SOCCER WITHOUT BORDERS

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

July 31, 2025

Han Group

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Soccer Without Borders

Opinion

We have audited the accompanying financial statements of Soccer Without Borders (the Organization), which comprise the statement of financial position as of July 31, 2025, 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 the Organization as of July 31, 2025, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization'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 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 the Organization'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 the Organization'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.

HAN GROUP LLC

HAN GROUP LLC
Washington, DC
December 17, 2025

Assets	
Cash and cash equivalents	$ 1,295,843
Accounts receivable	332,927
Contributions receivable	280,478
Prepaid expenses	57,078
Property and equipment, net	548,748
Investments	1,606,490
Right-of-use asset – operating leases	58,101
Total assets	$ 4,179,665
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	$ 36,808
Accrued payroll	57,654
Refundable advances	60,775
Deferred revenue	50,000
Lease liability – operating leases	60,109
Return of grant funds	-
Notes payable, net of unamortized debt issuance costs	200,554
Total liabilities	465,900
Net Assets	
Without donor restrictions:	
Undesignated	1,405,043
Board designated – general reserve	1,904,584
Total without donor restrictions	3,309,627
With donor restrictions	404,138
Total net assets	3,713,765
Total liabilities and net assets	$ 4,179,665

SOCCER WITHOUT BORDERS
Statement of Activities
Year Ended July 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	$ 2,302,767	$ 371,638	$ 2,674,405
Contract income	1,675,304	-	1,675,304
Federal government grants	729,476	-	729,476
Employee retention tax credit	386,272	-	386,272
Contributions of nonfinancial assets	307,924	-	307,924
Special events	186,860		186,860
Investment income, net	81,568	-	81,568
Other revenue	4,856	-	4,856
Net assets released from restrictions:			
Expiration of time restrictions	80,000	(80,000)	-
Satisfaction of purpose restrictions	212,500	(212,500)	-
Total revenue and support	5,967,527	79,138	6,046,665
Expenses			
Program services	4,837,728	-	4,837,728
Supporting services:			
Management and general	885,141	-	885,141
Fundraising	414,377	-	414,377
Total supporting services	1,299,518	-	1,299,518
Total expenses	6,137,246	-	6,137,246
Change in Net Assets	(169,719)	79,138	(90,581)
Net Assets, beginning of year	3,479,346	325,000	3,804,346
Net Assets, end of year	$ 3,309,627	$ 404,138	$ 3,713,765

SOCCER WITHOUT BORDERS
Statement of Functional Expenses
Year Ended July 31, 2025

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and related expenses	$ 3,401,925	$ 541,201	$ 291,296	$ 832,497	$ 4,234,422
Contract services	436,249	61,895	36,000	97,895	534,144
Professional fees	-	236,559	-	236,559	236,559
Travel	208,439	-	-	-	208,439
Supplies	194,660	-	-	-	194,660
Registration and other fees	114,959	2,072	47,210	49,282	164,241
Meals	125,103	-	-	-	125,103
Information technology	51,843	27,664	35,854	63,518	115,361
Rent	109,850	-	-	-	109,850
Occupancy	67,818	4,052	3,135	7,187	75,005
Insurance	48,254	-	-	-	48,254
Subgrants	33,758	-	-	-	33,758
Maintenance and repairs	20,350	-	-	-	20,350
Utilities	14,220	-	-	-	14,220
Depreciation	10,300	1,638	882	2,520	12,820
Interest	-	9,812	-	9,812	9,812
Miscellaneous	-	248	-	248	248
Total Expenses	$ 4,837,728	$ 885,141	$ 414,377	$ 1,299,518	$ 6,137,246

See accompanying notes.

Cash Flows from Operating Activities	
Change in net assets	$ (90,581)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	12,820
Amortization of debt issuance costs	260
Realized and unrealized gain on investments	(47,604)
Donated securities	(42,262)
Changes in operating assets and liabilities:	
Accounts receivable	15,382
Contributions receivable	219,860
Prepaid expenses	(19,425)
Accounts payable and accrued expenses	3,775
Accrued payroll	24,343
Refundable advances	(52,239)
Deferred revenue	50,000
Operating lease assets and liabilities	(534)
Return of grant funds	(11,821)
Net cash provided by operating activities	61,974
Cash Flows from Investing Activities	
Proceeds from sales of investments	3,382,575
Purchases of investments	(3,138,325)
Net cash provided by investing activities	244,250
Cash Flows from Financing Activities	
Payments on notes payable	(13,450)
Net cash used in financing activities	(13,450)
Net Increase in Cash and Cash Equivalents	292,774
Cash and Cash Equivalents, beginning of year	1,003,069
Cash and Cash Equivalents, end of year	$ 1,295,843

