

**NATIONAL OFFICE OF THE  
AMERICAN YOUTH SOCCER ORGANIZATION,  
AFFILIATES, AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL REPORT  
JUNE 30, 2021**

**NATIONAL OFFICE OF THE  
AMERICAN YOUTH SOCCER ORGANIZATION,  
AFFILIATES, AND SUBSIDIARIES  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
National Office of the American Youth Soccer  
Organization, Affiliates, and Subsidiaries

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of National Office of the American Youth Soccer Organization, Affiliates, and Subsidiaries (collectively, the Organization) which comprise the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

### **Management's Responsibility for the Consolidated 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 the Organization as of June 30, 2021, and the results of their operations and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As described in Note 2 to the financial statements, effective July 1, 2020, the Company adopted new accounting guidance Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to the matter.

**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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 audits 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.

**Report on Summarized Comparative Information**

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 28, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



January 7, 2022

**NATIONAL OFFICE OF THE  
AMERICAN YOUTH SOCCER ORGANIZATION,  
AFFILIATES, AND SUBSIDIARIES**  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
June 30, 2021  
(with Comparative Financial Information as of June 30, 2020)

<b>ASSETS</b>		
	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 7,885,751	\$ 5,219,815
Accounts receivable, net	353,311	361,246
Other receivable	115,710	42,208
Inventory	-	9,198
Prepaid expenses and other assets	324,050	226,555
Property and equipment, net	102,083	75,479
<b>Total assets</b>	<b>\$ 8,780,905</b>	<b>\$ 5,934,501</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 210,095	\$ 479,971
Accrued expenses	499,377	910,314
Deferred rent	60,868	76,302
Deferred revenue	3,346,081	1,823,892
Due to related parties	881,825	-
PPP notes payable	337,500	1,035,732
Total liabilities	5,335,746	4,326,211
<b>Net assets</b>		
Without donor restrictions	3,375,534	1,522,665
With donor restrictions	69,625	85,625
Total net assets	3,445,159	1,608,290
<b>Total liabilities and net assets</b>	<b>\$ 8,780,905</b>	<b>\$ 5,934,501</b>

See notes to consolidated financial statements.

**NATIONAL OFFICE OF THE  
AMERICAN YOUTH SOCCER ORGANIZATION,  
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CONSOLIDATED STATEMENT OF ACTIVITIES  
June 30, 2021  
(with Comparative Financial Information as of June 30, 2020)**

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	2020 Totals
<b>Revenues and other support</b>				
Youth league registration	\$ 3,742,387	\$ -	\$ 3,742,387	\$ 6,700,184
United registration	2,186,766	-	2,186,766	2,259,974
Services	741,443	-	741,443	891,338
Volunteer registration	348,747	-	348,747	493,813
Sponsorships	104,413	-	104,413	370,187
Soccer camps	169,541	-	169,541	351,355
Supply center	-	-	-	145,764
Adult league registration	53,120	-	53,120	117,690
Royalties	8,576	-	8,576	80,196
Contributions	951,033	-	951,033	76,008
Program receipts	29,671	-	29,671	70,938
In-kind contributions	15,604	-	15,604	14,927
United other	85,251	-	85,251	135,965
Gain on forgiveness of debt	1,035,732	-	1,035,732	-
Other income	6,968	-	6,968	14,808
Net assets released from restrictions	<u>16,000</u>	<u>(16,000)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>9,495,252</u>	<u>(16,000)</u>	<u>9,479,252</u>	<u>11,723,147</u>
<b>Expenses</b>				
Program services	4,720,648	-	4,720,648	7,348,532
General and administrative	2,474,908	-	2,474,908	3,960,565
Fundraising and membership development	<u>398,968</u>	<u>-</u>	<u>398,968</u>	<u>860,553</u>
Total expenses	<u>7,594,524</u>	<u>-</u>	<u>7,594,524</u>	<u>12,169,650</u>
<b>Change in net assets</b>	1,900,728	(16,000)	1,884,728	(446,503)
<b>Net assets, beginning of year</b>	<u>1,522,665</u>	<u>85,625</u>	<u>1,608,290</u>	<u>2,441,317</u>
<b>Deconsolidation</b>	<u>(47,859)</u>	<u>-</u>	<u>(47,859)</u>	<u>(386,524)</u>
<b>Net assets, end of year</b>	<u><b>\$ 3,375,534</b></u>	<u><b>\$ 69,625</b></u>	<u><b>\$ 3,445,159</b></u>	<u><b>\$ 1,608,290</b></u>

See notes to consolidated financial statements.

