



Indiana Soccer Association, Inc.

July 31, 2022

Consolidated Financial Statements and Independent
Auditors' Report Including Supplementary Information

**INDIANA SOCCER ASSOCIATION, INC.
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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Indiana Soccer Association, Inc.
Indianapolis, Indiana

Opinion

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, 2022 and 2021, 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.

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, 2022 and 2021, 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.

Basis of Opinion

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

Responsibilities of Management for the 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Indiana Soccer Association, Inc. and Indiana Sports Properties, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Indiana Soccer Association, Inc. and Indiana Sports Properties, LLC's ability to continue as a going concern for a reasonable period of time.

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

VonLehman & Company Inc.

Indianapolis, Indiana
December 5, 2022

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

ASSETS

	July 31,	
	2022	2021
Assets		
Cash	\$ 2,675,229	\$ 2,287,713
Accounts Receivable	238,493	158,728
Promises to Give	25,897	-
Prepaid Expenses	18,735	17,795
Property and Equipment, Net	52,476	74,731
Total Assets	\$ 3,010,830	\$ 2,538,967

LIABILITIES AND NET ASSETS

Liabilities		
Accounts Payable and Accrued Expenses	\$ 97,313	\$ 105,024
Player Insurance Liability	169,801	131,613
Deferred Revenue	15,296	14,722
Total Liabilities	282,410	251,359
Net Assets		
Without Donor Restrictions	2,659,862	2,278,725
With Donor Restrictions	68,558	8,883
Total Net Assets	2,728,420	2,287,608
Total Liabilities and Net Assets	\$ 3,010,830	\$ 2,538,967

See accompanying notes.

INDIANA SOCCER ASSOCIATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JULY 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Support, and Gains			
Program Services			
Competition	\$ 429,412	\$ -	\$ 429,412
Coaching Education	42,245	-	42,245
Cups	647,946	-	647,946
Olympic Development Program	402,114	-	402,114
Registration	<u>930,758</u>	<u>-</u>	<u>930,758</u>
Total Program Services	<u>2,452,475</u>	<u>-</u>	<u>2,452,475</u>
Other Revenue			
Marketing	1,500	-	1,500
Management Fee and Commissions	162,450	-	162,450
Contributions	42,655	60,897	103,552
Royalties and Other	<u>1,261</u>	<u>-</u>	<u>1,261</u>
Total Other Revenue	<u>207,866</u>	<u>60,897</u>	<u>268,763</u>
Total Revenue, Support, and Gains	2,660,341	60,897	2,721,238
Net Assets Released From Restriction	<u>1,222</u>	<u>(1,222)</u>	<u>-</u>
Total Revenue, Support, Gains, and Reclassifications	<u>2,661,563</u>	<u>59,675</u>	<u>2,721,238</u>
Expenses			
Program Services			
Competition	230,905	-	230,905
Coaching Education	115,310	-	115,310
Cups	519,396	-	519,396
Futsal & Outreach Programs	89,208	-	89,208
Olympic Development Program	388,145	-	388,145
Registration	433,678	-	433,678
Marketing	<u>97,241</u>	<u>-</u>	<u>97,241</u>
Total Program Services	1,873,883	-	1,873,883
Management and General	<u>406,543</u>	<u>-</u>	<u>406,543</u>
Total Expenses	<u>2,280,426</u>	<u>-</u>	<u>2,280,426</u>
Change in Net Assets	381,137	59,675	440,812
Net Assets, Beginning of Year	<u>2,278,725</u>	<u>8,883</u>	<u>2,287,608</u>
Net Assets, End of Year	<u>\$ 2,659,862</u>	<u>\$ 68,558</u>	<u>\$ 2,728,420</u>

See accompanying notes.