Supplemental Disclosure of Cash Flow Information:	
Interest paid	$ 9,552

1. Nature of Operations

Soccer Without Borders (the Organization) was formed for charitable purposes as a 501(c)(3) nonprofit which aims to build a more inclusive world through soccer. The Organization began its program in 2006 and runs year-round, youth-development programs in under-served areas in the United States and abroad, providing young people with the skills and support they need to reach their full potential.

Currently, the Organization has two major areas of focus: newcomer youth and girls. Newcomer refugee, asylum-seeking, and immigrant youth and adolescent girls are two of the most vulnerable populations in the United States and around the world today. In addition, the Organization provides free after-school and summer activities to youth from over 70 nations, living in some of the world's most challenging urban areas, where youth are disproportionately at-risk for academic failure, gang recruitment, depression, diabetes, unplanned pregnancies, drugs, and other unhealthy choices and circumstances.

In 2022, after over fifteen years of successfully implementing direct-service programming to youth, the Organization began a new component of work focused on training coaches from other organizations on inclusive coaching practices. These capacity-building endeavors are called SWB Assist (Assist). Partnerships and training opportunities through Assist focus on the inclusion of girls and newcomers, as well as anti-racist coaching methodologies.

The Organization's mission statement is to use soccer as a vehicle for positive change, providing underserved youth with a toolkit to overcome obstacles to growth, inclusion, and personal success. Its holistic, evidence-based model combines soccer practices and games with academic and language support, civic engagement, and cultural exchange activities, while proactively reducing barriers to entry, which typically leave newcomers excluded. Together in a welcoming team environment, led by a caring mentor-coach, under-served youth advance academically, develop personally, make healthy lifestyle choices, build social capital, and develop English language skills. The balance and dosage of these activities create a powerfully influential environment that is focused on the development of the whole person over many years.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recognized as obligations are incurred.

2. Summary of Significant Accounting Policies (continued)

Adoption of New Accounting Standards

In March 2025, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU allows a practical expedient whereby organizations may elect to assume that economic conditions remain unchanged over the life of the receivable for short term assets. In addition, it allows an accounting policy election to consider subsequent collection activity after year-end and before issuance of the financial statements in determining the amount of the allowance for credit losses. The Organization early adopted the ASU and elected the practical expedient and the accounting policy and applied them prospectively beginning as of August 1, 2024. Adoption of the ASU did not have a material impact on the financial statements.

Cash and Cash Equivalents

The Organization considers all bank accounts and highly liquid investments with original maturities of three months or less at acquisition to be cash equivalents. Money market funds intended to be held on a long-term basis are classified as investments.

Accounts Receivable

Accounts receivable represent amounts due from the Organization’s customers from contract income and are presented net of an allowance for credit losses, if any. The allowance for credit losses is based on historical loss experience together with current economic conditions and reasonable and supportable forecasts. Any change in the assumptions used in analyzing a specific accounts receivable balance might result in an additional allowance for credit losses being recognized in the period in which the change occurs. The Organization determined that no allowance for credit losses was necessary as of July 31, 2025. All accounts receivable outstanding as of July 31, 2025 are expected to be collected within one year.

Contributions Receivable

Unconditional contributions that are expected to be collected within one year are reported at net realizable value. Unconditional contributions that are expected to be collected in future years are recorded at their present value using a risk-adjusted rate. Conditional contributions are not included as support until conditions are substantially met. Management assesses the collectability of contributions receivable on an ongoing basis and provides an allowance for doubtful accounts when collections is considered uncertain. An allowance for doubtful accounts is established when amounts are uncollectible. No allowance for doubtful accounts was recorded as the entire balance has been deemed by management to be fully collectible and due in less than one year. There were no multi-year contributions which required a discount to be applied.

2. Summary of Significant Accounting Policies (continued)

<u>Property and Equipment</u>

Property and equipment over $2,500 with a projected useful life exceeding one year are capitalized and recorded at cost or fair value at date of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Building improvements are depreciated over the lesser of their useful lives or the life of the building. Expenditures for minor and routine repairs and maintenance are expensed as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation or amortization are eliminated from the accounts and the resulting gain or loss is included in revenue or expense.

