

EISNERAMPER

**UNITED STATES SQUASH RACQUETS
ASSOCIATION, INC.**

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 and 2018



INDEPENDENT AUDITORS' REPORT

Board of Directors
United States Squash Racquets Association, Inc.
New York, New York

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the United States Squash Racquets Association, Inc. ("US Squash"), which comprise the consolidated statement of financial position as of June 30, 2019 and 2018, and the related consolidated statement of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

US Squash's management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the organization's preparation and fair presentation of the consolidated 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 organization'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the United States Squash Racquets Association, Inc. as of June 30, 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.



EISNERAMPER LLP
New York, New York
December 10, 2019



UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Consolidated Statements of Financial Position

	June 30,	
	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 5,600,114	\$ 115,876
Accounts and other receivables	168,591	12,318
Contributions and pledges receivable, net	16,438,482	13,075,774
Merchandise inventory		23,362
Investments	4,517,453	4,797,813
Prepaid expenses and other assets	166,697	161,139
Cash surrender value of life insurance - restricted for endowment	123,101	118,385
Property and equipment, net	1,885,877	355,925
Software costs, net	<u>680,319</u>	<u>594,930</u>
	<u>\$ 29,580,634</u>	<u>\$ 19,255,522</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 659,755	\$ 621,770
Deferred revenue	991,366	864,111
Capital lease payable		8,568
Notes payable	<u>193,947</u>	<u>72,914</u>
Total liabilities	<u>1,845,068</u>	<u>1,567,363</u>
Commitments (see Note L)		
Net assets:		
Without donor restrictions - undesignated	<u>(2,279,323)</u>	<u>(1,604,062)</u>
With donor restrictions:		
Purpose restrictions	9,374,149	2,075,924
Time-restricted for future periods	16,438,482	13,075,774
Perpetual in nature	<u>4,202,258</u>	<u>4,140,523</u>
Total net assets with donor restrictions	<u>30,014,889</u>	<u>19,292,221</u>
Total net assets	<u>27,735,566</u>	<u>17,688,159</u>
	<u>\$ 29,580,634</u>	<u>\$ 19,255,522</u>

See notes to consolidated financial statements.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Consolidated Statements of Activities

	Year Ended June 30,					
	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Events:						
Entry fees	\$ 1,406,398		\$ 1,406,398	\$ 1,233,938	\$ 110,100	\$ 1,344,038
Sponsorship and royalties	678,734		678,734	605,345	30,000	635,345
Commissions and licensing	36,953		36,953	29,415		29,415
Accreditation fees	533,809		533,809	505,397		505,397
Membership fees	1,216,113	\$ 79,525	1,295,638	1,099,065	76,675	1,175,740
Program fees	519,048		519,048	376,448		376,448
Management fees	91,088		91,088	130,323		130,323
Contributions	311,519	11,469,050	11,780,569		14,053,958	14,053,958
Donated services	64,865		64,865	86,885		86,885
Investment income, net		228,747	228,747		307,198	307,198
Advertising income	153,980		153,980	134,246	1,000	135,246
Miscellaneous income	66,249		66,249	55,858		55,858
Total support and revenue before net assets released from restrictions	5,078,756	11,777,322	16,856,078	4,256,920	14,578,931	18,835,851
Net assets released from restrictions	<u>1,054,654</u>	<u>(1,054,654)</u>	<u>0</u>	<u>662,160</u>	<u>(662,160)</u>	<u>0</u>
Total support and revenue	<u>6,133,410</u>	<u>10,722,668</u>	<u>16,856,078</u>	<u>4,919,080</u>	<u>13,916,771</u>	<u>18,835,851</u>
Expenses:						
Program services:						
Membership	635,154		635,154	585,771		585,771
Events:						
US Open	1,026,030		1,026,030	935,809		935,809
Senior	868,758		868,758	805,108		805,108
Junior	1,151,373		1,151,373	933,105		933,105
Senior programs	980,140		980,140	678,071		678,071
Junior programs	881,873		881,873	802,151		802,151
Intercollegiate Squash Association	347,605		347,605	178,344		178,344
Squash magazine	275,388		275,388	171,233		171,233
Total program services	<u>6,166,321</u>		<u>6,166,321</u>	<u>5,089,592</u>		<u>5,089,592</u>
Supporting services:						
General and administrative	528,811		528,811	480,615		480,615
Fund-raising	113,539		113,539	257,472		257,472
Total supporting services	<u>642,350</u>		<u>642,350</u>	<u>738,087</u>		<u>738,087</u>
Total operating expenses	<u>6,808,671</u>		<u>6,808,671</u>	<u>5,827,679</u>		<u>5,827,679</u>
Change in net assets	(675,261)	10,722,668	10,047,407	(908,599)	13,916,771	13,008,172
Net assets, beginning of year	<u>(1,604,062)</u>	<u>19,292,221</u>	<u>17,688,159</u>	<u>(695,463)</u>	<u>5,375,450</u>	<u>4,679,987</u>
Net assets, end of year	<u>\$ (2,279,323)</u>	<u>\$ 30,014,889</u>	<u>\$ 27,735,566</u>	<u>\$ (1,604,062)</u>	<u>\$ 19,292,221</u>	<u>\$ 17,688,159</u>

