

**National Summer Learning Association, Inc.**

**Financial Statements**  
and  
Independent Auditor's Report

Years Ended June 30, 2023 and 2022

## Table of Contents

<b>Independent Auditor's Report .....</b>	<b>1-2</b>
<b>Financial Statements:</b>	
Statements of Financial Position.....	3
Statements of Activities .....	4-5
Statements of Functional Expenses .....	6-7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9-17

## Independent Auditor's Report

**To the Board of Directors**  
**National Summer Learning Association, Inc.**  
Washington, DC

### **Opinion**

We have audited the accompanying financial statements of National Summer Learning Association, Inc. ("NSLA") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 NSLA as of June 30, 2023 and 2022, 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 Audit of the Financial Statements section of our report. We are required to be independent of NSLA 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 NSLA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, including omissions, 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 NSLA'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 NSLA'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.

A handwritten signature in black ink that reads "Snyder Cohn, PC". The signature is written in a cursive, flowing style.

SNYDER COHN, PC  
North Bethesda, Maryland  
May 8, 2024

**National Summer Learning Association, Inc.**

**Statements of Financial Position**

<b>June 30</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 2,199,849	\$ 2,066,240
Contributions, grants and accounts receivable	368,650	958,894
Inventory	-	2,265
Prepaid expenses	107,694	21,000
Total current assets	<u>2,676,193</u>	<u>3,048,399</u>
<b>Property and equipment, net</b>	4,951	5,851
<b>Other assets:</b>		
Other asset	<u>8,128</u>	<u>-</u>
<b>Total assets</b>	<u><u>\$ 2,689,272</u></u>	<u><u>\$ 3,054,250</u></u>
<b>Liabilities and net assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 291,258	\$ 164,924
Deferred revenue	125,750	11,400
Other liability	<u>8,128</u>	<u>-</u>
Total current liabilities	<u>425,136</u>	<u>176,324</u>
<b>Commitments</b>		
<b>Net assets:</b>		
Without donor restrictions	75,908	501,780
With donor restrictions	<u>2,188,228</u>	<u>2,376,146</u>
Total net assets	<u>2,264,136</u>	<u>2,877,926</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 2,689,272</u></u>	<u><u>\$ 3,054,250</u></u>

See Accompanying Notes

# National Summer Learning Association, Inc.

## Statement of Activities

**For the year ended June 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
Contributions and grants	\$ 979,039	\$ 2,316,727	\$ 3,295,766
Contributed services	5,644,662	-	5,644,662
Program fees	91,001	-	91,001
Conference revenue	753,397	-	753,397
Sponsorships and partnerships	93,500	-	93,500
Other income	4,550	-	4,550
Net assets released from restrictions	2,504,645	(2,504,645)	-
Total support and revenues	<u>10,070,794</u>	<u>(187,918)</u>	<u>9,882,876</u>
<b>Expenses:</b>			
Program	9,786,546	-	9,786,546
Management and general	359,180	-	359,180
Fundraising	350,940	-	350,940
Total expenses	<u>10,496,666</u>	<u>-</u>	<u>10,496,666</u>
<b>Change in net assets</b>	(425,872)	(187,918)	(613,790)
Net assets - beginning	<u>501,780</u>	<u>2,376,146</u>	<u>2,877,926</u>
<b>Net assets - ending</b>	<u><u>\$ 75,908</u></u>	<u><u>\$ 2,188,228</u></u>	<u><u>\$ 2,264,136</u></u>

See Accompanying Notes

# National Summer Learning Association, Inc.

## Statement of Activities

**For the year ended June 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
Contributions and grants	\$ 387,692	\$ 2,721,203	\$ 3,108,895
Contributed services	915,285	-	915,285
Paycheck Protection Program loan forgiveness	275,300	-	275,300
Program fees	282,814	-	282,814
Conference revenue	232,341	-	232,341
Sponsorships and partnerships	13,800	-	13,800
Other income	285	-	285
Net assets released from restrictions	2,515,506	(2,515,506)	-
Total support and revenues	<u>4,623,023</u>	<u>205,697</u>	<u>4,828,720</u>
<b>Expenses:</b>			
Program	4,162,877	-	4,162,877
Management and general	152,191	-	152,191
Fundraising	170,425	-	170,425
Total expenses	<u>4,485,493</u>	<u>-</u>	<u>4,485,493</u>
<b>Change in net assets</b>	137,530	205,697	343,227
Net assets - beginning	<u>364,250</u>	<u>2,170,449</u>	<u>2,534,699</u>
<b>Net assets - ending</b>	<u><u>\$ 501,780</u></u>	<u><u>\$ 2,376,146</u></u>	<u><u>\$ 2,877,926</u></u>