<u>Investments</u>

Investments are measured at fair value and are composed of money market funds and treasury notes. Fair value is 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. Unrealized gains or losses on investments are determined by the change in fair value at the beginning and end of the reporting period. Investment income is presented net of investment advisory and management fees, if any, on the accompanying statement of activities. Net realized and unrealized gains or losses on investments are included in net investment income.

<u>Leases</u>

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) asset and operating lease liability on the accompanying statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected to recognize payments for short-term leases with a lease term of twelve months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statement of financial position.

The Organization has elected to use a risk-free discount rate, commensurate with the term of the lease, to determine the present value of the lease payments for each lease agreement. In addition, the Organization has elected not to separate non-lease components from lease components and instead accounts for each separate lease component and the non-lease components as a single lease component.

2. Summary of Significant Accounting Policies (continued)

Debt Issuance Costs

Debt issuance costs, net of accumulated amortization, are reported as direct reduction of the obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using the effective interest method.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's general operations. Net assets without donor restrictions include the Board designated - general reserve of $1,904,584 at July 31, 2025.

- *Net Assets With Donor Restrictions* represent funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization did not have any donor-imposed restrictions which are perpetual in nature at July 31, 2025.

Revenue Recognition

Grants and Contributions

The Organization's revenue includes amounts received through grants and contributions including grants with the federal government. Federal awards are considered conditional revenue whereby revenue is recognized when expenditures are incurred. Unconditional grants and contributions are recognized as revenue when received or promised and are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the accompanying statement of activities as net assets released from restrictions. The Organization adopted the simultaneous release option for contributions with donor restrictions that are recognized and used within the same reporting period. Therefore, these amounts are reported as contributions without donor restrictions.

Grants and contributions that are considered to be conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are recognized as revenue once the conditions on which they depend have been met. The Organization adopted the simultaneous release option for donor-restricted conditional grants and contributions or portions of conditional grants and contributions that are recognized and used within the same reporting period; therefore, these amounts are reported as revenue without donor restrictions. The Organization had approximately $1,349,267 of unrecognized conditional awards as of July 31, 2025 for which conditions are expected to be met in the upcoming year.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Grants and Contributions (continued)

Amounts recognized in revenue that have not been received are included in contributions receivable. Conversely, amounts received in advance of the conditions being met are recorded as refundable advances on the accompanying statement of financial position. Refundable advances totaled $60,775 at July 31, 2025.

Contract Income

The Organization recognizes revenue from contracts with customers in accordance with Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*. ASC Topic 606 provides a five-step model for recognizing revenue:

1. Identify the contract.
2. Identify the performance obligations.
3. Determine the transaction price.
4. Allocate the transaction price to performance obligations.
5. Recognize revenue.

Contract income represents revenue earned in exchange for providing specific services to customers. Revenue is recognized as the related performance obligations are satisfied, based on the terms of the underlying agreements.

Employee Retention Tax Credit

The Organization received proceeds related to the Employee Retention Tax Credit (ERTC) under the provisions of the Coronavirus Aid, Relief, and Economic Security Act and subsequent legislation. Consistent with its accounting policy for conditional contributions, the Organization treated the ERTC as a conditional contribution because eligibility for the credit includes measurable barriers and is subject to a right of return. In accordance with this policy, the Organization did not recognize revenue until the credit was received, at which point all conditions were considered to have been met. The Organization recognized $386,272 of revenue related to the ERTC during the year ended July 31, 2025.

Special Events

Special event revenue is primarily derived from contributions collected and fees charged for admission at various sponsored events. Special events revenue is recognized when earned. Special events are incidental to the Organization's operations and the related direct expenses have been reported with fundraising expense on the accompanying statement of activity.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets are recognized as revenue and expenses on the accompanying statement of activities at their estimated fair value at the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services such as fundraising, clerical assistance, or other volunteer efforts not requiring specialized skills are not recorded in the financial statements. See Note 11 for additional information on contributions of nonfinancial assets.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis on the accompanying statement of activities. The statement of functional expenses presents expenses by function and natural classification. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited. Salaries and related expenses, and depreciation are allocated to functions based on actual time studies. Rent and occupancy costs are allocated based upon associated full time equivalents.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Concentrations

The Organization maintains its cash and investment balances at financial institutions and at times, these balances may exceed federally insured limits. Non-interest and interest-bearing accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk.

