

**NEW ENGLAND EDUCATIONAL
OPPORTUNITY ASSOCIATION**

Financial Statements

For the Years Ended August 31, 2022 and 2021

NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION

AUGUST 31, 2022 AND 2021

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
New England Educational Opportunity Association

We have reviewed the accompanying statements of financial position of New England Educational Opportunity Association (a non-profit corporation), as of August 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the consolidated 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 accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

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

Accountant's Conclusion

Based on our reviews, 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 accounting principles generally accepted in the United States of America.

Murphy, Powers & Wilson
Certified Public Accountants, P.C.

Hampton, New Hampshire
January 2, 2023

NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION

Statements of Financial Position

As At August 31, 2022 and 2021

See Independent Accountant's Review Report

	2022	2021
ASSETS		
Cash	\$250,401	\$234,533
Prepaid expenses and deposits	7,400	0
Investments- short term	<u>14,723</u>	<u>15,984</u>
TOTAL CURRENT ASSETS	<u>272,524</u>	<u>250,517</u>
Investments- long term	<u>77,920</u>	<u>76,458</u>
TOTAL ASSETS	<u>\$350,444</u>	<u>\$326,975</u>
LIABILITIES		
Accounts Payable	<u>4,650</u>	<u>0</u>
TOTAL LIABILITIES	<u>\$4,650</u>	<u>\$0</u>
NET ASSETS		
Unrestricted	<u>\$345,794</u>	<u>\$326,975</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$350,444</u>	<u>\$326,975</u>

See notes to financial statements

NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION

Statements of Activities and Changes in Net Assets

For the Years Ended August 31, 2022 and 2021

See Independent Accountant's Review Report

	2022	2021
SUPPORT AND REVENUE		
Annual conference	\$104,352	\$116,741
National trio day	53,290	46,350
Member and state dues	15,005	18,260
Leadership institute	0	6,000
Professional development registration fees	360	8,915
Investment income	202	3,266
General foundation support	<u>2,000</u>	<u>0</u>
TOTAL SUPPORT AND REVENUE	<u>175,209</u>	<u>199,532</u>
EXPENSES		
Annual conference	49,859	35,219
Council for opportunities in education	32,093	18,592
National trio day	7,134	12,493
Leadership institute	3,862	8,200
General and administrative	<u>63,442</u>	<u>36,261</u>
TOTAL EXPENSES	<u>156,390</u>	<u>110,765</u>
CHANGE IN NET ASSETS	18,819	88,767
NET ASSETS, BEGINNING OF YEAR	<u>326,975</u>	<u>238,208</u>
NET ASSETS, END OF YEAR	<u>\$345,794</u>	<u>\$326,975</u>

See notes to financial statements

NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION

Statements of Functional Expenses

For the Years Ended August 31, 2022 and 2021

See Independent Accountant's Review Report

	2022	2021
ANNUAL CONFERENCE		
Hotel	\$47,209	\$32,934
Committee expense	328	685
Refunds	1,800	1,480
Supplies	<u>522</u>	<u>120</u>
TOTAL ANNUAL CONFERENCE	<u>49,859</u>	<u>35,219</u>
COUNCIL FOR OPPORTUNITIES IN EDUCATION		
Policy seminar	17,649	11,055
Travel	10,194	37
Dues	4,000	4,000
Fair share contribution	0	3,000
Advertising	0	500
Gift basket	<u>250</u>	<u>0</u>
TOTAL COUNCIL FOR OPPORTUNITIES IN EDUCATION	<u>32,093</u>	<u>18,592</u>
NATIONAL TRIO DAY		
Hotel and food	1,000	0
Transportation	0	0
Entertainment	0	500
Miscellaneous	4,634	4,993
Speaker fees	<u>1,500</u>	<u>7,000</u>
TOTAL NATIONAL TRIO DAY	<u>7,134</u>	<u>12,493</u>
LEADERSHIP INSTITUTE		
Institute Lodging & Facilities	2,480	0
Director contract	750	6,000
Workshop	632	1,450
Training	<u>0</u>	<u>750</u>
TOTAL LEADERSHIP INSTITUTE	<u>3,862</u>	<u>8,200</u>
GENERAL AND ADMINISTRATIVE		
Board/committee travel and meetings	20,399	8,867
Member professional development	2,000	3,670
Professional fees	4,825	6,565
Technology	12,624	0
Bonding and insurance	2,376	2,376
President account	2,766	943
Bank and PayPal fees	2,398	2,771
President - elect	3,035	357
Website and software expenses	10,990	9,316
Affiliate memberships	500	500
Association awards	688	211
Vice president	0	111
Treasurer	270	28
Miscellaneous	<u>571</u>	<u>546</u>
TOTAL GENERAL AND ADMINISTRATIVE	<u>63,442</u>	<u>36,261</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$156,390</u>	<u>\$110,765</u>

