

Financial Statements

FLORIDA YOUTH SOCCER ASSOCIATION, INC.

August 31, 2023

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(With Independent Auditor's Report Thereon)

FLORIDA YOUTH SOCCER ASSOCIATION, INC.

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Independent Auditor's Report

Board of Directors
Florida Youth Soccer Association, Inc.:

Opinion

We have audited the accompanying financial statements of Florida Youth Soccer Association, Inc. which comprise the statement of financial position as of August 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Youth Soccer Association, Inc. as of August 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Florida Youth Soccer Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida Youth Soccer Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Florida Youth Soccer Association Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida Youth Soccer Association Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Schatz, Tschoy, Whitcomb, Mitchell & Shulman, LLP

December 11, 2023
Maitland, Florida

FLORIDA YOUTH SOCCER ASSOCIATION, INC.

Statement of Financial Position

August 31, 2023

Assets

Current assets:

Cash and cash equivalents	\$ 1,517,781
Investments (note 4)	5,279,024
Total current assets	<u>6,796,805</u>

Property and equipment:

Building and improvements	1,866,104
Software	259,192
Furniture and equipment	108,514
Computers	93,366

2,327,176

Less accumulated depreciation (1,100,236)

Property and equipment, net 1,226,940

Total assets \$ 8,023,745

Liabilities and Net Assets

Current liabilities:

Accounts payable and accrued expenses	\$ 406,596
Deferred income, affiliation and registration fees	1,539,492
Player insurance reserve	50,000
Total current liabilities	<u>1,996,088</u>

Commitments and contingencies (notes 6, 7, 8 and 9)

Net assets without donor restrictions 6,027,657

Total liabilities and net assets \$ 8,023,745

See accompanying notes to financial statements

FLORIDA YOUTH SOCCER ASSOCIATION, INC.

Statement of Activities

Year ended August 31, 2023

Net assets without donor restrictions:	
Support and revenue:	
Membership	\$ 3,188,667
Programs and services	1,099,257
Other income	249,754
Sponsorships	<u>142,500</u>
Total support and revenue	<u>4,680,178</u>
Expenses:	
Salaries and wages	755,835
Payroll taxes	59,468
Benefits	96,729
Rent	112,887
Utilities	23,328
Insurance	947,286
Background checks	324,110
Dues and affiliations	380,616
Supplies	114,652
Referee support	78,201
Printing and postage	12,007
Bank and credit card fees	95,111
Telephone	17,518
IT support	31,074
Repairs and maintenance	39,191
Professional fees	110,025
Travel	283,771
Meals and entertainment	37,213
Contractors	335,666
Rentals	293,783
Awards	50,897
Apparel	102,680
Gifts	11,690
Team stipends	114,000
FYSA sponsored programs	230,540
Depreciation	49,200
Other	<u>1,107</u>
Total expenses	<u>4,708,585</u>
Change in net assets from operations	(28,407)
Investment income (note 4)	<u>462,381</u>
Change in net assets	433,974
Net assets at beginning of year	<u>5,593,683</u>
Net assets at end of year	<u><u>\$ 6,027,657</u></u>

See accompanying notes to financial statements

FLORIDA YOUTH SOCCER ASSOCIATION, INC.

Statement of Cash Flows

Year ended August 31, 2023

Cash flows from operating activities:	
Change in net assets	\$ 433,974
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	49,200
Net unrealized gains on investments	(330,008)
Net increase (decrease) in cash flows from changes in:	
Accounts receivable	39,320
Prepaid expenses and other	500
Accounts payable and accrued expenses	29,547
Deferred income, affiliation and registration fees	934,168
Player insurance reserve	(50,000)
Other	(23,836)
Net cash provided by operating activities	<u>1,082,865</u>
Cash flows from investing activities:	
Purchase of investments and securities, net	(132,372)
Acquisition of building improvements	<u>(25,337)</u>
Net cash used in investing activities	<u>(157,709)</u>
Net increase in cash and cash equivalents	925,156
Cash and cash equivalents, beginning of year	<u>592,625</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,517,781</u></u>

See accompanying notes to financial statements

FLORIDA YOUTH SOCCER ASSOCIATION, INC.

Notes to Financial Statements

August 31, 2023

(1) Organization

Florida Youth Soccer Association, Inc. (the Association or FYSA) was organized in the State of Florida in 1979 as a nonprofit, educational corporation. The Association's purpose is to foster and advance the game of soccer and to provide administration to youth under 19 years of age and its affiliated members within the State.

Services provided include the purchase of participant accident supplemental insurance as well as liability coverage for its members, coaches and affiliates; administration of district and state youth soccer tournaments; and educational courses provided to players and coaches. The Association and its members are registered annually with the United States Youth Soccer Association and the United States Soccer Federation, which are national associations with which the Association is affiliated.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Organization.

