

Financial Report

The 18th Ward Sports Club
New Orleans, Louisiana

May 31, 2025 and 2024



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
The 18th Ward Sports Club,
New Orleans, Louisiana.

Opinion

We have audited the accompanying financial statements of The 18th Ward Sports Club (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of May 31, 2025 and 2024, and the related statements of activities, 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 May 31, 2025 and 2024, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits 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.

Responsibilities of Management 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 Audits 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.



Certified Public Accountants.

New Orleans, Louisiana,
October 9, 2025.

STATEMENTS OF FINANCIAL POSITION**The 18th Ward Sports Club**

New Orleans, Louisiana

As of May 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 27,451	\$290,499
Accounts and grants receivable, net	284,118	349,138
Unconditional promises to give, net	114,524	50,070
Prepaid expenses	5,975	15,549
Property, plant, and equipment, net	<u>1,897,819</u>	<u>-</u>
Total assets	<u>\$2,329,887</u>	<u>\$705,256</u>
LIABILITIES		
Accounts payable	\$ 21,890	\$ 8,227
Accrued expenses	25,591	-
Deferred revenue	-	667
Line of credit	<u>50,000</u>	<u>-</u>
Total liabilities	<u>97,481</u>	<u>8,894</u>
NET ASSETS		
Without donor restrictions	1,974,983	467,462
With donor restrictions	<u>257,423</u>	<u>228,900</u>
Total net assets	<u>2,232,406</u>	<u>696,362</u>
Total liabilities and net assets	<u>\$2,329,887</u>	<u>\$705,256</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**The 18th Ward Sports Club**

New Orleans, Louisiana

For the year ended May 31, 2025

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Totals</u>
Revenues and Other Support			
Grant income	\$ 684,856	\$ 58,146	\$ 743,002
Contributions	521,473	179,277	700,750
Contributed nonfinancial assets	1,966,807	-	1,966,807
Sponsorship revenue	133,000	-	133,000
Earned revenue	546,086	-	546,086
Interest income	1,424	-	1,424
Other income	2,273	-	2,273
Net assets released from restriction	<u>208,900</u>	<u>(208,900)</u>	<u>-</u>
Total revenues and other support	<u>4,064,819</u>	<u>28,523</u>	<u>4,093,342</u>
Expenses			
Program services	2,030,260	-	2,030,260
Administration	267,192	-	267,192
Fundraising	<u>259,846</u>	<u>-</u>	<u>259,846</u>
Total expenses	<u>2,557,298</u>	<u>-</u>	<u>2,557,298</u>
Change in net assets	1,507,521	28,523	1,536,044
Net Assets			
Beginning of year	<u>467,462</u>	<u>228,900</u>	<u>696,362</u>
End of year	<u><u>\$ 1,974,983</u></u>	<u><u>\$ 257,423</u></u>	<u><u>\$ 2,232,406</u></u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**The 18th Ward Sports Club**
New Orleans, Louisiana

For the year ended May 31, 2024

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Totals</u>
Revenues and Other Support			
Grant income	\$ 572,000	\$ 76,900	\$ 648,900
Contributions	203,171	22,000	225,171
Contributed nonfinancial assets	385,205	-	385,205
Sponsorship revenue	52,300	-	52,300
Earned revenue	334,282	-	334,282
Interest income	5,845	-	5,845
Other income	886	-	886
Employee Retention Tax Credit	50,066	-	50,066
Net assets released from restriction	<u>144,662</u>	<u>(144,662)</u>	<u>-</u>
Total revenues and other support	<u>1,748,417</u>	<u>(45,762)</u>	<u>1,702,655</u>
Expenses			
Program services	1,411,731	-	1,411,731
Administration	251,356	-	251,356
Fundraising	<u>123,400</u>	<u>-</u>	<u>123,400</u>
Total expenses	<u>1,786,487</u>	<u>-</u>	<u>1,786,487</u>
Change in net assets	(38,070)	(45,762)	(83,832)
Net Assets			
Beginning of year	<u>505,532</u>	<u>274,662</u>	<u>780,194</u>
End of year	<u>\$ 467,462</u>	<u>\$228,900</u>	<u>\$ 696,362</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**The 18th Ward Sports Club**

