ACCESSPORTAMERICA, INC.

FINANCIAL STATEMENTS
YEARS ENDED
DECEMBER 31, 2012 AND 2011
AND
INDEPENDENT AUDITOR'S REPORT

ACCESSPORTAMERICA, INC.

TABLE OF CONTENTS

WALSH & CO.
ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

Board of Directors
AccesSportAmerica, Inc.
Acton, Massachusetts

We have audited the accompanying financial statements of AccesSportAmerica, Inc. (a non-profit corporation), which comprise the statements of financial condition as of December 31, 2012 and 2011, and the related statements of income, changes in members' equity, and cash flows for the years 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 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 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 in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 the 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AccesSportAmerica, Inc. as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

August 8, 2013

Michael J. Walsh
Michael J. Walsh CPA
Certified Public Accountant

ACCESSPORTAMERICA, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

ASSETS

	2012	2011
CURRENT ASSETS:		
Cash and cash equivalents	$436,713	$359,038
Investments	141,014	125,266
Accounts receivable	7,087	62,385
Prepaid expenses	20,281	16,386
Total Current Assets	605,095	563,075
PROPERTY AND EQUIPMENT:		
Machinery and equipment	188,929	184,688
Vehicle	19,249	19,249
Total Property and Equipment	208,178	203,937
Less: Accumulated Depreciation	193,665	189,506
Property and Equipment, net	14,513	14,431
TOTAL ASSETS	$619,608	$577,506

LIABILITIES AND NET ASSETS

	2012	2011
LIABILITIES:		
Accounts payable	$19,309	$2,983
Accrued expense	7,737	6,000
Total Current Liabilities	27,046	8,983
Commitment and contingencies		
NET ASSETS:		
Unrestricted		
Operating	472,011	435,826
Total Unrestricted	472,011	435,826
Temporarily restricted	875	63,000
Permanently restricted	119,676	69,697
Total Net Assets	592,562	568,523
TOTAL LIABILITIES AND NET ASSETS	$619,608	$577,506

See accompanying notes.

ACCESSPORTAMERICA, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012				2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING REVENUES:								
Fundraising events	$304,407	$66,225		$370,632	$409,292			$409,292
Program fees	222,345			222,345	200,680			200,680
Foundation grants	25,990	73,433		99,423	81,423			81,423
Contributions	20,872	49,850	$41,735	112,457	63,295	$63,000		126,295
Teaching fees	42,108			42,108	56,943			56,943
Interest income								
Investment return	7,504		8,244	15,748	(92)		(230)	(322)
Total operating revenues	623,226	189,508	49,979	862,713	811,541	63,000	(230)	874,311
Net assets released from Restrictions	251,633	(251,633)			82,500	(82,500)		
Total operating revenues and reclassifications	874,859	(62,125)	49,979	862,713	894,041	(19,500)	(230)	874,311
OPERATING EXPENSES:								
Program services	633,589			633,589	449,830			449,830
Management	95,948			95,948	110,265			110,265
Funraising	109,137			109,137	179,501			179,501
Total operating expense	838,674			838,674	739,596			739,596
Change in net assets	36,185	(62,125)	49,979	24,039	154,445	(19,500)	(230)	134,715
NET ASSETS, BEGINNING OF YEAR	435,826	63,000	69,697	568,523	281,381	$82,500	69,927	433,808
NET ASSETS, END OF YEAR	$472,011	$875	$119,676	$592,562	$435,826	$63,000	$69,697	$568,523

See accompanying notes.