The Organization prepares its financial statements on an entity wide basis, focusing on the organization as a whole. Net assets and revenue, expenses, gains and losses 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:

- Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations and, therefore, available for use in general operations.
- Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donor-imposed restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

(b) Cash and Cash Equivalents

Cash and cash equivalents consists of amounts on deposit with banks and certain liquid short-term investments with maturities of less than three months. Cash on deposit with banks may, at times, exceed federally insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

FLORIDA YOUTH SOCCER ASSOCIATION, INC.

Notes to Financial Statements

August 31, 2023

(2) Summary of Significant Accounting Policies (Continued)

(c) Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the accompanying statement of activities. 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.

(d) Accounts Receivable

Affiliation, registration and other accounts receivable, as applicable, are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts using the direct write-off method based on its assessment of the current status of individual receivables and after using reasonable collection efforts. Accounting principles generally accepted in the United States of America require the allowance method to be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

(e) Property and Equipment

Property and equipment are stated at cost. It is the Association's policy to capitalize expenditures for property and equipment in excess of \$1,000. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally 3 to 7 years for computers, software, furniture and equipment and 40 years for the building and improvements. Expenditures for repairs and maintenance are charged to operations as incurred.

(f) Income Taxes

The Association is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and is not a private foundation within the meaning of Section 509(a) of the Code. The Association is subject to income taxes on certain income unrelated to its exempt purposes.

The Association has adopted the provisions of the Income Tax Topic of the ASC. These provisions clarify the accounting for uncertainty in tax positions and prescribe guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of August 31, 2023, the Association had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

FLORIDA YOUTH SOCCER ASSOCIATION, INC.

Notes to Financial Statements

August 31, 2023

(2) Summary of Significant Accounting Policies (Continued)

(f) Income Taxes (Continued)

The Association's income tax returns are subject to review and examination by federal authorities. The Association is not aware of any activities that would jeopardize its tax-exempt status. The Association is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The tax returns for the fiscal years ended from 2020 to 2022 are open to examination by federal authorities.

(g) Financial Instruments Fair Value, Concentration of Credit Risk

The carrying amount reported for cash, accounts receivable and accounts payable and accrued expenses, as applicable, approximates fair value because of the immediate or short-term maturity of these financial instruments. Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of accounts receivable. The Association monitors performance of its customers' accounts, but does not generally require collateral.

(h) Deferred Revenue

Deferred revenue consists primarily of payments received from members for affiliation and registration fees to be recognized by the Association in a subsequent period.

(i) Revenue and Support

Affiliation and registration fees are recognized as support in the applicable period to which the affiliation and registration fees relate. Recognition of affiliation and registration fees, collected in advance, is deferred until the period to which such fees relate.

(j) 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 certain reported amounts and disclosures. Actual results could differ from those estimates.

(k) Fair Value Measurements

Generally accepted accounting principles defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements which currently applies to all financial assets and liabilities, as well as for any other assets and liabilities that are carried at fair value on a recurring basis.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. These principles also establish a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value using three levels of inputs as follows:

FLORIDA YOUTH SOCCER ASSOCIATION, INC.

Notes to Financial Statements

August 31, 2023

(2) Summary of Significant Accounting Policies (Continued)

(k) Fair Value Measurements (Continued)

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3: inputs that are unobservable (for example, cash flow modeling based on assumptions)

The Association did not change its valuation techniques during the year and continues to use Level 1 inputs to measure the fair value of its investments.

(l) Contributed Services

A substantial number of volunteers have donated significant amounts of their time to the Association's management, programs and soccer tournaments. The value of these contributed services is not reflected in the financial statements since it is not susceptible to objective measurement or valuation and the activities of these volunteers are not subject to the operating supervision and control present in an employer/employee relationship.

(m) Functional Allocation of Expenses

The costs of providing programs and administration of the Organization have been summarized on a functional basis as indicated in note 10. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation of expenses according to function, including payroll and occupancy costs which cannot be directly attributed to specific functions, is based on estimates by the Organization's management, of the time of employees involved and of percentages of assets utilized.

(n) Subsequent Events

In preparing these financial statements, the Association has evaluated subsequent events and transactions through December 11, 2023, which is the date the financial statements were available to be issued. All subsequent events requiring recognition, if any, as of December 11, 2023 have been incorporated into the accompanying financial statements.

(3) Liquidity and Availability

As of August 31, 2023, the Organization has approximately \$6,800,000 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table reflects the Organization's financial assets as of August 31, 2023 reduced by amounts that are not available to meet general expenditures, as applicable, within one year of the statement of financial position date.

FLORIDA YOUTH SOCCER ASSOCIATION, INC.