New Orleans, Louisiana

For the year ended May 31, 2025

	<u>Program Services</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Awards	\$ 11,765	\$ -	\$ -	\$ 11,765
Bad debt expense	-	1,000	16,500	17,500
Bank fees	123	5,265	-	5,388
Contract services	446,434	-	-	446,434
Depreciation expense	42,217	5,452	-	47,669
Field expenses and space costs	80,605	398	-	81,003
Insurance	26,621	-	-	26,621
Marketing and development	5,243	9,860	9,045	24,148
Meals and entertainment	16,913	791	47	17,751
Office lease	-	9,200	-	9,200
Office supplies	-	6,786	195	6,981
Other program expenses	34,689	-	-	34,689
Payroll processing fees	2,080	8,822	-	10,902
Payroll taxes and fringe benefits	64,765	42,963	9,464	117,192
Professional fees	305	25,091	100,886	126,282
Referees and league fees	82,287	-	-	82,287
Repairs and maintenance	-	27,041	-	27,041
Salaries	439,428	112,829	119,879	672,136
Sports equipment and supplies	612,086	-	-	612,086
Subscriptions	2,785	8,043	486	11,314
Travel and fuel	56,595	2,263	3,344	62,202
Uniforms	105,319	-	-	105,319
Utilities	-	1,388	-	1,388
Totals	<u>\$2,030,260</u>	<u>\$267,192</u>	<u>\$259,846</u>	<u>\$2,557,298</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**The 18th Ward Sports Club**

New Orleans, Louisiana

For the year ended May 31, 2024

	<u>Program Services</u>	<u>Support Services</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Awards	\$ 9,629	\$ -	\$ -	\$ 9,629
Bank fees	-	193	-	193
Contract services	303,691	-	-	303,691
Field expenses and space costs	291,967	-	-	291,967
Insurance	31,757	1,261	-	33,018
Marketing and development	3,982	8,116	4,499	16,597
Meals and entertainment	21,831	98	-	21,929
Office lease	-	12,000	-	12,000
Office supplies	12	13,971	431	14,414
Other program expenses	16,676	-	-	16,676
Payroll processing fees	4,585	1,892	806	7,283
Payroll taxes and fringe benefits	71,397	29,454	12,554	113,405
Professional fees	74,000	60,964	54,926	189,890
Referees and league fees	23,894	-	-	23,894
Salaries	285,121	117,626	50,134	452,881
Sports equipment and supplies	134,138	-	-	134,138
Subscriptions	4,715	5,464	50	10,229
Telephone	-	212	-	212
Travel and fuel	50,598	105	-	50,703
Uniforms	83,738	-	-	83,738
Totals	<u>\$1,411,731</u>	<u>\$251,356</u>	<u>\$123,400</u>	<u>\$1,786,487</u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS**The 18th Ward Sports Club**

New Orleans, Louisiana

For the years ended May 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 1,536,044	\$ (83,832)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Bad debt expense	17,500	-
Depreciation	47,669	-
Contributions restricted for future periods	(170,000)	-
In-kind contributions of property and equipment	(1,407,650)	-
(Increase) decrease in assets:		
Accounts and grants receivable, net	65,020	(114,476)
Unconditional promises to give, net	88,046	(10,070)
Prepaid expenses	9,574	2,529
Increase (decrease) in liabilities:		
Accounts payable	13,663	8,109
Accrued expenses	25,591	-
Deferred revenue	(667)	667
Net cash provided by (used in) operating activities	<u>224,790</u>	<u>(197,073)</u>
Cash Flows From Investing Activities		
Purchases of property and equipment	<u>(537,838)</u>	<u>-</u>
Cash Flows From Financing Activities		
Borrowings on line of credit	50,000	-
Maturity of certificate of deposit	<u>-</u>	<u>100,000</u>
Net cash provided by financing activities	<u>50,000</u>	<u>100,000</u>
Net Decrease in Cash	(263,048)	(97,073)
Cash		
Beginning of year	<u>290,499</u>	<u>387,572</u>
End of year	<u><u>\$ 27,451</u></u>	<u><u>\$ 290,499</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

The 18th Ward Sports Club

New Orleans, Louisiana

May 31, 2025 and 2024

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

The 18th Ward Sports Club (the “Organization”) is a non-profit organization formed in 2019. The 18th Ward Sports Club’s mission is to provide high quality, low-cost youth sports programs in New Orleans where everyone is welcomed regardless of race, gender, income, or neighborhood. This is accomplished through three main initiatives:

Sports Community

A diverse-by-design sports program for kids ages 4 to 8. Over the course of the year, young athletes are introduced to a variety of sports including soccer, basketball, baseball, flag football, and track.

