

**INDIANA SOCCER ASSOCIATION, INC.**

July 31, 2020

*CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT INCLUDING  
SUPPLEMENTARY INFORMATION*



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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Indiana Soccer Association, Inc. (a nonprofit corporation) and Indiana Sports Properties, LLC, which comprise the consolidated statements of financial position as of July 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Indiana Soccer Association, Inc. and Indiana Sports Properties, LLC as of July 31, 2020 and 2019, and the consolidated change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors  
Indiana Soccer Association, Inc.  
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**Emphasis of Matter**

As discussed in the notes to the consolidated financial statements, during 2020, Indiana Soccer Association, Inc. and Indiana Sports Properties, LLC adopted Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958) and ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. Our opinion is not modified with respect to these matters.

*VonLehman & Company Inc.*

Indianapolis, Indiana  
December 7, 2020

**INDIANA SOCCER ASSOCIATION, INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

	July 31,	
	2020	2019
<b>Assets</b>		
Cash	\$ 1,633,756	\$ 1,427,402
Accounts Receivable	34,236	121,190
Prepaid Expenses	72,282	43,856
Property and Equipment, Net	79,862	84,525
<b>Total Assets</b>	\$ 1,820,136	\$ 1,676,973

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 14,245	\$ 79,029
Player Insurance Liability	80,245	55,161
Deferred Revenue	40,325	128,521
<b>Total Liabilities</b>	134,815	262,711
<b>Net Assets</b>		
Without Donor Restrictions		
Undesignated	1,646,263	1,401,787
Board Designated	30,175	3,592
With Donor Restrictions	8,883	8,883
<b>Total Net Assets</b>	1,685,321	1,414,262
<b>Total Liabilities and Net Assets</b>	\$ 1,820,136	\$ 1,676,973

See accompanying notes.

**INDIANA SOCCER ASSOCIATION, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JULY 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, Support, and Gains</b>			
Program Services			
Competition	\$ 325,815	\$ -	\$ 325,815
Coaching Education	54,938	-	54,938
Futsal	26,471	-	26,471
Olympic Development Program	361,905	-	361,905
Registration	698,103	-	698,103
	<u>1,467,232</u>	<u>-</u>	<u>1,467,232</u>
Other Revenue			
Marketing	6,140	-	6,140
Management Fee and Commissions	200,219	-	200,219
Paycheck Protection Program Revenue	135,500	-	135,500
Contributions	32,650	-	32,650
Royalties and Other	95,736	-	95,736
	<u>470,245</u>	<u>-</u>	<u>470,245</u>
Total Revenue, Support, and Gains	<u>1,937,477</u>	<u>-</u>	<u>1,937,477</u>
<b>Expenses</b>			
Program Services			
Competition	214,985	-	214,985
Coaching Education	137,555	-	137,555
Cups	48,995	-	48,995
Futsal	43,997	-	43,997
Olympic Development Program	296,095	-	296,095
Registration	354,743	-	354,743
Marketing	85,138	-	85,138
Outreach Programs	62,952	-	62,952
	<u>1,244,460</u>	<u>-</u>	<u>1,244,460</u>
Management and General	<u>421,958</u>	<u>-</u>	<u>421,958</u>
Total Expenses	<u>1,666,418</u>	<u>-</u>	<u>1,666,418</u>
Change in Net Assets	271,059	-	271,059
<b>Net Assets, Beginning of Year</b>	<u>1,405,379</u>	<u>8,883</u>	<u>1,414,262</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,676,438</u>	<u>\$ 8,883</u>	<u>\$ 1,685,321</u>

See accompanying notes.