**NATIONAL OFFICE OF THE  
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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
June 30, 2021  
(with Comparative Financial Information for June 30, 2020)**

	Program Services	General and Administrative	Fundraising and Membership Development	Total	Total 2020 Expenses
Salaries, wages, taxes, and benefits	\$ 2,889,030	\$ 1,253,701	\$ 244,330	\$ 4,387,061	\$ 6,483,095
Field expenses	560,872	12,196	31,380	604,448	932,523
Insurance	309,007	179,252	-	488,259	1,260,879
Office expense	66,901	440,234	9,362	516,497	722,764
Volunteer screening	148,229	-	-	148,229	34,836
Membership fees	160,085	-	-	160,085	309,571
In-kind donations	-	4,121	-	4,121	14,927
Consulting and contract labor	47,257	236,132	37,394	320,783	660,964
Travel	8,048	2,007	45	10,100	340,558
Marketing	119,597	58,340	46,356	224,293	167,363
Rent	119,763	149,704	29,941	299,408	330,475
Merchant fees	224,440	60,152	-	284,592	496,951
Depreciation and amortization	-	53,480	-	53,480	216,393
Supply center	16,279	-	-	16,279	109,466
Postage	3,531	992	160	4,683	19,884
Legal	47,609	14,208	-	61,817	42,670
Other	-	10,389	-	10,389	26,331
<b>Total expenses by function</b>	<b>\$ 4,720,648</b>	<b>\$ 2,474,908</b>	<b>\$ 398,968</b>	<b>\$ 7,594,524</b>	<b>\$ 12,169,650</b>

See notes to consolidated financial statements.

**NATIONAL OFFICE OF THE  
AMERICAN YOUTH SOCCER ORGANIZATION,  
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CONSOLIDATED STATEMENT OF CASH FLOWS  
Year Ended June 30, 2021  
(with Comparative Financial Information for June 30, 2020)**

	2021	2020
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 1,884,728	\$ (446,503)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Allowance for doubtful accounts	(28,478)	12,983
Depreciation and amortization	53,480	216,393
Loss on disposal of property and equipment	8,159	10,881
Gain on forgiveness of debt	(1,035,732)	-
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable, net	37,611	123,155
Other receivable	(73,502)	75,447
Inventory	9,198	11,701
Prepaid expenses and other assets	(99,725)	76,457
Deferred compensation trust	-	26,551
Increase (decrease) in:		
Accounts payable	(265,879)	272,784
Accrued expenses	(410,937)	138,246
Deferred rent	(17,004)	(81,780)
Deferred revenue	1,522,189	(2,082,347)
Net cash from operating activities	<u>1,584,108</u>	<u>(1,646,032)</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(86,013)	(7,185)
Net cash from investing activities	<u>(86,013)</u>	<u>(7,185)</u>
<b>Cash flows from financing activities</b>		
Proceeds from PPP notes payable	337,500	1,035,732
Proceeds from related parties	881,825	-
Net cash from financing activities	<u>1,219,325</u>	<u>1,035,732</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	2,717,420	(617,485)
<b>Cash and cash equivalents, beginning of year</b>	<u>5,168,331</u>	<u>5,837,300</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 7,885,751</u>	<u>\$ 5,219,815</u>
<b>Supplemental disclosure of cash flow information</b>		
Interest paid	\$ -	\$ -
Taxes paid	<u>\$ 17,373</u>	<u>\$ 11,109</u>

See notes to consolidated financial statements.

**NATIONAL OFFICE OF THE  
AMERICAN YOUTH SOCCER ORGANIZATION,  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1 – ORGANIZATION**

The American Youth Soccer Organization (AYSO), a non-profit organization, was established in the Los Angeles area in 1964 with nine teams. It was the dream of a group of devoted soccer enthusiasts who started the organization in a garage. Today, AYSO has approximately 200,000 players. It also employs approximately 17 people at its national office in Torrance, California.

AYSO's grassroots program starts with a community-based league called a Region. A Region can range in size from a few hundred players to several thousand. Each Region is supervised by a Regional Commissioner and a local board of directors. A group of Regions in close proximity make up an area. Area Directors are responsible for activities of the Regions in their area, as well as for area-wide activities. For administrative purposes, AYSO divides the country into 13 geographic sections based on player population. Section Directors oversee activities in their respective sections.

Over the years, AYSO has created many valuable programs and concepts. Most notably, AYSO revolutionized youth sports with its "Everyone Plays" and "Balanced Teams" philosophies. In AYSO, each child who registers is guaranteed to play at least half of every game. To help create evenly matched games, all AYSO players are placed on new or "balanced" teams each year. These decisions are made based on each player's skill level and the overall ability of the team.

AYSO is supported by nearly 30,000 registered volunteers. Parents donate their time as coaches, referees, team parents, or administrators. Although AYSO is primarily a youth sports organization, it also trains adults to become coaches and referees, as well as provides guidance to adults on how to start and manage a youth sports program. AYSO is continually working to improve the education of its volunteers in the fields of child development, human behavior, and sports psychology. A strong emphasis is placed on ethics, sportsmanship, and the development of the whole child.

AYSO is a member of the United States Soccer Federation. Throughout the years, AYSO has also maintained relations with organizations such as Major League Soccer, Women's Pro Soccer, National Soccer Hall of Fame, the Partnership for a Drug-Free America, the President's Council on Physical Fitness, the National Council of Youth Sports, Girl Scouts USA, the National Association for Sports and Physical Education, People to People, Optimists International, Police Athletic Leagues, Positive Coaching Alliance, National Soccer Coaches Association, National Council for Accreditation of Coaching Education, Boys and Girls Clubs of America, YMCA, and the Character Counts program. In addition, AYSO works closely with a number of corporations that are part of AYSO's National Team of Sponsors.