See notes to consolidated financial statements.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Consolidated Statement of Functional Expenses
Year Ended June 30, 2019
(with summarized information for 2018)

	Program Services									Supporting Services			Totals	
	Membership	US Open	Senior Events	Junior Events	Senior Programs	Junior Programs	Intercollegiate Squash Association	Squash Magazine	Total Program Services	General and Administrative	Fund-raising	Total Supporting Services	2019	2018
Events and teams	\$ 12,408	\$ 685,970	\$ 510,262	\$ 641,050	\$ 174,052	\$ 408,162	\$ 203,856	\$ 76,915	\$ 2,712,675		\$ 3,345	\$ 3,345	\$ 2,716,020	\$ 2,378,724
Grants and scholarships				37,000					37,000		8,500	8,500	45,500	28,935
	12,408	685,970	510,262	678,050	174,052	408,162	203,856	76,915	2,749,675		11,845	11,845	2,761,520	2,407,659
Payroll	408,814	234,676	230,816	335,354	525,518	269,467	113,280	130,193	2,248,118	\$ 267,754	70,087	337,841	2,585,959	2,017,839
Payroll taxes and benefits	63,051	31,883	34,308	38,017	81,532	53,341	20,051	21,407	343,590	772	8,979	9,751	353,341	306,049
Professional fees	7,401	3,195	3,533	3,818	8,095	6,073		2,147	34,262	67,218	666	67,884	102,146	223,506
In-kind legal fees	11,257	5,439	6,008	6,476	13,800	10,334		3,655	56,969	6,765	1,131	7,896	64,865	86,885
Occupancy	27,999	13,156	14,691	16,332	32,908	25,333		8,668	139,087	16,867	2,907	19,774	158,861	157,281
Insurance	15,432	7,456	8,236	8,875	18,913	14,154		5,017	78,083	9,272	1,547	10,819	88,902	79,272
Credit card fees	481	232	257	276	588	440		156	2,430	288	48	336	2,766	8,002
Payroll service fees	7,911	3,822	4,222	4,550	9,695	7,255		2,572	40,027	4,753	793	5,546	45,573	40,199
Printing and postage	2,431	1,172	1,295	1,400	2,968	2,225	56	787	12,334	1,461	244	1,705	14,039	12,019
Supplies	3,979	1,950	2,397	2,559	5,213	3,926	1,175	1,264	22,463	2,382	534	2,916	25,379	17,572
Telephone and internet	4,406	2,128	2,351	2,534	5,397	4,041		1,432	22,289	2,648	442	3,090	25,379	25,544
Technology licensing	15,996	9,099	21,805	22,288	35,934	28,012		3,794	136,928	8,167	8,935	17,102	154,030	119,007
Dues and subscriptions	4,249	2,032	2,253	2,456	5,130	3,878		1,357	21,355	2,554	431	2,985	24,340	28,656
Travel	12,820	6,193	6,842	7,375	15,704	11,757		4,166	64,857	7,703	1,286	8,989	73,846	73,209
Equipment lease	1,227	582	647	712	1,462	1,114		386	6,130	738	126	864	6,994	14,200
Depreciation and Amortization	32,249	15,580	17,213	18,548	39,520	29,577		10,486	163,173	19,378	3,232	22,610	185,783	115,912
Bad debts expense										50,000		50,000	50,000	6,000
Interest										3,469		3,469	3,469	5,732
Other	3,043	1,465	1,622	1,753	3,711	2,784	9,187	986	24,551	56,622	306	56,928	81,479	83,136
	<u>\$ 635,154</u>	<u>\$ 1,026,030</u>	<u>\$ 868,758</u>	<u>\$ 1,151,373</u>	<u>\$ 980,140</u>	<u>\$ 881,873</u>	<u>\$ 347,605</u>	<u>\$ 275,388</u>	<u>\$ 6,166,321</u>	<u>\$ 528,811</u>	<u>\$ 113,539</u>	<u>\$ 642,350</u>	<u>\$ 6,808,671</u>	<u>\$ 5,827,679</u>

See notes to consolidated financial statements.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