**INDIANA SOCCER ASSOCIATION, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JULY 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue, Support, and Gains</b>			
Program Services			
Competition	\$ 473,667	\$ -	\$ 473,667
Coaching Education	1,163	-	1,163
Cups	503,477	-	503,477
Futsal	44,167	-	44,167
Olympic Development Program	380,585	-	380,585
Registration	912,953	-	912,953
Total Program Services	<u>2,316,012</u>	<u>-</u>	<u>2,316,012</u>
Other Revenue			
Marketing	12,538	-	12,538
Management Fee and Commissions	298,117	-	298,117
Loss on Disposal of Property and Equipment	(2,005)	-	(2,005)
Contributions	35,850	-	35,850
Royalties and Other	10,423	-	10,423
Total Other Revenue	<u>354,923</u>	<u>-</u>	<u>354,923</u>
Total Revenue, Support, and Gains	<u>2,670,935</u>	<u>-</u>	<u>2,670,935</u>
<b>Expenses</b>			
Program Services			
Competition	324,527	-	324,527
Coaching Education	116,408	-	116,408
Cups	428,958	-	428,958
Futsal	102,753	-	102,753
Olympic Development Program	326,092	-	326,092
Registration	436,657	-	436,657
Marketing	91,318	-	91,318
Outreach Programs	1,750	-	1,750
Total Program Services	<u>1,828,463</u>	<u>-</u>	<u>1,828,463</u>
Management and General	<u>426,483</u>	<u>-</u>	<u>426,483</u>
Total Expenses	<u>2,254,946</u>	<u>-</u>	<u>2,254,946</u>
Change in Net Assets	415,989	-	415,989
<b>Net Assets - Beginning of Year</b>	<u>989,390</u>	<u>8,883</u>	<u>998,273</u>
<b>Net Assets - End of Year</b>	<u>\$ 1,405,379</u>	<u>\$ 8,883</u>	<u>\$ 1,414,262</u>

See accompanying notes.

**INDIANA SOCCER ASSOCIATION, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JULY 31, 2020**

	Program Services								Management and General	Total	
	Competition	Coaching Education	Cups	Futsal	Olympic Development Program	Registration	Marketing	Outreach Programs			Total
Registration	\$ 28,050	\$ -	\$ -	\$ 4,665	\$ -	\$ 139,553	\$ -	\$ -	\$ 172,268	\$ -	\$ 172,268
Development	-	-	-	-	73,504	-	-	-	73,504	-	73,504
Program Administration	10,869	5,382	1,178	4,380	-	3,068	-	705	25,582	9,582	35,164
Awards	5,609	-	-	381	-	2,084	-	-	8,074	-	8,074
Education	-	25,662	-	-	-	-	-	-	25,662	221	25,883
Referee	23,138	-	-	3,767	-	12,091	-	-	38,996	12,000	50,996
Insurance	2,133	-	-	250	-	112,477	-	-	114,860	14,192	129,052
Rentals	3,575	-	-	3,211	72,488	5,421	-	-	84,695	-	84,695
Meals	-	236	-	-	-	17,567	-	-	17,803	-	17,803
Travel	-	2,629	-	-	1,843	1,357	-	-	5,829	2,729	8,558
US Youth Regionals	779	-	-	-	-	-	-	-	779	-	779
Supplies	-	-	-	5,296	12,121	-	-	-	17,417	629	18,046
Marketing	-	-	-	4,407	-	4,158	7,823	-	16,388	13	16,401
Meetings and Conventions	-	974	-	-	-	4,115	-	-	5,089	1,238	6,327
Outreach	-	-	-	-	-	-	-	42,647	42,647	-	42,647
Salaries, Wages, and Contract Labor	109,631	75,690	17,500	8,400	89,514	23,729	65,231	19,600	409,295	281,524	690,819
Payroll Taxes	8,068	4,180	1,309	662	9,609	2,047	5,153	-	31,028	22,052	53,080
Employee Benefits	3,467	15,778	2,319	1,554	15,945	387	1,312	-	40,762	48,944	89,706
Bad Debt	-	-	-	-	-	-	-	-	-	1,400	1,400
Depreciation and Amortization	2,567	917	3,484	917	2,751	3,484	733	-	14,853	3,553	18,406
Interest	-	-	-	-	-	-	-	-	-	676	676
Office	3,299	1,178	4,477	1,178	3,535	4,477	943	-	19,087	4,477	23,564
Professional Fees	3,780	1,350	5,130	1,350	4,050	5,130	1,080	-	21,870	5,130	27,000
Repairs and Maintenance	650	232	882	232	696	882	186	-	3,760	882	4,642
Occupancy	9,370	3,347	12,716	3,347	10,039	12,716	2,677	-	54,212	12,716	66,928
<b>Total Expenses by Function</b>	<b>\$ 214,985</b>	<b>\$ 137,555</b>	<b>\$ 48,995</b>	<b>\$ 43,997</b>	<b>\$ 296,095</b>	<b>\$ 354,743</b>	<b>\$ 85,138</b>	<b>\$ 62,952</b>	<b>\$ 1,244,460</b>	<b>\$ 421,958</b>	<b>\$ 1,666,418</b>

See accompanying notes.



