

KEEN GREATER DC, LLC

FINANCIAL REPORT

December 31, 2023

KEEN GREATER DC, LLC

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Independent Auditors' Report

To the Board of Directors of
KEEN Greater DC, LLC
Washington, DC

Opinion

We have audited the accompanying financial statements of KEEN Greater DC, LLC (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 KEEN Greater DC, LLC as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of KEEN Greater DC, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 KEEN Greater DC, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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 KEEN Greater DC, LLC'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 KEEN Greater DC, LLC'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.

Other Information Included in the Organization's Annual Report

Management is responsible for the other information included in the organization's annual report. The other information comprises a balance sheet, public support and revenue, and expenses, but it does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



*North Bethesda, Maryland
April 12, 2024*

KEEN GREATER DC, LLC
STATEMENT OF FINANCIAL POSITION
December 31, 2023

Assets

Current Assets

Cash and cash equivalents	\$ 986,111
Pledges receivable	7,703
Prepaid expenses	<u>12,062</u>

Total current assets 1,005,876

Fixed Assets

Furniture, fixtures, equipment, & software (net of \$ 21,455 in accumulated depreciation)	<u>4,101</u>
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Total Assets \$ 1,009,977

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 4,468
Accrued expenses	<u>27,790</u>

Total current liabilities 32,258

Net Assets

Without donor restrictions	878,321
With donor restrictions	<u>99,398</u>
Total net assets	<u>977,719</u>

Total Liabilities and Net Assets \$ 1,009,977

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

KEEN GREATER DC, LLC
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Contributions			
Contributions	\$ 295,219	\$ 23,895	\$ 319,114
KEENFest	145,659	-	145,659
Golf tournament	120,781	-	120,781
In-kind donations	61,832	-	61,832
Services			
KEENFest	110,516	-	110,516
Golf tournament	87,549	-	87,549
Interest income	<u>28,602</u>	<u>-</u>	<u>28,602</u>
Total revenue and support	<u>850,158</u>	<u>23,895</u>	<u>874,053</u>
 Net assets released from restrictions	 <u>25,346</u>	 <u>(25,346)</u>	 <u>-</u>
 Revenue and support after restriction releases	 <u>875,504</u>	 <u>(1,451)</u>	 <u>874,053</u>
 Expenses			
Program services			
Program services	611,950	-	611,950
Special events	<u>271,196</u>	<u>-</u>	<u>271,196</u>
Total program services	<u>883,146</u>	<u>-</u>	<u>883,146</u>
Supporting services			
Management and general	41,432	-	41,432
Fundraising	<u>23,850</u>	<u>-</u>	<u>23,850</u>
Total supporting services	<u>65,282</u>	<u>-</u>	<u>65,282</u>
Total expenses	<u>948,428</u>	<u>-</u>	<u>948,428</u>
 Decrease in net assets	 (72,924)	 (1,451)	 (74,375)
 Net assets, beginning of year	 <u>951,245</u>	 <u>100,849</u>	 <u>1,052,094</u>
 Net assets, end of year	 <u>\$ 878,321</u>	 <u>\$ 99,398</u>	 <u>\$ 977,719</u>

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

KEEN GREATER DC, LLC
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	<u>Program Services</u>			<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Program Services</u>	<u>Special Events</u>	<u>Total Program</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total Supporting</u>	
Payroll and benefits	\$ 474,088	\$ 57,345	\$ 531,433	\$ 4,533	\$ 10,908	\$ 15,441	\$ 546,874
Facility rental	55,947	163,603	219,550	-	-	-	219,550
Donated goods and services	7,620	13,630	21,250	17,561	-	17,561	38,811
Office expenses	16,712	17,024	33,736	3,849	11,175	15,024	48,760
Contract labor	11,910	6,121	18,031	760	319	1,079	19,110
Advertising	9,110	8,076	17,186	90	38	128	17,314
Insurance	8,877	-	8,877	8,184	-	8,184	17,061
Accounting	9,307	-	9,307	4,857	400	5,257	14,564
Computer expenses	10,357	1,691	12,048	754	317	1,071	13,119
Travel and meetings	4,365	1,725	6,090	19	648	667	6,757
Equipment and activities	2,364	1,981	4,345	-	-	-	4,345
Refreshments and food	1,293	-	1,293	-	45	45	1,338
Depreciation	-	-	-	825	-	825	825
	<u>\$ 611,950</u>	<u>\$ 271,196</u>	<u>\$ 883,146</u>	<u>\$ 41,432</u>	<u>\$ 23,850</u>	<u>\$ 65,282</u>	<u>\$ 948,428</u>