See Accompanying Notes

**National Summer Learning Association, Inc.**

**Statement of Functional Expenses**

**For the year ended June 30, 2023**

		Supporting Services		
		Management and General	Fundraising	Total
	Program			
Salaries	\$ 583,341	\$ 151,444	\$ 162,663	\$ 897,448
Employee benefits and taxes	88,141	23,410	24,578	136,129
Total payroll and related expenditures	671,482	174,854	187,241	1,033,577
Subgrants	60,000	-	-	60,000
Professional fees	11,772	82,128	13,244	107,144
Office expense	68,345	11,573	13,530	93,448
Program activities	3,096,976	72,146	99,890	3,269,012
In-kind program activities	5,644,662	-	-	5,644,662
Community and partnership	92,405	-	-	92,405
Fundraising event	545	60	3,629	4,234
Travel	55,827	6,376	14,271	76,474
Telephone and information technology	5,579	1,149	1,234	7,962
Occupancy costs	26,878	6,118	6,173	39,169
Equipment rental and maintenance	5,322	648	696	6,666
Other expenses	46,168	3,976	10,869	61,013
Total expenses before depreciation	9,785,961	359,028	350,777	10,495,766
Depreciation and amortization	585	152	163	900
<b>Total functional expenses</b>	<b>\$ 9,786,546</b>	<b>\$ 359,180</b>	<b>\$ 350,940</b>	<b>\$ 10,496,666</b>

See Accompanying Notes



**National Summer Learning Association, Inc.**

**Statement of Functional Expenses**

**For the year ended June 30, 2022**

		Supporting Services		
		Management and General	Fundraising	Total
	Program			
Salaries	\$ 645,440	\$ 37,420	\$ 98,587	\$ 781,447
Employee benefits and taxes	102,299	5,931	15,626	123,856
Total payroll and related expenditures	747,739	43,351	114,213	905,303
Subgrants	60,500	-	-	60,500
Professional fees	97,690	101,544	33,676	232,910
Office expense	56,205	1,774	4,819	62,798
Program activities	2,097,333	1,181	3,112	2,101,626
In-kind program activities	915,286	-	-	915,286
Community and partnership	1,046	-	-	1,046
Fundraising event	-	-	-	-
Travel	47,991	589	3,196	51,776
Telephone and information technology	30,659	1,156	3,047	34,862
Occupancy costs	18,211	1,051	2,770	22,032
Equipment rental and maintenance	5,937	217	573	6,727
Other expenses	83,909	1,306	4,962	90,177
Total expenses before depreciation	4,162,506	152,169	170,368	4,485,043
Depreciation and amortization	371	22	57	450
<b>Total functional expenses</b>	<b>\$ 4,162,877</b>	<b>\$ 152,191</b>	<b>\$ 170,425</b>	<b>\$ 4,485,493</b>

See Accompanying Notes

# National Summer Learning Association, Inc.

## Statements of Cash Flows

For the years ended June 30	2023	2022
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (613,790)	\$ 343,227
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	900	450
Forgiveness of Paycheck Protection Program loans	-	(275,300)
(Increase) decrease in:		
Contributions, grants and accounts receivable	590,244	239,794
Inventory	2,265	(1,426)
Prepaid expenses	(86,694)	19,905
Other asset	(8,128)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	126,334	18,247
Deferred revenue	114,350	10,450
Other liability	8,128	-
<b>Net cash provided by operating activities</b>	<u>133,609</u>	<u>355,347</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	<u>-</u>	<u>(6,301)</u>
Net increase in cash and cash equivalents	133,609	349,046
Cash and cash equivalents - beginning	<u>2,066,240</u>	<u>1,717,194</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 2,199,849</u></u>	<u><u>\$ 2,066,240</u></u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for:		
Interest	\$ -	\$ -

See Accompanying Notes

# National Summer Learning Association, Inc.

## Notes to Financial Statements

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June 30, 2023 and 2022

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### **Note 1: Summary of significant accounting policies:**

National Summer Learning Association, Inc. (NSLA) is a 501(c)(3) tax exempt, nonprofit organization based in Washington, DC. NSLA is dedicated to connecting and equipping schools, providers, communities, and families to deliver high quality summer learning opportunities to our nation's youth to help close the achievement gap and support healthy development.

NSLA serves as a network hub for thousands of summer learning program providers and stakeholders across the country providing tools, resources, and expertise to improve program quality, generate support, and increase youth access and participation. NSLA offers professional development, quality assessment and evaluation, best practices dissemination and collaboration, and strategic consulting to states, school districts, community organizations, and funders.