**INDIANA SOCCER ASSOCIATION, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JULY 31, 2019**

	Program Services								Management and General	Total	
	Competition	Coaching Education	Cups	Futsal	Olympic Development Program	Registration	Marketing	Outreach Programs			Total
Registration	\$ 58,300	\$ -	\$ 41,310	\$ 7,195	\$ -	\$ 154,835	\$ -	\$ -	\$ 261,640	\$ -	\$ 261,640
Development	-	-	-	8,838	81,045	-	-	-	89,883	-	89,883
Program Administration	12,665	4,162	9,144	6,275	-	3,510	-	-	35,756	6,962	42,718
Awards	15,349	-	10,282	936	-	2,574	-	-	29,141	-	29,141
Education	-	1,589	-	-	-	-	-	-	1,589	-	1,589
Referee	44,364	-	150,220	6,620	-	13,725	-	-	214,929	8,240	223,169
Insurance	1,726	-	-	655	-	144,092	-	-	146,473	11,913	158,386
Rentals	11,832	-	123,867	7,889	90,513	6,486	-	-	240,587	-	240,587
Meals	-	463	-	-	-	17,695	-	-	18,158	421	18,579
Travel	-	2,191	3,876	-	-	2,724	-	-	8,791	5,960	14,751
US Youth Regionals	1,936	-	-	-	-	-	-	-	1,936	-	1,936
Supplies	-	-	4,746	12,214	12,151	-	-	-	29,111	1,629	30,740
Security	-	-	518	-	-	-	-	-	518	-	518
Marketing	-	-	-	7,203	-	1,500	6,222	-	14,925	-	14,925
Meetings and Conventions	-	1,339	-	-	-	4,526	-	-	5,865	1,043	6,908
Outreach	-	-	-	-	-	-	-	1,750	1,750	-	1,750
Salaries, Wages, and Contract Labor	127,994	57,920	65,123	27,650	114,386	39,598	60,660	-	493,331	300,655	793,986
Payroll Taxes	9,683	4,201	1,927	2,188	5,302	3,328	5,172	-	31,801	19,670	51,471
Employee Benefits	3,849	11,397	3,214	4,042	13,488	3,394	849	-	40,233	40,373	80,606
Bad Debt	-	-	-	-	-	-	-	-	-	1,085	1,085
Depreciation and Amortization	4,069	3,662	1,628	1,221	1,017	4,272	2,035	-	17,904	3,724	21,628
Interest	-	-	-	-	-	-	-	-	-	-	-
Office	12,086	10,878	4,834	3,626	3,021	12,691	6,043	-	53,179	9,024	62,203
Professional Fees	6,134	5,521	2,454	1,840	1,534	6,441	3,067	-	26,991	7,060	34,051
Repairs and Maintenance	1,167	1,050	467	350	292	1,225	583	-	5,134	700	5,834
Occupancy	13,373	12,035	5,348	4,011	3,343	14,041	6,687	-	58,838	8,024	66,862
<b>Total Expenses by Function</b>	<b>\$ 324,527</b>	<b>\$ 116,408</b>	<b>\$ 428,958</b>	<b>\$ 102,753</b>	<b>\$ 326,092</b>	<b>\$ 436,657</b>	<b>\$ 91,318</b>	<b>\$ 1,750</b>	<b>\$ 1,828,463</b>	<b>\$ 426,483</b>	<b>\$ 2,254,946</b>

See accompanying notes.

**INDIANA SOCCER ASSOCIATION, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Years Ended July 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 271,059	\$ 415,989
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Bad Debt Expense	1,400	1,085
Depreciation	20,426	21,628
Loss on Disposal of Property and Equipment	-	2,005
Changes in		
Accounts Receivable	85,554	81,980
Prepaid Expenses	(28,426)	214,023
Accounts Payable and Accrued Expenses	(64,784)	(47,799)
Player Insurance Liability	25,084	1,193
Deferred Revenue	(88,196)	30,086
	222,117	720,190
<b>Cash Flows From Investing Activities</b>		
Purchases of Property and Equipment	(15,763)	(49,969)
	(15,763)	(49,969)
<b>Net Change in Cash</b>	206,354	670,221
<b>Cash, Beginning of Year</b>	1,427,402	757,181
<b>Cash, End of Year</b>	\$ 1,633,756	\$ 1,427,402

See accompanying notes.

