

Soccer Without Borders

Financial Statements
and
Independent Auditor's Report

July 31, 2015

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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 July 31, 2015, and the related statements of activities and cash flows for the seven months ended July 31, 2015, 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 July 31, 2015, and the changes in its net assets and its cash flows for the seven months 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
November 9, 2015

Soccer Without Borders
Statement of Financial Position
July 31, 2015

Assets

Current Assets	
Cash	\$ 222,633
Grants Receivable	14,791
Prepaid Expenses	11,415
Total Current Assets	<u>248,839</u>
Property and Equipment	
Vehicles	29,400
Accumulated Depreciation	(12,550)
Net Property and Equipment	<u>16,850</u>
Total Assets	<u><u>\$ 265,689</u></u>

Liabilities and Net Assets

Current Liabilities	
Accounts Payable	\$ 7,467
Accrued Expenses	8,662
Total Current Liabilities	<u>16,129</u>
Net Assets	
Temporarily Restricted Net Assets	30,000
Unrestricted Net Assets	219,560
Total Net Assets	<u>249,560</u>
Total Liabilities and Net Assets	<u><u>\$ 265,689</u></u>

See accompanying notes to the financial statements.

Soccer Without Borders
Statement of Activities
For the Seven Months Ended July 31, 2015

	Unrestricted	Temporarily Restricted	Total
Public Support and Revenues			
Foundation Support	\$ 117,036	\$ -	\$ 117,036
Individual Donations	57,727	-	57,727
Corporate Support	59,741	-	59,741
In-Kind Donations	55,906	-	55,906
Government Grants	78,096	-	78,096
Earned Income	18,502	-	18,502
Fundraising Event Income	15,124	-	15,124
Miscellaneous Income	1,330	-	1,330
Net Assets Released from Operating Restrictions	50,000	(50,000)	-
Total Public Support and Revenues	453,462	(50,000)	403,462
Expenses and Losses			
Program Expenses	394,770	-	394,770
General and Administrative	25,438	-	25,438
Fundraising	54,276	-	54,276
Total Expenses and Losses	474,484	-	474,484
Change in Net Assets	(21,022)	(50,000)	(71,022)
Net Assets as of the Beginning of the Year	240,582	80,000	320,582
Net Assets as of the End of the Year	\$ 219,560	\$ 30,000	\$ 249,560

See accompanying notes to the financial statements.

Soccer Without Borders
Statement of Cash Flows
For the Seven Months Ended July 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (71,022)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	4,817
(Increase) Decrease in Operating Assets	
Grants Receivable	5,209
Prepaid Expenses	(5,620)
Increase (Decrease) in Operating Liabilities	
Accounts Payable	3,987
Accrued Expenses	2,923
NET CASH USED BY OPERATING ACTIVITIES	(59,706)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	(10,800)
NET CASH USED BY INVESTING ACTIVITIES	(10,800)
NET DECREASE IN CASH	(70,506)
BEGINNING CASH	293,139
ENDING CASH	\$ 222,633

See accompanying notes to the financial statements.

Soccer Without Borders
Statement of Functional Expenses
For the Seven Months Ended July 31, 2015

	Program Expenses	General and Administrative	Fundraising	Total
Salaries and Wages	\$ 130,912	\$ 7,292	\$ 36,438	\$ 174,642
Payroll Taxes	12,992	719	3,506	17,217
Fringe Benefits	14,609	268	1,395	16,272
Total Salaries and Benefits	158,513	8,279	41,339	208,131
Coaches	58,842	-	-	58,842
Professional Fees	4,441	8,186	110	12,737
Referee Fees	257	-	-	257
Rent	19,918	104	918	20,940
Utilities	2,375	-	22	2,397
Facility Costs	680	-	378	1,058
Recreational Equipment and Supplies	6,603	-	-	6,603
Program	76	-	-	76
Technology	1,982	104	194	2,280
Office Supplies	1,489	12	28	1,529
Office Equipment	-	110	-	110
Depreciation	-	4,817	-	4,817
Travel	43,539	-	512	44,051
Insurance	2,769	2,403	-	5,172
Fees, Dues and Subscriptions	8,007	1,219	110	9,336
Bank and Online Transaction Fees	1,647	193	2,524	4,364
Snacks and Meals	27,829	-	1,430	29,259
Postage and Delivery	263	11	486	760
Printing and Reproduction	-	-	1,831	1,831
Promotion	95	-	-	95
Fundraising	-	-	3,748	3,748
Professional Development	-	-	135	135
In-Kind Expenses	55,395	-	511	55,906
Miscellaneous	50	-	-	50
	<u>236,257</u>	<u>17,159</u>	<u>12,937</u>	<u>266,353</u>
Total Expenses	\$ 394,770	\$ 25,438	\$ 54,276	\$ 474,484

See accompanying notes to the financial statements.

Soccer Without Borders
Notes to Financial Statements
July 31, 2015

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 round, 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 newcomer refugee, asylee and immigrant youth from more than 40 countries living in Baltimore, Boston, Northern Colorado, and the Bay Area. 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 \$30,000 at July 31, 2015.

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.

Soccer Without Borders
Notes to Financial Statements
July 31, 2015

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

Change in Fiscal Year End

The Organization changed its fiscal year end from December 31st to July 31st. Accordingly, the accompanying financial statements present the statement of financial position as of July 31, 2015 and the statement of activities and statement of cash flows for the seven months ended July 31, 2015.

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.

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 July 31, 2015 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.

Soccer Without Borders
Notes to Financial Statements
July 31, 2015

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

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. 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 July 31, 2015. 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 three accounts with one financial institution. All cash balances were fully insured as of July 31, 2015.

Soccer Without Borders
Notes to Financial Statements
July 31, 2015

Note C – Operating Leases

Soccer Without Borders rents four spaces which operate on a month to month basis. Total rent expense was \$20,940 for the seven months ended July 31, 2015.

Note D – Temporarily Restricted Net Assets

The Organization’s temporarily restricted net assets consisted of the following at July 31, 2015:

Football for Hope	\$	30,000
Total	<u>\$</u>	<u>30,000</u>

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

Note E – Donated Services and Facilities

During 2015, the Organization received donated services and supplies valued at \$55,906. This amount is recorded in the in-kind donations 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 July 31, 2015	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
In-Kind Revenue	\$ 55,906	\$ -	\$ 55,906	\$ -
Total	<u>\$ 55,906</u>	<u>\$ -</u>	<u>\$ 55,906</u>	<u>\$ -</u>

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

Equipment	\$	34,091
Sports League and Registration Fees		14,220
Rent		7,595
Total	<u>\$</u>	<u>55,906</u>

Soccer Without Borders
Notes to Financial Statements
July 31, 2015

Note F – Related Party Transactions

In April 2015, a van was purchased from another nonprofit organization in the amount of \$10,800. This nonprofit organization employs the mother of a Board member.

Note G – Subsequent Events

The Organization has evaluated subsequent events through November 9, 2015 and the financial statements were available to be issued on November 9, 2015.