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**NOTE 1 – ORGANIZATION (Continued)**

During the years ended June 30, 2021 and 2020, AYSO deconsolidated certain Regions for which they no longer had controlling financial interest. As of July 1, 2020, AYSO deconsolidated the non-controlling interests which consisted of the following: cash \$51,484, accounts receivable \$1,198, accounts payable \$3,997, deferred revenue \$1,570 and net assets without donor restrictions \$47,859 from the consolidated financial statements. As of July 1, 2019, AYSO deconsolidated the non-controlling interests which consisted of the following: cash \$1,782,601, prepaid expenses and other assets \$204,633, accounts payable \$101,309, deferred revenue \$1,499,401 and net assets without donor restrictions \$386,524 from the consolidated financial statements.

AYSOnDemand, LLC (AYSOD), a wholly owned subsidiary, was established as a Nevada limited liability company in January 2017 and was registered to do business in the state of California in March 2017. AYSOD was established to provide online training courses including coaching, referee, treasurer, and CVPA to the AYSO Regions and Districts.

AYSO Services Corporation (AYSOS), a wholly owned subsidiary, was established as a Delaware C Corporation and was registered to do business in the state of California in October 2017. AYSOS was formed to provide administrative services and field personnel in support of youth sports programs.

AYSO Adult (AYSOA), an affiliate organization under common control, a non-profit organization, was established as a non-profit in Delaware and was registered to do business in the state of California in November 2016. The purpose is to provide adult soccer programs for participants all over the United States. AYSOA was formed to create soccer play opportunities while teaching a greater awareness of the game and benefits of recreational soccer play for fitness and wellness.

AYSO WHEN! Foundation (AYSOF), an affiliate organization under common control, a non-profit organization, was established as a non-profit in Delaware and was registered to do business in the state of California in September 2019. The purpose is to support philosophically aligned programs that utilize safe, fun and fair soccer programs to promote awareness and literacy of wellness, health, education and nutrition for the benefit of youth in all communities and other charitable and educational programs.

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**NOTE 2 – CHANGES IN ACCOUNTING PRINCIPLES**

During the year ended June 30, 2021, the Organization adopted Accounting Standards Update (ASU) 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The adoption of this new guidance did not have a material impact on the consolidated financial statements.

During the year ended June 30, 2021, the Organization adopted ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. The adoption of this new guidance did not have a material impact on the consolidated financial statements.

During the year ended June 30, 2021, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. To do this, the Organization applies the five-step model in the FASB's guidance, which requires the Organization to: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue, when or as, the Organization satisfies the performance obligation. The Organization adopted the new revenue recognition guidance electing to use a modified retrospective adoption approach applied to those contracts which were not completed as of July 1, 2020. Prior to this adoption, the Organization recognized revenue in accordance with the terms of the underlying agreements, which title and risk of loss had been transferred, when collectability was reasonably assured, and when pricing was fixed or determinable. This generally occurred when products were transferred to customers or when services were performed. In addition, the Organization elected to apply certain of the permitted practical expedients within the revenue recognition guidance and make certain accounting policy elections including those related to significant sales tax. Adoption of the revenue recognition guidance did not have a material impact on the Organization's reported earnings or cash flows.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Reclassifications

Certain amounts included in the June 30, 2020 consolidated financial statements have been reclassified to conform to the June 30, 2021 presentation.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the National Office of the American Youth Soccer Organization, AYSONDemand, LLC, AYSO Services Corporation, AYSO Adult and AYSO WHEN! Foundation (collectively, the Organization). All significant intercompany transactions and balances have been eliminated in consolidation.

Comparative Amounts

The consolidated financial statements include certain prior year summarized financial information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Areas which include significant estimates made by management include, but are not limited to, the allowance for doubtful accounts. Actual results could differ from those estimates.

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**NOTE 3 –SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition

Under ASC Topic 606, the Organization recognizes revenue from its counterparties based on the type of revenue and service provided in exchange. The Organization applies the following five-step approach: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue, when or as, the Organization satisfies the performance obligation.

At contract inception, once the contract is determined to be within the scope of ASC Topic 606, the Organization identifies the performance obligations in the contract by assessing whether the goods or services promised within each contract are distinct. The Organization then recognizes revenue for the amount of the transaction price that is allocated to the respective performance obligation when or as the performance obligation is satisfied.

*Nature of Products and Services*

The Organization recognizes revenue from registration fees, royalty income, sponsorships, services, supply center, and contributions. Revenues are collected through online portals and in person sales. The Organization typically satisfies its performance obligations and recognizes revenue at a point in time for sales and services, generally upon the transfer of title of products to the customer or the completion of services, depending on the terms of each underlying agreement. The Organization typically satisfies its performance obligations and recognizes revenue over a period of time for sponsorship revenues.

Camp registration fees are recorded at 15% of player camp registration fees per the contract with UK International Soccer Camps, Inc., an outside vendor providing the soccer camp program.

*Transaction Price*

The Company measures revenue as the amount of consideration for which it expects to be entitled in exchange for transferring goods or providing services. Revenue is recorded based on the transaction price, which includes fixed consideration and estimates of variable consideration. The amount of variable consideration included in the transaction price is constrained and is included only to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In some cases, the Organization must apply judgment, including contractual rates and historical payment trends, when estimating variable consideration. Variable consideration is estimated as follows:

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**NOTE 3 –SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition (Continued)

- Rights of return: The Organization has sole discretion as to whether a refund request will be accepted based upon the reasonableness of the request. If accepted, the Organization will issue refunds. The Organization grants either a full or partial refund of any consideration paid or a credit that can be applied against amounts owed, or that will be owed to the customer in the future.