ACCESSPORTAMERICA, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012				2011			
	Program Services	Management	Fundraising	Total	Program Services	Management	Fundraising	Total
Compensation of executive director	$53,303	$7,191	$11,506	$72,000	$36,044	$7,191	$28,765	$72,000
Other salaries	276,364	29,621	10,166	316,151	233,576	25,035	8,593	267,204
Other employee benefits	36,438	4,287	2,143	42,868	24,353	3,247	4,871	32,471
Payroll taxes	25,588	3,411	5,117	34,116	21,928	2,924	4,385	29,237
Fundraising	46,226	12,690	31,724	90,640	27,192	31,724	31,724	90,640
Accounting		7,196		7,196		6,990		6,990
Professional fees		5,000		5,000				
Office supplies and expense	2,846	11,384	4,743	18,973	2,805	11,220	4,675	18,700
Telephone	4,765	596	596	5,957	5,786	723	723	7,232
Postage and shipping	444	591	1,923	2,958		243	971	1,214
Rent	7,000	13,297		20,297		20,151		20,151
Travel	27,370			27,370	21,003			21,003
Interest					59	92		151
Depreciation	4,076	83		4,159	6,358	130		6,488
Advertising	29,364		29,365	58,729			32,852	32,852
Development and training	63,098		11,854	74,952	8,561		61,942	70,503
Insurance	6,780	601		7,381	6,718	595		7,313
Equipment maintenance	13,673			13,673	11,667			11,667
Equipment rental and storage	19,344			19,344	18,600			18,600
Outside services	16,910			16,910	25,180			25,180
	$633,589	$95,948	$109,137	$838,674	$449,830	$110,265	$179,501	$739,596

See accompanying notes.

ACCESSPORTAMERICA, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$24,039	$134,715
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	4,159	6,488
Realized loss on investment	500	501
Unrealized (gain) loss on investment	(11,142)	5,165
Decrease (increase) in accounts receivable	55,298	82,883
(Decrease) Increase in prepaid expenses	(3,895)	(3,499)
(Decrease) increase in accounts payable	18,063	(14,211)
Investment income restricted for long-term purpose	(2,673)	(2,973)
Net Cash Used in Operating Activities	84,349	209,069
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(5,106)	(5,344)
Acquisition of property and equipment	(4,241)	(7,670)
Net Cash Provided by Investing Activities	(9,347)	(13,014)
CASH FLOWS FROM FINANCIANG ACTIVITIES:		
Proceeds from investment income for long-term purpose	2,673	2,973
Net Cash Provided by Financing Activities	2,673	2,973
NET INCREASE IN CASH AND CASH EQUIVALENTS	77,675	199,028
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	359,038	160,010
CASH AND CASH EQUIVALENTS, END OF YEAR	$436,713	$359,038
Supplemental Cash Flows Information		
Cash paid for interest		$151

See accompanying notes.

1. SIGNIFICANT ACCOUNTING POLICIES

a. Nature of Activities

AccesSportAmerica, Inc., a Massachusetts Corporation, dedicated to inspiring higher function, fitness and well-being in children and adults living with disabilities through high-challenge sports and training.

b. Basis of Presentation

Financial statement presentation adopted the FASB Accounting Standards Codification (ASC) for financial statements of not-for-profit organizations. Under the ASC, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

c. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

d. Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and therefore, has no provision for income taxes are reflected in the accompanying financial statements. The Organization's tax return, form 990, for the years ending 2009, 2010, 2011 and 2012 are subject to examination by the Internal Revenue Service, generally for three years after they are filed. The Organization has no unrelated business income.

e. Accounts and Contributions Receivable

Receivables are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off as of year-end all balances that are uncollectable. Based on management's assessment of the credit history with clients and donors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial. All contributions are expected to be collected within one year.

f. Investments
The Organization has adopted the Accounting Standards Codifications (ASC) for certain investments held by not-for-profit organizations. Under the ASC, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

g. Property and Equipment
The Organization capitalized all expenditures for property and equipment in excess of $500. Property and equipment are stated at original cost, or estimated fair market value if donated, plus the cost of capital improvements made on the assets. Depreciation is computed using primarily the straight-line method over the estimated useful life of the asset.

h. Compensated Absences
The Organization does not accrue compensated absences, as the amount cannot be reasonably estimated.

i. Revenue Recognition
Contributions received are recorded at fair market value as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 restrictions.

Deferred revenues are amounts collected in advance. Income related to a subsequent year is deferred and recognized in the appropriate period.

j. Pension Plan
The Organization has a defined contribution pension plan. There was no employer contribution to the pension plan for the years ended December 31, 2012 and 2011, respectively.

k. Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted

Operating – Net assets that are not subject to donor-imposed stipulations.

