

Kevin P. Martin & Associates, P.C.

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# Soccer Without Borders

Financial Statements

July 31, 2019 and 2018



# **SOCCER WITHOUT BORDERS**

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July 31, 2019 and 2018

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## **Independent Auditors' Report**

To the Board of Directors of  
Soccer Without Borders

We have audited the accompanying financial statements of Soccer Without Borders (a national nonprofit organization), (the Organization), which comprise the statements of financial position as of July 31, 2019 and 2018, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility 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; this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

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, 2019 and 2018, 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.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the Organization has adopted ASU No. 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.



Numin P. Martini & Associates, P.C.

Braintree, Massachusetts  
December 13, 2019

# SOCCER WITHOUT BORDERS

## Statements of Financial Position

As of July 31, 2019 and 2018

	2019	2018
<b>Current Assets</b>		
Cash and cash equivalents	\$ 699,461	\$ 790,564
Accounts receivable	181,001	116,158
Prepaid expenses	23,275	21,550
Total current assets	903,737	928,272
<b>Fixed Assets</b>		
Vehicles	58,759	50,059
Total fixed assets	58,759	50,059
Less: accumulated depreciation	(46,906)	(37,646)
Total net fixed assets	11,853	12,413
<b>Other Assets</b>		
Deposits	23,274	11,676
Total other assets	23,274	11,676
<b>Total Assets</b>	\$ 938,864	\$ 952,361
<b>Current Liabilities</b>		
Accounts payable	\$ 21,713	\$ 450
Accrued expenses	203	10,532
Deferred revenue	25,000	60,000
Other current liabilities	13,500	-
Total current liabilities	60,416	70,982
<b>Net Assets</b>		
Net assets without donor restrictions		
Board designated	250,000	110,000
Undesignated	598,448	708,329
Net assets with donor restrictions	30,000	63,050
Total net assets	878,448	881,379
<b>Total Liabilities and Net Assets</b>	\$ 938,864	\$ 952,361

## SOCCER WITHOUT BORDERS

### Statement of Activities

For the Year Ended July 31, 2019

	Net Assets Without Donor Restrictions		Net Assets With Donor Restrictions	2019 Total
	Undesignated	Board Designated		
<b>Revenue and Support</b>				
Grants and contributions	\$ 1,521,352	\$ 140,000	\$ 30,000	\$ 1,691,352
Released from restrictions	63,050	-	(63,050)	-
In-kind donations	75,530	-	-	75,530
Special events	96,712	-	-	96,712
Program service fees	71,417	-	-	71,417
Other revenue	17,869	-	-	17,869
Total revenue and support	1,845,930	140,000	(33,050)	1,952,880
<b>Expenses</b>				
Program services	1,753,703	-	-	1,753,703
General and administrative	114,530	-	-	114,530
Fundraising	87,578	-	-	87,578
Total expenses	1,955,811	-	-	1,955,811
<b>Total Change in Net Assets</b>	(109,881)	140,000	(33,050)	(2,931)
<b>Net Assets at Beginning of Year</b>	708,329	110,000	63,050	881,379
<b>Net Assets at End of Year</b>	\$ 598,448	\$ 250,000	\$ 30,000	\$ 878,448

## SOCCER WITHOUT BORDERS

### Statement of Activities

For the Year Ended July 31, 2018

	Net Assets Without Donor Restrictions		Net Assets With Donor Restrictions	2018 Total
	Undesignated	Board Designated		
<b>Revenue and Support</b>				
Grants and contributions	\$ 1,460,456	\$ -	\$ 63,050	\$ 1,523,506
Released from restrictions	130,020	(65,000)	(65,020)	-
In-kind donations	85,730	-	-	85,730
Special events	100,876	-	-	100,876
Program service fees	38,719	-	-	38,719
Other revenue	7,739	-	-	7,739
Total revenue and support	<u>1,823,540</u>	<u>(65,000)</u>	<u>(1,970)</u>	<u>1,756,570</u>
<b>Expenses</b>				
Program services	1,393,481	-	-	1,393,481
General and administrative	98,797	-	-	98,797
Fundraising	82,672	-	-	82,672
Total expenses	<u>1,574,950</u>	<u>-</u>	<u>-</u>	<u>1,574,950</u>
Change in operating net assets	<u>248,590</u>	<u>(65,000)</u>	<u>(1,970)</u>	<u>181,620</u>
<b>Other Revenue and Expenses</b>				
Gain on sale of fixed assets	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,500</u>
Total other revenue and expenses	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,500</u>
<b>Total Change in Net Assets</b>	250,090	(65,000)	(1,970)	183,120
<b>Net Assets at Beginning of Year</b>	<u>458,239</u>	<u>175,000</u>	<u>65,020</u>	<u>698,259</u>
<b>Net Assets at End of Year</b>	<u>\$ 708,329</u>	<u>\$ 110,000</u>	<u>\$ 63,050</u>	<u>\$ 881,379</u>

