



INDIANA YOUTH SOCCER ASSOCIATION, INC.

FINANCIAL REPORT

June 30, 2009



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**INDEPENDENT AUDITOR'S REPORT
ON THE FINANCIAL STATEMENTS**

To the Board of Directors
Indiana Youth Soccer Association, Inc.
Indianapolis, Indiana

We have audited the accompanying balance sheets of Indiana Youth Soccer Association, Inc. as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indiana Youth Soccer Association, Inc. as of June 30, 2009 and 2008, and the results of operations, changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

RJPile, LLC

Indianapolis, Indiana
December 2, 2009

INDIANA YOUTH SOCCER ASSOCIATION, INC.

BALANCE SHEETS

June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and equivalents	\$ 45,552	\$ 12,500
Accounts receivable	42,840	74,813
Prepaid expenses	<u>17,334</u>	<u>14,236</u>
TOTAL CURRENT ASSETS	<u>105,726</u>	<u>101,549</u>
<u>PLANT AND EQUIPMENT</u>		
Equipment	140,122	117,114
Land	18,922	18,922
Buildings	<u>482,967</u>	<u>482,967</u>
	642,011	619,003
Less accumulated depreciation	<u>247,815</u>	<u>215,901</u>
	<u>394,196</u>	<u>403,102</u>
TOTAL ASSETS	<u>\$ 499,922</u>	<u>\$ 504,651</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Checks written in excess of bank balance	\$ -	\$ 66,316
Accounts payable and accrued expenses	44,944	3,531
Player insurance liability	<u>10,438</u>	<u>14,533</u>
TOTAL CURRENT LIABILITIES	<u>55,382</u>	<u>84,380</u>
TOTAL LIABILITIES	<u>55,382</u>	<u>84,380</u>
<u>NET ASSETS</u>		
Unrestricted - undesignated	<u>444,540</u>	<u>420,271</u>
TOTAL NET ASSETS	<u>444,540</u>	<u>420,271</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 499,922</u>	<u>\$ 504,651</u>

See Notes to Financial Statements.

INDIANA YOUTH SOCCER ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES

Year ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>REVENUES</u>		
Service revenue:		
Registrations	\$ 713,473	\$ 742,000
Programs	355,761	316,333
Events	339,196	284,565
	1,408,430	1,342,898
Other revenue:		
Sponsorship and marketing - unallocated	22,960	32,124
Communications	15,811	20,395
Meetings	6,260	5,218
Grants	9,614	18,755
Sales	574	904
Rent	2,472	3,874
Gift in-kind contributions	22,105	27,970
	22,105	27,970
TOTAL REVENUES	1,488,226	1,452,138
<u>EXPENSES</u>		
Program services:		
Education	476,524	469,113
Member services	398,069	420,975
Competition	319,060	307,801
Communications	114,601	146,153
Outreach programs	9,499	8,989
Administration	146,204	130,269
	146,204	130,269
TOTAL EXPENSES	1,463,957	1,483,300
TOTAL CHANGE IN NET ASSETS	24,269	(31,162)
<u>NET ASSETS</u>		
Beginning of year	420,271	451,433
End of year	\$ 444,540	\$ 420,271

See Notes to Financial Statements.

INDIANA YOUTH SOCCER ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS
Year ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 24,269	\$ (31,162)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	32,419	31,522
Loss on disposal of assets	661	-
Donated property and equipment	(17,905)	-
Donated soccer apparel - received	(4,200)	(27,970)
Donated soccer apparel - used	1,102	27,787
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	31,973	(42,091)
Increase (decrease) in:		
Checks written in excess of bank balance	(66,316)	63,274
Accounts payable and accrued expenses	41,413	(6,843)
Player insurance liability	(4,095)	(1,604)
Deferred revenue	-	(413)
Net cash provided by operating activities	39,321	12,500
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(6,269)	-
Net cash used in investing activities	(6,269)	-
Increase in cash and equivalents	33,052	12,500
<u>CASH AND EQUIVALENTS</u>		
Beginning	12,500	-
Ending	\$ 45,552	\$ 12,500
<u>SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES</u>		
Donation of property and equipment	\$ 17,905	\$ -

See Notes to Financial Statements.

INDIANA YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Indiana Youth Soccer Association (Association) was organized and currently exists to develop, promote and administer the game of youth soccer for the State of Indiana. The Association is an affiliated member of the United States Soccer Federation and the United States Youth Soccer Association. The Association creates by-laws, playing rules, policies and procedures intended to assist the member players, coaches, referees, administrators, teams, clubs and leagues. The Association also conducts programs and events annually which are intended to serve the membership.

Significant accounting policies followed by the Association are listed below:

A. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

B. Basis of Presentation

These financial statements, have been prepared to focus on the entity as a whole and to present transactions according to the existence or absence of donor-imposed restrictions in conformity with Statements of Financial Accounting Standards No. 116 and 117 adopted by the Financial Accounting Standards Board (FASB) in June 1993. This has been done by classification of transactions and balances into three categories of net assets: unrestricted net assets which have no donor-imposed restrictions, temporarily restricted net assets which have donor-imposed restrictions that will expire in the future, and permanently restricted net assets which have donor-imposed restrictions which do not expire. Currently, the Association has only unrestricted net assets.