**INDIANA SOCCER ASSOCIATION, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations and Principles of Consolidation**

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

Indiana Sports Properties, LLC (ISP) is a wholly-owned entity of the Association. ISP was formed to provide management services to the Grand Park Sports Campus (Grand Park) in Westfield, Indiana. ISP currently operates to collect commissions from activities held at Grand Park. See Management Services Agreement note.

The consolidated financial statements include the accounts of Indiana Soccer Association, Inc. and Indiana Sports Properties, LLC, collectively referred to as the Association. All significant inter-organization balances and transactions have been eliminated in consolidation.

The Association's viability is dependent on the success of its program services, management fee and commissions, contributions and other revenue, and the Association's ability to collect on its contracts with customers.

**Use of Estimates**

The process of preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Certain estimates relate to unsettled transactions and events as of the date of the consolidated financial statements. Other estimates relate to assumptions about the ongoing operations and may impact future periods. Accordingly upon settlement, actual results may differ from estimated amounts.

**Accounts Receivable**

Accounts receivable are stated at contractual outstanding balances, net of any allowance for doubtful accounts. Accounts are considered past due if any portion of an account has not been paid in full within the contractual terms of the account. The Association begins to assess its ability to collect receivables that are over 90 days past due and provides for an adequate allowance for doubtful accounts based on the Association's collection history, the financial stability and recent payment history of the customers and clients, and other pertinent factors. Based on these criteria, no allowance for doubtful accounts has been provided at both July 31, 2020 and 2019 since the Association expects no material losses.

**Property and Equipment**

Property and equipment are recorded at cost or, if donated, at fair value at the date of donation and depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method. Maintenance and repairs are charged to operations when incurred. Significant betterments and renewals are capitalized.

The useful lives of property and equipment for purposes of computing depreciation are:

Vehicles	5 Years
Equipment	3-10 Years

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Long-Lived Assets**

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are measured based on the fair value of the asset, and long-lived assets to be disposed of by sale are reported at the lower of the carrying amount or fair value less costs to sell. Long-lived assets were measured for impairment, and no adjustments were deemed necessary during both the years ended July 31, 2020 and 2019.

**Net Assets**

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

**Net Assets Without Donor Restrictions** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors has designated from net assets without donor restrictions net assets for specific purposes (see the Board Designated Net Assets note).

**Net Assets With Donor Restrictions** – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Association reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Revenue and Revenue Recognition***Revenue from Contracts with Customers*

Revenue is measured as the amount of consideration expected to be received in exchange for transferring goods or providing service. The Association recognized contract revenue for financial reporting purposes over time and at a point in time. Contracts with customers may include multiple performance obligation for which the consideration is allocated between performance obligations. Depending on the terms of the contract, the Association may defer the recognition of revenue and record a contract liability when a future performance obligation has not yet occurred.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Competition and registration fees are received in exchange for services provided to members during the fall and spring seasons spanning multiple dates from August 1 through July 31<sup>st</sup>. The Association's performance obligations under these contracts include access to member only competitions and leagues, educational enhancement opportunities, and general player liability insurance coverage. The transaction price is allocated across the Association's obligations based on the relative share of the cost to perform the services. The association recognizes revenue from these contracts over time using an output method based on the value of these services delivered during the fall and spring seasons.

Coaching education, cup fees, futsal events, and Olympic development program fees are recognized when obligations under the terms of the contract with the customer are satisfied, which generally occurs at the date of the trainings and events. Payment from the customers that are received in advance are deferred until all performance obligations are met.

Revenue from the management fee and commissions and marketing sales are recognized when obligations under the terms of a contract with the customer are satisfied, which generally occurs when the event takes place.

Royalty income is received from a third party and is recognized in the period in which the underlying sale occurs. Royalty income earned but not received is recorded as accounts receivable.

*Revenue from Contributions*

The Association recognizes contributions and grants when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

*Paycheck Protection Program Revenue*

In April 2020, the Association received funding in the amount of \$135,500, under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying organization. The loans and accrued interest are forgivable within a 24-week period as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains other designated thresholds. The unforgiven portion of the PPP loan is payable over five years at an interest rate of 1% with a deferral of payments until the date that the lender receives the forgiveness amount from the SBA. The Association used the proceeds for purposes consistent with the PPP. The Association accounted for the PPP Funding in accordance with ASC 958-605 *Revenue Recognition for Nonprofit Entities*. Revenue is recognized as eligible expenses and other conditions are substantially met or incurred. At July 31, 2020 the Association has recognized revenue of \$135,500 as it has determined eligible expenses and other conditions have been met regarding the funding.