# SOCCER WITHOUT BORDERS

## Statements of Cash Flows

For the Years Ended July 31, 2019 and 2018

<b>Cash Flows from Operating Activities</b>	<u>2019</u>	<u>2018</u>
<b>Change in net assets</b>	\$ (2,931)	\$ 183,120
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	9,260	12,479
Gain on sale of fixed assets	-	(1,500)
Decrease (increase) in assets:		
Accounts receivable	(64,843)	(25,836)
Prepaid expenses	(1,725)	(6,851)
Deposits	(11,598)	12,934
Increase (decrease) in liabilities:		
Accounts payable	21,263	(22,309)
Accrued expenses	(10,329)	(6)
Deferred revenue	(35,000)	35,000
Other current liabilities	<u>13,500</u>	<u>-</u>
<b>Net Cash (Used in) Provided by Operating Activities</b>	<u>(82,403)</u>	<u>187,031</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of fixed assets	(8,700)	(1,159)
Proceeds from sale of fixed assets	<u>-</u>	<u>1,500</u>
<b>Net Cash (Used in) Provided by Investing Activities</b>	<u>(8,700)</u>	<u>341</u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(91,103)	187,372
<b>Cash and Cash Equivalents - Beginning of year</b>	<u>790,564</u>	<u>603,192</u>
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 699,461</u>	<u>\$ 790,564</u>



## SOCCER WITHOUT BORDERS

### Statement of Functional Expenses

For the Year Ended July 31, 2019

	Program Services	General and Administrative	Fundraising	2019 Total
Salaries	\$ 830,813	\$ 85,277	\$ 42,246	\$ 958,336
Payroll taxes and fringe benefits	124,450	12,246	5,832	142,528
Subtotal	955,263	97,523	48,078	1,100,864
Contract coaches	222,047	-	-	222,047
Transportation	95,701	-	378	96,079
Contract staff	80,511	-	-	80,511
In-kind expenses	74,742	394	394	75,530
Recreational equipment and supplies	59,596	-	-	59,596
Rent	51,031	1,629	2,077	54,737
Meals	42,478	-	2,560	45,038
Technology services and office supplies	44,113	3,440	5	47,558
Fees, dues and subscriptions	4,401	5,524	16,454	26,379
Travel	13,929	-	-	13,929
Registration fees	17,440	-	-	17,440
Insurance	11,314	6,020	-	17,334
Accounting services	8,750	-	-	8,750
Training and professional development	37,094	-	-	37,094
Field rental	10,910	-	-	10,910
Fundraising technology and supplies	-	-	10,059	10,059
Vehicle depreciation	8,680	-	-	8,680
Bank and online processor fees	1,146	-	6,135	7,281
Utilities	5,505	-	-	5,505
Background check fees	4,277	-	-	4,277
Other facility costs	2,512	-	1,438	3,950
Referee fees	2,263	-	-	2,263
<b>Total Functional Expenses</b>	<b>\$ 1,753,703</b>	<b>\$ 114,530</b>	<b>\$ 87,578</b>	<b>\$ 1,955,811</b>

## SOCCER WITHOUT BORDERS

### Statement of Functional Expenses

For the Year Ended July 31, 2018

	Program Services	General and Administrative	Fundraising	2018 Total
Salaries	\$ 678,864	\$ 80,719	\$ 46,305	\$ 805,888
Payroll taxes and fringe benefits	98,366	10,777	6,023	115,166
Subtotal	777,230	91,496	52,328	921,054
Contract coaches	144,958	-	-	144,958
In-kind expenses	84,942	394	394	85,730
Transportation	74,649	-	44	74,693
Rent	46,179	1,393	1,981	49,553
Contract staff	50,248	-	-	50,248
Meals	39,935	-	1,014	40,949
Travel	24,542	-	-	24,542
Registration fees	24,927	-	-	24,927
Recreational equipment and supplies	24,882	-	-	24,882
Fees, dues and subscriptions	3,684	3,788	8,935	16,407
Insurance	15,454	1,485	445	17,384
Accounting services	9,790	-	-	9,790
Vehicle depreciation	11,900	-	-	11,900
Bank and online processor fees	724	-	8,502	9,226
Field rental	8,839	-	-	8,839
Technology services and office supplies	7,493	202	-	7,695
Referee fees	6,152	-	-	6,152
Utilities	4,474	4	11	4,489
Other facility costs	2,500	-	1,470	3,970
Promotional items	-	-	3,803	3,803
Background check fees	3,596	-	-	3,596
Fundraising technology and supplies	-	-	2,797	2,797
Printed materials and apparel	2,325	-	-	2,325
Training and professional development	23,961	4	9	23,974
Postage	97	31	939	1,067
<b>Total Functional Expenses</b>	<b>\$ 1,393,481</b>	<b>\$ 98,797</b>	<b>\$ 82,672</b>	<b>\$ 1,574,950</b>