The mission of NSLA is to convince, connect, and equip providers, education leaders, families, and communities to deliver high quality summer learning opportunities to our nation's children and youth. NSLA is the only national nonprofit exclusively focused on closing the achievement gap by increasing access to high quality summer learning opportunities. NSLA recognizes and disseminates what works, offers expertise and support for programs and communities, and advocates for summer learning as a solution for equity and excellence in education. NSLA's work is driven by the belief that all children and youth deserve high quality summer learning experiences that will help them succeed in college, career, and life.

Basis of accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Accordingly, revenue is recognized when earned and expenses when the obligation is incurred.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, 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.

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

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. NSLA's Boards of Directors have designated a portion of the net assets without donor restrictions for specific uses. The amounts designated as reserves totaled \$690,000 and \$540,000 at June 30, 2023 and 2022, respectively.

# National Summer Learning Association, Inc.

## Notes to Financial Statements

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June 30, 2023 and 2022

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**Note 1: Summary of significant accounting policies:** (continued)

Net assets (continued) -

Net assets with donor restrictions - Amounts that are specifically restricted by donors for various purposes or future time periods. NSLA reports grants and contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

Cash and cash equivalents - Cash and cash equivalents consist of short-term, highly liquid investments with maturities of three months or less at the date of their acquisition.

Accounts receivable - Accounts receivable are stated at their net realizable value. NSLA records receivables net of an allowance for doubtful accounts when necessary. The allowance is determined based on review of the estimated collectability of the specific accounts, plus a general provision based on historical loss experience and existing economic conditions. Uncollectible amounts are charged off against the allowance for doubtful accounts once management determines an account, or a portion thereof, to be worthless. As of June 30, 2023 and 2022, management considers all receivables to be fully collectible; therefore, no allowance for doubtful accounts has been established.

Grants and contributions receivable - Contributions receivable consist of unconditional promises to give that are expected to be collected within one year and are recorded at their net realizable value. Conditional promises to give are not included as support until the conditions are substantially met. Management considers all promises to give to be fully collectible; therefore, no allowance for doubtful accounts has been established.

Property and equipment - Property and equipment are capitalized at cost, if purchased, or at estimated fair value on the date of a gift, if donated. Acquisitions of property and equipment with a cost of \$1,000 or more are capitalized as incurred. Property and equipment are depreciated using the straight-line method based on their respective estimated useful lives ranging from three to seven years. Repairs and maintenance to existing facilities are expensed as incurred. Website development costs included in property and equipment are capitalized in accordance with *FASB ASC 350-50 (Website Development Costs)*. Under *FASB ASC 350-50*, costs incurred during the planning stage are expensed, while costs related to software used to operate a website or for developing initial graphics are capitalized. Website development costs are amortized using the straight-line method over an estimated life of three years.

# National Summer Learning Association, Inc.

## Notes to Financial Statements

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June 30, 2023 and 2022

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**Note 1: Summary of significant accounting policies:** (continued)

Inventory - Inventories were stated at average cost and consisted primarily of instructional materials used in the programs of NSLA.

Deferred revenue - Deferred revenue represents amounts received, but unearned, for future periods. Revenue is recognized as each event is held or when program service work is performed.

Fair value measurements - The *FASB Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2 - inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# National Summer Learning Association, Inc.

## Notes to Financial Statements

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June 30, 2023 and 2022

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**Note 1: Summary of significant accounting policies:** (continued)

Concentration of credit risk - NSLA maintains its cash balances at one financial institution. The accounts at this institution are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At various times throughout the year, cash balances at this institution exceeded the federally insured limits. NSLA has not experienced any losses with respect to its cash balances.

Revenue recognition - NSLA's revenue recognition policies are as follows:

Promises to give - Unconditional promises to give are recognized as revenue in the period received as assets or as decreases of liabilities or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions - Contributions are recognized as support without donor restrictions unless their use is specifically restricted by the donor. When a donor restriction expires, the stipulated time restriction ends or the purpose of the restriction is accomplished.

Program fees - Revenue is recognized when programs are performed, or the period services are performed in accordance with the terms of the contract or agreement. The portion of revenues relating to future periods is reported as deferred revenue.

Conference revenue - Revenues associated with these events are recognized when the event occurs. Any amounts received in advance are recorded as deferred revenue.

Partnerships - Revenue is recognized when services are performed. The portion of revenues relating to future periods is reported as deferred revenue.