For the year ended July 31, 2025, three customers accounted for approximately 45% of the Organization's total receivables. The Organization relies on the timely collection of amounts due from its customers to support ongoing operations. Any significant delay or reduction in these receivables may impact the Organization's ability to carry out its programs and activities.

4. Property and Equipment

The Organization held the following property and equipment at July 31, 2025:

Land	$ 83,400
Building and building improvements	510,912
Vehicles	56,619
Total property and equipment	650,931
Less: accumulated depreciation	(102,183)
Property and equipment, net	$ 548,748

5. Investments and Fair Value Measurements

The Organization reports certain assets at fair value. ASC Topic 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements. ASC Topic 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement and, therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. In order to increase consistency and comparability in fair value measurements, the ASC established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability.

The three levels of the fair value hierarchy 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 (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) 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 following shows the input level used to determine fair values, measured on a recurring basis, of investments at July 31, 2025:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 820,090	$ -	$ -	$ 820,090
U.S. Treasury notes	786,400	-	-	786,400
Total investments at fair value	$ 1,606,490	$ -	$ -	$ 1,606,490

6. Notes Payable

In November 2021, the Organization obtained a note from One M&T Plaza in the original amount of $250,000. This note matures on November 4, 2031, at which time any outstanding principal and accrued interest shall be due and payable. The note bears interest at 4.47% per annum and requires monthly payments of principal and interest of $1,917. At July 31, 2025, the outstanding principal balance was $203,380. Interest expense for the year ended July 31, 2025 was $9,812.

Future principal payments of notes payable for the next five years and thereafter are as follows:

Fiscal years:		
2026	$	14,072
2027		14,724
2028		15,384
2029		16,117
2030		16,863
Thereafter		126,220
Total	$	203,380

As of July 31, 2025, unamortized debt issuance costs of $2,826, consisted of debt issuance costs of $4,462 less accumulated amortization of $1,636. The effective interest rate is approximately 4.47% over the life of the loan.

7. Leases

The Organization occupies office spaces as a tenant at will or with annual renewable leases through fiscal year 2028. The Organization includes in the determination of the ROU assets and lease liabilities, any renewal options when the options are reasonably certain to be exercised. The Organization is liable for certain real estate tax increases and operating cost adjustments under the office lease terms.

The balance of ROU operating assets is as follows at July 31, 2025:

ROU operating lease asset – office spaces	$	173,504
Amortization of ROU operating lease assets – office spaces		(115,403)
Net ROU operating lease asset	$	58,101

7. Leases (continued)

The table below presents a maturity analysis of the operating lease liability and a reconciliation of the total amount of the liability in the statement of financial position at July 31, 2025:

For the years ending July 31:	
2026	$ 46,582
2027	14,231
2028	1,190
Total future minimum lease payments	62,003
Less: present value discount	(1,894)
Present value of future minimum lease payments	$ 60,109

Lease costs for the year ended July 31, 2025 totaled $75,005 and is included in occupancy on the accompanying statement of functional expenses. In addition, the Organization has several short-term leases with terms of 12 months or less, which the Organization elected to treat as short-term leases under ASC Topic 842, *Leases*. For the year ended July 31, 2025, these lease costs totaled approximately $109,850, which are expensed as incurred and included in rent on the accompanying statement of functional expenses.

At July 31, 2025, the weighted-average remaining lease terms for the Organization's operating leases are 1.28 years. Because the Organization generally does not have access to the rate implicit in the leases, it utilizes the practical expedient under ASC Topic 842, the risk-free rate (U.S. Treasury Rate), as the discount rate. The weighted-average discount rate associated with the operating leases as of July 31, 2025 is 3.94%.

8. Liquidity and Availability of Resources

The Organization's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows:

Financial assets:	
Cash and cash equivalents	$ 1,295,843
Accounts receivable	332,927
Contributions receivable	280,478
Investments	1,606,490
Total financial assets	3,515,738
Less: Board designated – general reserve	(1,904,584)
Less: donor-imposed restrictions	(404,138)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,207,016

8. Liquidity and Availability of Resources (continued)

The Organization's policy is to structure its financial assets to become available as general expenditures, liabilities and other obligations become due, operating within a prudent range of financial soundness and stability while maintaining and monitoring reserves to provide reasonable assurance that long-term program goals will continue to be met.