# **SOCCER WITHOUT BORDERS**

## Notes to Financial Statements

July 31, 2019 and 2018

### **(1) Summary of Significant Accounting Policies**

The 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). The significant accounting policies followed by Soccer Without Borders (the Organization) are described below to enhance the usefulness of the financial statements to the reader.

#### ***(a) Nature of Activities***

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 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. First beginning programming in 2006, the Organization provides free after-school and summer activities to youth from over 60 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.

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 that 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 creates a powerfully influential environment that is focused on the development of the whole person over many years.

#### ***(b) Basis of Presentation***

The statements of activities report all changes in net assets, including changes in net assets without donor restrictions from operating activities. Operating revenues consist of those monies received and other contributions attributable to the Organization's ongoing efforts.

# SOCCKER WITHOUT BORDERS

## Notes to Financial Statements

July 31, 2019 and 2018

### (1) Summary of Significant Accounting Policies - continued

#### *(c) Standards of Accounting and Reporting*

The Organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statements of financial position present two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the statements of activities display the change in each class of net assets. The classes of net assets applicable to the Organization are presented as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions

#### *(d) Cash and Cash Equivalents*

The Organization considers all highly liquid investments purchased with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

The Organization maintains its cash balances at multiple financial institutions that operate in Massachusetts (MA). The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of July 31, 2019 and 2018.

# SOCCKER WITHOUT BORDERS

## Notes to Financial Statements

July 31, 2019 and 2018

### (1) Summary of Significant Accounting Policies - continued

#### *(e) Revenue Recognition*

The Organization earns revenue as follows:

Grants - Grants are recorded as revenue as costs related to the services provided are incurred.

Contributions - Contributions are recorded upon receipt or pledge as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Donated Property and Equipment - Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. The donations are shown as in-kind donations on the statement of activities.

Donated Services - Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Organization. The Organization leverages more than 630 volunteers annually for program and fundraising services. These are not recognized as contributions in the financial statements since the recognition criteria were not met.

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 statements of activities.

Program Service Fees - Program service fee revenue refers to fees for international exchange trips. Revenue is earned and recognized by the Organization when units or services are provided and billed.

Deferred revenue represents contract income received prior to year-end. These amounts are deferred and recognized when the service is performed.

# SOCCKER WITHOUT BORDERS

## Notes to Financial Statements

July 31, 2019 and 2018

### (1) Summary of Significant Accounting Policies - continued

#### *(e) Revenue Recognition - continued*

Substantially all of the Organization's revenue is derived from its program activities in MA, CA, CO, MD, and WA. During the year ended July 31, 2019, the Organization derived approximately 63% of its total revenue from foundations and individual donors, 27% from governmental agencies, and 10% from other sources. During the year ended July 31, 2018, the Organization derived approximately 64% of its total revenue from foundations and individual donors, 25% from governmental agencies, and 11% from other sources. All revenue is recorded at the estimated net realizable amounts.

#### *(f) Accounts Receivable*

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to an allowance for doubtful accounts based on a history of past write-offs and collections and current credit conditions. As of July 31, 2019 and 2018, management has determined any allowance would be immaterial.

As of July 31, 2019, 98% of the Organization's accounts receivable were due from foundations and corporations and 2% from other sources. As of July 31, 2018, 95% of the Organization's accounts receivable were due from foundations and corporations and 5% from other sources.

#### *(g) Fixed Assets*

Vehicles are recorded at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

The Organization computes depreciation using the straight-line method over the following estimated lives:

Vehicles	3 years
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#### *(h) Fundraising Expense*

Fundraising expense relates to the activities of raising general and specific contributions to the Organization and promoting special events, including time and funds allocated to grant-writing and reporting, awareness-raising, and specific campaigns and events. Fundraising expenses as a percentage of total contribution and special event revenue were 9% and 7% for the years ended July 31, 2019 and 2018 respectively. The ratio of expenses to amounts raised is computed using actual expenses and related revenue on an accrual basis.

