the Organization did not have any permanently restricted net assets.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donations-in-kind

Donations of noncash assets are recorded at their fair values at the date received. Contributions of donated services that create or enhance nonfinancial assets or that 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 values in the period received.



AMERICA SCORES NEW ENGLAND, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of expenses

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

Revenue and support recognition

The Organization derives revenues and support primarily from contributions, grants, and revenues received under government contracts. Contributions are recognized as revenue when they are unconditionally promised. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "Net assets released from restrictions." Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

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 audits and possible adjustments by the funding agencies. The effects of any such adjustments are recorded when reasonably determinable. Management believes that the effect of audit adjustments, if any, will not have a material effect on the accompanying financial statements.

Grants and contributions receivable

Grants and contributions receivable are stated at the amount management expects to collect. Management evaluates such receivables and establishes an allowance for doubtful accounts based on a history of write-offs and collections and current credit conditions. At August 31, 2011, management deemed that no allowance was required.

Tax exempt status

The Organization qualifies as a tax-exempt, not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code, and qualifies as a not-for-profit organization under the laws of Massachusetts. Accordingly, no provision for federal or state income taxes is required.

Uncertain tax positions

The Organization recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance, the Organization assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

AMERICA SCORES NEW ENGLAND, INCORPORATED  
 NOTES TO FINANCIAL STATEMENTS  
 AUGUST 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment is stated at cost, except for donated assets, which are recorded at the fair value at the date of contribution. Depreciation of equipment is calculated using the straight-line over the estimated useful lives of the assets. The Organization's capitalization policy is to capitalize all fixed asset purchases in excess of \$1,000. Maintenance and repairs are charged to operations when incurred. Expenditures that increase the value or significantly extend the lives of assets are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Advertising

Advertising costs are expensed as incurred and aggregated \$240 for the year ended August 31, 2011.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through May 15, 2012, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at August 31, 2011:

Leasehold improvements	\$ 15,000
Equipment	<u>17,829</u>
	32,829
Less: accumulated depreciation	<u>(11,498)</u>
Property and equipment, net	<u>\$ 21,331</u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

Lease agreement

The Organization entered into a non-cancelable operating lease for office space expiring in September 2016. In addition to the base rent, the lease requires additional rent in the form of the Organization's proportionate share of the real estate taxes and operating expenses.

Future minimum lease payments for the remaining life of the lease are as follows:

<u>Year ending August 31:</u>	<u>Amount</u>
2012	\$ 41,633
2013	43,300
2014	45,034
2015	46,837
2016	<u>48,708</u>
	<u>\$ 225,512</u>

AMERICA SCORES NEW ENGLAND, INCORPORATED  
 NOTES TO FINANCIAL STATEMENTS  
 AUGUST 31, 2011

**NOTE 3. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

Rent expense, including utilities and maintenance and net of sublease rental income, totaled \$27,545 for the year ended August 31, 2011.

Effective August 1, 2010, the Organization sublets a portion of its office facility to a tenant under a two-year sublease agreement with an option for four additional years. The tenant is responsible for the fixed rent and 40% of the operating expenses. For the year ended August 31, 2011, sublease rental income totaled \$26,899. The future minimum lease rentals for the remaining life of the lease is \$24,200 for the year ending August 31, 2012.

**NOTE 4. RELATED-PARTY TRANSACTIONS**

The Organization is charged an annual fee by America SCORES for services provided under contractual agreements. The annual fee was \$24,000 for the year ended August 31, 2011.

For the year ended August 31, 2011, the Organization received contributions of \$106,150 from members of the board of directors.

**NOTE 5. TEMPORARILY RESTRICTED NET ASSETS**

At August 31, 2011, temporarily restricted net assets consisted of amounts restricted for the following:

Purpose restriction:	
Soccer and writing program	\$ 13,090
Middle school program	19,243
Soccer program	5,000
Other	<u>42,500</u>
	79,833
Time restriction	<u>5,000</u>
Temporarily restricted net assets	<u>\$ 84,833</u>

**NOTE 6. DONATIONS IN-KIND**

Donated goods received by the Organization for the year ended August 31, 2011, were as follows:

Soccer equipment	\$ 20,001
Rent	4,800
Promotional items	1,190
Cell phones	1,800
Subscriptions	<u>1,000</u>
	<u>\$ 28,791</u>

AMERICA SCORES NEW ENGLAND, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2011

NOTE 7. UNCERTAIN TAX POSITIONS

In accordance with FASB ASC 740, *Income Taxes*, the Organization applies the "more likely than not" threshold to the recognition and derecognition of tax positions for its financial statements. Using that guidance, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of August 31, 2011.

The Organization files income tax returns in the U.S. federal jurisdiction and in the state of Massachusetts. The Organization is no longer subject to U.S. or Massachusetts income tax examinations by taxing authorities for years before 2008.