See notes to financial statements

NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION

Statements of Cash Flows

For the Years Ended August 31, 2022 and 2021

See Independent Accountant's Review Report

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$18,819	\$88,767
Adjustments to reconcile excess of support and revenue other		
Expenses to net cash provided by operating activities		
Change in prepaid expenses and deposits	-7,400	13,000
Change in accounts payable	<u>4,650</u>	<u>0</u>
NET CASH PROVIDED (USED IN) BY OPERATING ACTIVITIES	<u>16,069</u>	<u>101,767</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease/(increase) in investments	<u>-201</u>	<u>-3,266</u>
NET CASH (USED) PROVIDED FOR INVESTING ACTIVITIES	<u>-201</u>	<u>-3,266</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,868	98,501
Cash and cash equivalents, beginning of year	<u>234,533</u>	<u>136,032</u>
Cash and cash equivalents, end of year	<u>\$250,401</u>	<u>\$234,533</u>

See notes to financial statements

NEW ENGLAND EDUCATIONAL OPPORTUNITY ASSOCIATION

Notes to Financial Statements

August 31, 2022 and 2021

See Independent Accountant's Review Report

NOTE 1 - SUMMARY OF OPERATIONS AND ACCOUNTING POLICIES

Operations

New England Educational Opportunity Association (NEOA) is a Massachusetts not-for-profit corporation chartered in 1976. NEOA's mission is to advocate for access to and success in postsecondary education for low income individuals, minority group members, first generation college students and college students with disabilities. NEOA also works to develop the skills and knowledge of educational opportunity professionals working with this population.

NEOA qualifies as an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Accounting policies

A summary of the Organization's significant accounting policies applied in the preparation of the accompanying financial statements follows:

A. Basis of accounting

The organization maintains its books and recorded on an accrual basis of accounting, which recognizes expenses as incurred and income as earned, and accordingly reflects all significant receivables, payables and other liabilities.

B. Basis of presentation

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Investments

Short-Term Investments are comprised of Structured Products or Certificates of Deposit with maturity dates of one year or less or considered a cash equivalent. Long-Term Investments are comprised of Annuity or Certificates of Deposit with a maturity date of more than one year.

D. Advertising

The production costs of advertising are expensed as incurred.

E. Use of estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reported period. Actual results could differ from those estimates.

F. Donated Services

No amounts have been reflected in the financial statements for donated services. NEOA generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist NEOA with its charitable mission.

G. Income Taxes

NEOA operates as a nonprofit organization and has received federal and state tax exempt status under Code Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Code Section 509(A)(2) of the Internal Revenue Code and qualifies for the 50% charitable contribution deduction for individual donors as provided in Section 170(b)(1)(A)(i). The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending

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Notes to Financial Statements

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2020, 2021 and 2022 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

H. Uncertain Tax Positions

Management has reviewed the tax positions for the Organization under ASC 740, *Accounting for Income Taxes*, which establishes the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Organization's tax positions taken on their information returns for all open tax years (tax years ending 2020 – 2022), and has concluded that no provision for income tax is required in the Organization's financial statements.