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

KEEN GREATER DC, LLC
STATEMENT OF CASH FLOWS
Year Ended December 31, 2023

Cash flows from operating activities:	
Decrease in net assets	\$ (74,375)
Adjustments to reconcile decrease in net assets to net cash used in operating activities	
Depreciation	825
(Increase) decrease in assets:	
Pledges receivable	4,017
Prepaid expenses	(620)
Increase (decrease) in liabilities:	
Accounts payable	16,338
Accrued expenses	<u>(584)</u>
Net cash used in operating activities	<u>(54,399)</u>
Cash flows from investing activities:	
Purchase of fixed assets	<u>(2,324)</u>
Net decrease in cash and cash equivalents	(56,723)
Cash and cash equivalents, beginning of year	<u>1,042,834</u>
Cash and cash equivalents, end of year	<u><u>\$ 986,111</u></u>

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

KEEN GREATER DC, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1. Nature of Activities

KEEN Greater DC, LLC (the Foundation) was introduced to the United States in February 1992. Its purpose is to provide one-to-one recreation activities to children and young adults with developmental and physical disabilities. The Foundation's activities are provided in a non-competitive environment, which encourages the fulfillment of individual goals.

The Foundation operates several separate programs to serve young people with disabilities. Programs are one-on-one, individualized, and non-competitive. Programs are generally split to provide session for kids, teens, and young adults as indicated by program enrollment and the nature of the activity. Specific programming is determined locally, based upon demand, facility availability, and funding considerations. Programming includes:

- KEEN Sports (an open-gym experience)
- KEEN Swim
- KEEN Yoga
- KEEN Basketball
- KEEN Music
- KEEN Dance and/or Zumba
- KEEN Tennis
- Sport Festivals and Family Fun Days

The Foundation programs are mostly volunteer-operated and offered at no cost to the athletes or their families. The Foundation is supported primarily by donor and foundation contributions, and the net proceeds of funds raised through annual golf tournaments, silent auction galas, and dinner events such as KEENFest.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represent the expendable net assets that are available to support the Foundation. Net assets with donor restrictions are subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time and those that are subject to donor-imposed stipulations that the Foundation maintain them permanently. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period in which the contributions are recognized.

KEEN GREATER DC, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all checking, money market, and short term liquid investment accounts to be cash and cash equivalents. Interest income on these accounts is recognized when received.

Pledges Receivable

Pledges receivable are presented at the gross amount due to the Foundation. The Foundation periodically reviews the status of all pledges receivable balances for collectability, and each receivable balance is assessed based on the Foundation's knowledge of the customer, relationship with the customer, and age of the receivable balances. As a result of these reviews, customer balances suspected to be uncollectible are offset by an allowance for doubtful accounts and recorded as bad debt expense. If additional collection attempts indicate that payment will not be received, the pledge receivable and corresponding allowance are written off. The Foundation believes an allowance for doubtful accounts is not needed as of December 31, 2023. All pledges receivable are expected to be collected during the year ended December 31, 2024.

Fixed Assets

Management capitalizes furniture, fixtures, equipment, and software purchases with values in excess of \$ 1,000 at cost. All fixed assets are depreciated using the straight-line method over useful lives of five years.

Revenue Recognition

The Foundation's services revenue are recognized at a point in time based on the performance obligations of each contract. Various economic factors affect revenues and cash flows. Substantially all customers are in the United States.

