

**Soccer Without Borders**

Financial Statements  
and  
Independent Auditor's Report

December 31, 2013

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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, 2013, 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, 2013, 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  
July 16, 2014

**Soccer Without Borders**  
**Statement of Financial Position**  
**December 31, 2013**

**Assets**

Current Assets	
Cash	\$ 176,075
Grant Receivable	20,655
Prepaid Expenses	4,587
Total Current Assets	201,317
Property and Equipment	
Vehicles	9,600
Accumulated Depreciation	(2,533)
Net Property and Equipment	7,067
Total Assets	\$ 208,384

**Liabilities and Net Assets**

Current Liabilities	
Accounts Payable	\$ 479
Accrued Expenses	3,953
Total Current Liabilities	4,432
Net Assets	
Temporarily Restricted Net Assets	5,000
Unrestricted Net Assets	198,952
Total Net Assets	203,952
Total Liabilities and Net Assets	\$ 208,384

See accompanying notes to the financial statements.

**Soccer Without Borders  
Statement of Activities  
For the Year Ended  
December 31, 2013**

	Unrestricted	Temporarily Restricted	Total
Public Support and Revenues			
Government Grants	\$ 159,179	\$ -	\$ 159,179
Individual Donations	146,064	-	146,064
Foundation Support	109,469	5,000	114,469
Corporate Support	72,045	-	72,045
Special Event Income	56,965	-	56,965
In-Kind Contributions	34,260	-	34,260
Grant Support	15,237	-	15,237
Earned Income	6,256	-	6,256
Miscellaneous Income	1,431	-	1,431
Net Assets Released from Operating Restrictions	890	(890)	-
Total Public Support and Revenues	<u>601,796</u>	<u>4,110</u>	<u>605,906</u>
Expenses and Losses			
Program Expenses	442,426	-	442,426
General and Administrative	29,424	-	29,424
Fundraising	40,745	-	40,745
Total Expenses and Losses	<u>512,595</u>	<u>-</u>	<u>512,595</u>
Change in Net Assets	89,201	4,110	93,311
Net Assets as of the Beginning of the Year	<u>109,751</u>	<u>890</u>	<u>110,641</u>
Net Assets as of the End of the Year	<u>\$ 198,952</u>	<u>\$ 5,000</u>	<u>\$ 203,952</u>

See accompanying notes to the financial statements.

**Soccer Without Borders  
Statement of Cash Flows  
December 31, 2013**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ 93,311
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities	
Depreciation	2,348
(Increase) Decrease in Operating Assets	
Grants Receivable	(6,995)
Prepaid Expenses	(4,587)
Increase (Decrease) in Operating Liabilities	
Accounts Payable	479
Accrued Expenses	608
	85,164
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Donated Property and Equipment	(4,600)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	
	(4,600)
<b>NET INCREASE IN CASH</b>	
	80,564
<b>BEGINNING CASH</b>	
	95,511
<b>ENDING CASH</b>	
	\$ 176,075

See accompanying notes to the financial statements.

**Soccer Without Borders**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2013**

	Program Expenses	General and Administrative	Fundraising	Total
Salaries and Wages	88,656	6,152	15,736	110,544
Payroll Taxes	10,190	347	1,040	11,577
Fringe Benefits	2,006	132	384	2,522
<b>Total Salaries and Benefits</b>	<b>100,852</b>	<b>6,631</b>	<b>17,160</b>	<b>124,643</b>
Travel	132,796	-	-	132,796
Contractor Expenses	105,890	367	734	106,991
Program Equipment	27,689	-	-	27,689
Rent	27,375	-	-	27,375
Professional Fees	-	13,066	-	13,066
Special Event Expenses	1,920	-	11,433	13,353
Snacks and Meals	11,082	-	-	11,082
Registration and Referee Fees	8,559	-	-	8,559
Miscellaneous	-	8,456	-	8,456
Bank Service Charges	-	904	6,872	7,776
Materials and Supplies	5,226	-	-	5,226
Facility Cost	4,775	-	-	4,775
Fundraising Expenses	-	-	4,128	4,128
Insurance	3,731	-	-	3,731
Scholarships	2,500	-	-	2,500
Depreciation	2,348	-	-	2,348
Professional Development	2,272	-	-	2,272
Utilities	2,232	-	-	2,232
Program and Office Supplies	1,287	-	-	1,287
Technology	994	-	-	994
Postage and Delivery	898	-	-	898
Printing and Reproduction	-	-	418	418
	<b>341,574</b>	<b>22,793</b>	<b>23,585</b>	<b>387,952</b>
<b>Total Expenses</b>	<b>\$ 442,426</b>	<b>\$ 29,424</b>	<b>\$ 40,745</b>	<b>\$ 512,595</b>

See accompanying notes to the financial statements.



**Soccer Without Borders**  
**Notes to Financial Statements**  
**December 31, 2013**

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 750 newcomer refugee, asylee and immigrant youth from 42 countries living in Baltimore, 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 complimenting 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 500 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 \$5,000 at December 31, 2013.

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, 2013**

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, 2013 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 \$2,348 for the year ended December 31, 2013. 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, 2013**

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.

During 2010, the Organization was required to adopt certain provisions of FASB ASC 740, “*Income Taxes*” which provide a new framework for how companies should recognize, measure, present and disclose uncertain tax positions in their financial statements. With these changes, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

The Organization does not have any uncertain tax positions as of December 31, 2013. As of December 31, 2013, the Organization did not record any penalties or interest associated with uncertain tax positions. Therefore, the certain provisions of FASB ASC 740, which were adopted during 2010, had no impact on the Organization’s financial statements. The Organization files IRS Form 990 annually with the Federal Government and is still open to examination by taxing authorities for the past three years.

Fair Value Measurements

The Organization adopted the fair value provisions of FASB ASC 820. Under these provisions, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These provisions establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs to be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization’s assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs 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.

**Soccer Without Borders**  
**Notes to Financial Statements**  
**December 31, 2013**

Note B – Cash

The Organization maintains deposits in four accounts with one financial institution. All cash balances were fully insured as of December 31, 2013.

Note C – Operating Leases

Soccer Without Borders entered into four leases during the fiscal year, which operated on a month to month basis. Total rent expense was \$27,375 for the year ended December 31, 2013.

Note D – Temporarily Restricted Net Assets

The Organization's temporarily restricted net assets consisted of the following at December 31, 2013:

Restricted to Baltimore, MD	\$	5,000
Total	<u>\$</u>	<u>5,000</u>

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

Note E – Donated Services and Facilities

During 2013, the Organization received donated services and supplies valued at \$34,200. 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.

Description	Balance at December 31, 2013	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
In-Kind Revenue	\$ 34,260	\$ -	\$ 34,260	\$ -
Total	<u>\$ 34,260</u>	<u>\$ -</u>	<u>\$ 34,260</u>	<u>\$ -</u>

**Soccer Without Borders**  
**Notes to Financial Statements**  
**December 31, 2013**

Note E – Donated Services and Facilities - continued

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

Equipment	\$	19,980
Special Event Expenses		1,920
Office Rent		11,760
Training		600
Total	<u>\$</u>	<u>34,260</u>

Note F – Subsequent Events

The Organization has evaluated subsequent events through July 16, 2014 and the financial statements were available to be issued on July 16, 2014.