**Retirement Plan**

The Association has adopted a 401(k) plan covering all eligible employees. Profit sharing contributions to the plan may be made at the discretion of the Board of Directors. The plan provides matching employer deferrals up to 2% of compensation. By its nature, the plan is fully funded.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Functional Allocation of Expenses**

The costs of program and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The expenses that are allocated include registration, development, program administration, awards, referee, insurance, rentals, meals, travel, supplies, marketing, meetings and conventions, salaries, wages, and contracted labor, payroll taxes, and employee benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation and amortization, office, professional fees, repairs and maintenance, and occupancy, which are allocated on the basis of their estimated use by function.

**Income Tax Status**

The Association is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

ISP is a single-member Indiana limited liability company. ISA is the single member of ISP and all interests, securities, obligations, rights to acquire interests, or other security of ISP is the sole property of ISA. For tax reporting purposes, ISP is considered a disregarded entity of ISA, and its activities are included in the reporting information of ISA.

The Association has adopted the provisions of the accounting pronouncement related to accounting for uncertainty in income taxes. The Association recognized no interest or penalties in the consolidated statements of activities for both of the years ended July 31, 2020 and 2019. If the situation arose in which the Association would have interest to recognize, it would recognize this as interest expense and penalties would be recognized in other expenses. Currently, the prior three years are open under federal and state statutes of limitations and remain subject to review and change. The Association is not currently under audit nor has the Association been contacted by these jurisdictions.

Based on the evaluation of the Association's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain positions has been recorded for either of the years ended July 31, 2020 and 2019.

**Recently Issued Significant Accounting Standards***Lease Accounting Standard*

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases that are not excluded by this standard. Such leases create an asset and a liability for the lessee in accordance with FASB Concepts Statement No. 6, *Elements of Financial Statements*, and therefore, recognition of those lease assets and lease liabilities represents an improvement over previous GAAP, which did not require lease assets and lease liabilities to be recognized for most leases. The ASU is effective for nonpublic entities for years beginning after December 15, 2021.

The Association is currently in the process of evaluating the impact of adoption of this ASU on their consolidated financial statements.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Change in Accounting Principle**

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Association has implemented Topic 606 and has adjusted the presentation in these consolidated financial statements accordingly.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Association has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying consolidated financial statements.

Collectively, the new Topic 606 and 958 will be referred to as the “new guidance.”

The Association adopted the requirements of the new guidance as of August 1, 2019, utilizing the modified retrospective method of transition. However, the adoption of this new guidance did not result in the Association changing its policies for recognizing revenue and thus no cumulative adjustment to the Association’s net assets as of August 1, 2019 was necessary. The amounts reported in the consolidated financial statements for 2020 are the same amounts that would have been reported under the former guidance. The Association did apply the new guidance using the practical expedient provided in Topic 606 and 958 that allows the guidance to be applied only to contracts and contributions that weren’t complete as of August 1, 2019. The effects of applying this practical expedient were not significant to the consolidated financial statements.

**NOTE 2 - LIQUIDITY**

Financial assets available for general use and without donor or other restrictions limiting their use within one year of the consolidated statement of financial position were comprised of the following:

	July 31,	
	2020	2019
Cash, Without Restrictions	\$ 1,584,736	\$ 1,414,927
Accounts Receivable	34,236	121,190
<b>Total Financial Assets Available</b>	<b>\$ 1,618,972</b>	<b>\$ 1,536,117</b>

The Association is funded through program services, commissions, and other revenues. Occasionally, the Board of Directors may designate a portion of surplus funds to a specific initiative. At July 31, 2020 the Association had \$30,175 of board-designated net assets. Although the Association does not plan to spend from this board-designated net asset fund for general use, these amounts could be made available if necessary.

**NOTE 3 - CASH AND CASH FLOWS**

For the purposes of the consolidated statements of cash flows, cash includes cash on hand and cash in checking and savings accounts.

At various times throughout the year, the Association may have cash in financial institutions in excess of insured limits. The Federal Deposit Insurance Corporation (FDIC) insures account balances up to \$250,000 for each business depositor.