**Consolidated Statement of Functional Expenses
Year Ended June 30, 2018**

	Program Services								Supporting Services			Total	
	Membership	US Open	Senior Events	Junior Events	Senior Programs	Junior Programs	Intercollegiate Squash Association	Squash Magazine	Total Program Services	General and Administrative	Fund-raising		Total Supporting Services
Events and teams	\$ 30,559	\$ 683,052	\$ 477,406	\$ 469,630	\$ 174,287	\$ 314,235	\$ 171,604	\$ 56,383	\$ 2,377,156		\$ 1,568	\$ 1,568	\$ 2,378,724
Grants and scholarships			25,885	800					26,685		2,250	2,250	28,935
	30,559	683,052	503,291	470,430	174,287	314,235	171,604	56,383	2,403,841		3,818	3,818	2,407,659
Payroll	343,842	162,402	187,283	312,102	303,683	296,469		65,702	1,671,483	\$ 292,517	53,839	346,356	2,017,839
Payroll taxes and benefits	58,101	22,684	27,341	38,684	51,035	49,502		12,031	259,378	38,854	7,817	46,671	306,049
Professional fees	6,144	1,965	2,350	3,576	4,746	5,129		1,054	24,964	31,519	167,023	198,542	223,506
In-kind legal fees	16,508	6,647	7,907	10,313	15,205	13,902		3,806	74,288	10,425	2,172	12,597	86,885
Occupancy	31,096	11,291	13,460	18,793	26,436	26,078		6,293	133,447	20,673	3,161	23,834	157,281
Insurance	15,458	5,822	6,935	9,450	13,517	12,982		3,277	67,441	10,101	1,730	11,831	79,272
Credit card fees	1,262	480	572	774	1,112	1,060	1,507	271	7,038	819	145	964	8,002
Payroll service fees	7,789	2,983	3,552	4,787	6,899	6,546		1,686	34,242	5,048	909	5,957	40,199
Printing and postage	2,348	880	1,049	1,433	2,046	1,971		495	10,222	1,538	259	1,797	12,019
Supplies	2,586	1,041	1,239	1,616	2,382	2,178	1,033	596	12,671	4,561	340	4,901	17,572
Telephone and internet	4,986	1,873	2,231	3,046	4,351	4,187		1,054	21,728	3,262	554	3,816	25,544
Technology licensing	14,530	10,936	17,367	18,914	20,134	20,184		2,598	104,663	7,858	6,486	14,344	119,007
Dues and subscriptions	5,285	2,096	2,494	3,285	4,811	4,447		1,196	23,614	3,364	1,678	5,042	28,656
Travel	13,767	5,687	6,763	8,676	12,940	11,606		3,277	62,716	8,572	1,921	10,493	73,209
Equipment lease	2,877	977	1,167	1,704	2,325	2,406		534	11,990	1,969	241	2,210	14,200
Depreciation and Amortization	22,239	8,954	10,652	13,894	20,484	18,728		5,127	100,078	12,908	2,926	15,834	115,912
Bad debts expense										6,000		6,000	6,000
Interest	109	44	52	68	100	92		25	490	5,228	14	5,242	5,732
Other	6,285	5,995	9,403	11,560	11,578	10,449	4,200	5,828	65,298	15,399	2,439	17,838	83,136
	<u>\$ 585,771</u>	<u>\$ 935,809</u>	<u>\$ 805,108</u>	<u>\$ 933,105</u>	<u>\$ 678,071</u>	<u>\$ 802,151</u>	<u>\$ 178,344</u>	<u>\$ 171,233</u>	<u>\$ 5,089,592</u>	<u>\$ 480,615</u>	<u>\$ 257,472</u>	<u>\$ 738,087</u>	<u>\$ 5,827,679</u>

See notes to consolidated financial statements.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 10,047,407	\$ 13,008,172
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	185,783	115,912
Net realized losses (gains) on investments	7,720	(312,960)
Net unrealized (gains) losses on investments	(143,918)	26,338
Donated securities	(338,941)	(14,587)
Proceeds from donated securities	338,941	14,587
Bad debts expense	50,000	6,000
Change in cash surrender value of life insurance policies	(4,716)	(3,156)
Perpetual in nature contributions	(61,735)	(25,872)
Changes in:		
Accounts and other receivables	(156,273)	41,697
Contributions and pledges receivable, net	(3,412,708)	(12,204,145)
Merchandise inventory	23,362	4,040
Prepaid expenses and other assets	(5,558)	(20,848)
Accounts payable and accrued expenses	378,737	(71,589)
Deferred revenue	127,255	132,707
Net cash provided by operating activities	<u>7,035,356</u>	<u>696,296</u>
Cash flows from investing activities:		
Proceeds from sales of investments	2,341,860	2,617,171
Purchases of investments	(1,925,302)	(2,881,031)
Purchases of property and equipment	(1,898,208)	(203,616)
Software development costs	(243,668)	(184,074)
Net cash used in investing activities	<u>(1,725,318)</u>	<u>(651,550)</u>
Cash flows from financing activities:		
Perpetual in nature contributions	61,735	25,872
Principal payments on notes payable	(28,967)	(27,514)
Principal payments on capital lease obligation	(8,568)	(6,280)
Bank line of credit - drawdowns	250,000	540,000
Bank line of credit - repayments	(100,000)	(540,000)
Net cash provided by (used in) financing activities	<u>174,200</u>	<u>(7,922)</u>
Change in cash and cash equivalents	5,484,238	36,824
Cash and cash equivalents, beginning of year	<u>115,876</u>	<u>79,052</u>
Cash and cash equivalents, end of year	<u>\$ 5,600,114</u>	<u>\$ 115,876</u>
Supplemental disclosures of cash-flow information:		
Cash paid for interest	\$ 3,469	\$ 5,732
In-kind services	\$ 64,865	\$ 86,885
Capital expenditures included in accounts payable and accrued expenses	\$ 340,752	\$ 0

See notes to consolidated financial statements.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Organization:

United States Squash Racquets Association, Inc. ("US Squash") was incorporated in New York in 1957 and is the governing body of the game of squash racquets in the United States. Its mission is to lead squash's growth and development by increasing access and awareness, supporting meaningful lifelong engagement in the sport, and encouraging sportsmanship while achieving competitive excellence at the highest levels.