Revenue is generated from the following:

Contributions and In-Kind Donations - These transactions are unconditional contributions since there are no performance obligations or conditions. Revenue is recognized when notice from the donor is received. For more information regarding in-kind donations, see Note 5.

KEEN GREATER DC, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

KEENFest and Golf Tournament - Silent auction and dinner events and golf tournament revenue are both contributions and exchange transactions. The exchange transaction portion is recognized point in time, after the events and when the Foundation's performance obligations have been completed. The revenues from these events are broken out based on the commensurate value that the customer receives, that value is recorded as exchange transactions and the remaining is recorded as contributions.

Interest Income - Interest income is small in nature and recognized when received.

All streams of revenue are driven by the Foundation's mission to encourage youth with disabilities to participate in physical activity and support the well-being of all. The Foundation has shown a history of fulfilling this mission, attracting new donors, and is unaware of anything that may negatively impact its future funding.

Advertising

Advertising costs are expensed as they are incurred.

Functional Allocation of Expenses

The costs of providing various program, fundraising, and administrative services have been summarized on a functional basis in the statement of functional expenses. Expenses that are related to a specific program are charged directly to the appropriate program. Program expenses attributable to more than one program or supporting function require allocation on a reasonable basis that is consistently applied. These expenses are allocated on the basis of time and effort.

Income Taxes

The Foundation is exempt from payment of income taxes on its exempt activities under the provisions of Section 501(c)(3) of the Internal Revenue Code. Under these provisions, no tax is imposed on any income related to the Foundation's tax-exempt purpose. The Foundation has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2023. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation's federal and state income tax returns are subject to examination by the Internal Revenue Service and state tax authorities, generally for a period of three years after the returns are filed.

KEEN GREATER DC, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 2. Summary of Significant Accounting Policies (continued)

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 the reported amounts and disclosures. Actual results could differ from those estimates.

Subsequent Events

In preparing its financial statements, the Foundation has evaluated subsequent events and transactions through **DATE**, which is the date the financial statements were available to be issued.

Note 3. Concentration of Credit Risk

The Foundation maintains its cash in accounts at institutions with balances that may exceed \$ 250,000, which is the amount insured by the Federal Deposit Insurance Corporation. The Foundation has not experienced any losses in such accounts and monitors the creditworthiness of the financial institutions with which it conducts business. Management believes that the Foundation is not exposed to any significant credit risk with respect to its cash balances.

Note 4. Net Assets with Donor Restrictions

Net assets with donor restrictions as of December 31, 2023, totaled \$ 99,398 and are restricted for specific sport and literacy program use.

Note 5. Contributions In-Kind

The Foundation received donated goods and services from various businesses. The approximate value of donated goods and services included in the financial statements for the year ending December 31, 2023 is as follows:

Donated services	\$ 30,281
Donated facilities	17,000
Donated goods	<u>14,551</u>
	<u>\$ 61,832</u>

The donated facilities, goods, and services were used to provide various goods and services in relation to KEENFest. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions and were utilized in the year reported. All contributed facilities, services, and goods are valued and are reported at the fair value in the financial statements based on current rates for similar facilities, services, and goods.

KEEN GREATER DC, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 6. Related Party Transactions

The Foundation pays an affiliate fee to Kids Enjoy Exercise Now Foundation, Inc. During the year ended December 31, 2023, the affiliate fee was \$ 1,000.

Note 7. Liquidity and Availability

The following reflects the Foundation's financial assets as of December 31, 2023, that could be readily available within one year of the Statement of Financial Position date to meet general expenditures. These assets have been reduced by amounts not available for general use because of donor imposed restrictions:

Financial assets, at December 31, 2023	\$ 993,814
Less: Net assets with donor restrictions	<u>99,398</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 894,416</u>

The Foundation manages its liquid position by maintaining adequate net assets without donor restrictions. Contributions are received throughout the year to cover that year's expenses. The Foundation maintains its liquid assets in checking, money market, and short term liquid investment accounts.