NOTE 2 - CASH

An analysis of cash as of August 31, 2021 and August 31, 2020 is as follows:

	Checking account	
	2022	2021
Cash in bank and deposits in transit	\$250,401	\$235,271
Less outstanding checks	<u>0</u>	<u>738</u>
Carrying amount	<u>\$250,401</u>	<u>\$234,533</u>

NOTE 3 - INVESTMENTS

An analysis of investments as of August 31, 2022 and August 31, 2021 is as follows:

	2022	2021
Goldman Sachs Bank USA Multi Asset 5 (short term)	\$14,723	\$15,984
Prosperity Life Annuity Contract (long term)	<u>77,920</u>	<u>76,458</u>
Total investments	<u>\$92,643</u>	<u>\$92,442</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

The Organization adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification for financial instruments measured at fair value on a recurring basis. The standard defines the fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States and expands disclosures about fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework establishes a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value the hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liability (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant value drivers are observable.

The Organization uses the appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs would be used only when Level 1 or Level 2 inputs were not available.

Information related to the Organization's assets measured at fair value on a recurring basis at August 31, 2022 and 2021 is as follows:

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Notes to Financial Statements

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See Independent Accountant's Review Report

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2022	Fair Value			
Goldman Sachs Bank USA				
Multi Asset 5	\$14,723	\$14,723	\$0	\$0
Prosperity Life Annuity	<u>77,920</u>	<u>0</u>	<u>0</u>	<u>77,920</u>
Total assets	<u>\$92,643</u>	<u>\$14,723</u>	<u>\$0</u>	<u>\$77,920</u>
2021	Fair Value	Assets (Level 1)	Inputs (Level 2)	Inputs (Level 3)
Goldman Sachs Bank USA				
Multi Asset 5	\$15,984	\$15,984	\$0	\$0
Prosperity Life Annuity	<u>76,458</u>	<u>0</u>	<u>0</u>	<u>76,458</u>
Total assets	<u>\$92,442</u>	<u>\$15,984</u>	<u>\$0</u>	<u>\$76,458</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

NOTE 5 - FEDERAL DEPOSITORY INSURANCE CORPORATION (FDIC)

The bank balances (Cash and Investments) are covered by the Federal Depository Insurance Corporation (FDIC) to the limit of \$250,000 per bank at August 31, 2022 and 2021. The limit was exceeded at August 31, 2022 and not exceeding at August 31, 2021

NOTE 6 - LIQUIDITY

The following reflects the NEOA's financial assets as of August 31, 2022 and August 31, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2022	2021
Financial assets at year-end	\$343,044	\$326,975
Less those unavailable for general expenditures within one year, due to:		
Contractual or Donor imposed restrictions		
restricted by Board with purpose or donor restriction	<u>0</u>	<u>0</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$343,044</u>	<u>\$326,975</u>

NOTE 7 - SUBSEQUENT EVENTS

The Organizations management has included in the financial statements all contingencies and significant transactions that might influence the user's conclusions about the Organization's Statements of Financial Condition, Statements of Activities and Changes in Net Assets, Statements of Functional Expenses, and Statement of Cash Flows, through and as of January 2, 2023 the issuance date of the Independent Accounts' Report.

The impact of the novel coronavirus (COVID-19) and measures to prevent its spread are affecting New England Educational Opportunity Association. The significance of the impact of these disruptions, including the extent of their adverse impact on New England Educational Opportunity Association financial and operational results, will be dictated by the length of time that such disruptions continue and, in turn, will depend on the currently unknowable duration of the COVID-19 pandemic and the impact of governmental regulations that might be imposed in response to the pandemic. The COVID-19 impact on New England Educational Opportunity Association in general is uncertain at this time. COVID-19 also makes it more challenging for management to estimate future performance of New England Educational Opportunity Association, particularly over the near to medium term.