

**AMERICA SCORES AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED AUGUST 31, 2016**

**AMERICA SCORES AND AFFILIATE
FOR THE YEAR ENDED AUGUST 31, 2016**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
America SCORES

We have audited the accompanying consolidated financial statements of America SCORES and Affiliate (collectively referred to as the "Organization"), which comprise the consolidated statement of financial position as of August 31, 2016, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of America SCORES and Affiliate as of August 31, 2016, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
January 6, 2017

**AMERICA SCORES AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2016**

ASSETS

Cash	\$ 23,768
Grants and contributions receivable	28,370
Prepaid expenses and other assets	<u>2,150</u>
TOTAL ASSETS	<u>\$ 54,288</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 22,854
Commitments (Note 3)	
Net assets:	
Unrestricted	<u>31,434</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 54,288</u>

See accompanying notes to consolidated financial statements.

**AMERICA SCORES AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and support:			
Corporation and foundation contributions	\$ 222,323	\$ -	\$ 222,323
Individual contributions	100,761	-	100,761
Registration fees	6,530	-	6,530
Special events:			
Revenue from special events	\$ 98,970		
Less: direct benefit to donors	<u>27,297</u>		
Net revenue from special events	71,673	-	71,673
Donations in-kind	118,236	-	118,236
Government contracts	61,304	-	61,304
Contract income	600	-	600
Affiliate fees income	93,605	-	93,605
Other income	90	-	90
Net assets released from restrictions	<u>55,000</u>	<u>(55,000)</u>	<u>-</u>
Total revenue and support	<u>730,122</u>	<u>(55,000)</u>	<u>675,122</u>
Expenses:			
Program services:			
Soccer program	77,036	-	77,036
Writing program	64,823	-	64,823
Program support and training	247,291	-	247,291
Other programs	<u>127,898</u>	<u>-</u>	<u>127,898</u>
Total program services	<u>517,048</u>	<u>-</u>	<u>517,048</u>
Supporting services:			
Fundraising	108,412	-	108,412
General and administrative	<u>114,846</u>	<u>-</u>	<u>114,846</u>
Total supporting services	<u>223,258</u>	<u>-</u>	<u>223,258</u>
Total expenses	<u>740,306</u>	<u>-</u>	<u>740,306</u>
DECREASE IN NET ASSETS	<u>\$ (10,184)</u>	<u>\$ (55,000)</u>	<u>\$ (65,184)</u>

See accompanying notes to consolidated financial statements.

**AMERICA SCORES AND AFFILIATE
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net assets - beginning	\$ 241,638	\$ 55,000	\$ 296,638
Deconsolidation of affiliates	<u>(200,020)</u>	<u>-</u>	<u>(200,020)</u>
Net assets - beginning, as adjusted	41,618	55,000	96,618
Decrease in net assets	<u>(10,184)</u>	<u>(55,000)</u>	<u>(65,184)</u>
NET ASSETS - ENDING	<u>\$ 31,434</u>	<u>\$ -</u>	<u>\$ 31,434</u>

See accompanying notes to consolidated financial statements.

