BEYOND SPORT FOUNDATION, INC.

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

BEYOND SPORT FOUNDATION, INC.

CONTENTS

Independent Auditors' Report 1-2

Financial Statements

Statement of Financial Position 3
Statement of Activities and Changes in Net Deficit 4
Statement of Functional Expenses 5
Statement of Cash Flows 6

Notes to Financial Statements 7-12

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Beyond Sport Foundation, Inc.

We have audited the financial statements of Beyond Sport Foundation, Inc. (a not-for-profit organization) which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net deficit, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Beyond Sport Foundation, Inc. as of December 31, 2023, 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 audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Beyond Sport Foundation, Inc. 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 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 Beyond Sport Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Marcum LLP / CityPlace I / 185 Asylum Street / 25th Floor / Hartford, CT 06103 / Phone 860.760.0600 / marcumllp.com

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 auditors' 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 GAAS 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 GAAS, 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 Beyond Sport Foundation, Inc.'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 Beyond Sport Foundation, Inc.'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.

Marcum LLP

New Haven, CT
October 4, 2024

BEYOND SPORT FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

Assets	
Current Assets	
Cash	$ 749,642
Prepaid expenses	11,759
Other receivable	3,914
Total Current Assets	765,315
Non-Current Assets	
Due from related parties	45,500
Total Non-Current Assets	45,500
Total Assets	$ 810,815
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	$ 15,106
Grants payable	118,269
Accrued expenses	46,000
Deferred income	365,469
Total Current Liabilities	544,844
Non-Current Liabilities	
Due to related parties	311,547
Total Non-Current Liabilities	311,547
Total Liabilities	856,391
Total Net Deficit Without Donor Restrictions	(45,576)
Total Liabilities and Net Assets Without Donor Restrictions	$ 810,815

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

BEYOND SPORT FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 2023

Net Deficit Without Donor Restrictions	
Revenue	
Contributions income	
Cash	$ 1,915,424
In-kind	21,400
Sponsorship income	220,000
Total Revenue	2,156,824
Expenses	
Program	1,788,287
General and administrative	471,027
Total Expenses	2,259,314
Loss from Operations	(102,490)
Other Income	
Currency conversions	1,638
Total Other Income	1,638
Change in Net Deficit Without Donor Restrictions	(100,852)
Net Assets Without Donor Restrictions - Beginning	55,276
Net Deficit Without Donor Restrictions - End	$ (45,576)

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

BEYOND SPORT FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	General and Administrative	Total Expenses
Salaries and benefits	$ 166,803	$ 309,909	$ 476,712
Grant expense	1,115,417	--	1,115,417
Program administration	90,633	--	90,633
Event expenses	100,210	--	100,210
Office expenses	1,489	9,425	10,914
Professional fees	273,624	111,754	385,378
Occupancy	21,218	39,421	60,639
Advertising and marketing	10,547	185	10,732
Miscellaneous	8,346	333	8,679
Total Expenses	$ 1,788,287	$ 471,027	$ 2,259,314

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

BEYOND SPORT FOUNDATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flows from Operating Activities	
Change in net deficit	$ (100,852)
Adjustments to reconcile change in net deficit to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Promises to give, net	65,384
Other receivable	138,710
Prepaid expenses	4,121
Due from related parties	60,947
Accounts payable	(3,031)
Due to related parties	65,800
Grants payable	118,269
Accrued expenses	14,500
Deferred income	355,469
Net Cash Provided by Operating Activities	719,317
Net Increase in Cash	719,317
Cash - Beginning	30,325
Cash - End	$ 749,642

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

BEYOND SPORT FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 – ORGANIZATION

Beyond Sport Foundation, Inc. (the "Organization" or "BSF") is a not-for-profit organization that invests in communities, programs, and partnerships that are creating a more progressive world through sport. BSF provides ongoing capacity-building support, critical funding, strategic collaboration and learning opportunities. The Organization's funding is provided through grants and contributions received from government agencies and the general public.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

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 ("U.S. GAAP"). Under the accrual basis, revenues are recognized when earned and expenses when the related liability for goods and services is incurred, regardless of the timing of the related cash flows. The Organization reports information regarding its financial position and activities according to the following net asset categories:

Net assets without donor restrictions – Net assets that are not subject to explicit donor-imposed stipulations represent available resources.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations are temporary in nature, such as those events specified by the donor or subject to time restrictions. Other donor-imposed restrictions are perpetual in nature where the donor stipulates those resources be maintained in perpetuity.

When received, donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets. During the year ended December 31, 2023, the Organization did not receive any contributions with donor restrictions.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less when acquired. The Organization places its temporary cash investments with high credit quality financial institutions. There were no cash equivalents as of December 31, 2023.

CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Amounts greater than federally insured limits total approximately $500,000 at December 31, 2023. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash.

PROMISES TO GIVE

Unconditional promises to give are recognized as revenue and support in the period in which they are unconditionally pledged. Promises to give are recorded at their net realizable value if expected to be collected in one year or at their present value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization provides for probable uncollectible amounts through a provision for bad debts and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. At December 31, 2023, there are no promises to give.