INDIANA SOCCER ASSOCIATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JULY 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Support, and Gains			
Program Services			
Competition	\$ 430,121	\$ -	\$ 430,121
Coaching Education	41,236	-	41,236
Cups	491,376	-	491,376
Olympic Development Program	599,341	-	599,341
Registration	<u>869,838</u>	<u>-</u>	<u>869,838</u>
Total Program Services	<u>2,431,912</u>	<u>-</u>	<u>2,431,912</u>
Other Revenue			
Marketing	500	-	500
Management Fee & Commissions	238,979	-	238,979
Paycheck Protection Program	134,238	-	134,238
Contributions	28,425	-	28,425
Royalties and Other	<u>136</u>	<u>-</u>	<u>136</u>
Total Other Revenue	<u>402,278</u>	<u>-</u>	<u>402,278</u>
Total Revenue, Support and Gains	<u>2,834,190</u>	<u>-</u>	<u>2,834,190</u>
Expenses			
Program Services			
Competition	242,576	-	242,576
Coaching Education	115,303	-	115,303
Cups	414,026	-	414,026
Futsal & Outreach Programs	93,776	-	93,776
Olympic Development Program	435,515	-	435,515
Registration	448,472	-	448,472
Marketing	<u>85,103</u>	<u>-</u>	<u>85,103</u>
Total Program Services	1,834,771	-	1,834,771
Management and General	<u>397,132</u>	<u>-</u>	<u>397,132</u>
Total Expenses	<u>2,231,903</u>	<u>-</u>	<u>2,231,903</u>
Change in Net Assets	602,287	-	602,287
Net Assets - Beginning of Year	<u>1,676,438</u>	<u>8,883</u>	<u>1,685,321</u>
 Net Assets - End of Year	 <u>\$ 2,278,725</u>	 <u>\$ 8,883</u>	 <u>\$ 2,287,608</u>

See accompanying notes.

INDIANA SOCCER ASSOCIATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JULY 31, 2022

	Program Services							Management and General	Total	
	Competition	Coaching Education	Cups	Futsal & Outreach Programs	Olympic Development Program	Registration	Media and Promotions			Total
Registration	\$ -	\$ -	\$ 24,510	\$ -	\$ -	\$ 195,486	\$ -	\$ 219,996	\$ -	\$ 219,996
Development	-	-	-	-	87,684	-	-	87,684	-	87,684
Program Administration	9,633	6,336	4,840	4,818	-	-	-	25,627	(2,400)	23,227
Awards	17,971	-	10,481	-	-	2,051	-	30,503	-	30,503
Education	-	10,244	-	-	4,738	-	-	14,982	53	15,035
Referee	47,097	-	139,377	-	-	19,383	-	205,857	-	205,857
Insurance	2,197	-	-	-	-	137,778	-	139,975	12,959	152,934
Rentals	3,154	-	143,786	-	107,343	-	-	254,283	-	254,283
Meals	-	818	-	-	-	133	-	951	-	951
Travel	-	1,641	1,416	-	-	-	-	3,057	2,528	5,585
US Youth Regionals	159	-	116,344	-	-	-	-	116,503	-	116,503
Supplies	-	-	7,282	-	13,555	-	-	20,837	-	20,837
Marketing	-	-	68	-	-	-	18,457	18,525	-	18,525
Meetings and Conventions	-	452	-	-	-	-	-	452	394	846
Outreach	-	-	-	34,742	-	-	-	34,742	-	34,742
Salaries, Wages, and Contract Labor	115,016	67,325	43,845	35,000	130,188	50,713	67,175	509,262	288,339	797,601
Payroll Taxes	9,031	4,442	1,548	2,819	6,286	4,201	5,380	33,707	19,976	53,683
Employee Benefits	3,585	17,942	2,684	5,719	18,304	718	1,343	50,295	52,963	103,258
Bad Debt	-	-	-	-	-	-	-	-	5,069	5,069
Depreciation and Amortization	7,989	727	2,761	727	3,899	2,761	580	19,444	3,538	22,982
Office	2,745	980	3,725	980	2,941	3,725	784	15,880	3,725	19,605
Professional Fees	4,161	1,486	5,646	1,486	4,458	5,646	1,189	24,072	8,316	32,388
Repairs and Maintenance	652	233	885	233	698	885	186	3,772	885	4,657
Occupancy	7,515	2,684	10,198	2,684	8,051	10,198	2,147	43,477	10,198	53,675
Total Expenses by Function	\$ 230,905	\$ 115,310	\$ 519,396	\$ 89,208	\$ 388,145	\$ 433,678	\$ 97,241	\$ 1,873,883	\$ 406,543	\$ 2,280,426

See accompanying notes.