**AMERICA SCORES AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2016**

	Program Services							General and Administrative	Total
	Soccer Program	Writing Program	Program Support and Training	Other Programs	Total Program Services	Fundraising			
Salaries and wages	\$ 32,546	\$ 33,700	\$ 63,113	\$ 77,888	\$ 207,247	\$ 50,894	\$ 23,851	\$ 281,992	
Payroll taxes and benefits	9,695	10,118	15,296	18,489	53,598	11,632	5,993	71,223	
Accounting	-	-	-	-	-	-	42,409	42,409	
Advertising	-	-	159	-	159	-	-	159	
Bank charges and interest	37	-	1,723	-	1,760	127	924	2,811	
Conference and meetings	-	-	1,704	132	1,836	-	-	1,836	
Consultants	-	-	28,772	5,254	34,026	14,952	570	49,548	
Dues and publications	-	-	131	-	131	724	1,310	2,165	
Insurance	1,434	945	-	379	2,758	252	2,646	5,656	
Miscellaneous	-	-	46	-	46	-	1,990	2,036	
Office supplies	-	-	705	-	705	-	722	1,427	
Payroll service	-	-	-	-	-	-	14,150	14,150	
Postage and delivery	236	-	328	-	564	-	2,338	2,902	
Printing and reproduction	-	-	39,831	2,084	41,915	981	-	42,896	
Program expenses - other	8,796	765	37,554	2,233	49,348	351	-	49,699	
Rent and utilities	2,268	1,620	16,617	21,439	41,944	27,737	9,894	79,575	
Staff retreats	-	-	25,819	-	25,819	-	-	25,819	
Teacher and coach stipends	21,651	17,302	-	-	38,953	-	-	38,953	
Telecommunications	373	373	4,810	-	5,556	-	176	5,732	
Travel and meals	-	-	10,683	-	10,683	762	1,241	12,686	
Bad debt expense	-	-	-	-	-	-	6,632	6,632	
TOTAL EXPENSES	<u>\$ 77,036</u>	<u>\$ 64,823</u>	<u>\$ 247,291</u>	<u>\$ 127,898</u>	<u>\$ 517,048</u>	<u>\$ 108,412</u>	<u>\$ 114,846</u>	<u>\$ 740,306</u>	

See accompanying notes to consolidated financial statements.

**AMERICA SCORES AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2016**

Cash flows from operating activities:	
Decrease in net assets	\$ <u>(65,184)</u>
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Bad debt expense	6,632
Changes in assets and liabilities:	
Grants and contributions receivable	53,720
Prepaid expenses and other assets	11,786
Accounts payable and accrued expenses	(39,216)
Other liabilities	<u>(10,254)</u>
Net cash used in operating activities	(42,516)
Cash - beginning	<u>66,284</u>
CASH - ENDING	<u>\$ 23,768</u>

See accompanying notes to consolidated financial statements.

**AMERICA SCORES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

America SCORES, a not-for-profit organization, was incorporated in 1996 as DC SCORES in the District of Columbia and legally changed its name to America SCORES on June 1, 1999. America SCORES and Affiliate (collectively referred to as the "Organization") partner with urban schools to provide a creative and enriching team-based program that integrates soccer, poetry and service-learning. This innovative approach improves students' health, academic achievement and civic engagement. The Organization's mission is to inspire urban youth to lead healthy lives, be engaged students, and have the confidence and character to make a difference in the world.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of America SCORES and America SCORES Denver of which America SCORES maintains an economic interest and control through common management. All significant intercompany accounts and transactions have been eliminated in consolidation.

Effective September 1, 2015, the board of directors of America SCORES determined that America SCORES LA and America SCORES Dallas no longer met the criteria for consolidation. Accordingly, the Organization eliminated the net assets of these affiliates from its consolidated financial statements as of September 1, 2015, in the amount of \$200,020.

Basis of financial statements

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Net assets

The Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted

Unrestricted net assets represent those resources that have no donor restrictions as to their use.

Temporarily restricted

Temporarily restricted net assets represent those resources that have been restricted by donors for specific purposes and/or future periods. Net assets released from restrictions represent the satisfaction of the donor restricted purposes and/or by the passage of time.

Permanently restricted

Permanently restricted net assets represent those resources that are subject to donor-imposed restrictions that the principal be invested in perpetuity.

AMERICA SCORES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

The preparation of consolidated financial statements in conformity with 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 consolidated 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 non-cash 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.

Revenue and support recognition

The Organization derives revenue and support primarily from contributions, special events, government contracts, and contract income from services provided to public school districts.

Contributions are recognized as revenue when they are unconditionally promised. Conditional promises to give are recognized as contributions when substantially all the conditions are met. 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 consolidated 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. Special event income is recognized when the event has taken place.

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 consolidated financial statements.

Revenue from government contracts and contract income is recognized upon the completion of services provided.

**AMERICA SCORES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016**

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 accompanying consolidated statement of activities. Accordingly, certain costs have been allocated by management among the programs and supporting services benefited.

