

**FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED DECEMBER 31, 2015  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2014**

# GRASSROOT SOCCER, INC.

## CONTENTS

	<b>PAGE NO.</b>
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statement of Financial Position, as of December 31, 2015, with Summarized Financial Information for 2014	4
EXHIBIT B - Statement of Activities and Change in Net Assets, for the Year Ended December 31, 2015, with Summarized Financial Information for 2014	5
EXHIBIT C - Statement of Functional Expenses, for the Year Ended December 31, 2015, with Summarized Financial Information for 2014	6
EXHIBIT D - Statement of Cash Flows, for the Year Ended December 31, 2015, with Summarized Financial Information 2014	7
NOTES TO FINANCIAL STATEMENTS	8 - 13

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Grassroot Soccer, Inc.  
Norwich, Vermont

We have audited the accompanying financial statements of Grassroot Soccer, Inc. (GRS), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and change in net assets, functional expenses and cash flows for the year 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 GRS as of December 31, 2015, and the change 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.

4550 MONTGOMERY AVENUE • SUITE 650 NORTH • BETHESDA, MARYLAND 20814  
(301) 951-9090 • FAX (301) 951-3570 • WWW.GRFCA.COM

---

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF HORWATH INTERNATIONAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

### **Report on Summarized Comparative Information**

We have previously audited GRS's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 29, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Gelman Rosenberg & Friedman*

August 10, 2016

## GRASSROOT SOCCER, INC.

**STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2015  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

**ASSETS**

	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,617,493	\$ 2,258,986
Employee and partner advances and other	23,475	42,906
Grants and contracts receivable, net of allowance for doubtful accounts of \$8,000 in 2015 (Note 2)	1,722,002	2,533,529
Contributions receivable (Note 2)	576,451	194,895
Inventory	43,490	71,605
Prepaid expenses	<u>62,913</u>	<u>53,616</u>
Total current assets	<u>5,045,824</u>	<u>5,155,537</u>
<b>FIXED ASSETS</b>		
Furniture and equipment	21,127	24,325
Computer equipment	62,345	63,417
Vehicles	75,085	63,964
Leasehold improvements	12,805	12,805
Software	<u>40,845</u>	<u>40,845</u>
	212,207	205,356
Less: Accumulated depreciation and amortization	<u>(168,737)</u>	<u>(186,768)</u>
Net fixed assets	<u>43,470</u>	<u>18,588</u>
<b>OTHER ASSETS</b>		
Deposits	14,944	21,726
Grants and contracts receivable, net of current portion and discount of \$19,317 and \$53,320 in 2015 and 2014, respectively (Note 2)	390,491	1,170,011
Contributions receivable, net of current portion and discount of \$6,018 and \$11,096 in 2015 and 2014, respectively (Note 2)	<u>113,982</u>	<u>168,904</u>
Total other assets	<u>519,417</u>	<u>1,360,641</u>
<b>TOTAL ASSETS (Note 8)</b>	<b><u>\$ 5,608,711</u></b>	<b><u>\$ 6,534,766</u></b>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable and accrued liabilities	\$ <u>151,989</u>	\$ <u>138,165</u>
--	-------------------	-------------------

**NET ASSETS**

Unrestricted	1,486,467	811,330
Temporarily restricted (Note 4)	<u>3,970,255</u>	<u>5,585,271</u>
Total net assets	<u>5,456,722</u>	<u>6,396,601</u>
<b>TOTAL LIABILITIES AND NET ASSETS (Note 8)</b>	<b><u>\$ 5,608,711</u></b>	<b><u>\$ 6,534,766</u></b>

See accompanying notes to financial statements.