For the year ended June 30, 2021 and 2020, revenue was reduced due to the following variable considerations:

	2021	2020
Refunds	\$ 94,530	\$ 137,510

The timing of the Company’s revenue recognition may differ from the timing of payment by its customers. A receivable is recorded when revenue is recognized prior to payment and the Organization has an unconditional right to payment, which occurs when a customer is invoiced. Alternatively, when a payment precedes the provision of the related services, the Company records deferred revenue until the performance obligations are satisfied.

The Organization has elected the practical expedient that permits an entity not to recognize a significant financing component if the time between the transfer of a good or service and payment is one year or less. The Organization does not enter into contracts in which the period between payment by the customer and the transfer of promised goods or services to the customer is greater than 12 months.

The Organization excludes revenue sales tax and other government-assessed and imposed taxes on revenue-generating activities that are invoiced to customers.

Deferred Revenue

Deferred revenue is recognized when the Organization receives consideration, or if it has the unconditional right to receive consideration, in advance of performance. Deferred revenue is the Organization’s obligation to transfer goods or services to a customer for which the Organization has received consideration, or a specified amount of consideration is due, from the customer.

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**NOTE 3 –SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In-kind Contributions

In-kind contributions include gifts in kind and contributed services. The gifts in kind are contributions of noncash assets that can be used or sold by the Organization. Amounts of noncash assets to be used within one year are recorded at their net realizable value. Amounts of noncash assets expected to be used in future years are recorded at the present value of estimated future cash flows discounted at the risk-free interest rate at the date of the contribution. The contributed services received either create or enhance nonfinancial assets or require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. The Organization recognized \$15,604 and \$14,927 of in-kind sponsorship contributions during the years ended June 30, 2021 and 2020, respectively. The majority of contributions relate to donated advertising, soccer apparel, and equipment, which are included in program costs in the accompanying consolidated statements of activities.

A substantial number of volunteers have donated significant amounts of time to the Organization. The services that these individuals rendered, however, do not meet the above criteria and, as such, are not recognized as revenue.

Cash and Cash Equivalents

Cash and cash equivalents consist of items with an original maturity when purchased at three months or less.

Accounts Receivable

Receivables from Regions arise from player registration fees, supplies purchased, and services rendered. Other receivables arise primarily from sponsorships and soccer camps. Amounts collected from Regions and others are included in net cash provided by operating activities in the consolidated statements of cash flows. The Organization maintains an allowance for doubtful accounts that is estimated based on historical collection trends, the age of outstanding receivables, and existing economic conditions. Although the Organization expects to collect amounts due, actual collections may differ from estimated amounts. Uncollectible accounts are written off after all attempts at collections have been pursued.

Inventory

Inventory consists of products purchased or printed for use in program and supportive services and sold to the Regions. Inventory is valued at average cost which approximates lower of cost or net realizable value. Net realizable value is defined as the estimated selling prices in the ordinary course of business less reasonably predictable costs of completion, disposal and transportation.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 3 –SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment

Property and equipment are recorded at cost as of the date of acquisition, or fair value as of the date of receipt in the case of gifts. Depreciation and amortization are provided on a straight-line basis over the following useful lives:

Computer equipment and software	4 years
Leasehold improvements	Lesser of economic life or term of lease
Office equipment and furniture	5 years

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Internally Developed Software

The Organization accounts for costs incurred to develop computer software for internal use in accordance with ASC Subtopic 350-40, *Internal-Use Software*. As required by ASC Subtopic 350-40, the Organization capitalizes the costs incurred during the application development stage, which include costs to design the software configuration and interfaces, coding, installation, and testing. Capitalized software development costs are amortized over four years. The capitalization and ongoing assessment of recoverability of developmental costs require considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility, and estimated economic life.

As the Organization continues to refine its internally developed software, it follows the provisions of ASC Subtopic 350-40 and capitalizes and amortizes upgrades and enhancements to the software for which it is probable that such expenditures will result in additional functionality. These costs are included in net property and equipment on the accompanying consolidated statements of financial position.

Impairment of Long-lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment losses, if any, are recognized when estimated future cash flows (undiscounted and without interest charges) derived from such assets are less than their carrying values. The Organization determined that no impairment existed as of June 30, 2021 and 2020.

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**NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Deferred Rent and Tenant Incentives

The Organization accounts for lease expenses and tenant incentives on a straight-line basis over the terms of the related leases. This accounting generally results in a deferred liability recorded on the consolidated statements of activities.

Net Assets

The accompanying consolidated financial statements include the consolidated statements of financial position that present the amounts for each of the two classes of net assets: without donor restrictions and with donor restrictions. These net assets are classified based on the existence or absence of donor-imposed restrictions and consolidated statement of activities that reflects the changes in those categories of net assets.

Net assets without donor restrictions are either not restricted by donors or the donor-imposed restrictions have been fulfilled. Net assets with donor restrictions include those assets whose use by the Organization has been limited by donors to later periods of time, in perpetuity, or for specified purposes. The investment return from assets held in perpetuity may be used for purposes as specified by the donor or, if the donor has not specified a purpose, for purposes approved by the board of trustees.