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment and related accumulated depreciation consisted of the following:

	July 31,	
	2020	2019
Vehicles	\$ 44,613	\$ 44,613
Equipment	139,492	123,729
	184,105	168,342
Less Accumulated Depreciation	104,243	83,817
	\$ 79,862	\$ 84,525

**NOTE 5 - PLAYER INSURANCE LIABILITY**

The Association provides medical liability insurance for registered players. The Association self-insures the first \$55,000 in claims per year. The insurance company pays the remainder. Claims can be submitted within a two-year window. Player insurance expense includes the policy premiums and the annual deductible threshold of \$55,000. During the years ended July 31, 2020 and 2019, the player insurance expense was \$112,477 and \$144,092, respectively. Based on the historical claims experience of the Association and the potential of claims reaching the deductible threshold, a contingent liability was recorded for potential claims not yet reported or paid as of July 31, 2020 and 2019, respectively.

**NOTE 6 - BOARD DESIGNATED NET ASSETS**

The Board designated net assets for the following purposes:

	July 31,	
	2020	2019
Capital Expenditures	\$ 5,175	\$ 2,601
Olympic Development	25,000	991
	\$ 30,175	\$ 3,592



**NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were restricted as follows:

	July 31,	
	2020	2019
<b>Subject to Expenditure for Specified Purpose:</b>		
Scholarships	\$ 8,883	\$ 8,883

**NOTE 8 - RELATED PARTY TRANSACTIONS**

**Indiana Soccer Foundation**

The Association and Indiana Soccer Foundation (the Foundation) share a common board member. The Foundation is engaged in charitable activities to benefit children through soccer. For the years ended July 31, 2020 and 2019, the Association provided grants of \$-0- and \$5,800, respectively, to the Foundation for scholarships and soccer-related support. During July 31, 2020 and 2019, the Association received sponsorships and other support of \$2,233 and \$2,063, respectively, from the Foundation. The Association had amounts due to the Foundation of \$-0- and \$4,500 as of July 31, 2020 and 2019, respectively.

**NOTE 9 - LEASES**

The Association leases office space and equipment under operating lease agreements with expiration dates through July 2021. Operating lease expense under these agreements was \$59,675 for both the years ended July 31, 2020 and 2019.

Future minimum lease payments under these agreements are as follows:

Years Ending July 31,	
2021	\$ 50,013

**NOTE 10 - RETIREMENT PLAN EXPENSE**

The Association's matching contributions to the 401(k) plan for the years ended July 31, 2020 and 2019 were \$10,832 and \$11,667, respectively.

**NOTE 11 - MANAGEMENT SERVICES AGREEMENT**

ISP had a management services agreement with the City of Westfield, Indiana that expired December 31, 2017. ISP still earns commissions on this agreement for events that were established before the expiration date. The agreement related to management services at Grand Park. Grand Park houses indoor and outdoor facilities for soccer, baseball, softball, lacrosse, football, rugby, and field hockey. The park is owned by the City of Westfield.

**NOTE 11 - MANAGEMENT SERVICES AGREEMENT (Continued)**

In accordance with the management services agreement, ISP scheduled, coordinated, and hosted games, tournaments, competitions, practice sessions, and other events and activities at Grand Park. ISP was responsible for developing, scheduling, managing and maintaining the calendar of field sports activities at Grand Park, including the operation of parking facilities for field sports events and activities. ISP was responsible for management and oversight of the maintenance of the Grand Park field sports facilities.

In addition, as part of the management services agreement, ISP receives a gross revenue fee equal to 15% of the gross revenues collected by the City of Westfield for hotel rebates, parking, event tickets, and field use licenses during the events and activities held at Grand Park. ISP will receive gross revenue fees on future events and activities it scheduled at Grand Park while the management services agreement was in effect. The Westfield Redevelopment Commission agrees to pay commissions to ISP of 15% on all events and activities contracted by users of the facility that were originally established by ISP. ISP has contracted future events and activities through 2024. Future gross revenue fees related to these events and activities become earned and receivable within thirty (30) days after the revenue sources are received by the City of Westfield. During the years ended July 31, 2020 and 2019, ISP earned gross revenue fees of \$52,844 and \$114,650 respectively.

