

Soccer Without Borders

Financial Statements
and
Independent Auditor's Report

December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Soccer Without Borders:

We have audited the accompanying financial statements of Soccer Without Borders (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities 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 Soccer Without Borders as of December 31, 2014, 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.



Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 6 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

James A. George, P.C.

JAMES A. GEORGE, P.C.
Wakefield, Massachusetts
June 26, 2015

Soccer Without Borders
Statement of Financial Position
December 31, 2014

Assets

Current Assets	
Cash	\$ 293,139
Grants Receivable	20,000
Prepaid Expenses	5,795
Total Current Assets	<u>318,934</u>
Property and Equipment	
Vehicles	18,600
Accumulated Depreciation	<u>(7,733)</u>
Net Property and Equipment	<u>10,867</u>
Total Assets	<u><u>\$ 329,801</u></u>

Liabilities and Net Assets

Current Liabilities	
Accounts Payable	\$ 3,480
Accrued Expenses	5,739
Total Current Liabilities	<u>9,219</u>
Net Assets	
Temporarily Restricted Net Assets	80,000
Unrestricted Net Assets	<u>240,582</u>
Total Net Assets	<u>320,582</u>
Total Liabilities and Net Assets	<u><u>\$ 329,801</u></u>

See accompanying notes to the financial statements.

**Soccer Without Borders
Statement of Activities
For the Year Ended
December 31, 2014**

	Unrestricted	Temporarily Restricted	Total
Public Support and Revenues			
Foundation Support	\$ 221,028	-	\$ 221,028
Individual Donations	165,571	-	165,571
Corporate Support	85,491	80,000	165,491
In-Kind Donations	74,300	-	74,300
Government Grants	70,794	-	70,794
Earned Income	42,169	-	42,169
Miscellaneous Income	164	-	164
Net Assets Released from Operating Restrictions	5,000	(5,000)	-
Total Public Support and Revenues	664,517	75,000	739,517
Expenses and Losses			
Program Expenses	549,768	-	549,768
General and Administrative	31,501	-	31,501
Fundraising	41,618	-	41,618
Total Expenses and Losses	622,887	-	622,887
Change in Net Assets	41,630	75,000	116,630
Net Assets as of the Beginning of the Year	198,952	5,000	203,952
Net Assets as of the End of the Year	<u>\$ 240,582</u>	<u>\$ 80,000</u>	<u>\$ 320,582</u>

See accompanying notes to the financial statements.

**Soccer Without Borders
Statement of Cash Flows
December 31, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 116,630
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	5,200
(Increase) Decrease in Operating Assets	
Grants Receivable	655
Prepaid Expenses	(1,208)
Increase (Decrease) in Operating Liabilities	
Accounts Payable	3,001
Accrued Expenses	1,786
	126,064
NET CASH PROVIDED BY OPERATING ACTIVITIES	
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	(9,000)
NET CASH USED BY INVESTING ACTIVITIES	
NET INCREASE IN CASH	
	117,064
BEGINNING CASH	
	176,075
ENDING CASH	
	\$ 293,139

See accompanying notes to the financial statements.

Soccer Without Borders
Statement of Functional Expenses
For the Year Ended December 31, 2014

	Program Expenses	General and Administrative	Fundraising	Total
Salaries and Wages	\$ 121,492	\$ 3,448	\$ 13,910	\$ 138,850
Payroll Taxes	12,184	348	1,461	13,993
Fringe Benefits	23,779	51	76	23,906
Total Salaries and Benefits	157,455	3,847	15,447	176,749
Coaches	105,670	25	-	105,695
Professional Fees	22,006	10,547	1,032	33,585
Referee Fees	815	-	-	815
Rent	47,961	200	1,991	50,152
Utilities	3,772	5	43	3,820
Facility Costs	6,493	179	2,056	8,728
Recreational Equipment and Supplies	35,183	-	-	35,183
Program	258	-	-	258
Technology	1,430	94	149	1,673
Office Supplies	3,414	88	322	3,824
Office Equipment	-	14	19	33
Depreciation	-	5,200	-	5,200
Travel	72,990	-	911	73,901
Insurance	3,186	4,056	-	7,242
Sports League and Registration Fees	43,553	-	-	43,553
Fees, Dues and Subscriptions	5,716	6,721	2,138	14,575
Bank and Online Transaction Fees	3,253	145	1,712	5,110
Snacks and Meals	31,962	-	4,390	36,352
Postage and Delivery	600	150	1,009	1,759
Printing and Reproduction	-	-	6,603	6,603
Promotion	797	-	100	897
Fundraising	-	-	3,690	3,690
Professional Development	1,475	230	6	1,711
Miscellaneous	1,779	-	-	1,779
	<u>392,313</u>	<u>27,654</u>	<u>26,171</u>	<u>446,138</u>
Total Expenses	\$ 549,768	\$ 31,501	\$ 41,618	\$ 622,887

See accompanying notes to the financial statements.