During 2018, through a resolution of the Board of Directors, US Squash transferred all intellectual property, and rights thereof, of its internally developed software, Club Locker, to Reciprocitie, LLC, a Delaware limited liability company, of which US Squash is the sole member. Reciprocitie, LLC is tasked with licensing the Club Locker software domestically and internationally. Reciprocitie, LLC has sublicensed the use of Club Locker for Squash to the Global Squash Collaborative, a Delaware limited liability company, facilitating the international sublicensing of the Club Locker Software for Squash.

Accordingly, the consolidated financial statements include the financial position, results of operations and cash flows of US Squash and Reciprocitie, LLC, (together, "US Squash"). All inter-entity transactions and balances have been eliminated in the consolidation process.

Also during 2018, US Squash entered into a memorandum of understanding with Drexel University ("Drexel"), whereby US Squash, through various funding sources achieved through other sub-entities, will sublease a building from Drexel and pursue, establish, renovate, and construct a national squash center (the "Center") in Philadelphia.

The Center will be housed within Pennsylvania's 32nd Street Armory (commonly referred to as the "Drexel Armory") located in Philadelphia, PA. The Drexel Armory is currently owned by the State of Pennsylvania and leased to Drexel University. As part of the Center's renovation and construction, US Squash has created two additional entities to facilitate the construction process and subsequent operations of the Center: i) US Squash Development Corporation ("USDC"), a Pennsylvania corporation and ii) 3205 Lancaster Avenue I, LLC ("Lancaster Ave LLC") a Pennsylvania limited liability company. USDC was formed to facilitate the offering of historical tax credits to promote additional funding for the Center project, of which US Squash is a minority shareholder. Lancaster Ave LLC was formed to assume a sublease of the Drexel Armory from Drexel University of which USDC is the sole member.

US Squash maintains a positive total net asset position as of June 30, 2019 and June 30, 2018, respectively, however, net assets without donor restrictions are in a deficit position for both years. Management's plans to mitigate this position include (i) improved operating results, new and expanded fundraising and earned revenue streams, and ongoing expense savings and (ii) future releases of net asset with donor restrictions, and the lapse of donor-imposed time restrictions and collections of pledges receivable.

US Squash is exempt from federal income tax under provisions of Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code") and from state and local taxes under comparable laws, except for certain types of income subject to unrelated business income tax.

[2] Basis of accounting:

The consolidated financial statements of US Squash have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, support and revenue and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

[4] Cash and cash equivalents:

For financial-reporting purposes, US Squash considers all highly liquid investments, purchased with an original maturity of three months or less, to be cash equivalents, except money-market funds held as part of the investment portfolio.

[5] Investments:

US Squash's investments in mutual funds, exchange traded funds, equity securities, and fixed income securities are reported at their fair values in the consolidated statements of financial position based on quoted market prices. Cash equivalents held as part of US Squash's investment portfolio are also included in the balances reported as investments.

US Squash's investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost at the time of acquisition to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.

Donated securities are recorded at their estimated fair values, as determined by the proceeds received on the dates of donation. US Squash's policy is to sell the donated securities immediately, and, accordingly, for purposes of the statement of cash flows, donated securities and the proceeds generated from their sale are included within operating activities.

Investment expenses include the services of investment managers and custodians. The balances of investment management fees disclosed in Note C are those specific fees charged by US Squash's various investment managers in each fiscal year; however, they do not include those fees that are embedded in various other investment accounts and transactions.

[6] Merchandise inventory:

Inventory consists of merchandise held for sale. US Squash reports all inventory at the lower of cost or market value, with cost determined by using the first-in, first-out method.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Property and equipment:

Property and equipment are stated at their original costs at the dates of acquisition, or, if contributed, at their fair values at the dates of donation less accumulated depreciation and amortization. US Squash capitalizes furniture, fixtures, and equipment that have a cost of \$1,000 or more and a useful life greater than one year, whereas minor costs of repair and maintenance are expensed as incurred. Depreciation of furniture, fixtures, and equipment is provided using the straight-line method over three to five years, the estimated useful lives of the related assets.

Management evaluates the recoverability of the investment in long-lived assets on an on-going basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2019 and 2018, respectively, and, in the opinion of management, there were no impairments. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[8] Software costs:

The costs of the internally developed Club Locker software have been capitalized in accordance with the provisions of ASC Topic 350, *Intangibles-Goodwill and Other-Internal-Use Software*, and costs incurred during the preliminary project work stage or conceptual stage, such as determining the performance requirements, system requirements, and data conversion, are expensed as incurred. Costs incurred in the application development phase, such as coding, testing for new software, and upgrades that result in additional functionality, are capitalized and are amortized using the straight-line method over the useful life of the software. Amortization of these capitalized costs begins only when the software becomes ready for its intended use. Costs incurred during the post implementation/ operation stage, including training costs and maintenance costs, are expensed as incurred. Software development costs are amortized over 7 years. Accordingly, the capitalized software costs of \$1,241,614 and \$997,946 are reported net of accumulated amortization of \$561,295 and \$403,016, respectively, in the consolidated statements of financial position as of June 30, 2019 and 2018, respectively.

[9] Deferred revenue:

Amounts received in advance of US Squash's providing a variety of related services are deferred until the service is provided.