INDIANA SOCCER ASSOCIATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JULY 31, 2021

	Program Services							Management and General	Total	
	Competition	Coaching Education	Cups	Futsal & Outreach Programs	Olympic Development Program	Registration	Media and Promotions			Total
Registration	\$ -	\$ -	\$ 21,490	\$ -	\$ -	\$ 215,552	\$ -	\$ 237,042	\$ -	\$ 237,042
Development	-	-	-	-	153,661	-	-	153,661	-	153,661
Program Administration	17,120	4,503	3,303	3,627	-	96	-	28,649	2,034	30,683
Awards	10,024	-	11,101	-	-	-	-	21,125	600	21,725
Education	-	8,141	-	-	1,244	-	-	9,385	-	9,385
Referee	52,775	-	142,802	-	-	13,814	-	209,391	-	209,391
Insurance	2,831	-	-	-	-	156,724	-	159,555	15,047	174,602
Rentals	15,474	-	136,063	-	93,610	-	-	245,147	-	245,147
Meals	-	681	-	-	-	-	-	681	-	681
Travel	-	1,397	791	-	-	-	-	2,188	179	2,367
US Youth Regionals	845	-	-	-	-	-	-	845	-	845
Supplies	-	-	10,164	83	13,900	-	-	24,147	541	24,688
Marketing	-	-	-	-	-	252	6,690	6,942	-	6,942
Meetings and Conventions	-	125	-	-	-	-	-	125	317	442
Outreach	-	-	-	44,609	-	-	-	44,609	-	44,609
Salaries, Wages, and Contract Labor	106,857	72,723	58,921	30,917	128,120	33,117	66,513	497,168	283,048	780,216
Payroll Taxes	8,280	4,105	1,276	2,394	5,805	2,723	5,174	29,757	20,756	50,513
Employee Benefits	3,534	16,885	2,491	5,404	17,220	570	1,330	47,434	45,777	93,211
Bad Debt	-	-	-	-	-	-	-	-	1,891	1,891
Depreciation and Amortization	8,133	778	2,956	778	4,060	2,956	621	20,282	4,024	24,306
Office	2,457	878	3,334	877	2,632	3,334	703	14,215	3,334	17,549
Professional Fees	4,130	1,475	5,605	1,475	4,425	5,605	1,180	23,895	5,855	29,750
Repairs and Maintenance	620	221	841	222	664	841	178	3,587	841	4,428
Occupancy	9,496	3,391	12,888	3,390	10,174	12,888	2,714	54,941	12,888	67,829
Total Expenses by Function	\$ 242,576	\$ 115,303	\$ 414,026	\$ 93,776	\$ 435,515	\$ 448,472	\$ 85,103	\$ 1,834,771	\$ 397,132	\$ 2,231,903

See accompanying notes.

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

	Years Ended July 31,	
	2022	2021
Cash Flows From Operating Activities		
Change in Net Assets	\$ 440,812	\$ 602,287
Reconciliation of Change in Net Assets with Cash Flows From Operations		
Bad Debt Expense	5,069	1,891
Depreciation	22,982	24,306
Gain on Sale of Property and Equipment	(946)	-
Changes in		
Accounts Receivable	(84,834)	(126,383)
Promises to Give	(25,897)	-
Prepaid Expenses	(940)	54,487
Accounts Payable and Accrued Expenses	(7,711)	90,779
Player Insurance Liability	38,188	51,368
Deferred Revenue	574	(25,603)
	<u>387,297</u>	<u>673,132</u>
Net Cash Provided by Operating Activities		
Cash Flows From Investing Activities		
Purchases of Property and Equipment	(1,909)	(19,175)
Proceeds From Sale of Property and Equipment	2,128	-
	<u>219</u>	<u>(19,175)</u>
Net Cash Provided by Investing Activities		
Net Change in Cash	387,516	653,957
Cash, Beginning of Year	<u>2,287,713</u>	<u>1,633,756</u>
Cash, End of Year	<u>\$ 2,675,229</u>	<u>\$ 2,287,713</u>