Functional Expenses

All expenses can be identified with a specific program or supporting service and charged directly to the related program or supporting service.

Taxes Collected from Customers and Remitted to Governmental Authorities

Taxes assessed by governmental authorities on revenue-producing transactions (i.e., sales and use taxes) are recorded on a net basis and have been excluded from revenues on the accompanying consolidated statements of activities.

Self-Insurance

In accordance with the Organization's accident liability insurance policy, the Organization maintains a reserve for accident claims to cover the Organization's estimate of the ultimate cost of reported claims and claims incurred but not reported and related expenses. The Organization uses third-party actuarial estimates of the future costs of the claims and related expenses. The Organization is covered under a large deductible policy in which the Organization has primary responsibility for claims under the policy. Under this policy, starting July 2019, the Organization is responsible for covered losses and expenses up to \$259,080 in aggregate. Amounts in excess of \$259,080 are the responsibility of the current accident insurance provider. The Organization evaluates the reserves and makes adjustments as needed. If the actual cost of the claims incurred and related expenses exceed the amounts estimated, additional reserves may be required.

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**NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Self-Insurance (Continued)

The State of California requires the Organization to maintain financial instruments or security to cover potential claim losses. In satisfaction of these requirements, the Organization has a retention amount held by the current accident insurance provider.

Income Taxes

AYSO has been designated as tax exempt under Internal Revenue Code Section 501(c)(3) and is also exempt from state franchise taxes under Section 23701(d) of the California Revenue and Taxation Code.

In accordance with U.S. GAAP, the Organization recognizes the impact of tax positions in the consolidated financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. To date, the Organization has not recorded any uncertain tax positions. During the years ended June 30, 2021, and 2020, the Organization did not recognize any amount in potential interest and penalties associated with uncertain tax positions and did not note any matters which may have an effect on its tax-exempt status.

Further, AYSOS requires that deferred tax assets and liabilities be recognized using enacted tax rates for the effect of temporary differences between the book and tax basis of recorded assets and liabilities. ASC Topic 740 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some or all of the net deferred tax assets will not be realized. The valuation allowance is reviewed periodically based upon the facts and circumstances known at the time. In assessing this valuation allowance, the Organization reviews historical and future expected operating results and other factors, including its recent cumulative earnings experience, expectations of future taxable income by taxing jurisdiction, and the carryforward periods available for tax reporting purposes, to determine whether it is more likely than not that deferred tax assets are realizable.

ASC Topic 740 provides guidance on the minimum threshold that an uncertain income tax benefit is required to meet before it can be recognized in the consolidated financial statements which applies to all income tax positions taken by AYSOS. ASC Topic 740 contains a two-step approach to recognizing and measuring uncertain income tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. If it is not more likely than not that the benefit will be sustained on its technical merits, no benefit will be recorded. Uncertain income tax positions that relate only to timing of when an item is included on a tax return are considered to have met the recognition threshold.

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**NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes (Continued)

AYSOD is a limited liability company and is under the “LLC status” for federal and state income tax purposes. Under the “LLC status,” the members are taxed on their proportionate share of the entity’s taxable income. Therefore, no provision or liability for federal income taxes has been included in these consolidated financial statements for this entity, other than the minimum franchise tax imposed by the state of California.

AYSOA and AYSOF have been designated as tax exempt under Internal Revenue Code Section 501(c)(4) and is also exempt from state franchise taxes under Section 23701(d) of the California Revenue and Taxation Code.

Concentration of Credit Risk

Credit risk is the failure of another party to perform in accordance with the contract terms. Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents, investments, accounts receivable, and other receivable.

*Cash and Cash Equivalents*

The Organization maintains its cash and cash equivalent balances with investment-grade institutions that, from time to time, exceed amounts insured by the Federal Deposit Insurance Corporation. Deposits held in noninterest-bearing transaction accounts are aggregated with any interest-bearing deposits the owner may hold in the same ownership category and the combined total insured up to at least \$250,000. As of June 30, 2021 and 2020, the Organization had \$5,194,806 and \$3,332,669 in excess of the federally insured amounts, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

*Receivables*

With respect to accounts and other receivables, the Organization routinely assesses the financial strength of its debtors and believes that the related credit risk exposure is limited.

For the year ended June 30, 2021, there were two customers that accounted for 61% of receivables. For the year ended June 30, 2020, there were two customers that accounted for 31% of receivables.

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**NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The FASB has also issued several updates to ASU 2016-02. A modified retrospective transition approach is required. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements with a cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. The new standard provides a number of practical expedients. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2016-02 one year, making it effective for annual reporting periods beginning after December 15, 2021, and early adoption is permitted. Upon initial evaluation, the Organization believes the key change upon adoption will be the balance sheet recognition. At adoption, the Organization will recognize a right-to-use asset and corresponding lease liability on the balance sheet. The income statement recognition of lease expense appears similar to the Organization's current methodology. The Organization is in the process of implementing its transition and is assessing the impact of this new guidance on the Organization's consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. Early adoption is permitted for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Management does not believe the adoption of this guidance will have a material impact on the Organization's consolidated financial statements.

