SOCCER WITHOUT BORDERS

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

July 31, 2024

Han Group

Table of Contents

Han Group

1020 19th Street, NW, Suite 800
Washington, DC 20036

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, 2024, 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, 2024, 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 18, 2024

SOCCER WITHOUT BORDERS
Statement of Financial Position
July 31, 2024

Assets	
Cash and cash equivalents	$ 1,003,069
Contributions receivable	848,647
Prepaid expenses	37,653
Property and equipment, net	561,568
Investments	1,760,874
Right-of-use asset – operating leases	89,421
Total assets	$ 4,301,232
Liabilities and Net Assets	
Liabilities	
Accounts payable	$ 33,033
Accrued expenses	33,311
Return of grant funds	11,821
Refundable advances	113,014
Lease liability – operating leases	91,963
Notes payable	213,744
Total liabilities	496,886
Net Assets	
Without donor restrictions	
Undesignated	1,696,096
Board designated – general reserve	1,783,250
Total without donor restrictions	3,479,346
With donor restrictions	325,000
Total net assets	3,804,346
Total liabilities and net assets	$ 4,301,232

SOCCER WITHOUT BORDERS
Statement of Activities
Year Ended July 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	$ 5,808,579	$ 315,000	$ 6,123,579
In-kind contributions	258,240	-	258,240
Special events	96,050	-	96,050
Investment income, net	46,929	-	46,929
Other revenue	8,925	-	8,925
Net assets released from restrictions:			
Expiration of time restrictions	35,750	(35,750)	-
Satisfaction of purpose restrictions	175,000	(175,000)	-
Total revenue and support	6,429,473	104,250	6,533,723
Expenses			
Program services	4,301,953	-	4,301,953
Supporting services			
Management and general	759,563	-	759,563
Fundraising	312,990	-	312,990
Total supporting services	1,072,553	-	1,072,553
Total expenses	5,374,506	-	5,374,506
Change in Net Assets	1,054,967	104,250	1,159,217
Net Assets, beginning of year	2,424,379	220,750	2,645,129
Net Assets, end of year	$ 3,479,346	$ 325,000	$ 3,804,346

SOCCER WITHOUT BORDERS
Statement of Functional Expenses
Year Ended July 31, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total
Salaries and related expenses	$ 2,761,755	$ 493,824	$ 225,172	$ 718,996	$ 3,480,751
Contracted services	614,601	49,397	21,607	71,004	685,605
Travel	216,793	-	-	-	216,793
Supplies	205,388	-	-	-	205,388
Professional fees	-	170,837	-	170,837	170,837
Meals	123,298	-	-	-	123,298
Information technology	67,618	18,714	29,112	47,826	115,444
Registration and other fees	70,725	2,248	32,285	34,533	105,258
Occupancy	91,057	-	-	-	91,057
Office rent	62,173	3,337	4,814	8,151	70,324
Insurance	41,922	-	-	-	41,922
Maintenance and repairs	27,480	-	-	-	27,480
Depreciation	7,248	8,640	-	8,640	15,888
Utilities	11,895	-	-	-	11,895
Interest	-	11,241	-	11,241	11,241
Miscellaneous	-	1,325	-	1,325	1,325
Total Expenses	$ 4,301,953	$ 759,563	$ 312,990	$ 1,072,553	$ 5,374,506

See accompanying notes.

Cash Flows from Operating Activities	
Change in net assets	$ 1,159,217
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	15,888
Amortization of debt issuance cost	1,068
Realized and unrealized gains on investments	(23,941)
Donated securities	(41,810)
Change in operating assets and liabilities:	
Accounts receivable	5,520
Contributions receivable	(100,662)
Prepaid expenses	14,912
Operating lease assets and liabilities	2,349
Accounts payable	10,901
Accrued expenses	33,311
Return of grant funds	11,821
Refundable advances	41,543
Net cash provided by operating activities	1,130,117
Cash Flows from Investing Activities	
Proceeds from sales of investments	1,935,424
Purchases of investments	(2,928,049)
Net cash used in investing activities	(992,625)
Cash Flows from Financing Activities	
Payments on note payable	(12,828)
Net cash used in financing activities	(12,828)
Net Increase in Cash and Cash Equivalents	124,664
Cash and Cash Equivalents, beginning of year	878,405
Cash and Cash Equivalents, end of year	$ 1,003,069
Supplemental Disclosure of Cash Flow Information	
Interest paid	$ 10,173

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 15 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 creates 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.

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.

2. Summary of Significant Accounting Policies (continued)

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.

Property and Equipment

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.

Investments

Investments are measured at fair value and are composed of treasury notes and money market funds. 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.

Leases

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.

2. Summary of Significant Accounting Policies (continued)

Leases (continued)

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 statements 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.

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 $1,783,250 at July 31, 2024.
- *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, 2024.

Revenue Recognition

Contributions

Unconditional contributions are recognized as revenue upon notification 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.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contributions (continued)

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 had $743,264 in unrecognized conditional awards at July 31, 2024.

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 $113,014 at July 31, 2024.

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 activities.

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets include donated space, materials, and services. 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.

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 are allocated to functions based on actual time studies. Office rent costs are allocated based upon associated full time equivalents.

2. Summary of Significant Accounting Policies (continued)

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 Risk

Financial Institutions

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.

Major Contributors

For the year ended July 31, 2024, 10% of contributions receivables were due from a local agency and 22% were due from foundations and corporations. The Organization relies on the support of contributors to ensure the continuing programs and operations of the Organization. Any significant reduction in funding from contributors may impact on the Organization's ability to carry out its programs and other activities.