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 bylaws, 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, contributions and other revenue, and the 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 July 31, 2022 or 2021 since the Association expects no material losses.

Contract Liabilities

Contract liabilities are reported as deferred revenue in the accompanying consolidated statements of financial position.

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

The Association records unconditional promises to give that are expected to be collected at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of activities. The Association determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. Based on these criteria, no allowance for uncollectable promises to give has been provided at July 31, 2022 and 2021 since the Association does not expect any 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 greater than \$1,000 and a useful life greater than one year are capitalized per the Association's Financial Policies and Procedures Manual.

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

Vehicles	5 Years
Equipment	3-10 Years

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, 2022 and 2021.

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 those 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 consolidated 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 obligations 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 deferred revenue, a contract liability, when a future performance obligation has not yet occurred.

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 31st. 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 February 2021, the Association received funding in the amount of \$134,238 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. During the year ended July 31, 2021 the Association recognized revenue of \$134,238 as it 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.

Advertising Costs

The Association expenses the costs of advertising when incurred.

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 on related income.

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, 2022 and 2021. 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, 2022 and 2021.

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

Subsequent Events

Management has evaluated subsequent events through December 5, 2022, which is the date the consolidated financial statements were available to be issued.

NOTE 2 - LIQUIDITY

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

	July 31,	
	2022	2021
Financial Assets, End of Year		
Cash	\$ 2,675,229	\$ 2,287,713
Accounts Receivable	238,493	158,728
Promises to Give	25,897	-
Total Financial Assets	2,939,619	2,446,441
Less Amounts Not Available to be Used for General Expenditures within One Year		
Net Assets With Donor Restrictions	68,558	8,883
Board Designated Net Assets	81,025	40,137
Total Financial Assets Available	\$ 2,790,036	\$ 2,397,421

The Association is funded through program fees, commissions, and other revenues. Occasionally, the Board of Directors may designate a portion of surplus funds to a specific initiative. Although the Association does not plan to spend from the board-designated net asset funds 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 equivalents include 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 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give totaled \$25,897 and \$-0- at July 31, 2022 and 2021, respectively. All amounts will be received within one year.

NOTE 5 - CONTRACT BALANCES

Receivables and deferred revenue balances from contracts with customers for the years ended July 31, 2022 and 2021 were as follows:

	July 31,	
	2022	2021
Accounts Receivable		
Beginning of Year	\$ 158,728	\$ 34,236
End of Year	\$ 238,493	\$ 158,728
Deferred Revenue		
Beginning of Year	\$ 14,722	\$ 40,325
End of Year	\$ 15,296	\$ 14,722

NOTE 6 - PROPERTY AND EQUIPMENT

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

Vehicles	\$ 44,613	\$ 44,613
Equipment	120,614	158,667
	165,227	203,280
Less Accumulated Depreciation	112,751	128,549
Total Property and Equipment, Net	<u>\$ 52,476</u>	<u>\$ 74,731</u>

NOTE 7 - 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, 2022 and 2021, the player insurance expense was \$137,778 and \$156,724, 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, 2022 and 2021, respectively.