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**NOTE 4 – ACCOUNTS RECEIVABLE**

As of June 30, 2021 and 2020, accounts receivable consisted of the following:

	<u>2021</u>	<u>2020</u>
Accounts receivable – Regions	\$ 99,674	\$ 255,281
Accounts receivable – other	295,386	176,192
Allowance for doubtful accounts	<u>(41,749)</u>	<u>(70,227)</u>
<b>Total accounts receivable, net</b>	<b><u>\$ 353,311</u></b>	<b><u>\$ 361,246</u></b>

**NOTE 5 – PREPAID EXPENSES AND OTHER ASSETS**

As of June 30, 2021 and 2020, prepaid expenses and other assets consisted of the following:

	<u>2021</u>	<u>2020</u>
Prepaid insurance	\$ -	\$ 138,739
Prepaid taxes	-	29,000
Prepaid merchant fees	95,034	23,368
Prepaid subscriptions and memberships	95,099	-
Prepaid field expenses	72,919	22,013
Deposits	60,998	-
Miscellaneous prepaid expenses and other assets	<u>-</u>	<u>13,435</u>
<b>Total prepaid expenses and other assets</b>	<b><u>\$ 324,050</u></b>	<b><u>\$ 226,555</u></b>

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**NOTE 6 – PROPERTY AND EQUIPMENT**

As of June 30, 2021 and 2020, property and equipment consisted of the following:

	2021	2020
Computer equipment and software	\$ 1,818,418	\$ 3,753,724
Leasehold improvements	198,296	183,462
Office equipment and furniture	200,079	172,135
	2,216,793	4,109,321
Less accumulated depreciation and amortization	(2,114,710)	(4,033,842)
<b>Total property and equipment, net</b>	<b>\$ 102,083</b>	<b>\$ 75,479</b>

For the years ended June 30, 2021 and 2020, depreciation and amortization expense amounted to \$53,480 and \$216,393, respectively.

**NOTE 7 – ACCRUED EXPENSES**

As of June 30, 2021 and 2020, accrued expenses consisted of the following:

	2021	2020
Other accrued expenses	\$ 292,869	\$ 282,214
Accrued vacation	119,188	243,157
Accrued payroll, payroll taxes, and related benefits	87,320	384,943
<b>Total</b>	<b>\$ 499,377</b>	<b>\$ 910,314</b>

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**NOTE 8 – DEFERRED REVENUE**

As of June 30, 2021 and 2020, deferred revenue consisted of the following:

	2021	2020
Registration	\$ 2,065,550	\$ 919,378
United registration	1,214,631	840,022
Camp fees	43,738	26,657
Sponsorships	12,500	37,835
Other	9,662	-
<b>Total deferred revenue</b>	<b><u>\$ 3,346,081</u></b>	<b><u>\$ 1,823,892</u></b>

**NOTE 9 – LINE OF CREDIT**

The Organization has a line of credit with a financial institution that allows the Organization to borrow up to a maximum of \$350,000. The line is secured by substantially all of the Organization’s assets and bears interest at the greater of 3.50% or prime (3.25% as of June 30, 2021) plus 4.125%. The line matured May 8, 2021 and was not renewed.

**NOTE 10 – PPP NOTES PAYABLE**

On April 28, 2020, AYSO was informed by a bank that the U.S. Small Business Administration (SBA) approved their request for a loan under the SBA’s Paycheck Protection Program (PPP) as authorized under the CARES Act. AYSO signed a promissory note totaling \$730,022 for PPP loan and, in accordance with the CARES Act, AYSO will use the PPP loan proceeds for eligible costs. On April 14, 2021, AYSO was informed by their bank that full forgiveness was granted of the outstanding balance of the first PPP note payable of \$730,022.

On May 4, 2020, AYSO Services was informed by a bank that the SBA approved their request for a loan under the SBA’s PPP as authorized under the CARES Act. AYSO Services signed promissory note totaling \$305,710 for PPP loan and, in accordance with the CARES Act, AYSO Services will use the PPP loan proceeds for eligible costs. On May 25, 2021, AYSO Services was informed by their bank that full forgiveness was granted of the outstanding balance of the first PPP note payable of \$305,710.

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**NOTE 10 – PPP NOTES PAYABLE (Continued)**

On January 29, 2021, AYSO was informed by a bank that the U.S. Small Business Administration (SBA) approved their request for a loan under the SBA’s Paycheck Protection Program (PPP) as authorized under the CARES Act. AYSO signed a promissory note totaling \$337,500 for PPP loan and, in accordance with the CARES Act, AYSO will use the PPP loan proceeds for eligible costs. Partial or full forgiveness of the loan will be determined at a later date once final criteria are determined and approved by the SBA, subject to an audit by the AYSO’s bank. Otherwise, the PPP note payable bears interest at 1.0% and will mature during January 2023.

**NOTE 11 – DUE TO RELATED PARTIES**

At June 30, 2021, AYSO had non-interest bearing balances due from certain Regions totaling \$881,825.