Soccer Without Borders
Notes to Financial Statements
December 31, 2014

Note A – Nature of Activities and Significant Accounting Policies

Nature of Activities

Soccer Without Borders (the Organization) is a 501(c)(3) nonprofit which runs community led, year around, youth development programs in under-served areas in the United States and abroad. In the U.S., Soccer Without Borders (“SWB”) uses soccer as a vehicle for positive change for more than newcomer refugee, asylee and immigrant youth from 42 countries living in Baltimore, 2,050 Boston, Chicago, Los Angeles, New York, Northern Colorado, Oakland, and San Jose. The soccer field is a place where these youth feel successful, safe, and free, providing a platform for engagement that few other service providers offer. By complementing soccer programming with academic support, team-building, educational workshops, civic engagement, and cultural exchange opportunities, SWB creates a “second family” where participants feel welcome, significant, and supported to learn the skills necessary to navigate life in the United States. In this environment, SWB youth are motivated to advance academically, develop linguistically, make healthy choices, and build social capital, authentically shifting outcomes in the process. Internationally, SWB applies this same program model in its Granada, Nicaragua and Kampala, Uganda programs, reaching an additional 1,200 youths, with a particular emphasis on engaging girls.

Financial Statement Presentation

The net assets of the Organization have been broken down into three different classifications as follows:

Unrestricted net assets – consist of unrestricted amounts that are available for use in carrying out the mission of the Organization.

Temporarily restricted net assets – consist of those amounts that are donor restricted for a specific purpose. When a donor restriction expires, either by the passage of a stipulated time restriction or by the accomplishment of a specific purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets were \$80,000 at December 31, 2014.

Permanently restricted net assets – result from contributions from donors who place restrictions on the use of donated funds mandating that the original principal remain invested in perpetuity. At year-end, the Organization had no permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make

Soccer Without Borders
Notes to Financial Statements
December 31, 2014

Note A – Nature of Activities and Significant Accounting Policies (Continued)

estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

For the purpose of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash.

Accounts Receivable

Accounts receivable reflect amounts due for program services delivered during the fiscal reporting period.

Management reviews the receivable balance for collectability and records an allowance for doubtful accounts based on historical information and current economic trends. No allowance for doubtful accounts was recorded as of December 31, 2014 as all payments were determined to be collectible.

Property and Equipment

Property and equipment with a useful life greater than one year is stated at cost. Total depreciation expense was \$5,200 for the year ended December 31, 2014. Depreciation is calculated on a straight-line basis based on the following useful lives:

Vehicles	3 years
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The Organization reviews long-lived assets for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as Net Assets Released from Operating Restrictions.

Soccer Without Borders
Notes to Financial Statements
December 31, 2014

Note A – Nature of Activities and Significant Accounting Policies (Continued)

Income Taxes

The Organization is exempt from income taxes as a charitable organization under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statement regarding a tax position taken or expected to be taken on a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements as of December 31, 2014. The Organization's information returns are subject to examination by the Federal and state jurisdictions and generally remain open for the most recent three years.

Fair Value Measurements

ASC Topic, *Fair Value Measurements*, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The standards establish a fair value hierarchy that prioritizes the inputs and assumptions used to measure fair value. The three levels of the fair value framework are as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect the Organization's own assumptions.

Note B – Cash

The Organization maintains deposits in four accounts with one financial institution. All cash balances were fully insured as of December 31, 2014.

Note C – Operating Leases

Soccer Without Borders rents four spaces which operate on a month to month basis. Total rent expense was \$50,152 for the year ended December 31, 2014.

Soccer Without Borders
Notes to Financial Statements
December 31, 2014

Note D – Temporarily Restricted Net Assets

The Organization's temporarily restricted net assets consisted of the following at December 31, 2014:

Football for Hope	\$ 80,000
Total	<u>\$ 80,000</u>

All temporarily restricted net assets are to be used for program purposes.

Note E – Donated Services and Facilities

During 2014, the Organization received donated services and supplies valued at \$74,300. This amount is recorded in the in-kind contributions line in the Statement of Activities.

The following is a summary of items measured at fair value on a non-recurring basis and the valuation inputs used to value them.

<u>Description</u>	<u>Balance at December 31, 2014</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
In-Kind Revenue	\$ 74,300	\$ -	\$ 74,300	\$ -
Total	<u>\$ 74,300</u>	<u>\$ -</u>	<u>\$ 74,300</u>	<u>\$ -</u>

The following are the expense categories which were included in the in-kind revenue:

Equipment	\$ 28,150
Sports League and Registration Fees	29,840
Rent	16,310
Total	<u>\$ 74,300</u>

Note F – Subsequent Events

The Organization has evaluated subsequent events through June 26, 2015 and the financial statements were available to be issued on June 26, 2015.