Sports Academies

The Organization asserts that youth sports participation should be a right, not a privilege. Children from low income families participate in sports at rates much lower than those from higher income families. The Organization created Sports Academy programs so that as athletes get older, they can continue to have fun, play in an inclusive environment, and further develop their skills without finances becoming a barrier to their participation.

Coaches in Training

In sports, the quality of a program largely depends on the strength of its coaches. Coaches who are well-trained and able to build relationships with kids can make an enormous difference. The Organization hires, trains, and mentors high school students to become great coaches. The Coaches in Training program gives high school athletes a chance to practice their leadership, learn to coach, and provide a service to their community.

b. Basis of Accounting

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded when incurred.

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

c. Financial Statement Presentation

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

Net Assets Without Donor Restrictions - Support, revenue, and expenses for general operations.

Net Assets With Donor Restrictions - Contributions and grants specifically authorized by the donor or grantor to be used for a certain purpose or to benefit a specific accounting period or contributions subject to donor-imposed restrictions and that are to be held in perpetuity.

d. Use of Estimates

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

e. Cash and Cash Equivalents

The Organization classifies as cash and cash equivalents all highly liquid debt instruments with an initial maturity of three months or less. As of May 31, 2025, there were no cash equivalents.

f. Accounts and Grants Receivable

Accounts and grants receivable are stated at their net realizable value, the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts and grants receivable. Management has concluded that based on estimates of the collectability of each account, a valuation allowance was not needed for accounts and grants receivable.

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

g. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were no conditional promises to give as of May 31, 2025.

Unconditional promises are recorded net of an allowance for uncollectible amounts estimated by the management. All promises to give are deemed fully collectible as of May 31, 2025.

h. Property, Equipment, and Depreciation

Organization properties, consisting principally of land and related buildings and improvements and equipment in excess of \$5,000 are recorded at cost or, if donated, fair market value on the date of donation. Repairs and maintenance are charged to expense as incurred; major renewals and betterments are capitalized. Organization properties are depreciated on the straight-line method over their estimated service lives ranging from 10 to 25 years.

i. Revenue Recognition

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, “*Revenue from Contracts with Customers*” (Topic 606). This ASU implements a single framework for revenue recognition, ensuring that revenue is recognized in a manner which reflects the consideration to which the entity expects to be entitled in exchange for goods and services. The Organization recognizes revenue from the following exchange transactions:

Revenue from Contracted Services

The Organization recognizes revenue from partnerships with local municipalities and other nonprofit groups that pay the Organization to manage sports leagues. Contracted service revenues are recognized, and associated performance obligations are satisfied over time during the course of the fiscal year in which the league is operated by the Organization. During the years ended May 31, 2025 and 2024, \$445,660 and \$265,665 of revenues were recognized from contracted services, respectively, and are included in earned revenue on the Statements of Activities.

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

i. Revenue Recognition (Continued)

Youth Participation Fees

The Organization charges low fees for some of the sport community leagues which are paid by the families of athletes. Youth participation fee revenues are recognized, and associated performance obligations are satisfied over time during the course of the fiscal year in which the league is operated by the Organization. During the years ended May 31, 2025 and 2024, \$100,046 and \$68,517 of revenues were recognized from youth participation fees, respectively, and are included in earned revenue on the Statements of Activities.

Sponsorship Revenue

The Organization receives sponsorship funding for which the Organization provides recognition on uniforms and other printed materials. Sponsorship revenues are recognized, and associated performance obligations are satisfied over time during the course of the fiscal year in which the sponsored league or event is operated by the Organization. During the years ended May 31, 2025, and 2024, \$133,000 and \$52,300 of revenues were recognized from sponsorships, respectively.

Revenues from exchange transactions that have been earned, but not yet collected are considered to be contract receivables, and are reported in accounts and grants receivable on the Statements of Financial Position. Revenues from exchange transactions that have been received, but not yet earned, are considered to be contract liabilities and are reported as deferred revenue on the Statements of Financial Position.