The Organization's Board of Directors maintains a Board designated – general reserve which totaled $1,904,584 at July 31, 2025 from which it may draw upon, if needed, with the Board's approval.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at July 31, 2025:

Subject to passage of time	$ 190,000
Subject to expenditure for specific purposes:	
Colorado programs	126,638
Massachusetts programs	50,000
Oakland Girls Soccer League	25,000
Nicaragua	12,500
Total subject to expenditure for specific purposes	214,138
Total net assets with donor restrictions	$ 404,138

During the year ended July 31, 2025, releases from net assets with donor restrictions were for the following:

Expiration of time restrictions	$ 80,000
Satisfaction of purpose restrictions:	
Colorado programs	50,000
Maryland programs	50,000
Massachusetts programs	50,000
Oakland Girls Soccer League	25,000
Oakland programs	10,000
Give Five (Gender) programs	10,000
Nicaragua	17,500
Total satisfaction of purpose restrictions	212,500
Total net assets released from restrictions	$ 292,500

10. Government Grants and Cooperative Agreements

The Organization receives funding under federal grants and cooperative agreements that are subject to audit and review by the respective federal agencies and their designees. The ultimate determination of amounts earned under these agreements is based on the allowability of costs reported to and accepted by the applicable oversight agency in accordance with the terms and conditions of the grant, federal regulations, and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Until such awards are closed out, there remains a possibility that amounts received could be refunded to the federal government if any expenditures are determined to be unallowable. Management believes that the results of any such audits or reviews will not have a material effect on the accompanying financial statements.

11. Contributions of Nonfinancial Assets

For the year ended July 31, 2025, contributed nonfinancial assets recognized within the statement of activities includes the following:

Legal services	$ 122,589
Soccer apparels and supplies	83,800
Facility spaces	36,300
Professional services	31,039
Player registration fees	24,700
Transportation	6,000
Technology	2,952
Other	544
Total contributed nonfinancial assets	$ 307,924

Contributed legal services are provided by attorneys who advise the Organization on various administrative legal matters. Contributed legal services are used for management and general activities and are recognized at fair value based on current rates for similar legal services.

Contributed soccer apparels and supplies are provided by various vendors specializing in soccer apparel and gear. This contribution supports the Organization's program by outfitting the teams participating in its initiatives. Donated soccer apparels and supplies are recognized at fair value, determined based on current market rates for similar items.

Contributed facility spaces are provided by various donors to support the nonprofit's programmatic activities. These spaces serve multiple purposes, including co-working office space for administrative and collaborative efforts, field space for weekend sports programs, classroom space for daily academic support, and meeting space for social engagement programs. The fair value of donated rental space is recognized in the financial statements based on current market rates for similar facilities.

Contributed professional services are provided by consultants to enhance operational efficiency, specifically within management and general activities. Contributed consulting services are recognized at fair value, determined based on market rates for comparable professional services.

11. Contributions of Nonfinancial Assets (continued)

Contributed player registration fees are provided through waived fees by organizations that host soccer leagues. This support is programmatic in nature and is valued at fair market rates based on the standard fees that would have been charged for similar league registrations.

Contributed transportation services are provided to support the Organization's program activities, and contributed technology items are provided for use in management and general operations. The fair value of these contributed goods and services is recognized in the financial statements based on current market rates for comparable items and services.

Contributed nonfinancial assets are presented on the accompanying statement of activities. No contributed nonfinancial assets were monetized and there were no donor-imposed restrictions on the contributed nonfinancial assets.

12. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Organization is a nonprofit organization and is exempt from federal taxes on income other than net unrelated business income. The Organization did not have any material unrelated business income tax liability for the year ended July 31, 2025. No provision for federal or state income taxes is required for the year ended July 31, 2025, as the Organization had no material taxable net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

The Organization performed an evaluation of uncertain tax positions for the year ended July 31, 2025 and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. The statute of limitations generally remains open for three tax years with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns.

13. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 17, 2025, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the financial statements except as disclosed in the following paragraph.

Subsequent to the year ended July 31, 2025, the Organization entered into a non-cancelable lease agreement for space in Boston for one year at a rate of $30,000 annually. The Organization has the option to extend the lease for additionally two years with timely notification to the lessor.