

New England Swimming, Inc.

Financial Statements and Independent Accountant's Review
Report (Modified Cash Basis)

August 31, 2025



New England Swimming, Inc.

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Independent Accountant's Review Report

To the Board of Directors
New England Swimming, Inc.

We have reviewed the accompanying financial statements of New England Swimming, Inc. (a nonprofit organization), which comprise the statement of financial position—modified cash basis as of August 31, 2025, and the related statement of activities—modified cash basis, functional expenses and cash flows—modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting the entity uses is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of New England Swimming, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Nash CPAs, LLC

Nash CPAs, LLC
Norwood, MA

November 18, 2025

New England Swimming, Inc.

Statement of Financial Position (Modified Cash Basis)

August 31, 2025

ASSETS

Current Assets

Cash and cash equivalents	\$ 527,296
Investments - short term	517,045
Accounts receivable	3,735
Prepaid expenses	<u>16,754</u>
 Total current assets	<u>1,064,830</u>

Fixed Assets

Leashold improvements	5,250
Office equipment	<u>2,665</u>
Total fixed assets	7,915
Less: accumulated depreciation	<u>(4,470)</u>
 Total fixed assets, net	<u>3,445</u>

Other Assets

Security deposit	<u>1,680</u>
Total other assets	<u>1,680</u>
 Total Assets	<u>\$ 1,069,955</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses	\$ 12,071
Escrow deposit	700
Deferred revenue	<u>27,349</u>
 Total current liabilities	<u>40,120</u>
 Total liabilities	<u>40,120</u>

Net Assets

Net assets without donor restrictions	<u>1,029,835</u>
Total net assets	<u>1,029,835</u>
 Total Liabilities and Net Assets	<u>\$ 1,069,955</u>

The accompanying notes are an integral part of the financial statements.

New England Swimming, Inc.

Statement of Activities (Modified Cash Basis)

Year Ended August 31, 2025

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue and Support			
Membership dues	\$ 300,151	\$ -	\$ 300,151
Special events	364,964	-	364,964
Investment income, net	15,621	-	15,621
Dividends	16,176	-	16,176
Other Income	31,781	-	31,781
Net assets released from restrictions	<u>5,734</u>	<u>(5,734)</u>	<u>-</u>
 Total revenue and support	 <u>734,427</u>	 <u>(5,734)</u>	 <u>728,693</u>
 Expenses			
Program services	511,578	-	511,578
Administration	<u>91,024</u>	<u>-</u>	<u>91,024</u>
 Total expenses	 <u>602,602</u>	 <u>-</u>	 <u>602,602</u>
 Change in Net Assets	 131,825	 (5,734)	 126,091
 Net Assets at Beginning of Year	 <u>898,010</u>	 <u>5,734</u>	 <u>903,744</u>
 Net Assets at End of Year	 <u>\$ 1,029,835</u>	 <u>\$ -</u>	 <u>\$ 1,029,835</u>

The accompanying notes are an integral part of the financial statements.

New England Swimming, Inc.

Statement of Functional Expenses (Modified Cash Basis)

Year Ended August 31, 2025

	<u>Program Services</u>	<u>Administration</u>	<u>Total</u>
Expenses			
Salaries	\$ 141,048	\$ 7,424	\$ 148,472
Payroll taxes and insurance	11,483	604	12,087
Payroll processing fees	7,359	387	7,746
Total salaries and related	<u>159,890</u>	<u>8,415</u>	<u>168,305</u>
Athlete support	227,136	-	227,136
NES meets	52,562	-	52,562
Officials	29,837	-	29,837
Rent	-	20,913	20,913
Professional fees	-	20,829	20,829
Coaches	16,150	-	16,150
Service fee	-	16,010	16,010
Inclusion committee	15,017	-	15,017
Conferences and meetings	9,131	1,051	10,182
Office expense	-	9,888	9,888
Telephone	-	4,603	4,603
Website and marketing	-	4,273	4,273
Registration expenses	1,855	-	1,855
Insurance	-	1,503	1,503
Utilities	-	1,269	1,269
Depreciation	-	936	936
Other expenses	-	707	707
Postage and shipping	-	353	353
Taxes and licenses	<u>-</u>	<u>274</u>	<u>274</u>
Total Expenses	<u>\$ 511,578</u>	<u>\$ 91,024</u>	<u>\$ 602,602</u>

The accompanying notes are an integral part of the financial statements.

New England Swimming, Inc.