The following table summarizes contract assets and liabilities as of June 1, 2023 and May 31, 2025 and 2024:

	<u>Contract Receivables</u>	<u>Contract Liabilities</u>
June 1, 2023	<u>\$16,250</u>	<u>\$0</u>
May 31, 2024	<u>\$80,000</u>	<u>\$667</u>
May 31, 2025	<u>\$80,000</u>	<u>\$0</u>

j. Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

j. Contributions (Continued)

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

k. Contributed Nonfinancial Assets

Noncash donations are recorded as contributions at their fair market value at the date of donation. The Organization reports the donations in the net assets without donor restrictions category, unless explicit donor stipulations specify how the donated assets must be used. Donated time from skilled coaches and other sport professionals are recognized at the rates paid by the Organization for those services.

l. Donated Services from Other Volunteers

The Organization receives services from a large number of volunteers who give significant amounts of their time to the programs of the Organization. No amounts have been reflected for these types of donated services, as there is no objective basis available to measure the value of such services.

m. Advertising

The Organization expenses advertising as they are incurred. Advertising expenses totaled \$24,148 and \$16,597 for the years ended May 31, 2025 and 2024, respectively. Advertising costs are included in advertising and admissions and on the Statements of Functional Expenses.

n. Methods Used for Allocation of Expenses

Most of the expenses can be directly allocated to programs or supporting functions. The financial statements also report certain categories of expenses that are attributable to both programs and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and fringe benefits, and payroll processing fees, which are allocated on the basis of estimates of time and effort.

**Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

o. Organization and Tax Matters

The Organization has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to Federal income tax unless the Organization has unrelated trade or business income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of May 31, 2025, management of the Organization believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended May 31, 2022 and later remain subject to examination by the taxing authorities.

p. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 9, 2025, which is the date the financial statements were available to be issued.

Note 2 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at several local financial institutions. At times throughout the year, those balances may exceed the Federal Deposit Insurance Corporation (FDIC) limits. As of May 31, 2025, the Organization did not have any deposits in excess of FDIC limits.

Note 3 - UNCONDITIONAL PROMISES TO GIVE

Promises of donors to make contributions to the Organization are included in the financial statements as unconditional promises to give and donor restricted contributions after discounting projected future cash flows to the present value using a discount rate of 5% as of May 31, 2025 and 2024.

Note 3 - UNCONDITIONAL PROMISES TO GIVE (Continued)

Unconditional promises to give as of May 31, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Unconditional promises to give:	\$115,000	\$52,000
Less unamortized discount	<u>(476)</u>	<u>(1,930)</u>
Net unconditional promises to give	<u>\$ 114,524</u>	<u>\$ 50,070</u>
Amounts due in:		
Less than one year	\$ 105,000	\$ 21,000
One to ten years	<u>10,000</u>	<u>31,000</u>
Totals	<u>\$ 115,000</u>	<u>\$ 52,000</u>

Note 4 - EMPLOYEE RETENTION CREDIT

The Organization applied for the Employee Retention Credit (ERC) by filing Forms 941X - Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund for multiple affected quarters. The ERC was created to assist entities negatively affected by COVID-19. During the year ended May 31, 2024, the Organization recognized \$50,066 of revenue, which included accrued interest, and was recorded as Employee Retention Credit on the Statement of Activities. As of May 31, 2024, \$35,663 of the credit and accrued interest was receivable and reported as accounts and grants receivable on the Statement of Financial Position.

Note 5 - PROPERTY AND EQUIPMENT

Property and equipment as of May 31, 2025 and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 768,000	\$ -
Buildings	722,850	-
Land	403,200	-
Equipment	20,000	-
Construction in progress	<u>31,438</u>	<u>-</u>
	1,945,488	-
Less accumulated depreciation	<u>(47,669)</u>	<u>-</u>
Totals	<u>\$1,897,819</u>	<u>\$ -</u>

Note 5 - PROPERTY AND EQUIPMENT (Continued)

Depreciation expense for the years ended May 31, 2025 and 2024 totaled \$47,669 and \$0, respectively.