At July 31, 2020, future gross revenues to ISP are expected to be as follows:

Years Ending July 31,	
2021	\$ 87,127
2022	106,023
2023	90,874
2024	<u>41,924</u>
	<u>\$ 325,948</u>

**NOTE 12 - USE AND TERMINATION AGREEMENTS**

In May 2016, ISA executed an Indoor Facilities Use Agreement with the City of Westfield, Indiana granting ISA a temporary exclusive license for use of the indoor soccer facility at Grand Park. The licensed use of space was scheduled between the months of October through March. The agreement was originally set to expire in March 2021 but was mutually terminated by both parties on March 16, 2018, with the execution of a Termination Agreement.

**NOTE 12 - USE AND TERMINATION AGREEMENTS (Continued)**

Under the terms of the Termination Agreement, ISA transferred and assigned all agreements, contracts, and bookings for the use of space at the indoor facility to the Westfield Redevelopment Commission. In turn, the Westfield Redevelopment Commission agrees to pay commissions to ISA ranging between 15%-20% on all events and activities contracted by users of the facility that were originally established by ISA. Commissions will be paid on all qualifying events and activities that occur on or before December 31, 2023.

At July 31, 2020, future commissions to ISA are expected to be as follows:

Years Ending July 31,	
2021	\$ 194,050
2022	<u>14,286</u>
	<u>\$ 208,336</u>

Also, in conjunction with the Termination Agreement, ISA executed a Field Use Agreement with the Westfield Redevelopment Commission, effective March 16, 2018. The Field Use Agreement sets forth certain rates in which ISA can use the indoor and outdoor fields at Grand Park through December 31, 2022. Additionally, the Field Use Agreement provided a field use credit in the amount of \$400,000 that ISA could apply towards use of the indoor and outdoor fields at Grand Park. ISA expensed the use of this credit as incurred. The balance of the field use credit at July 31, 2020 and 2019 was \$-0- and \$14,837, respectively, and is reported as prepaid expenses on the consolidated statements of financial position.

**NOTE 13 - SUBSEQUENT EVENTS**

The Association has evaluated subsequent events through December 7, 2020, which is the date the consolidated financial statements were available to be issued.

Prior to year-end, the World Health Organization announced a global health emergency later classified as a global pandemic as a result of the COVID-19 outbreak. The outbreak and response has impacted financial and economic markets across the World and within the United States of America. The full impact continues to evolve and as such, it is uncertain as to the full magnitude that the pandemic will have on the Association's financial condition, liquidity, and future results of operations. Management is actively monitoring the possible effects on every aspect of the Association.



**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

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

We have audited the consolidated financial statements of Indiana Soccer Association, Inc. and Indiana Sports Properties, LLC as of and for the years ended July 31, 2020 and 2019, and our report thereon dated December 7, 2020, which expressed an unmodified opinion on those consolidated financial statements, appears earlier in these consolidated financial statements. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

*VonLehman & Company Inc.*

Indianapolis, Indiana  
December 7, 2020

**INDIANA SOCCER ASSOCIATION, INC.  
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**

	July 31,					
	2020			2019		
	Indiana Soccer Association, Inc.	Indiana Sports Properties, LLC	Total	Indiana Soccer Association, Inc.	Indiana Sports Properties, LLC	Total
<b>Assets</b>						
Cash	\$ 1,436,136	\$ 197,620	\$ 1,633,756	\$ 1,304,781	\$ 122,621	\$ 1,427,402
Accounts Receivable	24,688	9,548	34,236	87,342	33,848	121,190
Prepaid Expenses	72,282	-	72,282	43,856	-	43,856
Property and Equipment	175,524	8,581	184,105	159,761	8,581	168,342
Less Accumulated Depreciation	(98,175)	(6,068)	(104,243)	(78,817)	(5,000)	(83,817)
<b>Total Assets</b>	<b>\$ 1,610,455</b>	<b>\$ 209,681</b>	<b>\$ 1,820,136</b>	<b>\$ 1,516,923</b>	<b>\$ 160,050</b>	<b>\$ 1,676,973</b>
<b>Liabilities</b>						
Accounts Payable and Accrued Expenses	\$ 14,245	\$ -	\$ 14,245	\$ 79,029	\$ -	\$ 79,029
Player Insurance Liability	80,245	-	80,245	55,161	-	55,161
Deferred Revenue	40,325	-	40,325	128,521	-	128,521
<b>Total Liabilities</b>	<b>134,815</b>	<b>-</b>	<b>134,815</b>	<b>262,711</b>	<b>-</b>	<b>262,711</b>
<b>Net Assets</b>						
Without Donor Restrictions						
Undesignated	1,436,582	209,681	1,646,263	1,241,737	160,050	1,401,787
Board Designated	30,175	-	30,175	3,592	-	3,592
With Donor Restrictions	8,883	-	8,883	8,883	-	8,883
<b>Total Net Assets</b>	<b>1,475,640</b>	<b>209,681</b>	<b>1,685,321</b>	<b>1,254,212</b>	<b>160,050</b>	<b>1,414,262</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,610,455</b>	<b>\$ 209,681</b>	<b>\$ 1,820,136</b>	<b>\$ 1,516,923</b>	<b>\$ 160,050</b>	<b>\$ 1,676,973</b>