Program services include soccer, writing, program support and training, and other programs. Other programs' services include middle school programming, summer and winter camps, alumni engagement and community partner programs.

Grants and contributions receivable

Grants and contributions receivable are stated at the amount management expects to collect. Grants and contributions receivable are due in less than one year, therefore no discount to present value is required.

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, 2016, management deemed that no allowance was required.

Income taxes

America SCORES and America SCORES Denver qualify as tax-exempt, not-for-profit organizations under Section 501(c)(3) of the Internal Revenue Code ("IRC"), and qualify as not-for-profit organizations under the respective state laws. Accordingly, no provision for federal or state income taxes is required.

The Organization recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board Accounting Standards Codification ("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.

Management has evaluated the tax positions of America SCORES and America SCORES Denver and has concluded that no uncertain tax positions that require adjustment to the consolidated financial statements had been taken. Generally, America SCORES and America SCORES Denver are no longer subject to income tax examinations by U.S. federal or state authorities for fiscal years ended prior to 2012.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through January 6, 2017, the date on which these consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.

**AMERICA SCORES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016**

NOTE 2. CONCENTRATION OF CREDIT RISK

As of August 31, 2016, one donor and one affiliate agency collectively, accounted for the entire balance of the Organization's grants and contributions receivable.

NOTE 3. COMMITMENTS

The Organization entered into a non-cancelable operating lease for office space in Denver expiring through February 2017. In addition to the base rent, the leases require additional rent in the form of the Organization's proportionate share of the real estate taxes and certain operating expenses.

Rent expense for the year ended August 31, 2016, totaled \$79,575.

Future minimum lease payments due over for the remaining life of the lease for the year ending August 31, 2017 is \$3,600.

NOTE 4. TEMPORARILY RESTRICTED NET ASSETS

During the year ended August 31, 2016, net assets were released from restrictions through expiration of time restrictions and/or by incurring expenses to satisfy the restricted purpose specified by the donor as follows:

Purpose restriction:	
Writing program	\$ 25,000
Soccer program	<u>30,000</u>
Net assets released from restrictions	<u>\$ 55,000</u>

NOTE 5. DONATIONS IN-KIND

Donated goods and services are recorded as revenue and expense at their estimated fair value. Donated goods and services received by the Organization for the year ended August 31, 2016, are comprised of the following:

Soccer equipment	\$ 10,878
Legal services	43,358
Rent	<u>64,000</u>
	<u>\$ 118,236</u>

NOTE 6. RELATED-PARTY TRANSACTIONS

America SCORES charged an annual fee for services provided to affiliates under contractual agreements. The total annual fee income from affiliates for the year ended August 31, 2016, was \$98,725 of which \$5,120 was eliminated in consolidation.

**AMERICA SCORES AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016**

NOTE 7. EMPLOYEE BENEFIT PLAN

The Organization maintains a tax-deferred annuity plan qualified under Section 403(b) of the IRC. The plan covers substantially all of its eligible full-time employees. Employee contributions are voluntary and are subject to Internal Revenue Service limitations; employer contributions are made at the discretion of management. The Organization did not make any contributions during the year ended August 31, 2016.

SUPPLEMENTARY INFORMATION



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
America SCORES

We have audited the consolidated financial statements of America SCORES and Affiliate as of and for the year ended August 31, 2016, and our report thereon dated January 6, 2017, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 - 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information contained in the supplementary schedules on pages 14 - 16 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.


CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
January 6, 2017

**AMERICA SCORES AND AFFILIATE
SCHEDULE I - CONSOLIDATING REVENUE BY ENTITY
FOR THE YEAR ENDED AUGUST 31, 2016**

	America SCORES	America SCORES Denver	Eliminations	Total
Corporation and foundation contributions	\$ 152,767	\$ 69,556	\$ -	\$ 222,323
Individual contributions	78,771	21,990	-	100,761
Registration fees	-	6,530	-	6,530
Net revenue from special events	57,172	14,501	-	71,673
Donations in-kind	113,010	5,226	-	118,236
Government contracts	-	61,304	-	61,304
Contract income	-	600	-	600
Affiliate fees income	98,725	-	(5,120)	93,605
Other income	90	-	-	90
TOTAL REVENUE	\$ 500,535	\$ 179,707	\$ (5,120)	\$ 675,122

See independent auditor's report on supplementary information.