NOTE 8 - BOARD DESIGNATED NET ASSETS

The Board designated net assets for the following purposes:

	July 31,	
	2022	2021
Capital Expenditures	\$ 46,063	\$ 5,175
Olympic Development	34,962	34,962
Total Board Designated Net Assets	\$ 81,025	\$ 40,137

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted as follows:

Subject to Expenditure for Specified Purpose		
Scholarships	\$ 7,661	\$ 8,883
Organizational Growth Initiative	35,000	-
Indianapolis Public Schools Outreach Program	7,500	-
Stakeholder Behavior Assessment, Impact, and Modification Initiative	18,397	-
Total Net Assets With Donor Restrictions	\$ 68,558	\$ 8,883

NOTE 10 - RELATED PARTY TRANSACTIONS

The Association and Indiana Soccer Foundation (the Foundation) share common board members. The Foundation is engaged in charitable activities to benefit children through soccer. During the years ended July 31, 2022 and 2021, there were no transactions between the Association and the Foundation.

NOTE 11 - LEASES

The Association leased office space and equipment under operating lease agreements with expiration dates through July 2021. There was no formal lease renewal after July 2021 and the Association continues to lease on a month-to-month basis. Expenses under the lease and subsequent month-to-month arrangement totaled \$49,775 and \$59,675 for years ended July 31, 2022 and 2021, respectively.

NOTE 12 - RETIREMENT PLAN EXPENSE

The Association's matching contributions to the 401(k) plan for the years ended July 31, 2022 and 2021 were \$11,746 and \$11,503, respectively.

NOTE 13 - MEDIA AND PROMOTIONS

The Association incurred expenses for various media and promotions projects during the year totaling \$18,525 and \$6,942 for the years ended July 31, 2022 and 2021, respectively.

NOTE 14 - 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.

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.

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, 2022 and 2021, ISP earned gross revenue fees of \$80,246 and \$77,716, respectively.

Future gross revenues to ISP are expected to be as follows:

Years Ending July 31,	
2023	\$ 91,069
2024	<u>41,924</u>
	<u>\$ 132,993</u>

NOTE 15 - 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.

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.

NOTE 15 - USE AND TERMINATION AGREEMENTS (Continued)

Future commissions to ISA are expected to be as follows:

Years Ending July 31,	
2023	\$ 109,514
2024	<u>13,835</u>
	<u>\$ 123,349</u>

NOTE 16 - RISKS AND UNCERTAINTIES – COVID-19 OUTBREAK

In 2020, 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 have 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**

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, 2022 and 2021, and our report dated December 5, 2022, 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 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 5, 2022



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

	July 31,						
	2022				2021		
	Indiana Soccer Association, Inc.	Indiana Sports Properties, LLC	Eliminations	Total	Indiana Soccer Association, Inc.	Indiana Sports Properties, LLC	Total
Assets							
Cash	\$ 2,326,892	\$ 348,337	\$ -	\$ 2,675,229	\$ 2,015,249	\$ 272,464	\$ 2,287,713
Accounts Receivable	226,245	14,648	(2,400)	238,493	148,958	9,770	158,728
Promises to Give	25,897	-	-	25,897	-	-	-
Prepaid Expenses	18,735	-	-	18,735	17,795	-	17,795
Property and Equipment	164,788	439	-	165,227	194,699	8,581	203,280
Less Accumulated Depreciation	(112,312)	(439)	-	(112,751)	(121,413)	(7,136)	(128,549)
Total Assets	<u>\$ 2,650,245</u>	<u>\$ 362,985</u>	<u>\$ (2,400)</u>	<u>\$ 3,010,830</u>	<u>\$ 2,255,288</u>	<u>\$ 283,679</u>	<u>\$ 2,538,967</u>
Liabilities							
Accounts Payable & Accrued Expenses	\$ 97,043	\$ 2,670	\$ (2,400)	\$ 97,313	\$ 105,024	\$ -	\$ 105,024
Player Insurance Liability	169,801	-	-	169,801	131,613	-	131,613
Deferred Revenue	15,296	-	-	15,296	14,722	-	14,722
Total Liabilities	<u>282,140</u>	<u>2,670</u>	<u>(2,400)</u>	<u>282,410</u>	<u>251,359</u>	<u>-</u>	<u>251,359</u>
Net Assets							
Without Donor Restrictions	2,299,547	360,315	-	2,659,862	1,995,046	283,679	2,278,725
With Donor Restrictions	68,558	-	-	68,558	8,883	-	8,883
Total Net Assets	<u>2,368,105</u>	<u>360,315</u>	<u>-</u>	<u>2,728,420</u>	<u>2,003,929</u>	<u>283,679</u>	<u>2,287,608</u>
Total Liabilities and Net Assets	<u>\$ 2,650,245</u>	<u>\$ 362,985</u>	<u>\$ (2,400)</u>	<u>\$ 3,010,830</u>	<u>\$ 2,255,288</u>	<u>\$ 283,679</u>	<u>\$ 2,538,967</u>