The future aggregate payments required to be made on the amounts due to related parties are as follows:

Year Ending <u>December 31,</u>	
2022	\$ 176,365
2023	176,365
2024	176,365
2025	176,365
2026	<u>176,365</u>
<b>Total</b>	<b><u>\$ 881,825</u></b>

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**NOTE 12 – RETIREMENT PLAN**

AYSO offers its employees a defined-contribution savings plan to provide retirement benefits in accordance with Section 403(b) of the Internal Revenue Code. Employees who work more than twenty hours per week and meet minimum contribution requirements are eligible to participate in the plan when hired and are 100% vested in all contributions to the plan. As of July 2012, the Organization matched fifty cents of every dollar up to the first 6% of annual compensation contributed by the participant. Participants become eligible for matching contributions after twelve months of consecutive employment and 1,000 hours of service. Matching benefits vest over a period of five years. Beginning September 2020, the Organization suspended matching contributions. AYSO contributed \$9,432 and \$63,941 to the plan on behalf of its employees during the years ended June 30, 2021 and 2020, respectively.

**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

Operating Leases

The Organization leases its office facilities from an unrelated third party under a long-term, noncancelable operating lease that requires minimum monthly payments of \$14,227. During 2021, the lease was extended through September 2028. For the years ended June 30, 2021 and 2020, rent expense related to this lease was \$299,408 and \$330,475, respectively.

The Organization also leases equipment under an operating lease that requires minimum aggregate monthly payments of \$766. The lease expires in January 2023. For the years ended June 30, 2021 and 2020, total rental expense under equipment leases totaled \$21,897 and \$13,247, respectively, and was included in equipment rental expense.

The following is a schedule by years of future minimum lease payments under those operating leases that have initial or remaining terms in excess of one year as of June 30, 2021:

Year Ended <u>June 2021,</u>	<u>Office</u>	<u>Equipment</u>	<u>Total</u>
2022	\$ 177,607	\$ 3,229	\$ 180,836
2023	182,935	1,884	184,819
2024	188,423	-	188,423
2025	194,076	-	194,076
2026	199,898	-	199,898
Thereafter	<u>258,388</u>	<u>-</u>	<u>258,388</u>
<b>Total</b>	<b><u>\$ 1,201,327</u></b>	<b><u>\$ 5,113</u></b>	<b><u>\$ 1,206,440</u></b>

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**NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)**

Contingent Royalty Income

The Organization has a license agreement with a major sponsor that entitles the sponsor to operate a catalog and internet retail sales business under the trade name AYSO Store. Pursuant to the agreement, the Organization is entitled to receive 7% of the net sales of AYSO Store products sold. The royalty agreement matured September 30, 2020 and was not renewed. During the years ended June 30, 2021 and 2020, the Organization recognized earned royalties of \$8,576 and \$80,196, respectively, which is included in operating revenue.

Litigation and Claims

The Organization is, from time to time, involved in claims and assessments arising out of matters occurring in its normal business operations. The Organization has insurance coverage to provide protection against certain contingencies.

Uncertainties

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic. Action taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantine in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economics and financial markets of many countries, including the geographical area in which the Organization operations. The Organization has suffered significant cash impact due to interruption of activities, which includes refunds of player registration fees and one-time expenses due to reduction of operations. The Organization continues to monitor its cash position and forecast regularly.

**NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS**

As of June 30, 2021 and 2020, net assets with donor restrictions are restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Playership fund	\$ 46,976	\$ 62,976
Disaster relief fund	14,274	14,274
More soccer for more kids	<u>8,375</u>	<u>8,375</u>
<b>Total</b>	<b>\$ <u>69,625</u></b>	<b>\$ <u>85,625</u></b>

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**NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

During the years ended June 30, 2021 and 2020, net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

	<u>2021</u>	<u>2020</u>
Playership fund	\$ 16,000	\$ 1,775

**NOTE 15 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

The following table reflects the Organization’s financial assets as of June 30, 2021 and 2020 that are without donor or other contractual restrictions limiting their use and are available to meet general expenditures within one year of the date of the statement of financial position.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 7,885,751	\$ 5,219,815
Accounts receivable, net	353,311	361,246
Other receivable	<u>115,710</u>	<u>42,408</u>
Financial assets available to meet cash needs for general expenditures within one year	<b><u>\$ 8,354,772</u></b>	<b><u>\$ 5,623,269</u></b>

The Organization’s total cash and cash equivalents does not include cash that is with donor restrictions in nature, which is income from donations that has been earmarked for specific purposes and is not available for general expenditures. See Note 14 – Net Assets with Donor Restrictions.

When establishing the business plan and annual budget each year, the Organization’s board and directors evaluate financial assets available to meet general expenditures over the year and predictable sources of earned revenue. The Organization supplements the financial assets available in the next year with revenues from certain earned income sources:

- National Player Fees: The Organization estimates total number of registered participants.
- Sponsorships: The Organization considers existing sponsorship agreements and reasonably predicts additional sponsorship funding.

AYSO reasonably compares these revenue sources against budgeted expenses to determine funding or investment shortfalls in order to achieve a balanced budget.