**AMERICA SCORES AND AFFILIATE
SCHEDULE II - AMERICA SCORES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2016**

	<u>Program Services</u>			Fundraising	General and Administrative	Eliminations	Total
	Program Support and Training	Other Programs	Total Program Services				
Salaries and wages	\$ 63,113	\$ 71,459	\$ 134,572	\$ 36,077	\$ 13,906	\$ -	\$ 184,555
Payroll taxes and benefits	15,296	16,560	31,856	7,247	3,060	-	42,163
Accounting	-	-	-	-	31,009	-	31,009
Advertising	159	-	159	-	-	-	159
Bank charges and interest	1,723	-	1,723	119	608	-	2,450
Conference and meetings	1,704	132	1,836	-	-	-	1,836
Consultants	28,772	5,254	34,026	14,952	570	-	49,548
Dues and publications	131	-	131	724	1,310	-	2,165
Insurance	-	-	-	-	2,394	-	2,394
Miscellaneous	46	-	46	-	190	-	236
Office supplies	705	-	705	-	716	-	1,421
Payroll service	-	-	-	-	8,776	-	8,776
Postage and delivery	328	-	328	-	2,171	-	2,499
Printing and reproduction	39,831	2,084	41,915	981	-	-	42,896
Program expenses - other	37,554	1,950	39,504	351	-	-	39,855
Rent and utilities	16,617	20,791	37,408	27,305	9,462	-	74,175
Staff retreats	25,819	-	25,819	-	-	-	25,819
Telecommunications	4,810	-	4,810	-	141	-	4,951
Travel and meals	10,683	-	10,683	762	1,241	-	12,686
Bad debt expense	-	-	-	-	3,701	-	3,701
TOTAL EXPENSES	<u>\$ 247,291</u>	<u>\$ 118,230</u>	<u>\$ 365,521</u>	<u>\$ 88,518</u>	<u>\$ 79,255</u>	<u>\$ -</u>	<u>\$ 533,294</u>

See independent auditor's report on supplementary information.

**AMERICA SCORES AND AFFILIATE
SCHEDULE III - AMERICA SCORES DENVER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2016**

	<u>Program Services</u>				Fundraising	General and Administrative	Eliminations	Total
	Soccer Program	Writing Program	Summer Camp and Special Programs	Total Program Services				
Salaries and wages	\$ 32,546	\$ 33,700	\$ 6,429	\$ 72,675	\$ 14,817	\$ 9,945	\$ -	\$ 97,437
Payroll taxes and benefits	9,695	10,118	1,929	21,742	4,385	2,933	-	29,060
Accounting	-	-	-	-	-	11,400	-	11,400
Affiliate fees	1,302	906	328	2,536	270	2,314	(5,120)	-
Bank charges and interest	37	-	-	37	8	316	-	361
Insurance	1,434	945	379	2,758	252	252	-	3,262
Miscellaneous	-	-	-	-	-	1,800	-	1,800
Office supplies	-	-	-	-	-	6	-	6
Payroll service	-	-	-	-	-	5,374	-	5,374
Postage and delivery	236	-	-	236	-	167	-	403
Program expenses - other	8,796	765	283	9,844	-	-	-	9,844
Rent and utilities	2,268	1,620	648	4,536	432	432	-	5,400
Teacher and coach stipends	21,651	17,302	-	38,953	-	-	-	38,953
Telecommunications	373	373	-	746	-	35	-	781
Bad debt expense	-	-	-	-	-	2,931	-	2,931
TOTAL EXPENSES	\$ 78,338	\$ 65,729	\$ 9,996	\$ 154,063	\$ 20,164	\$ 37,905	\$ (5,120)	\$ 207,012

See independent auditor's report on supplementary information.