

Soccer Without Borders

Financial Statements
and
Independent Accountant's Review Report

December 31, 2012

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Soccer Without Borders:

We have reviewed the accompanying statement of financial position of Soccer Without Borders (a nonprofit organization) as of December 31, 2012, and the related statement of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

James A. George, P.C.

JAMES A. GEORGE, P.C.
Wakefield, Massachusetts
November 11, 2013

Soccer Without Borders
Statement of Financial Position
December 31, 2012

Assets

Current Assets	
Cash	\$ 95,511
Grant Receivable	13,660
Total Current Assets	<u>109,171</u>
Property and Equipment	
Vehicles	5,000
Accumulated Depreciation	<u>(185)</u>
Net Property and Equipment	<u>4,815</u>
Total Assets	<u><u>\$ 113,986</u></u>

Liabilities and Net Assets

Current Liabilities	
Accrued Expenses	\$ 3,345
Total Current Liabilities	<u>3,345</u>
Net Assets	
Temporarily Restricted Net Assets	890
Unrestricted Net Assets	<u>109,751</u>
Total Net Assets	<u>110,641</u>
Total Liabilities and Net Assets	<u><u>\$ 113,986</u></u>

See accompanying notes and independent accountant's review report.

Soccer Without Borders
Statement of Activities
For the Year Ended
December 31, 2012

	Unrestricted	Temporarily Restricted	Total
Public Support and Revenues			
Corporate Support	\$ 9,237	\$ 7,591	\$ 16,828
Grant Support	3,935	103,243	107,178
Individual Donations	45,014	53,185	98,199
Earned Income	3,699	-	3,699
Special Event Income	81,019	-	81,019
In-Kind Contributions	29,191	-	29,191
Miscellaneous Income	2,787	-	2,787
Net Assets Released from Operating Restrictions	166,209	(166,209)	-
Total Public Support and Revenues	341,091	(2,190)	338,901
Expenses and Losses			
Salaries and Wages	115,575	-	115,575
Volunteer and Internship Costs	48,567	-	48,567
Rent	24,461	-	24,461
Travel	20,703	-	20,703
Office Equipment	18,458	-	18,458
Fundraising Expenses	12,373	-	12,373
Payroll Taxes and Employee Benefits	9,879	-	9,879
Special Event Expenses	6,874	-	6,874
Facility Cost	6,608	-	6,608
Bank Service Charges	5,381	-	5,381
Registration and Referee Fees	4,265	-	4,265
Snacks and Meals	3,577	-	3,577
Materials and Supplies	2,303	-	2,303
Insurance	2,136	-	2,136
Utilities	2,044	-	2,044
Professional Fees	1,986	-	1,986
Professional Development	1,961	-	1,961
Miscellaneous	1,287	-	1,287
Program and Office Supplies	1,110	-	1,110
Printing and Reproduction	812	-	812
Fees	729	-	729
Technology	389	-	389
Postage and Delivery	308	-	308
Depreciation	185	-	185
Total Expenses and Losses	291,971	-	291,971
Change in Net Assets	49,120	(2,190)	46,930
Net Assets as of the Beginning of the Year	60,631	3,080	63,711
Net Assets as of the End of the Year	<u>\$ 109,751</u>	<u>\$ 890</u>	<u>\$ 110,641</u>

See accompanying notes and independent accountant's review report.

**Soccer Without Borders
Statement of Cash Flows
December 31, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 46,930
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities	
Depreciation	185
(Increase) Decrease in Operating Assets	
Grants Receivable	(13,660)
Increase (Decrease) in Operating Liabilities	
Accrued Expenses	<u>3,345</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>36,800</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	<u>(5,000)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(5,000)</u>
NET INCREASE IN CASH	31,800
BEGINNING CASH	<u>63,711</u>
ENDING CASH	<u><u>\$ 95,511</u></u>

See accompanying notes and independent accountant's review report.

Soccer Without Borders
Notes to Financial Statements
December 31, 2012

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. They provide programming to youth who are traditionally excluded from sports-based and extracurricular activities.

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 \$890 at December 31, 2012.

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 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.

Soccer Without Borders
Notes to Financial Statements
December 31, 2012

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

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, 2012 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. 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.

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

Soccer Without Borders
Notes to Financial Statements
December 31, 2012

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

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, 2012. As of December 31, 2012, 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.

Note B – Cash

The Organization maintains deposits in three accounts with one financial institution. All cash balances were fully insured as of December 31, 2012.

Soccer Without Borders
Notes to Financial Statements
December 31, 2012

Note C – Temporarily Restricted Net Assets

The Organization’s temporarily restricted net assets consisted of the following at December 31, 2012:

Restricted to Oakland, CA	\$ 890
Total	<u>\$ 890</u>

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

Note D – Donated Services and Facilities

During 2012, the Organization received donated services and supplies valued at \$29,191. 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, 2012</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	\$ 29,191	\$ -	\$ 29,191	\$ -
Total	<u>\$ 29,191</u>	<u>\$ -</u>	<u>\$ 29,191</u>	<u>\$ -</u>

Note E – Subsequent Events

The Organization has evaluated subsequent events through November 11, 2013 and the financial statements were available to be issued on November 11, 2013.