## GRASSROOT SOCCER, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
<b>REVENUE</b>				
Grants and contracts	\$ 35,164	\$ 2,958,988	\$ 2,994,152	\$ 4,759,114
Contributions	1,709,663	71,259	1,780,922	1,642,256
Special events	1,224,506	-	1,224,506	1,492,908
In-kind contributions	31,648	-	31,648	51,273
Other	17,221	-	17,221	36,097
Interest income	10,069	-	10,069	6,807
Net assets released from donor restrictions (Note 5)	<u>4,627,647</u>	<u>(4,627,647)</u>	<u>-</u>	<u>-</u>
Total revenue (Note 8)	<u>7,655,918</u>	<u>(1,597,400)</u>	<u>6,058,518</u>	<u>7,988,455</u>
<b>EXPENSES (Note 7)</b>				
Program Services	<u>5,169,615</u>	<u>-</u>	<u>5,169,615</u>	<u>4,863,721</u>
Supporting Services:				
Management and General	678,335	-	678,335	859,656
Fundraising	<u>921,406</u>	<u>-</u>	<u>921,406</u>	<u>859,966</u>
Total supporting services	<u>1,599,741</u>	<u>-</u>	<u>1,599,741</u>	<u>1,719,622</u>
Total expenses	<u>6,769,356</u>	<u>-</u>	<u>6,769,356</u>	<u>6,583,343</u>
Change in net assets before other item	886,562	(1,597,400)	(710,838)	1,405,112
<b>OTHER ITEM</b>				
Currency loss (Note 8)	<u>(211,425)</u>	<u>(17,616)</u>	<u>(229,041)</u>	<u>(165,155)</u>
Change in net assets	675,137	(1,615,016)	(939,879)	1,239,957
Net assets at beginning of year	<u>811,330</u>	<u>5,585,271</u>	<u>6,396,601</u>	<u>5,156,644</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,486,467</u>	<u>\$ 3,970,255</u>	<u>\$ 5,456,722</u>	<u>\$ 6,396,601</u>

## GRASSROOT SOCCER, INC.

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2015  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	2015			2014	
	Program Services	Supporting Services Management and General		Fundraising	Total Expenses
Salaries and related benefits (Note 9)	\$ 1,852,927	\$ 606,939	\$ 499,772	\$ 2,959,638	\$ 3,196,469
Contract labor	764,560	196	14,615	779,371	563,734
Travel	489,953	11,251	44,472	545,676	543,299
Subgrant expense	534,675	-	-	534,675	675,511
Meeting expense	359,919	1,003	140,896	501,818	309,475
Professional fees	201,828	20,452	63,888	286,168	172,691
Program supplies	247,641	-	11,263	258,904	167,749
Occupancy (Note 3)	188,815	12,983	19,037	220,835	251,934
Telecommunications	81,952	989	2,917	85,858	113,215
Printing and reproduction	63,298	792	19,811	83,901	102,311
Equipment rental	63,766	548	6,713	71,027	42,744
Supplies/equipment	65,841	1,237	2,032	69,110	58,036
Dues and subscriptions	22,187	4,383	35,730	62,300	69,353
Other expenses	40,542	3,511	15,782	59,835	93,953
Insurance	42,420	7,505	6,180	56,105	65,183
Repairs and maintenance	52,445	677	557	53,679	41,992
Advertising	24,011	433	11,290	35,734	18,823
Bank fees and service charges	17,234	644	8,197	26,075	40,067
Postage and delivery	14,487	105	8,729	23,321	12,831
Education and training	21,289	34	121	21,444	9,128
Depreciation and amortization	12,558	4,113	3,387	20,058	17,874
License and permits	7,267	540	6,017	13,824	16,971
<b>TOTAL</b>	<b>\$ 5,169,615</b>	<b>\$ 678,335</b>	<b>\$ 921,406</b>	<b>\$ 6,769,356</b>	<b>\$ 6,583,343</b>