[10] Net assets:

(i) *Net assets without donor restrictions:*

Net assets without donor restrictions represent those resources for which there are no restrictions by donors as to their use and are therefore available for current operations.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[10] Net assets: (continued)

(ii) *Net assets with donor restrictions:*

Net assets with donor restrictions represent those resources that are subject to donor imposed restrictions, such as specific purposes and/or the passage of time. Also included within net assets with donor restrictions are donor restrictions that are perpetual in nature and subject to the requirements of the State of New York's Uniform Prudent Management of Institutional Funds Act ("NYPMIFA"). These donors have stipulated that those resources be maintained in perpetuity with the resultant income and net capital appreciation arising from the underlying assets to be used in satisfaction of the wishes of those donors.

When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, or funds are appropriated through an action of the Board, net assets with donor restrictions are reclassified to net assets without donor restriction and are reported in the statements of activities as "net assets released from restrictions."

[11] Revenue recognition:

(i) *Contributions:*

Contributions to US Squash are recognized as revenue upon the receipt of cash or other assets, or of unconditional pledges. Contributions are recorded as with donor restrictions if they are received with donor stipulations or time considerations as to their use. Conditional contributions are recorded when the conditions have been met, and, if received in advance, are recognized in the consolidated statements of financial position as funds received in advance. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

For recognition of donated services in US Squash's consolidated financial statements, such services must (i) create or enhance non-financial assets, (ii) typically need to be acquired if not provided by donation (iii) require specialized skills and (iv) be provided by individuals possessing those skills. Donated services are recorded as support at their estimated fair value at the dates of donation and are reported as unrestricted support. Donated legal services received during fiscal-years 2019 and 2018 were \$64,865 and \$86,885, respectively, and accordingly, are reported as both contributions and offsetting expenses in the consolidated statements of activities.

(ii) *Entry fees, membership fees, accreditation fees and program fees:*

Entry fees, membership fees, accreditation fees, and program fees are recorded when payment is received in the applicable period of performance. Any portion applicable to a subsequent period is reported as deferred revenue.

(iii) *Advertising:*

Advertising is recognized over the term of the subscription and/or contract. The portion applicable to any subsequent period is reported as deferred revenue.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[12] Fiscal-sponsorship:

US Squash offers a fiscal-sponsorship program for selected partner organizations whose work furthers US Squash's mission and exempt purpose. US Squash has variance power over funds received for the fiscal sponsorship program and it collects an administrative management fee on revenues received for fiscal-sponsorship projects. Total revenue of approximately \$240,154 and \$656,210 received during fiscal-year 2019 and 2018, respectively, relating to fiscal sponsorship has been reported as part of contributions in the accompanying consolidated statements of activities.

[13] Functional allocation of expenses:

The costs of providing US Squash's various programs and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present expenses by functional and natural classification. Accordingly, direct costs have been functionalized within the program and supporting services based on the nature of the expense. Indirect costs have been allocated on the basis of time and space.

[14] Income tax uncertainties:

US Squash is subject to the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. Because US Squash has always recorded the potential liability for unrelated business income taxes related to advertising sales, and, due to its general not-for-profit status, management believes ASC Topic 740 has not had, and is not anticipated to have, a material impact on US Squash's consolidated financial statements.

[15] Adoption of accounting principle:

In August 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 amends financial-statement presentations and disclosures. ASU 2016-14 includes qualitative and quantitative requirements in the following areas: (i) net asset classifications, (ii) investment returns, (iii) expense categorizations, and (iv) liquidity and availability of resources. ASU 2016-14 was effective for annual reporting periods issued for years beginning after December 15, 2017. Accordingly, US Squash was required to adopt ASU 2016-14 for its fiscal-year ended June 30, 2019, which under U.S. GAAP is a change in accounting principle requiring retroactive application in the financial statements of certain areas, whereas certain areas are to be adopted on a prospective basis. Although US Squash's adoption of ASU 2016-14 had no effect on US Squash's total net assets or its changes in net assets for fiscal-years 2019 and 2018, certain reclassifications were required. Accordingly, US Squash changed its presentation of its net asset classes and expanded certain footnote disclosures.

[16] Upcoming accounting pronouncements:

(i) *Revenue from Contracts with Customers:*

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. This guidance requires an entity to recognize revenue when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods and services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. It is effective for fiscal years beginning after December 15, 2018; accordingly, US Squash must adopt this pronouncement for fiscal-year 2020. Management is in the process of assessing the impact of this ASU on the consolidated financial statements.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

[16] Upcoming accounting pronouncements: (continued)

(ii) *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made:*

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit-Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The guidance also helps determine whether a contribution is conditional and better distinguishes a donor-imposed condition from a donor-imposed restriction. It is effective for fiscal-years beginning after December 15, 2018. Accordingly, US Squash will adopt this pronouncement for fiscal-year 2020. Management is in the process of assessing the impact of this ASU on the consolidated financial statements.

(iii) *Leases:*

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. This will require an entity to recognize lease assets and lease liabilities (related to leases previously classified as operating under previous GAAP) on the balance sheet. It will be effective commencing January 1, 2021. Management is in the process of assessing the impact of this ASU on the consolidated financial statements.

[17] Subsequent events:

US Squash has evaluated subsequent events through December 10, 2019, the date on which the financial statements were available to be issued.