C. Revenue

The Association's primary revenues are derived from registrations, programs and events. Fees and registrations received prior to events are deferred until event has occurred.

All gains and losses on investments are classified as an increase or decrease in unrestricted net assets.

D. Cash and Equivalents

Cash and cash equivalents consist of checking and savings accounts and money market funds. The Association maintains its cash balances at a financial institution. The demand deposit accounts are insured by the Federal Deposit Insurance Corporation up to the maximum amount prescribed by law per institution. The balances may occasionally exceed the insured limit.

INDIANA YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - continued

E. Accounts Receivable

Accounts receivable consist of amounts due from external parties for workshops, sponsorships, and sales. No interest is charged on outstanding balances. Accounts receivable are stated at the amount management expects to collect from outstanding balances. If deemed necessary, management will provide for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. No allowance for uncollectible accounts receivable has been made by management as of June 30, 2009 and 2008.

F. Plant and Equipment

Plant and equipment is recorded at cost if purchased and at fair value if donated. Expenses related to plant and equipment that have a useful life of three or more years and a value of \$500 or more are capitalized. Depreciation is calculated on estimated useful lives ranging from 3 to 39 years.

It is the Association's policy to consider a donor restriction of or for long-lived assets satisfied when the asset is purchased and put into service.

G. Gift In-Kind Contributions

The Association had an agreement with Adidas under which the Association received an allotment contribution of Adidas equipment and supplies. The equipment and supplies are recorded at the wholesale value that the Association would pay if they were purchased. The contributed items are inventoried at the lower of cost or market and are expensed as used by the Association for Olympic Development Programs. Gift in-kind contributions of equipment and supplies recorded at fair market value, amounted to \$4,200 and \$27,970 for the periods ended June 30, 2009 and 2008 respectively. The agreement with Adidas expired on December 31, 2008 and was not renewed.

The Association also received an in-kind contribution of computer software valued at fair market value of \$17,905 during 2009.

The total gift in-kind contributions reported in the statement of activities amounted to \$22,105 and \$27,970 for the periods ended June 30, 2009 and 2008 respectively.

H. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

INDIANA YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

I. Tax Status

The Association is specifically exempted from federal income taxes by code section 501(c)(3) as a public charity organization. The Association is subject to taxes on unrelated business income only.

J. New Accounting Pronouncement

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes* – an interpretation of FASB Statement 109. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return including positions that the Association is exempt from income taxes or not subject to income taxes on unrelated business income. If there are changes in net assets as a result of application of FIN 48 these will be accounted for as an adjustment to the opening balance of retained earnings. Additional disclosures about the amounts of such liabilities will be required also.

The Association presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable, respectively, that a liability has been incurred for unrecognized income tax benefits by applying FASB Statement No. 5, *Accounting for Contingencies*. The Association has elected to defer the application of Interpretation 48 in accordance with FASB Staff Position (FSP) FIN 48-3. This FSP defers the effective date of Interpretation 48 for nonpublic enterprises, such as The Association, included within its scope to the annual financial statements for fiscal years beginning after December 15, 2008. The Association will be required to adopt FIN 48 in its 2009 annual financial statements. Management has not assessed the impact of FIN 48 on its financial position and results of operations and has not determined if the adoption of FIN 48 will have a material effect on its financial statements.

K. Evaluation of Subsequent Events

The Association has evaluated subsequent events through December 2, 2009 which is the date the financial statements were available to be issued.

L. Reclassifications

Certain prior year balances have been reclassified to conform with current year classifications and presentation.

INDIANA YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 2 PLAYER INSURANCE LIABILITY

The Association provides medical liability insurance for registered players. In 2005, the Association began self insuring the first \$25,000 in claims per year and the insurance company pays the remainder. Claims can be submitted within a two year window. During the periods ended June 30, 2008 and 2007, the Association expensed claims of \$25,000 each period. Based on historical claims, experience of the Association, and the potential of claims reaching the \$25,000 threshold, a contingent liability of \$10,438 and \$14,533 was recorded for claims incurred but not yet reported or paid as of June 30, 2009 and 2008.

NOTE 3 CREDIT LINE

During the 2008 fiscal year, the Association obtained an unsecured credit line via a MasterCard in the amount of \$50,000 at a variable rate based on the bank's prime lending rate. The rate at June 30, 2009 was 24.99%. There was no outstanding balance at June 30, 2009 and 2008 on this account.

NOTE 4 EMPLOYEE BENEFIT PLAN

Effective August 20, 2006, the Association adopted a 401(k) plan. All employees meeting the plan requirements are eligible to participate. The profit sharing contributions to the plan are made at the discretion of the Board of Directors. There was no profit sharing contribution made for the periods ended June 30, 2009 or 2008. The Association's matching contributions to the 401(k) plan for the periods ended June 30, 2009 and 2008 were \$3,988 and \$5,506, respectively.