4. Investments and Fair Value Measurements

The Organization reports certain assets at fair value. Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement* (ASC Topic 820), 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* – Based on unadjusted quoted market prices in active markets for identical assets or liabilities accessible at the measurement date.

4. Investments and Fair Value Measurements (continued)

- *Level 2* – Based quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in non-active markets;
  - Pricing models whose inputs are observable for substantially the full term of the asset or liability; and
  - Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.
- *Level 3* – Based on unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining fair value.

The following shows the input level used to determine fair values, measured on a recurring basis, of investments at July 31, 2024:

	Level 1	Level 2	Level 3	Total
Money market funds investments	$ 251,536	$ -	$ -	$ 251,536
U.S. treasury notes	1,509,338	-	-	1,509,338
Total investments at fair value	$ 1,760,874	$ -	$ -	$ 1,760,874

For the years ended July 31, 2024, net investment return included the following:

Interest and dividends	$ 23,144
Unrealized and realized gains	23,785
Total investment income, net	$ 46,929

5. Property and Equipment

The Organization held the following property and equipment at July 31, 2024:

Land	$ 83,400
Building and building improvements	510,912
Vehicles	56,619
Total property and equipment	650,931
Less: accumulated depreciation	(89,363)
Property and equipment, net	$ 561,568

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, 2024, the outstanding principal balance was $216,830. Interest expense for the years ended July 31, 2024 was $10,173.

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

Fiscal Year		
2025	$	13,450
2026		14,072
2027		14,724
2028		15,384
2029		16,117
Thereafter		143,083
Total	$	216,830

As of July 31, 2024, unamortized debt issuance costs of $3,086, consisted of debt issuance costs of $4,462 less accumulated amortization of $1,376. The effective interest rate is approximately 4.74% over the life of the loan.

7. Leases

The Organization occupies office and retail store space as a tenant at will or with annual renewable leases through fiscal year 2026. 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.

Subsequent to year-end on September 2024, the Organization entered into a non-cancellable lease agreement for space in Colorado for one year at a rate of $13,200 annually. The Organization has the option to extend the lease for additionally two years with timely notification to the lessor.

The balance of ROU operating assets is as follows at July 31, 2024:

ROU operating lease asset – office and retail space	$	159,932
Amortization of ROU operating lease assets – office and retail space		(70,511)
Net ROU operating lease asset	$	89,421

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, 2024:

For the year ended July 31:	
2025	$ 62,549
2026	32,898
Total future minimum lease payments	95,447
Less: discount to present value	(3,484)
Present value of future minimum lease payments	$ 91,963

Lease costs and other related information for the year ended July 31, 2024 were as follows:

Lease cost:	
Operating lease cost	$ 70,324

At July 31, 2024, the weighted-average remaining lease terms for the Organization's operating leases are 1.21 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, *Leases*, the risk-free rate (US Treasury Rate), as the discount rate. The weighted average discount rate associated with the operating leases as of July 31, 2024 is 3.71%.

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	$ 1,003,069
Contributions receivable	848,647
Investments	1,760,874
Total financial assets	3,612,590
Less: board designated – general reserve	(1,783,250)
Less: donor-imposed restrictions	(325,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,504,340

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.

This year's significant increase in revenue and change in net assets is primarily attributable to the receipt of a $1,000,000 unrestricted grant award from a single organization in March 2024. The Organization allocated these funds to board designated – general reserve and plans to use it for future capacity-building initiatives to further its mission. As this was a one-time award, the Organization does not anticipate a similar level of revenue or change in net assets in future years. The Organization's Board of Directors maintains a Board designated – general reserve which totaled $1,783,250 at July 31, 2024 from which it may draw upon, if needed, with the Board's approval.

9. Contingency

Government Contracts

Funds that the Organization receives from federal government agencies are subject to audit under the provisions of the cooperative agreements. The ultimate determination of amounts received under the contracts is based upon the allowance of costs reported to and accepted by the oversight agency. Until such contracts are closed out, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability exists.

10. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at July 31, 2024:

Subject to passage of time	$ 180,000
Subject to expenditure for specific purposes:	
Maryland programs	50,000
Colorado programs	50,000
Oakland Girls Soccer League	25,000
Oakland programs	10,000
Goal Five (Gender) programs	10,000
Total subject to expenditure for specific purposes	145,000
Total net assets with donor restrictions	$ 325,000

10. Net Assets With Donor Restrictions (continued)

During the year ended July 31, 2024, releases from net assets with donor restrictions were for the following:

Expiration of time restrictions	$	35,750
Satisfaction of purpose restrictions:		
Maryland programs		55,000
Massachusetts Programs		55,000
Colorado programs		40,000
Oakland Girls Soccer League		25,000
Total satisfaction of purpose restrictions		175,000
Total net assets released from restrictions	$	210,750

11. Contributions of Nonfinancial Assets

For the year ended July 31, 2024, contributed nonfinancial assets recognized within the statement of activities include the following:

Soccer equipment	$	110,000
Legal services		66,035
Facility use		42,050
Player registration fees		22,675
Professional services		17,480
Total contributed nonfinancial assets	$	258,240

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

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 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.

11. Contributions of Nonfinancial Assets (continued)

Contributed player registration fees are provided through waived fees by organizations that host soccer leagues. This support 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 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.

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 (IRC), 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, 2024. No provision for federal or state income taxes is required for the year ended July 31, 2024, 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 740-10, *Income Taxes — Overall*. 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, 2024 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 18, 2024, 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 Note 7, *Leases.*