REVENUE RECOGNITION

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

The Organization records in-kind non-cash contributions at the estimated fair value of donated materials, equipment and usage of assets (i.e., auction items) as both revenues and expenses in the period in which the donation is received.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

Grants – Grants may be considered a conditional or unconditional promise to give. The Grants considered to be unconditional promises to give are recognized when awarded. Grants considered to be conditional promises to give are recognized when the conditions are met. Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of funds to the grantor. The Organization has not been informed by any agencies of any funds which are required to be returned. Amounts received prior to meeting conditions are reported as deferred income on the statements of financial position. Contributions that are restricted by the donor are reported as net assets without restrictions if the restrictions expire in the same period in which the contributions are recognized.

Contributions – The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. At December 31, 2023, certain future contribution receipts, which have been promised to the Organization, are contingent upon the achievement of certain goals and milestones mutually agreed to between the Organization and the grantor. These conditional receipts, approximating $2.2 million for non-federal grants, have not been recognized in the accompanying statement of activities and changes in net deficit as of December 31, 2023 due to the conditions not yet being met.

DUE TO/FROM RELATED PARTIES

Amounts reported as due to/from related parties, included in the accompanying statements of financial position, arise principally from the collaborative activities between the Organization and Benchmark Group (related party) to further the mission of the Organization.

GRANTS PAYABLE

Grants payable consists of funds owed to grant recipients who have met grant requirements as of December 31, 2023.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Expenses directly attributed to specific functional areas of BSF are reported as expenses of those functional areas, while shared costs that benefit multiple functional areas have been allocated among the functional areas on the basis of time and effort estimates and/or square footage determined by management to be equitable.

TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions and financial statements are translated into U.S. dollars at current exchange rates except revenue and expenses that are translated at average exchange rates during each reporting period. Exchange gains and losses resulting from foreign currency transactions are included in the accompanying statement of activities, whereas adjustments resulting from translations of financial statements are reflected as a separate component of net assets. At December 31, 2023, foreign currency transactions amounted to $1,638.

TAX STATUS

The Organization is classified by the Internal Revenue Service (the "IRS") as a tax-exempt organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

The Organization accounts for uncertainty in income taxes in accordance with the Income Tax Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). The Organization files federal and New York state income tax returns, which represent the major tax jurisdictions of the Organization. In general, the federal and state tax returns for the prior three periods are open and subject to audit. There are currently no audits pending or in process. The Organization does not believe there are any uncertain tax positions at December 31, 2023.

If applicable, the Organization would recognize interest and penalties associated with tax matters as part of management and general expenses in the statements of activities and changes in net assets and include accrued interest and penalties in accrued expenses in the statements of financial position. The Organization did not recognize any interest and penalties associated with the tax matters for the years ended December 31, 2023.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUBSEQUENT EVENTS

Management has reviewed subsequent events through October 4, 2024, which is the date the financial statements were approved and available for issuance. No events requiring disclosure or recognition in the financial statements were identified.

NOTE 3 – LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations.

As of December 31, 2023, the Organization has approximately $750 thousand of financial assets available to meet annual operating needs for the next fiscal year.

The Organization supports its general operations primarily with unrestricted donor contributions.

NOTE 4 – CONTRIBUTED MATERIALS, EQUIPMENT AND SERVICES

In-kind contributions are recorded as contribution and expense in the accompanying statement of activities and changes in net assets. In-kind contributions of donated non-cash assets are recorded at their fair value in the period received, and consist primarily of donated goods for auction. Fair value is determined based on the sale price of the auction item when sold.

In-kind contributions included in the accompanying statement of activities and changes in net assets are comprised of auction items that amounted to $21,400 for the year ending December 31, 2023.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Organization entered into a shared services agreement with Beyond Sport Foundation UK (UK Foundation) and Benchmark Sport Holdings Limited ("Benchmark Holdings") dated December 1, 2023 for purposes of obtaining the use of certain services, personnel, assets or facilities and making available to other parties certain services, personnel, assets and facilities. This agreement automatically renews for successive one calendar year periods until terminated in writing by the Organization, UK Foundation, or Benchmark Holdings. As of December 31, 2023, the Organization paid $250,330 for subcontracted work for assistance with program management, of which $189,170 was paid to thinkBeyond Services US, Inc. and $61,160 to non-related party consultants.

Other related party transactions include short term noninterest bearing loans between related party entities. Amounts due from (to) related parties consist of the following at December 31, 2023:

Due from Beyond Sport Foundation UK	$ 45,500
Due to thinkBeyond Services US, Inc.	$ (311,547)

NOTE 6 – COMMITMENTS AND CONTINGENCIES

BSF records charitable disbursements at fair value when paid to grantees. Refunds, if any, are recorded when received. Charitable disbursements are made primarily to grantees in supporting the mission of BSF and its funders. As of December 31, 2023, BSF had outstanding commitments to various qualified grantees. Such commitments are not required to be paid by BSF until specific conditions are fulfilled by the grantees. The failure of the grantees to meet these conditions may result in cancellations.

Commitments outstanding at December 31, 2023 are scheduled for payment as follows:

2024	$ 948,368
2025	453,822
	$ 1,402,190