Notes to Financial Statements

August 31, 2023

(3) Liquidity and Availability (Continued)

Cash and cash equivalents	\$ 1,517,781
Investments	<u>5,279,024</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 6,796,805</u></u>

(4) Investments

Investments as of August 31, 2023 are summarized as follows:

	Input Level	Cost	Market Value
Common stock	1	\$ 3,295,543	3,532,140
Mutual funds	1	1,711,290	1,651,246
Cash	-	<u>95,638</u>	<u>95,638</u>
		<u><u>\$ 5,102,471</u></u>	<u><u>5,279,024</u></u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended August 31, 2023:

Interest and dividends	\$ 186,585
Net unrealized gains	330,008
Investment expenses	<u>(54,212)</u>
Total net investment income	<u><u>\$ 462,381</u></u>

(5) Sponsorship Agreements

The Association receives cash and in-kind sponsorships in the form of uniforms, T-shirts, travel bags, soccer balls, caps, coolers, sponsor product and other apparel. In-kind sponsorship contributions are recorded based on their estimated retail value and are directed to various programs, services and volunteers including the following: Olympic development teams and coaches, state and regional cup staff, coaching course attendees, state tournament volunteers, referees and Association board members. Under the terms of these agreements, the Association is entitled to receive additional cash and in-kind funding in future years.

(6) Retirement Plan

The Association has established a defined contribution retirement savings plan. All employees who meet certain eligibility requirements may participate in the Plan. Contributions to the plan are discretionary and are determined annually by the Association's board of directors. During the year ended August 31, 2023, contributions made to the Plan amounted to approximately \$5,900.

FLORIDA YOUTH SOCCER ASSOCIATION, INC.

Notes to Financial Statements

August 31, 2023

(7) Lease Commitment

The Association has an agreement for the lease of certain office equipment. The following are the approximate annual aggregate minimum payments, exclusive of operating expenses and taxes for the years ending August 31:

2024	\$ 3,400
2025	3,400
2026	3,400
2027	3,400
2028	3,400

Total lease expense amounted to approximately \$5,000 during the year ended August 31, 2023.

(8) Contingencies

The Association is party to various claims and matters of litigation incidental to the normal course of its activities (primarily related to registered players). The Association maintains applicable insurance that covers many of these matters. Consequently, management believes that the final resolution of these matters will not have a material adverse effect on the Association's financial position, results of activities or cash flows.

(9) Association Headquarters

In August 2006, the Association entered into an agreement with the City of Auburndale (the City) to create a soccer complex in Lake Myrtle Park, Auburndale, Florida. The Association received their certificate of occupancy and moved into the complex on November 29, 2010. The following information related to that agreement and the amendment dated August 25, 2011, is only in summary form; the agreement should be referred to for more specific terms and conditions. As part of the agreement a 50-year commitment was established whereby FYSA occupies an office headquarters facility constructed by the Association. Additionally, upon development and construction by the City of eight additional soccer fields (bringing the total number of soccer fields to 11) and related improvements, the Association has committed to sponsor and host approximately 15 to 20 soccer tournaments or events each year over the fifty-year period of the agreement. As of October 1, 2022, the Association pays a monthly fee of \$9,430 (subject to an annual escalation) for the City to maintain the soccer fields and related improvements. During the year ended August 31, 2023, the Association paid approximately \$113,000 in connection with this agreement with the City.

FLORIDA YOUTH SOCCER ASSOCIATION, INC.

Notes to Financial Statements

August 31, 2023

(10) Functional Expenses

The costs of programs and supporting activities for the year ended August 31, 2023 have been summarized on a functional basis as follows:

	Program Services	Management and General	Total Expenses
Expenses:			
Salaries and wages	\$ 566,876	188,959	755,835
Payroll taxes	44,601	14,867	59,468
Employee benefits	72,547	24,182	96,729
Rent	101,598	11,289	112,887
Utilities	4,666	18,662	23,328
Insurance	852,557	94,729	947,286
Background checks	291,699	32,411	324,110
Dues and affiliations	342,554	38,062	380,616
Supplies	85,989	28,663	114,652
Referee support	70,381	7,820	78,201
Printing and postage	9,005	3,002	12,007
Bank and credit card fees	76,089	19,022	95,111
Telephone	8,759	8,759	17,518
IT support	15,537	15,537	31,074
Repairs and maintenance	35,272	3,919	39,191
Professional fees	22,005	88,020	110,025
Travel	212,828	70,943	283,771
Meals and entertainment	29,770	7,443	37,213
Contractors	251,750	83,916	335,666
Rentals	235,026	58,757	293,783
Awards	45,807	5,090	50,897
Apparel	92,412	10,268	102,680
Gifts	9,352	2,338	11,690
Team stipends	102,600	11,400	114,000
FYSA sponsored programs	207,486	23,054	230,540
Depreciation	24,600	24,600	49,200
Other	554	553	1,107
	\$ 3,812,320	896,265	4,708,585