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**NOTE 16 – SUBSEQUENT EVENTS**

Management evaluated all activity through January 7, 2022 (the issue date of the consolidated financial statements) and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

## **SUPPLEMENTAL SCHEDULES**

**NATIONAL OFFICE OF THE  
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
June 30, 2021**

<b>ASSETS</b>							
	AYSO	AYSO OnDemand	AYSO Services	AYSO Adult	AYSO WHEN!	Eliminations	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 7,482,653	\$ 28,383	\$ 176,496	\$ 155,762	\$ 42,457	\$ -	\$ 7,885,751
Accounts receivable, net	322,351	-	27,962	2,998	-	-	353,311
Other receivable	115,710	-	-	-	-	-	115,710
Prepaid expenses and other assets	323,340	-	426	284	-	-	324,050
Property and equipment, net	102,083	-	-	-	-	-	102,083
Intercompany receivable	195,301	-	-	-	-	(195,301)	-
Investment in subsidiary	246,531	-	-	-	-	(246,531)	-
<b>Total assets</b>	<b>\$ 8,787,969</b>	<b>\$ 28,383</b>	<b>\$ 204,884</b>	<b>\$ 159,044</b>	<b>\$ 42,457</b>	<b>\$ (441,832)</b>	<b>\$ 8,780,905</b>
<b>LIABILITIES AND NET ASSETS</b>							
<b>Liabilities</b>							
Accounts payable	\$ 208,248	\$ -	\$ -	\$ 1,847	\$ -	\$ -	\$ 210,095
Accrued expenses	456,421	-	5,346	37,610	-	-	499,377
Deferred rent	60,868	-	-	-	-	-	60,868
Deferred revenue	3,346,081	-	-	-	-	-	3,346,081
Intercompany payable	-	-	43,536	9,904	141,861	(195,301)	-
Due to related parties	881,825	-	-	-	-	-	881,825
PPP notes payable	337,500	-	-	-	-	-	337,500
<b>Total liabilities</b>	<b>5,290,943</b>	<b>-</b>	<b>48,882</b>	<b>49,361</b>	<b>141,861</b>	<b>(195,301)</b>	<b>5,335,746</b>
<b>Net assets</b>							
Without donor restrictions	3,427,401	-	-	109,683	(99,404)	(56,817)	3,380,863
With donor restrictions	69,625	-	-	-	-	-	69,625
<b>Shareholder equity</b>	<b>-</b>	<b>-</b>	<b>156,002</b>	<b>-</b>	<b>-</b>	<b>(161,331)</b>	<b>(5,329)</b>
<b>Member equity</b>	<b>-</b>	<b>28,383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(28,383)</b>	<b>-</b>
Total net assets, member equity and shareholder deficit	3,497,026	28,383	156,002	109,683	(99,404)	(246,531)	3,445,159
<b>Total liabilities and net assets, member equity and shareholder equity</b>	<b>\$ 8,787,969</b>	<b>\$ 28,383</b>	<b>\$ 204,884</b>	<b>\$ 159,044</b>	<b>\$ 42,457</b>	<b>\$ (441,832)</b>	<b>\$ 8,780,905</b>

See independent auditor's report.

**NATIONAL OFFICE OF THE  
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CONSOLIDATING STATEMENT OF ACTIVITIES  
June 30, 2021**

	AYSO	AYSO OnDemand	AYSO Services	AYSO Adult	AYSO WHEN!	Eliminations	Total
<b>Revenues and other support</b>							
Youth league registration	\$ 3,742,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,742,387
United registration	2,186,766	-	-	-	-	-	2,186,766
Services	-	-	998,031	-	-	(256,588)	741,443
Volunteer registration	348,747	-	-	-	-	-	348,747
Sponsorships	104,413	-	-	-	-	-	104,413
Soccer camps	169,541	-	-	-	-	-	169,541
Adult league registration	-	-	-	53,120	-	-	53,120
Royalties	8,576	-	-	-	-	-	8,576
Contributions	941,547	-	-	-	9,486	-	951,033
Program receipts	29,671	-	-	-	-	-	29,671
In-kind contributions	15,604	-	-	-	-	-	15,604
United other	85,251	-	-	-	-	-	85,251
Gain on forgiveness of debt	730,022	-	305,710	-	-	-	1,035,732
Other income	6,968	-	-	-	-	-	6,968
<b>Total revenues and other support</b>	<b>8,369,493</b>	<b>-</b>	<b>1,303,741</b>	<b>53,120</b>	<b>9,486</b>	<b>(256,588)</b>	<b>9,479,252</b>
<b>Expenses</b>							
Program costs	3,929,777	-	956,304	49,471	41,684	(256,588)	4,720,648
General and administrative	2,474,908	-	-	-	-	-	2,474,908
Fundraising and membership development	384,692	-	-	-	14,276	-	398,968
<b>Total expenses</b>	<b>6,789,377</b>	<b>-</b>	<b>956,304</b>	<b>49,471</b>	<b>55,960</b>	<b>(256,588)</b>	<b>7,594,524</b>
<b>Changes in net assets, members equity and shareholder equity</b>	1,580,116	-	347,437	3,649	(46,474)	-	1,884,728
<b>Net assets, member equity and shareholder deficit, beginning of year</b>	1,964,769	28,383	(191,435)	106,034	(52,930)	(246,531)	1,608,290
<b>Deconsolidation</b>	(47,859)	-	-	-	-	-	(47,859)
<b>Net assets, member equity and shareholder equity, end of year</b>	<b>\$ 3,497,026</b>	<b>\$ 28,383</b>	<b>\$ 156,002</b>	<b>\$ 109,683</b>	<b>\$ (99,404)</b>	<b>\$ (246,531)</b>	<b>\$ 3,445,159</b>

See independent auditor's report.