Sponsorships - Revenue is recognized as support without donor restrictions unless their use is specifically restricted by the donor. When a donor restriction expires, that is when the stipulated time restriction ends, or the purpose of the restriction is accomplished.

Disaggregation of revenue - In accordance with ASU 2014-09, NSLA disaggregates revenue from contracts with customers into major revenue streams and the timing of recognizing revenue. All revenue is recognized at a point in time when the relevant performance obligations have been met.

Paycheck Protection Program (PPP) loans - In May 2020 and January 2021, NSLA received loan proceeds under the Paycheck Protection Program. The proceeds from the PPP were classified as debt on the balance sheet under the *FASB guidance ASC 470-10-45, Simplifying the Classification of Debt in a Classified Balance Sheet*. See Note 10 for more information about the PPP loans.

# National Summer Learning Association, Inc.

## Notes to Financial Statements

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June 30, 2023 and 2022

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**Note 1: Summary of significant accounting policies:** (continued)

Contract liabilities - NSLA, receives payments for some services in advance of the period in which it is earned. These contract liabilities are recognized as deferred revenue until the revenue is earned. The beginning and ending balances of contract liabilities are as follows:

July 01, 2021	\$	950
June 30, 2022		11,400
June 30, 2023		125,750

Change in accounting principle - In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which is the leasing standard for both lessees and lessors. Under this update, a lessee will recognize lease assets and liabilities on the statement of financial position for all arrangements with terms longer than 12 months. Lessor accounting remains largely consistent with existing U.S. GAAP. NSLA adopted the standard as of July 1, 2022. Total net assets and changes in net assets are unchanged due to the adoption of the new standard. NSLA will apply this new ASU if any leases meet the criteria for implementation set forth in the transition guidance prescribed by the ASU. NSLA did not have any material leases during the fiscal year.

Accounting for uncertainty in income taxes - NSLA accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax effect is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for uncertain tax positions. Interest and penalties, if any, are accrued as a component of general and administrative expenses when assessed. NSLA is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Similar to other tax-exempt organizations, NSLA is subject to tax on unrelated business income. Tax years ended prior to June 30, 2020 are no longer subject to examination by taxing authorities.

During the years ended June 30, 2023 and 2022, NSLA did not have net taxable income from unrelated business activities; therefore, there is no provision in these financial statements for income taxes or interest and penalties related to unrecognized tax benefits.

Reclassifications - Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. Net assets and changes in net assets are unchanged due to these reclassifications.

# National Summer Learning Association, Inc.

## Notes to Financial Statements

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June 30, 2023 and 2022

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**Note 2: Liquidity and availability:**

The following reflects NSLA's financial assets on June 30, 2023, reduced by amounts that are not available for general use because of donor imposed, board or time restrictions within one year of the statement of financial position date.

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 2,199,849	\$ 2,066,240
Grants receivable	275,000	760,000
Accounts receivable	93,650	198,894
	<u>2,568,499</u>	<u>3,025,134</u>
Less those unavailable for general expenditure within one year, due to:		
Amounts designated for future purpose restrictions	<u>(2,138,228)</u>	<u>(2,326,146)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 430,271</u>	<u>\$ 698,988</u>

As part of its liquidity management plan, NSLA manages its operations within a balanced budget. NSLA receives revenue from pledges and contributions, sponsorship and partnership, and grants and contracts from their donors that provide the resources to support a portion of the operating activity. Excess funds are transferred into the money market account. At June 30, 2023 and 2022, there were \$690,000 and \$540,000, respectively, designated for reserves. However, given the ability to quickly transfer these funds to operations with Board approval, these amounts are not reducing the financial assets above.

Also, a substantial portion of NSLA's support is donor restricted contributions that require resources to be spent in accordance with donor restrictions. NSLA must maintain sufficient resources to meet these requirements, making these assets unavailable for use to meet general expenditures. However, the majority of these expenses are normal operating expenses such as salaries and consultant costs that are expected to be released in the next twelve months based upon the activity of the NSLA.



# National Summer Learning Association, Inc.

## Notes to Financial Statements

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**June 30, 2023 and 2022**

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**Note 3: Property and equipment:**

Property and equipment consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Computers and equipment	\$ 5,441	\$ 5,441
Furniture and fixtures	11,500	11,500
Website development	<u>21,000</u>	<u>21,000</u>
	37,941	37,941
Less: accumulated depreciation and amortization	<u>(32,990)</u>	<u>(32,090)</u>
Property and equipment, net	<u>\$ 4,951</u>	<u>\$ 5,851</u>

Depreciation and amortization expense for the years ended June 30, 2023 and 2022 was \$900, and \$450, respectively.