## GRASSROOT SOCCER, INC.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (939,879)	\$ 1,239,957
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	20,058	17,874
Gain on sale of fixed assets	(2,477)	(725)
Donated inventory received	-	(40,125)
Donated inventory disbursed	28,115	76,187
Change in allowance for doubtful accounts	8,000	-
Change in discount on long-term receivables	(39,081)	19,511
(Increase) decrease in:		
Employee and partner advances	19,431	136,519
Grants and contracts receivable	1,617,050	(400,765)
Contributions receivable	(321,556)	275,918
Prepaid expenses	(9,297)	13,836
Deposits	6,782	6,554
Increase (decrease) in:		
Accounts payable and accrued liabilities	13,824	(65,517)
Net cash provided by operating activities	400,970	1,279,224
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(47,791)	(2,878)
Proceeds from sale of fixed assets	5,328	6,630
Net cash (used) provided by investing activities	(42,463)	3,752
Net increase in cash and cash equivalents	358,507	1,282,976
Cash and cash equivalents at beginning of year	2,258,986	976,010
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 2,617,493</b>	<b>\$ 2,258,986</b>
<b>SUPPLEMENTAL INFORMATION:</b>		
<b>Donated Securities</b>	<b>\$ 263,184</b>	<b>\$ 38,870</b>



**GRASSROOT SOCCER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

Organization -

Grassroot Soccer, Inc. (GRS) is a non-profit organization, incorporated in the State of New Mexico. The mission is to use the power of soccer in the fight against AIDS to provide African youth with the knowledge, skills and support to live HIV free. GRS trains role models (pro players, coaches, youth players, etc.) to get the message out about healthy behavior and the risks of HIV to increase awareness and change behaviors.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with GRS's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Cash and cash equivalents -

GRS considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, GRS maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

GRS had \$1,174,833 of cash and cash equivalents held in accounts in foreign countries at December 31, 2015. The majority of these funds are uninsured.

Foreign currency translation -

The dollar ("Dollars") is the functional currency for GRS operations. Transactions in currencies other than U.S. Dollars are translated into Dollars at the rate of exchange in effect during the month of the transaction. Current assets and liabilities denominated in non-U.S. currency are translated into Dollars at the exchange rate in effect at the date of the Statement of Financial Position.

Receivables -

Receivables approximate fair value. Management considers some amounts to be uncollectible. Accordingly, an allowance for doubtful accounts has been established for GRS.

Contributions receivable are written unconditional promises to make future payments and are recognized as revenue in the period pledged. Contribution payments extending beyond one year are discounted to recognize the present value of future cash flows and in subsequent years, this discount is accreted and recorded as additional contribution revenue in accordance with donor-imposed restrictions.

Grants and contracts receivable are recorded at their net realizable value, which approximates fair value. Grants and contracts receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows.

The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contract revenue.

**GRASSROOT SOCCER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Fixed assets -

Fixed assets in excess of \$500 are capitalized and are stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Fixed assets purchased with grant funds are expensed and charged to the corresponding program.

Income taxes -

GRS is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. GRS is not a private foundation.

Uncertain tax positions -

For the year ended December 31, 2015, GRS has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Inventory -

Inventory consists of donated sports apparel, shoes and other materials, which are recorded at fair market value as of the date of donation. The inventory is disbursed on a first in first out basis, as needed.

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of GRS and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of GRS and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

Grants, contributions and contracts -

Grants and contributions are recorded as revenue in the year notification is received from the donor. Grants and contributions are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Grants and contributions received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements. Contracts are recorded as unrestricted revenue as reimbursable costs are incurred.

Periodically, GRS receives contributions in the form of securities, which are recorded at their fair market value on the date of donation. GRS typically sells the securities immediately upon receipt, minimizing the amount of potential realized gains or losses from the transaction. For the year ended December 31, 2015, GRS received a total of \$263,184 in donated securities.

**GRASSROOT SOCCER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

In-kind contributions -

Unrestricted in-kind contributions consist of donated telephone services, computer equipment and inventory. In-kind contributions are recorded at their fair market value as of the date of the gift.