Note 6 - LINE OF CREDIT

In January 2025, the Organization entered into a \$100,000 line of credit with a local bank with a variable interest rate of Wall Street Journal Prime Rate + 2% (9.50% as of May 31, 2025). The note is due on demand and expires January 14, 2030. The note is uncollateralized. As of May 31, 2025, outstanding borrowings on the line totaled \$50,000.

Note 7 - LEASES

Short Term Leases

The Organization maintained two separate leases for office space. The first lease began January 2023, and continued on a month-to-month basis through June 2023 calling for monthly lease payments of \$1,000. The second lease agreement began in June 2024 and continued through January 2025 with monthly lease payments of \$1,000. The second lease was extended for a single week. Lease expense for the years ended May 31, 2025 and 2024 was \$9,200 and \$12,000, respectively.

Operating Lease

On October 8, 2024, the Organization entered into a 99 year lease for field space used in programming. The lease calls for \$1 annual payments and the Organization is responsible for paying all repair and maintenance expenses through the term of the lease. Upon lease termination, all improvements on the leased space will be transferred to the lessor.

Note 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of May 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specific purposes:		
Swimming	\$ 84,277	\$ -
Capital projects	18,563	-
Baseball and softball programming	25,000	-
Summer camp programming	<u>-</u>	<u>12,500</u>
Totals	<u>\$127,840</u>	<u>\$ 12,500</u>
Subject to passage of time:		
Grants for future years	14,583	164,400
Unconditional promises to give	<u>115,000</u>	<u>52,000</u>
Totals	<u>129,583</u>	<u>216,400</u>
Total restricted net assets	<u><u>\$257,423</u></u>	<u><u>\$228,900</u></u>

Net assets released from restrictions during the years ended May 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Purpose restrictions satisfied:		
Summer camp programming	\$ 12,500	\$ -
Youth empowerment programming	-	16,250
Specific sport programming	-	5,000
Time restrictions satisfied	<u>196,400</u>	<u>123,412</u>
Totals	<u><u>\$208,900</u></u>	<u><u>\$144,662</u></u>

Note 9 - AVAILABILITY OF FINANCIAL ASSETS

The Organization is substantially supported by grants and donations on an unrestricted and restricted basis. Because a grantor or donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its grantors and donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, management established a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$100,000. Management established guidelines for making decisions related to managing short-term cash reserves in a prudent manner.

The following reflects the Organization's financial assets available for general expenditures within one year as of May 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial assets at year end:		
Cash	\$ 27,451	\$ 290,499
Accounts and grants receivable, net	284,118	349,138
Unconditional promises to give, net	<u>114,524</u>	<u>50,070</u>
Total financial assets	426,093	689,707
Less amounts not available to be used within one year:		
Net assets with restrictions	<u>(257,423)</u>	<u>(228,900)</u>
Financials assets available to meet general expenditures over the next twelve months	<u><u>\$ 168,670</u></u>	<u><u>\$ 460,807</u></u>

Note 10 - CONTRIBUTED NONFINANCIAL ASSETS

The Organization recognized contributed nonfinancial assets on the Statements of Activities. Contributed nonfinancial assets for the years ended May 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Support		
Property and equipment	\$1,407,650	\$ -
Equipment	541,592	34,250
Legal services	15,000	25,000
Other	2,565	5,455
Field space	-	250,000
Contracted coaching	-	70,500
	<u> </u>	<u> </u>
Total support	<u>\$1,966,807</u>	<u>\$385,205</u>
Expenditures		
Capitalized property and equipment	\$1,407,650	\$ -
Sports equipment and supplies	541,592	34,250
Professional fees	15,000	25,000
Marketing and development	2,565	5,455
Field expenses and space costs	-	250,000
Contract services	-	70,500
	<u> </u>	<u> </u>
Total expenditures	<u>\$1,966,807</u>	<u>\$385,205</u>

The contributed nonfinancial assets did not have donor-imposed restrictions and were utilized in sport programming, administrative, and fundraising functions. The Organization estimates the fair value based on the current rates for similar services as reported by the donor.

Note 11 - EMPLOYEE BENEFIT PLANS

During the year ended May 31, 2025, the Organization established a contributory, Savings Incentive Match Plan for Employees (SIMPLE) 401(k) retirement plan which is available to all employees. Employees receive a non-elective 2% contribution from the Organization. Participants vest immediately in such contributions. The Organization's contributions to the plan during the year ended May 31, 2025 were \$3,452.