# **SOCCER WITHOUT BORDERS**

## Notes to Financial Statements

July 31, 2019 and 2018

### **(1) Summary of Significant Accounting Policies - continued**

#### ***(i) Functional Allocation of Expenses***

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Payroll and associated costs are allocated to functions based on actual time studies. Occupancy costs are allocated based upon associated FTEs.

#### ***(j) Use of Estimates***

In preparing the Organization's financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

#### ***(k) Income Taxes***

The Organization qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally not subject to income tax. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization is not a private foundation under Section 509(a)(1).

#### ***(l) Recent Accounting Standard Adopted***

In August 2016, the Financial Accounting Standards Board issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017. As a result, the Agency has adopted this ASU as of and for the year ended July 31, 2019 with retrospective application for the 2018 financial statements. The Organization opted to not disclose liquidity and availability information as well as an analysis of expenses by both natural and functional classification for 2018 as permitted under the ASU in the year of adoption. As a result, the Organization changed its presentation of its net asset classes and expanded the footnote disclosures as required by the ASU, with no effect on previously reported changes in net assets. Other than these reclassifications, the adoption of ASU 2016-14 did not have a material impact on the Agency's financial position, results of activities or cash flows.

## SOCCER WITHOUT BORDERS

### Notes to Financial Statements

July 31, 2019 and 2018

#### (1) Summary of Significant Accounting Policies - continued

##### *(m) Reclassifications*

In addition to the reclassifications described in the above disclosure, certain amounts in the prior year have been reclassified to conform to the current year presentation.

#### (2) Contributed Services and Gifts In-Kind

Contributed services and gifts in-kind for the years ended July 31, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Pro-bono outside services:		
Facility use	\$ 2,025	\$ 2,025
Gifts in kind:		
Soccer equipment	38,197	60,146
Player registration fees	3,300	9,905
Coaching equipment	5,000	4,420
Food	29	50
Office Supplies	-	100
Rent	16,699	9,084
Gift Checks	1,580	-
Vehicle	8,700	-
	<u>75,530</u>	<u>85,730</u>
Total	\$ <u>75,530</u>	\$ <u>85,730</u>

#### (3) Operating Lease Commitments

The Organization also occupies office and retail store space under non-cancelable, operating lease agreements with various expiration dates through 2019. The Organization is liable for certain real estate tax increases and operating cost adjustments under the office lease terms. The minimum annual operating non-cancelable lease commitments on property for the Organization are as follows:

2020	\$ 17,093
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Rent expense for the years ended July 31, 2019 and 2018 was \$54,737 and \$49,553, respectively.



## SOCCKER WITHOUT BORDERS

### Notes to Financial Statements

July 31, 2019 and 2018

#### (4) Net Assets

##### *(a) Net Assets With Donor Restrictions*

Net assets with donor restrictions consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. As of July 31, 2019 and 2018, net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Program restricted	\$ -	\$ 23,050
Time restricted	<u>30,000</u>	<u>40,000</u>
Total	<u>\$ 30,000</u>	<u>\$ 63,050</u>

##### *(b) Net Assets Without Donor Restrictions*

The Organization's net assets without donor restrictions is comprised of undesignated and Board designated amounts for the following purposes as of July 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Undesignated	\$ 598,448	\$ 708,329
Board designated for operating reserve *	<u>250,000</u>	<u>110,000</u>
Total	<u>\$ 848,448</u>	<u>\$ 818,329</u>

\*During the year ended July 31, 2016, the Board of Directors designated \$335,000 of net assets without donor restrictions to be held in order to provide a continuous source of income. During the years ended July 31, 2019 and 2018, zero and \$65,000 of board restricted net assets were released as undesignated, respectively. During the year ended July 31, 2019, the Board of Directors designated \$140,000 of net assets without donor restrictions to be held in order to provide a continuous source of income. As of July 31, 2019 and 2018, board restricted net assets totaled \$250,000 and \$110,000 respectively.

## SOCCER WITHOUT BORDERS

### Notes to Financial Statements

July 31, 2019 and 2018

#### (5) Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of July 31, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the statement of financial position date.

Financial assets at year end		
Cash and cash equivalents	\$	699,461
Accounts receivable		<u>181,001</u>
Total		<u>880,462</u>
Less amounts unavailable for general expenditures		
Without one year, due to:		
Restricted by donors for specific purposes		<u>30,000</u>
Total		<u>30,000</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>850,462</u>

The Organization is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

#### (6) Subsequent Events

The Organization has performed an evaluation of subsequent events through December 13, 2019, which is the date the Organization's financial statements were available to be issued. No material subsequent events have occurred since July 31, 2019 that required recognition or disclosure in these financial statements.