Board Designated – Net assets that are not subject to donor-imposed stipulations, but have been set aside by the Board of Directors. There were no unrestricted Board Designated net assets at December 31, 2012.

Temporarily Restricted

Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization or by the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Permanently Restricted – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Permanently restricted net assets at December 31, 2012 and 2011 amounted to $119,676 and $69,697, respectively.

2. FINANCIAL INSTRUMENTS

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to credit risk consist principally of cash, cash equivalents and investments.

The Organization maintains its cash in two financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures balances up to $250,000 and all non-interest bearing accounts at each financial institution. At certain times during the year, cash balances may exceed the insured amounts. Management monitors on a regular basis, the financial condition of the financial institutions, along with their balances, to keep this potential risk to a minimum. At December 31, 2012 and 2011, the Organization had no balances exceeding the FDIC insurance limit.

None of the investments are insured by a Federal government agency.

3. INVESTMENTS

Investments at December 31, 2012 and 2011 consist primarily of marketable securities with a cost of $130,822 and $125,206, respectively, and a fair market value of $141,014 and $125,266, respectively.

4. RELATED PARTY

The Organization rents office space and other sites as a tenant-at-will. Rent expense was $20,297 and $20,151 of which $13,200 and $13,200 was for the office space from a related party for the years ended December 31, 2012 and 2011, respectively. The cost of the rent was at market value.

The Organization pays equipment rental and storage expense. Equipment rental and storage expense was $19,344 and $18,600, all of which is paid to related party for the years ended December 31, 2012 and 2011, respectively. The cost of the rent was at market value.

5. ADVERTISING

The Organization uses advertising to promote its programs among the audiences it serves. Cost of advertising is expensed as incurred. Advertising expense was $58,729 and $32,852 for the years ended December 31, 2012 and 2011, respectively, of which $42,000 and $20,000 was donated for December 31, 2012 and 2011, respectively.

6. DONATED GOODS AND SERVICES

Donated goods and services are recognized as contributions in accordance with ASC for accounting for contributions received and contributions made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. These goods and services are reflected in the accompanying financial statements based upon the estimated value assigned to them by the donating organizations. The value of these contributions for professional services was $42,000 and $47,644 for the years ended December 31, 2012 and 2011, respectively.

The Organization receives an amount of donated services from unpaid volunteers who assist in various activities, including governance of the Organization. No amounts have been recognized in the statements of activities because criteria for recognition have not been satisfied.

7. FUNCTIONAL EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

8. RECLASSIFICATION

Certain items in the 2011 financial statements have been reclassified to conform to the current year presentation.

9. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Organization reports under the Fair Value Measurements pronouncements of the FASB Accounting Standards Codification, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs at the closing price reported on the active market on which the individual securities are traded.

Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodology used at December 31, 2012 and 2011.

Cash or cash equivalent including money market funds: Valued at acquisition cost.

Investments: Valued at quoted prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, with the fair value hierarchy, the Organization's assets at fair value.

Assets at fair value as of December 31:

	2012 Level 1	2011 Level 1
Cash and cash equivalents	$ 436,713	$ 359,038
Investments	141,014	125,266
	$ 577,727	$ 484,304

Valuation and Income Recognition

The Organization's cash and cash equivalents and investments as of December 31, 2012 are stated at fair value.

The Organization's investment return for the years ended December 31 consisted of the following:

		2012	
	Unrestricted	Permanently Restricted	Total
Dividend income	$ 2,433	$ 2,673	$ 5,106
Realized (loss) on sale of investments	(238)	(262)	(500)
Unrealized gain (loss)	5,309	5,833	11,142
Total investment return	$ 7,504	$ 8,244	$ 15,748

	Unrestricted	2011 Permanently Restricted	Total
Dividend income	$ 2,371	$ 2,973	$ 5,344
Realized (loss) on sale of investments	(222)	(279)	(501)
Unrealized gain	(2,241)	(2,924)	(5,165)
Total investment return	$ (92)	$ (230)	$ (322)

10. SUBSEQUENT EVENTS

Management have evaluated all subsequent events through August 8, 2013, the date the financial statements were available to be issued. There were no subsequent events that require adjustment to or disclosure in the financial statements.