Statement of Cash Flows (Modified Cash Basis)

Year Ended August 31, 2025

Cash Flows from Operating Activities

Change in net Assets	\$ 126,091
Adjustments to reconcile change in net assets to net cash provided by operating activities	
to net cash provided by operating activities:	
Depreciation	936
Realized & unrealized gain on investments	
Investment income, net	(29,114)
Decrease (increase) in assets:	
Accounts receivable	14,052
Prepaid expenses	(1,663)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	308
Escrow deposit	(1,100)
Deferred revenue	<u>10,093</u>
Net Cash Provided by Operating Activities	<u>119,603</u>

Cash Flows from Investing Activities

Purchase of investments	<u>(487,931)</u>
Net Cash (Used in) Investing Activities	<u>(487,931)</u>
Net Decrease in Cash and Cash Equivalents and Restricted Cash	(368,328)
Cash and Cash Equivalents - Beginning	<u>895,624</u>
Cash and Cash Equivalents - Ending	\$ <u>527,296</u>

The accompanying notes are an integral part of the financial statements.

New England Swimming, Inc.

Notes to the Financial Statements

August 31, 2025

(1) Summary of Significant Accounting Policies

The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under this basis, certain elements of cash receipts and disbursements accounting are combined with selected accrual-basis adjustments to present financial information in a manner considered more useful to management and readers of the financial statements. The significant accounting policies followed by New England Swimming, Inc. (the Organization) are described below to enhance the usefulness of the financial statements.

Nature of Activities

The Organization is a not-for-profit Organization organized October 31, 1980 in Massachusetts; 501(c)(3) organization approved by the Internal Revenue Service, July 8, 1981. The Organization is committed to training individuals to develop and enhance their competitive abilities in the sport of swimming; while promoting an inclusive environment to individuals of all ages, genders, and abilities, in accordance with standards promulgated under the auspices of the Parent Organization United States Swimming, Inc.

Basis of Presentation

The statement of activities reports all changes in net assets, including changes in net assets without donor restrictions from operating activities. Operating revenues consist of those monies received and other contributions attributable to the Organization's ongoing efforts.

Standards of Accounting and Reporting

The Organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the statement of activities displays the change in each class of net assets. The classes of net assets applicable to the Organization are presented as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Contributions, gains and investment income that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contributions are recognized.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents.

New England Swimming, Inc.

Notes to the Financial Statements

August 31, 2025

The Organization maintains its cash balances at multiple financial institutions located in Massachusetts. The cash balances are insured by the Federal Deposit Insurance Organization. At times these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to those cash balances as of August 31, 2025.

Investments

Investments in marketable securities with readily determinable market values and all fixed annuities are recorded at their fair values. Fair value is determined by quoted market prices. Investment income from unrestricted investments is reported as unrestricted revenue and support and investment income of restricted assets are reported as restricted revenue and support, based on donor stipulations.

Revenue Recognition

The Organization generally measures revenue based on the amounts of consideration it expects to be entitled for the transfers of goods and services to a customer, then recognizes its revenue as performance obligations are satisfied under a contract, except in transactions where GAAP provides other applicable guidance. The Organization evaluates its revenue contracts with customers based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; (5) Recognize revenue when (or as) each performance obligation is satisfied.

The Organization earns revenue as follows:

Membership Dues - Membership dues, which are nonrefundable, are comprised of an exchange element based on the benefits received, and a contribution element for the difference. The Organization recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately. Payments are required at the time of sale or start of the membership period. Amounts received in advance are deferred to the applicable period. With the exception of goods and services provided in connection with membership dues, which are transferred over the period of membership, all goods and services are transferred at a point in time.

Special Events - Special event revenue is primarily derived from contributions collected and fees charged for admission at various sponsored events. Special event revenue is recognized when earned. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution revenue for the difference should these situations arise.

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received, should these situations arise.

Contributions of donated noncash assets are recorded at their fair values in the period 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, should these situations arise.

Substantially all of the Organization's revenue is derived from its activities in Massachusetts. During the year ended August 31, 2025, the Organization derived approximately 50% of its total revenue from special events, 41% from membership-dues and 9% from other sources.

New England Swimming, Inc.

Notes to the Financial Statements

August 31, 2025

Accounts Receivable

Accounts receivables are stated at the amount management expects to collect from outstanding balances. The Organization estimates expected credit losses from doubtful accounts based upon the expected collectability of its accounts, which takes into account the aging of a customer's account, creditworthiness, and historical trends. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of August 31, 2025, management has determined any allowance would be immaterial.

The Organization does not have the policy to accrue interest on accounts receivable. The Organization has no policies requiring collateral or other security to secure the accounts receivable.

Use of Estimates

In preparing the Organization's financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.

Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Deferred Revenue

Income and expenses related to future swimming events and annual award banquet are deferred to the year in which the event occurs and only recognized after services have been completed.

Income Taxes

The Organization qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally not subject to income tax. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization is not a private foundation under Section 509(a)(1) of the IRC.

Management has analyzed the tax position taken by the Organization and has concluded that, as of August 31, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Accordingly, these financial statements do not reflect a provision for income taxes and the Organization has no other tax positions which must be considered for disclosure.

Generally, the Organization's information returns remain open for possible examination for three years after the filing date. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2022 remain open.

New England Swimming, Inc.

Notes to the Financial Statements

August 31, 2025

Fair Value Measurements

The Organization's financial instruments consist principally of cash and cash equivalents and short-and long-term marketable securities. The fair value of a financial instrument is the amount that would be received in an asset sale or paid to transfer a liability in an orderly transaction between unaffiliated market participants. Assets and liabilities measured at fair value are categorized based on whether the inputs are observable in the market and the degree that the inputs are observable. The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy is prioritized into three levels (with Level 3 being the lowest) defined as follows:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Observable inputs other than quoted prices included in Level 1. Assets and liabilities included in this level are valued using quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant inputs to the valuation model are unobservable.

In accordance with GAAP, certain assets and liabilities are required to be recorded at fair value on a recurring basis. The Organization's assets that are adjusted to fair value on a recurring basis are described below. The Organization currently has no liabilities that are adjusted to fair value on a recurring basis.

The following section(s) describe the valuation methodologies used to measure assets financial assets and liabilities at fair value on a recurring basis.

Investments in Debt and Equity Securities: Quoted market prices, a Level 1 input, are used to determine the fair value of investment securities, (see Note 3).

The following tables summarize assets measured at fair value on a recurring basis as of June 30, 2025.

	Level 1	Level 2	Level 3
Domestic mutual funds	\$ 517,045	\$ -	\$ -
Total	\$ 517,045	\$ -	\$ -

The Organization's policy is to recognize transfers in and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels during the year ended June 30, 2025.

In-kind Contributions

Donations other than cash are recorded at their estimated fair market value at the date of the gift. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Organization. Volunteers also provided fund-raising services throughout the year that are not recognized in the financial statements since the recognition criteria were not met.

New England Swimming, Inc.

Notes to the Financial Statements

August 31, 2025

(2) Liquidity and Availability

The following reflects the Organization's financial assets as of August 31, 2025, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the statement of financial position date:

Financial assets at August 31, 2025 :

Cash and cash equivalents	\$ 527,296
Accounts receivable	3,735
Investments	<u>517,045</u>
Total	<u>1,048,076</u>

Financial assets available to meet cash
needs for general expenditures within one year: \$ 1,048,076

The Organization is supported by restricted and unrestricted contributions at times. Because a 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 donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(3) Related Party Transactions

The Organization functions under the auspices of USA Swimming, Inc., which serves as the governing body for the sport of swimming in the US. For the year ended August 31, 2025 the amount paid to USA Swimming, Inc. was \$2,000. Registration fees are reported at net of the amount paid on behalf of members in the financial statements.

(4) Defined Contribution Plan

The Organization established a 401(k) retirement plan for qualified employees satisfying respective conditions pursuant to Internal Revenue Code Guidelines; plan features include salary deferral, safe-harbor, and profit-sharing contributions, not to exceed limits imposed under IRC 401(k). Amounts designated for the year then ended August 31, 2025, amount to \$4,454.

(5) Donated Services and Materials

In, excess of~1000 individuals donated their time towards assisting in program services. The Organization was unable to quantify services rendered in a measurable dollar amount; therefore, no services were recognized as revenue in the financial statements.

New England Swimming, Inc.

Notes to the Financial Statements

August 31, 2025

(6) Operating Lease

During the year ended August 31, 2025, the Organization entered into a 2-year lease extension with a property for office space. The lease commenced on November 1, 2024, and terminates on October 31, 2026. As of August 31, 2025, the lease payment is \$1,726 per month. On November 1, 2025, the monthly rent will increase to \$1,771.

The Organization has not adopted ASC 842, Leases, and consequently, has not recognized a right-of-use asset or lease liability on the statement of financial position as of August 31, 2025. Due to the Organization being on a modified cash basis of accounting)

Rent expense for the year ended August 31, 2025 was \$20,913.

(7) Subsequent Events

The Organization has performed an evaluation of subsequent events through November 18, 2025, 2025, which is the date the Organization's financial statements were available to be issued. No material subsequent events have occurred since August 31, 2025 that required recognition or disclosure in these financial statements.