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

	Years Ended July 31,							
	2022				2021			
	Indiana Soccer Association Inc.	Indiana Sports Properties, LLC	Eliminations	Total	Indiana Soccer Association Inc.	Indiana Sports Properties, LLC	Eliminations	Total
Revenue, Support and Gains								
Program Services								
Competition	\$ 429,412	\$ -	\$ -	\$ 429,412	\$ 430,121	\$ -	\$ -	\$ 430,121
Coaching Education	42,245	-	-	42,245	41,236	-	-	41,236
Cups	647,946	-	-	647,946	491,376	-	-	491,376
Olympic Development Program	402,114	-	-	402,114	599,341	-	-	599,341
Registration	930,758	-	-	930,758	869,838	-	-	869,838
Total Program Services	2,452,475	-	-	2,452,475	2,431,912	-	-	2,431,912
Other Revenue								
Marketing	1,500	-	-	1,500	500	-	-	500
Management Fee & Commissions	82,204	80,246	-	162,450	161,263	77,716	-	238,979
Paycheck Protection Program	-	-	-	-	134,238	-	-	134,238
Contributions	103,552	-	-	103,552	28,425	-	-	28,425
Royalties and Other	3,824	(163)	(2,400)	1,261	2,536	-	(2,400)	136
Total Other Revenue	191,080	80,083	(2,400)	268,763	326,962	77,716	(2,400)	402,278
Total Revenue, Support and Gains	2,643,555	80,083	(2,400)	2,721,238	2,758,874	77,716	(2,400)	2,834,190
Expenses								
Program Services								
Competition	230,905	-	-	230,905	242,576	-	-	242,576
Coaching Education	115,310	-	-	115,310	115,303	-	-	115,303
Cups	519,396	-	-	519,396	414,026	-	-	414,026
Futsal & Outreach Programs	89,208	-	-	89,208	93,776	-	-	93,776
Olympic Development Program	388,145	-	-	388,145	435,515	-	-	435,515
Registration	433,678	-	-	433,678	448,472	-	-	448,472
Media and Promotions	97,241	-	-	97,241	85,103	-	-	85,103
Total Program Services	1,873,883	-	-	1,873,883	1,834,771	-	-	1,834,771
Management and General	405,496	3,447	(2,400)	406,543	395,814	3,718	(2,400)	397,132
Total Expenses	2,279,379	3,447	(2,400)	2,280,426	2,230,585	3,718	(2,400)	2,231,903
Change in Net Assets	364,176	76,636	-	440,812	528,289	73,998	-	602,287
Net Assets, Beginning of Year	2,003,929	283,679	-	2,287,608	1,475,640	209,681	-	1,685,321
Net Assets, End of Year	\$ 2,368,105	\$ 360,315	\$ -	\$ 2,728,420	\$ 2,003,929	\$ 283,679	\$ -	\$ 2,287,608

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

	July 31,	
	2022	2021
Petty Cash	\$ 50	\$ 50
Old National Operating Account	2,104,380	1,849,614
Old National Capital Expenditures	52,619	33,931
Insurance Deductible 2018-2019	76,354	27,928
Insurance Deductible 2019-2020	54,797	54,797
Insurance Deductible 2020-2021	38,692	48,929
Regions Bank - ISP	348,337	272,464
Total Cash	\$ 2,675,229	\$ 2,287,713