NOTE B - RECEIVABLES

[1] Contributions and pledges receivable:

At each fiscal year-end, contributions and pledges receivable were estimated to be due as follows:

	Year Ended June 30,	
	2019	2018
Less than one year	\$ 4,004,093	\$ 4,619,983
One to five years	<u>13,486,166</u>	<u>9,157,393</u>
	17,490,259	13,777,376
Reduction of pledges due in excess of one year to present value, at a rate 3.00%	<u>(995,777)</u>	<u>(695,602)</u>
	16,494,482	13,081,774
Less allowance for doubtful accounts	<u>(56,000)</u>	<u>(6,000)</u>
	<u>\$ 16,438,482</u>	<u>\$ 13,075,774</u>

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE B - RECEIVABLES (CONTINUED)

[2] Accounts and other receivables:

At each fiscal year-end, accounts and other receivables consisted of reimbursable expenses and other amounts due from unrelated parties for exchange-type transactions. All amounts are due within one year, and management expects the receivables to be fully collected. Accordingly, no allowance for doubtful amounts has been established.

NOTE C - INVESTMENTS

At each fiscal year-end, investments consisted of the following:

	June 30,			
	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Money-market funds	\$ 106,680	\$ 106,680	\$ 134,883	\$ 134,883
Certificates of deposit			350,000	350,000
Mutual funds:				
Equity funds	258,538	284,678	237,789	261,215
Fixed-income funds			549,156	544,661
Exchange traded funds:				
Equity funds	562,158	550,420	24,629	24,592
Fixed income securities:				
Corporate	161,190	161,013	138,634	140,037
Government	789,074	789,466	810,830	828,516
Equity securities	<u>2,639,813</u>	<u>2,242,307</u>	<u>2,551,892</u>	<u>2,274,938</u>
	<u>\$ 4,517,453</u>	<u>\$ 4,134,564</u>	<u>\$ 4,797,813</u>	<u>\$ 4,558,842</u>

During each fiscal year, investment income consisted of the following:

	June 30,	
	2019	2018
Interest and dividends	\$ 127,419	\$ 55,582
Investment management fees	<u>(34,870)</u>	<u>(35,006)</u>
Interest and dividends, net	<u>92,549</u>	<u>20,576</u>
Net realized (losses) gains	(7,720)	312,960
Net unrealized gains (losses)	<u>143,918</u>	<u>(26,338)</u>
Total net realized and unrealized gains	<u>136,198</u>	<u>286,622</u>
	<u>\$ 228,747</u>	<u>\$ 307,198</u>

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE C - INVESTMENTS (CONTINUED)

The FASB's ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value designations. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

- Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for those assets at the reporting date.
- Level 2: Valuations are based on (i) quoted prices for similar assets in active markets, or (ii) quoted prices for those assets, or similar assets, in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.
- Level 3: Valuations are based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the assets, or (ii) the assets cannot be independently valued.

The availability of market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period. For fiscal-years 2019 and 2018, there were no transfers among the fair-value-hierarchy levels of US Squash's investments.

The following table summarizes the fair values of the US Squash's financial assets at each fiscal year-end, in accordance with the ASC Topic 820 valuation levels:

	June 30,					
	2019			2018		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Money-market funds	\$ 106,680		\$ 106,680	\$ 134,883		\$ 134,883
Certificates of deposit					\$ 350,000	350,000
Mutual funds	258,538		258,538	786,945		786,945
Exchange traded funds	562,158		562,158	24,629		24,629
Fixed income securities		\$ 950,264	950,264		949,464	949,464
Equity securities	<u>2,639,813</u>		<u>2,639,813</u>	<u>2,551,892</u>		<u>2,551,892</u>
	<u>\$ 3,567,189</u>	<u>\$ 950,264</u>	<u>\$ 4,517,453</u>	<u>\$ 3,498,349</u>	<u>\$ 1,299,464</u>	<u>\$ 4,797,813</u>

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE D - PROPERTY AND EQUIPMENT

At each fiscal-year end, property and equipment consisted of the following:

	<u>June 30,</u>	
	<u>2019</u>	<u>2018</u>
Furniture, fixtures and equipment	\$ 275,100	\$ 284,880
Less accumulated depreciation and amortization	<u>(118,783)</u>	<u>(116,578)</u>
	156,317	168,302
Construction-in-progress	<u>1,729,560</u>	<u>187,623</u>
	<u>\$ 1,885,877</u>	<u>\$ 355,925</u>

During fiscal-year 2019 and 2018, construction-in-progress consisted of costs related to the pre-construction costs of the Arlen Specter National Squash Center. Further, during fiscal-year 2019, US Squash wrote off \$25,299 of fully depreciated assets no longer in service.

NOTE E - CASH SURRENDER VALUE OF LIFE INSURANCE

US Squash is the beneficiary of multiple life insurance policies provided through donation. The cash surrender value of the life insurance policies is net of any outstanding policy loans. Upon the death of the donor, the proceeds from both policies are to be used for endowment. At June 30, 2019 and 2018, the cash surrender value of the life insurance policies was \$123,101 and \$118,385, respectively.