**INDIANA SOCCER ASSOCIATION, INC.  
CONSOLIDATING STATEMENTS OF ACTIVITIES**

	Years Ended July 31,					
	2020			2019		
	Indiana Soccer Association Inc.	Indiana Sports Properties, LLC	Total	Indiana Soccer Association Inc.	Indiana Sports Properties, LLC	Total
<b>Revenue, Support and Gains</b>						
Program Services						
Competition	\$ 325,815	\$ -	\$ 325,815	\$ 473,667	\$ -	\$ 473,667
Coaching Education	54,938	-	54,938	1,163	-	1,163
Cups	-	-	-	503,477	-	503,477
Futsal	26,471	-	26,471	44,167	-	44,167
Olympic Development Program	361,905	-	361,905	380,585	-	380,585
Registration	698,103	-	698,103	912,953	-	912,953
Total Program Services	1,467,232	-	1,467,232	2,316,012	-	2,316,012
Other Revenue						
Marketing	6,140	-	6,140	12,538	-	12,538
Management Fee and Commissions	147,375	52,844	200,219	183,467	114,650	298,117
Loss on Disposal of Property and Equipment	-	-	-	(1,612)	(393)	(2,005)
Paycheck Protection Program Revenue	135,500	-	135,500	-	-	-
Contributions	32,650	-	32,650	35,850	-	35,850
Royalties and Other	95,736	-	95,736	10,423	-	10,423
Total Other Revenue	417,401	52,844	470,245	240,666	114,257	354,923
Total Revenue, Support and Gains	1,884,633	52,844	1,937,477	2,556,678	114,257	2,670,935
<b>Expenses</b>						
Program Services						
Competition	214,985	-	214,985	324,527	-	324,527
Coaching Education	137,555	-	137,555	116,408	-	116,408
Cups	48,995	-	48,995	428,958	-	428,958
Futsal	43,997	-	43,997	102,753	-	102,753
Olympic Development Program	296,095	-	296,095	326,092	-	326,092
Registration	354,743	-	354,743	436,657	-	436,657
Marketing	85,138	-	85,138	92,347	(1,029)	91,318
Outreach Programs	62,952	-	62,952	1,750	-	1,750
Total Program Services	1,244,460	-	1,244,460	1,829,492	(1,029)	1,828,463
Management and General	418,745	3,213	421,958	385,709	40,774	426,483
Total Expenses	1,663,205	3,213	1,666,418	2,215,201	39,745	2,254,946
Change in Net Assets	221,428	49,631	271,059	341,477	74,512	415,989
<b>Net Assets, Beginning of Year</b>	1,254,212	160,050	1,414,262	912,735	85,538	998,273
<b>Net Assets, End of Year</b>	\$ 1,475,640	\$ 209,681	\$ 1,685,321	\$ 1,254,212	\$ 160,050	\$ 1,414,262

**INDIANA SOCCER ASSOCIATION, INC.  
CONSOLIDATED SCHEDULES OF CASH**

	July 31,	
	2020	2019
Petty Cash	\$ 50	\$ 50
Old National Operating Account	1,340,567	1,237,235
Old National Capital Expenditures	15,233	12,294
Insurance Deductible 2016-2017	-	12,757
Insurance Deductible 2017-2018	50	50
Insurance Deductible 2018-2019	27,928	42,395
Insurance Deductible 2019-2020	52,308	-
Regions Bank - ISP	197,620	122,621
 <b>Total Cash</b>	 <b>\$ 1,633,756</b>	 <b>\$ 1,427,402</b>