**Note 4: Net assets:**

Net assets of \$2,454,645 and \$2,515,506 were released from restrictions during the years ended June 30, 2023 and 2022, respectively, by satisfying purpose restrictions specified by donors on various awards. Additionally, \$50,000 and \$-0- were released from restrictions during the years ended June 30, 2023 and 2022, respectively, by satisfying time restrictions.

Net assets of \$2,138,228 and \$2,326,146 were subject to support of specific programs as of June 30, 2023 and 2022, respectively. Additionally, \$50,000 was subject to time restrictions for both of the years ended June 30, 2023 and 2022.

**Note 5: Employee retirement plan:**

NSLA maintains a 401(k) defined contribution benefit plan covering substantially all employees. Participating employees may contribute amounts of their annual salary subject to the maximum contributions allowed under the Internal Revenue Code. Additionally, NSLA may also contribute employer provided discretionary amounts on an annual basis. There were \$24,822 and \$21,825 of employer contributions made to the plan for the years ended June 30, 2023 and 2022, respectively.

# National Summer Learning Association, Inc.

## Notes to Financial Statements

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**June 30, 2023 and 2022**

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**Note 6: Commitments:**

NSLA has an operating lease agreement for office equipment. The rental expenses related to this lease was \$3,839 and \$5,759 for the years ended June 30, 2023 and 2022, respectively.

Future minimum annual rental commitments under operating leases and non-cancelable lease agreements are as follows for the years ended June 30:

	<u>Office Equipment</u>
2024	\$ 1,834

**Note 7: Concentrations:**

At June 30, 2023, there were two contributors that made up 68% of the total contributions, grants and accounts receivable balance. One contributor made up 29% of total revenue (excluding contributed services) for the year ended June 30, 2023. At June 30, 2022 there were two contributors that made up 78% of the total contributions, grants and accounts receivable balance. Two contributors made up 37% of total revenue (excluding contributed services) for the year ended June 30, 2022.

**Note 8: Functional allocation of expenses:**

The costs of providing various programs and other activities have been summarized in the statements of functional expenses. Accordingly, certain costs have been allocated among program and supporting services benefited using various cost allocation techniques. Programmatic expenses, salaries, taxes and related benefits are allocated based on the estimated percentage of time each employee spends on each program activity. Administrative expenses are applied at the end of the year based on the same management approved allocations as salaries. Occupancy related costs are allocated based on the usage of the space. All other expenses are allocated based on the invoices received for the expense and the specific program/activity that the invoice relates to.

**Note 9: Contributed services:**

NSLA policy related to gifts-in-kind is to utilize the assets given, to carry out the mission of the organization. All in-kind goods and services are recorded at their going market rate and are considered without donor restrictions in the accompanying statement of activities.

# National Summer Learning Association, Inc.

## Notes to Financial Statements

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**June 30, 2023 and 2022**

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**Note 9: Contributed services:** (continued)

A significant number of volunteers donate their time in the furtherance of NSLA's programs and activities. Volunteers perform various administrative, programming, and fundraising functions. However, the value of these services is not recognized in the financial statements unless the donated services received creates or enhances non-financial assets or requires specialized skills that would typically need to be purchased, if not provided by contribution.

NSLA was provided advertising services, based on current market rates, the organization would have paid \$5,644,662 and \$906,035 for the years ended June 30, 2023 and 2022, respectively.

NSLA was also provided housing services for their internships, based on current market rates, the organization would have paid \$-0- and \$9,251 for the years ended December 31, 2023 and 2022, respectively.

The total amount of in-kind services provided to NSLA were \$5,644,662 and \$915,286 for the years ended Jun 30, 2023 and 2022, respectively. These amounts are included with contributions and grants without donor restrictions and as program expenses on the Statements of Activities.

**Note 10: Debt:**

In May 2020, NSLA received loan proceeds in the amount of \$159,700 under the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. This loan was forgiven in July 2021.

In January 2021, NSLA was granted a loan in the amount of \$115,600 pursuant to the Paycheck Protection Program under the Consolidated Appropriations Act, 2021. The loan will mature five years from the date on which SBA assigned the loan number for the loan and bears interest at a rate of 1.00% per annum. Funds from the loan may be used only for payroll and employee benefit costs, interest on mortgage obligations incurred before July 20, 2021, and rent and utility expenses covered under agreements entered into before July 20, 2021. The loan was forgiven in December 2021.

**Note 11: Subsequent events:**

Subsequent events have been evaluated through May 8, 2024, which is the date the financial statements were available to be issued.

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