NOTE F - DEFERRED REVENUE

At each fiscal-year end, deferred revenue was from the following sources:

	<u>June 30,</u>	
	<u>2019</u>	<u>2018</u>
Membership dues	\$ 655,494	\$ 594,555
Life member dues	40,403	43,615
Tournament income	<u>295,469</u>	<u>225,941</u>
	<u>\$ 991,366</u>	<u>\$ 864,111</u>

Deferred membership dues relate to annual memberships paid throughout the year. Memberships run on rolling 12-month cycle from the date of the member's application or renewal. Deferred life member dues relate to members who have a life-time membership to US Squash. Life memberships are being amortized over 40 years. Life-time memberships ceased being issued in 2006.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE G - BANK LINE OF CREDIT

US Squash has an available bank line of credit of \$400,000 with interest calculated at the prime rate plus .49%, with a minimum floor rate of 3.25%; the interest rate for fiscal-year 2019 and 2018 was 5.99% and 5.49%, respectively. The bank line of credit renews annually in January. The lines secured by the general assets of US Squash and is due on demand. During fiscal-year 2019, there were draws on the bank line of credit of \$250,000 and repayments of \$100,000. During fiscal-year 2018, there were draws on the bank line of credit of \$540,000 that was repaid in full during the year.

NOTE H - NOTES PAYABLE

At each fiscal-year end, notes payable consisted of the following:

	<u>June 30,</u>	
	<u>2019</u>	<u>2018</u>
TD Bank, N.A., interest at 5.99%, secured by the general assets of US Squash (see Note G)	\$ 150,000	
TD Bank, N.A., interest at 5.25%, secured by the general assets of US Squash, and payable in monthly installments of \$951. The note is due in full June 22, 2020	11,228	\$ 21,676
TD Bank, N.A., interest at 4.75%, secured by the general assets of US Squash, and payable in monthly installments of \$1,710. The note is due in full February 19, 2021	<u>32,719</u>	<u>51,238</u>
	<u>\$ 193,947</u>	<u>\$ 72,914</u>

Annual principal payments due subsequent to June 30, 2019 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 180,565
2021	<u>13,382</u>
	<u>\$ 193,947</u>

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

At each fiscal year-end, net assets with donor restrictions were categorized as follows:

	<u>June 30,</u>	
	<u>2019</u>	<u>2018</u>
Purpose restrictions:		
Operations	\$ 470,805	\$ 713,969
Intercollegiate Squash Association	130,261	477,866
Arlen Specter National Squash Center	7,243,486	80,218
2018 World Masters		60,000
Club Locker technology platform	450,000	
Junior Squash	135,304	104,888
The Ganek Family US Squash Head National		
Coach Fund	260,890	60,113
Hall of Fame	1,459	1,459
Hardball	38,487	38,487
Doubles	<u>46,100</u>	<u>46,100</u>
	<u>8,776,792</u>	<u>1,583,100</u>
Subject to appropriation:		
Accumulated endowment income reserved		
for appropriations	<u>597,357</u>	<u>492,824</u>
Time-restricted for future periods:		
Arlen Specter National Squash Center	15,764,871	11,864,236
Club Locker technology platform	514,435	936,556
Other	<u>159,176</u>	<u>274,982</u>
	<u>16,438,482</u>	<u>13,075,774</u>
Perpetual in nature:		
The Ganek Family US Squash Head Coach fund	1,795,927	1,795,927
General operating support	1,323,130	1,323,130
Junior development	<u>1,083,201</u>	<u>1,021,466</u>
	<u>4,202,258</u>	<u>4,140,523</u>
	<u>\$ 30,014,889</u>	<u>\$ 19,292,221</u>

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

During each fiscal year, net assets released from restrictions resulted from satisfying the following donor restrictions:

	Year Ended June 30,	
	2019	2018
Fulfillment of purposes:		
Operations	\$ 423,611	\$ 298,581
Intercollegiate Squash Association	347,605	178,344
2018 World Masters	60,000	
Junior Squash	73,706	11,509
Hardball	1,186	
Doubles	9,555	34,440
New England Interscholastic Squash Assoc.		2,364
Squash on campus	14,777	7,932
Women's Squash		6,004
Appropriations of endowment:		
The Ganek Family US Squash Head Coach fund	54,000	54,000
General operating support	40,021	39,278
Junior development	30,193	29,708
	<u>\$ 1,054,654</u>	<u>\$ 662,160</u>

NOTE J - ACCOUNTING AND REPORTING FOR ENDOWMENTS

[1] The endowment:

US Squash's endowment consists of three donor-restricted funds established for a variety of purposes. As required by U.S. GAAP, net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

[2] Interpretation of relevant law:

NYPMIFA is applicable to all of US Squash's institutional funds, including its donor-restricted endowment funds. The Board of Directors adheres to NYPMIFA's requirements.

[3] Return objectives and risk parameters:

US Squash's overall financial objective for the endowment assets is to provide the operations of US Squash with a relatively stable stream of spendable revenue that increases over time. Endowment assets consist of those assets of donor-restricted funds that US Squash must hold in perpetuity. Investment guidelines include:

- meeting or exceeding the market index, or blended market index, as selected and agreed-upon by US Squash's Investment Committee, and approved by the Board of Directors, and
- employing an overall level of risk in the portfolio consistent with the risk associated with the benchmark specified above.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE J - ACCOUNTING AND REPORTING FOR ENDOWMENTS (CONTINUED)

[4] Strategies employed for achieving objectives:

To satisfy its long-term rate-of-return objectives, US Squash relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). US Squash targets a diversified asset allocation within prudent risk constraints.