Volunteer services -

GRS receives a significant amount of donated time from various volunteers. These donated services are not reflected in the accompanying financial statements since these services do not meet the criteria for recognition as contributed services.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**2. GRANTS, CONTRACTS AND CONTRIBUTIONS RECEIVABLE**

As of December 31, 2015, contributors to GRS have made written promises to give \$2,836,261 in grants, contracts and contributions. Grants, contracts and contributions are due as follows at December 31, 2015:

	<u>Grants</u>	<u>Contracts</u>	<u>Contributions</u>	<u>Total</u>
Less than one year	\$ 1,705,358	\$ 24,644	\$ 576,451	\$ 2,306,453
One to five years	<u>409,808</u>	<u>-</u>	<u>120,000</u>	<u>529,808</u>
Total	2,115,166	24,644	696,451	2,836,261
Less: Discount balance to present value (3.50%)	(19,317)	-	(6,018)	(25,335)
Less: Reserve for uncollectible grants	<u>(8,000)</u>	<u>-</u>	<u>-</u>	<u>(8,000)</u>
<b>TOTAL GRANTS, CONTRACTS AND CONTRIBUTIONS RECEIVABLE</b>	<b><u>\$2,087,849</u></b>	<b><u>\$ 24,644</u></b>	<b><u>\$ 690,433</u></b>	<b><u>\$2,802,926</u></b>

**3. LEASE COMMITMENT**

In June 2008, GRS entered into a lease agreement for office space, commencing July 1, 2008 and expiring July 1, 2013. During 2011, the lease was extended through July 1, 2018 under the same terms and conditions of the existing agreement. GRS entered into various lease agreements in foreign countries for office space and intern housing through 2017.

**GRASSROOT SOCCER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**3. LEASE COMMITMENT (Continued)**

Future minimum commitments are as follows:

<u>Year Ending December 31,</u>	
2016	\$ 145,085
2017	66,181
2018	<u>32,437</u>
	<b><u>\$ 243,703</u></b>

Occupancy expense, including short-term lease agreements in foreign countries, utilities and storage space, totaled \$220,835 for the year ended December 31, 2015.

**4. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following at December 31, 2015:

South Africa	\$ 2,522,661
Zambia	580,816
Zimbabwe	509,683
United States of America	239,521
GRSP	34,320
Europe	30,093
Global	24,954
Partnerships SA	<u>28,207</u>
<b>TOTAL TEMPORARILY RESTRICTED NET ASSETS</b>	<b><u>\$ 3,970,255</u></b>

**5. NET ASSETS RELEASED FROM RESTRICTIONS**

The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

South Africa	\$ 2,047,153
Zambia	716,230
Zimbabwe	575,982
Nigeria	444,931
United States of America	160,000
Tanzania	128,801
Malawi	124,985
Equatorial Guinea	98,590
Global	73,463
Ethiopia	32,568
Partnership SA	28,719
Botswana	28,019
Rwanda	25,783
GRSP	25,245
Ghana	24,414
Lesotho	23,388
Mozambique	15,096
Kyrgyz	14,355
Benin	13,051
Swaziland	11,859
Senegal	11,749
Europe	<u>3,266</u>
<b>TOTAL NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b><u>\$ 4,627,647</u></b>

**GRASSROOT SOCCER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**6. CONTINGENCY**

GRS receives grants from various agencies of the United States Government. For fiscal years through December 31, 2014, such grants were subject to audit under the provisions of OMB Circular A-133. Beginning for fiscal year ended December 31, 2015, such grants are subject to audit under the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits.

Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2013. Management is of the opinion that no material liability will result from such audits. For the year ended December 31, 2015, GRS did not meet the criteria for an audit under Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

**7. EXPENSES - BY SEGMENT**

The following is a detail of expenses, by country, for the year ended December 31, 2015:

	<u>South Africa</u>	<u>Zambia</u>	<u>Zimbabwe</u>	<u>Global Operations</u>	<u>Total Expenses</u>
Salaries and related benefits	\$ 999,831	\$ 373,533	\$ 473,072	\$ 1,113,202	\$ 2,959,638
Contract labor	498,130	146,619	104,267	30,355	779,371
Travel	157,687	127,292	48,572	212,125	545,676
Subgrant expense	-	-	1,640	533,035	534,675
Meeting expense	204,666	102,427	38,324	156,401	501,818
Professional fees	88,424	14,909	4,167	178,668	286,168
Program supplies	78,076	55,129	76,200	49,499	258,904
Occupancy	73,654	21,472	17,374	108,335	220,835
Telecommunications	37,768	21,089	8,584	18,417	85,858
Printing and reproduction	20,093	24,567	11,401	27,840	83,901
Equipment rental	20,607	28,479	11,237	10,704	71,027
Supplies/equipment	23,694	17,856	17,992	9,568	69,110
Dues and subscriptions	4,077	2,036	264	55,923	62,300
Other expenses	7,724	4,942	397	46,772	59,835
Insurance	16,655	982	1,873	36,595	56,105
Repairs and maintenance	33,257	6,957	7,108	6,357	53,679
Advertising	4,743	9,395	7,747	13,849	35,734
Bank fees and service charges	5,052	2,094	6,633	12,296	26,075
Postage and delivery	3,745	808	8,070	10,698	23,321
Education and training	11,242	4,605	2,610	2,987	21,444
Depreciation and amortization	2,705	7,618	4,864	4,871	20,058
License and permits	<u>1,965</u>	<u>792</u>	<u>1,750</u>	<u>9,317</u>	<u>13,824</u>
<b>TOTAL</b>	<b><u>\$2,293,795</u></b>	<b><u>\$ 973,601</u></b>	<b><u>\$ 854,146</u></b>	<b><u>\$ 2,647,814</u></b>	<b><u>\$ 6,769,356</u></b>

GRS Global Operations -

GRS Global Operations consist of costs incurred at GRS offices in the United States and Europe as well as costs incurred for partner led programs in various countries where GRS provides technical assistance.

**GRASSROOT SOCCER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**8. FOREIGN OPERATIONS**

GRS maintains facilities in South Africa, Zambia, Zimbabwe and Europe, as well as administers programs in several other foreign countries via relationships with implementing partners.

As of December 31, 2015, GRS had current assets, including cash, receivables, prepaid expenses and inventories to be utilized for overseas operations totaling \$3,543,953. Additionally, property and equipment, net of accumulated depreciation, amounted to \$39,845. Liabilities in other countries totaled \$94,039. Total support and revenue received for foreign operations amounted to \$3,886,374 for the year ended December 31, 2015.

Foreign currency transaction losses, resulting from exchange rate fluctuations on transactions denominated in a currency other than the functional currency, totaled \$229,041 in 2015, and has been reported separately in the accompanying Statement of Activities and Change in Net Assets.

**9. RETIREMENT PLAN**

Effective March 1, 2011, GRS implemented a defined contribution 401(k) plan to provide retirement benefits to its employees. Employees are eligible to receive any matching or discretionary contributions after one year of service and the plan has a four-year graded vesting schedule. Matching contributions are determined annually by GRS as a fixed percentage of salary for all participating employees. Discretionary contributions are determined annually by GRS and are allocated based on the employee's salary as a percentage of the total organizational salary. GRS did not elect any matching or discretionary contributions as of December 31, 2015.

**10. LINE OF CREDIT**

In August 2013, GRS opened a line of credit with a financial institution for \$600,000, which was renewed and expires in August 2016. Interest on the line of credit balance shall bear the prime rate plus .5%, but in no case less than 4% per annum. There was no outstanding balance on the line of credit as of December 31, 2015.

**11. SUBSEQUENT EVENTS**

In preparing these financial statements, GRS has evaluated events and transactions for potential recognition or disclosure through August 10, 2016, the date the financial statements were issued.