[5] Spending policy:

US Squash's spending policy, as approved by the Board of Director and in conjunction with an Investment Committee of the Board's review and assessment, permits US Squash to utilize for current operation and Junior programs up to 5% of the rolling three-year average of its endowment funds. Actual appropriations from the endowment were 3% for fiscal-years 2019 and 2018.

[6] Funds with deficiencies:

Due to unfavorable market fluctuations, from time to time, the fair value of assets associated with the endowment funds may decline below the historic dollar value of the donor's original, permanently restricted contribution. Under the terms of NYPMIFA, US Squash has no responsibility to restore such decreases in value. In fiscal-years 2019 and 2018, there were no such deficiencies.

[7] Changes in endowment net assets during each fiscal year:

	June 30, 2019		
	Amounts Subject to Appropriation	Amounts Held in Perpetuity	Total
Endowment net assets, beginning of year	\$ 492,824	\$ 4,140,523	\$ 4,633,347
Contributions		61,735	61,735
Investment income, net	228,747		228,747
Appropriation of endowment assets for expenditure	<u>(124,214)</u>		<u>(124,214)</u>
Endowment net assets, end of year	<u>\$ 597,357</u>	<u>\$ 4,202,258</u>	<u>\$ 4,799,615</u>
	June 30, 2018		
	Amounts Subject to Appropriation	Amounts Held in Perpetuity	Total
Endowment net assets, beginning of year	\$ 308,612	\$ 4,114,651	\$ 4,423,263
Contributions		25,872	25,872
Investment income, net	307,198		307,198
Appropriation of endowment assets for expenditure	<u>(122,986)</u>		<u>(122,986)</u>
Endowment net assets, end of year	<u>\$ 492,824</u>	<u>\$ 4,140,523</u>	<u>\$ 4,633,347</u>

Amounts subject to appropriations represents that portion of allocated investment income derived from endowment assets held in perpetuity that has not been appropriated by the Board of Directors for expenditure.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE K - EMPLOYEE-BENEFIT PLAN

US Squash maintains a defined-contribution retirement plan, established under Section 401(k) of the Code covering all eligible employees. US Squash contributes 3.5% of each eligible employee's compensation to the Plan. Plan expenses for fiscal-years 2019 and 2018 were approximately \$68,000 and \$54,000, respectively.

NOTE L - COMMITMENTS

[1] Leases:

US Squash has capital lease agreements for various equipment. The equipment was recorded at its fair value and is being depreciated over its estimated useful life. Depreciation expense associated with the asset is included in the accompanying consolidated statements of functional expenses. As of June 30, 2018, capitalized leased equipment included as part of property and equipment on the accompanying consolidated statements of financial position amounted to \$8,568 with accumulated depreciation \$16,731. There was no capitalized lease equipment as of June 30, 2019.

In addition, US Squash is obligated under various noncancelable operating leases for office and other equipment that expire through fiscal-year 2022.

The future minimum annual rental on the operating leases is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 107,275
2021	97,330
2022	<u>21,353</u>
	<u>\$ 225,958</u>

Rent expense for fiscal-years 2019 and 2018 was \$150,644 and \$ 148,782, respectively.

[2] Construction-in-progress:

Construction commitments relating to the anticipated construction of the Arlen Specter National Squash Center amounted to approximately \$18,900,000 at June 30, 2019.

[3] Other contracts:

US Squash has entered into various contracts and agreements in the normal course of its business operations.

NOTE M - CONCENTRATIONS OF CREDIT RISK

US Squash places its cash investments with high-credit-quality financial institutions. At times, the balances in such accounts may exceed federally insured limits. US Squash's management believes there is no substantial risk of loss associated with the failure of these financial institutions.

UNITED STATES SQUASH RACQUETS ASSOCIATION, INC.

Notes to Consolidated Financial Statements June 30, 2019 and 2018

NOTE N - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects US Squash's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use within one year of June 30, 2019 because of contractual or donor-imposed restrictions or internal designations.

US Squash's financial assets available for general use within one year of June 30, 2019 for general expenditures are as follows:

Cash and cash equivalents	\$ 5,600,114
Accounts and other receivables	168,591
Contributions and pledges receivable, net	16,438,482
Investments	<u>4,517,453</u>
Total financial assets available within one year	<u>26,724,640</u>
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with:	
Purpose and time restrictions	(24,083,071)
Perpetual in nature	<u>(4,202,258)</u>
Total amounts unavailable for general expenditure within one year	<u>(28,285,329)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ (1,560,689)</u>

Liquidity policy:

US Squash's policy is to structure its financial assets to be available for its general expenditures, liabilities and other obligations as they come due. The purpose and time restrictions amount in the table above represents the amount reported in the consolidated statements of financial position of \$25,812,631 as of June 30, 2019, net of the amounts US Squash expended for capital expenditures of \$1,729,560 that have not been released from net assets with donor restrictions until the Center is placed in service. Additionally, management maintains a line of credit up to \$400,000, as discussed in Note G.