



# **Indiana Soccer Association, Inc.**

July 31, 2023

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, 2023 and 2022, 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, 2023 and 2022, 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 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 8, 2023

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

**ASSETS**

	July 31,	
	2023	2022
<b>Assets</b>		
Cash	\$ 418,251	\$ 2,675,229
Accounts Receivable	159,027	238,493
Grants Receivable	9,198	25,897
Prepaid Expenses	24,904	18,735
Investments	2,775,987	-
Property and Equipment, Net	64,886	52,476
<b>Total Assets</b>	<b>\$ 3,452,253</b>	<b>\$ 3,010,830</b>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 79,999	\$ 97,313
Player Insurance Liability	206,833	169,801
Deferred Revenue	82,197	15,296
Total Liabilities	369,029	282,410
<b>Net Assets</b>		
Without Donor Restrictions	3,067,255	2,659,862
With Donor Restrictions	15,969	68,558
Total Net Assets	3,083,224	2,728,420
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,452,253</b>	<b>\$ 3,010,830</b>

See accompanying notes.

**INDIANA SOCCER ASSOCIATION, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JULY 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue, Support, and Gains</b>			
Program Services			
Competition	\$ 495,054	\$ -	\$ 495,054
Coaching Education	20,037	-	20,037
Cups	543,971	-	543,971
Olympic Development Program	473,171	-	473,171
Registration	<u>976,169</u>	<u>-</u>	<u>976,169</u>
Total Program Services	<u>2,508,402</u>	<u>-</u>	<u>2,508,402</u>
Other Revenue			
Marketing	6,144	-	6,144
Management Fee & Commissions	213,434	-	213,434
Contributions	24,448	-	24,448
Net Investment Return	75,987	-	75,987
Miscellaneous	<u>736</u>	<u>-</u>	<u>736</u>
Total Other Revenue	<u>320,749</u>	<u>-</u>	<u>320,749</u>
Total Revenue, Support, and Gains	2,829,151	-	2,829,151
<b>Net Assets Released From Restriction</b>	<u>52,589</u>	<u>(52,589)</u>	<u>-</u>
Total Revenue, Support, Gains, and Reclassifications	<u>2,881,740</u>	<u>(52,589)</u>	<u>2,829,151</u>
<b>Expenses</b>			
Program Services			
Competition	248,097	-	248,097
Coaching Education	112,924	-	112,924
Cups	424,993	-	424,993
Futsal & Outreach Programs	155,171	-	155,171
Olympic Development Program	456,405	-	456,405
Registration	540,270	-	540,270
Media and Promotions	<u>104,548</u>	<u>-</u>	<u>104,548</u>
Total Program Services	2,042,408	-	2,042,408
Management and General	<u>431,939</u>	<u>-</u>	<u>431,939</u>
Total Expenses	<u>2,474,347</u>	<u>-</u>	<u>2,474,347</u>
Change in Net Assets	407,393	(52,589)	354,804
<b>Net Assets, Beginning of Year</b>	<u>2,659,862</u>	<u>68,558</u>	<u>2,728,420</u>
<b>Net Assets, End of Year</b>	<u>\$ 3,067,255</u>	<u>\$ 15,969</u>	<u>\$ 3,083,224</u>

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>
<b>Revenue, Support, and Gains</b>			
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	930,758	-	930,758
	<u>2,452,475</u>	<u>-</u>	<u>2,452,475</u>
Total Program Services			
Other Revenue			
Marketing	1,500	-	1,500
Management Fee & Commissions	162,450	-	162,450
Program Grants	11,305	60,897	72,202
Contributions	31,350	-	31,350
Miscellaneous	1,261	-	1,261
	<u>207,866</u>	<u>60,897</u>	<u>268,763</u>
Total Other Revenue			
Total Revenue, Support and Gains	2,660,341	60,897	2,721,238
<b>Net Assets Released From Restriction</b>	<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>
<b>Expenses</b>			
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
Media and Promotions	97,241	-	97,241
	<u>1,873,883</u>	<u>-</u>	<u>1,873,883</u>
Total Program Services			
Management and General	406,543	-	406,543
	<u>2,280,426</u>	<u>-</u>	<u>2,280,426</u>
Total Expenses			
Change in Net Assets	381,137	59,675	440,812
<b>Net Assets - Beginning of Year</b>	<u>2,278,725</u>	<u>8,883</u>	<u>2,287,608</u>
<b>Net Assets - End of Year</b>	<u>\$ 2,659,862</u>	<u>\$ 68,558</u>	<u>\$ 2,728,420</u>

See accompanying notes.

**INDIANA SOCCER ASSOCIATION, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JULY 31, 2023**

	<b>Program Services</b>							<b>Management and General</b>	<b>Total</b>	
	<b>Competition</b>	<b>Coaching Education</b>	<b>Cups</b>	<b>Futsal &amp; Outreach Programs</b>	<b>Olympic Development Program</b>	<b>Registration</b>	<b>Media and Promotions</b>			<b>Total</b>
Registration	\$ -	\$ -	\$ 27,875	\$ -	\$ -	\$ 226,884	\$ -	\$ 254,759	\$ -	\$ 254,759
Development	-	-	-	-	116,263	-	-	116,263	-	116,263
Program Administration	9,456	5,104	1,167	3,799	-	4,620	-	24,146	(2,400)	21,746
Awards	20,626	-	11,001	-	-	2,295	-	33,922	-	33,922
Education	-	15,315	-	-	6,939	-	-	22,254	1,764	24,018
Referee	51,926	-	171,371	-	-	17,717	-	241,014	406	241,420
Insurance	2,041	-	-	-	-	152,114	-	154,155	13,978	168,133
Field Usage Fees	15,075	-	133,085	-	134,136	19,492	-	301,788	-	301,788
Meals	-	586	-	-	-	24,286	-	24,872	1,217	26,089
Travel	-	3,678	5,312	-	-	544	-	9,534	5,069	14,603
US Youth Regionals	(4,310)	-	-	-	-	-	-	(4,310)	-	(4,310)
Supplies	-	-	5,211	-	13,932	37	-	19,180	7,097	26,277
Marketing	-	-	-	-	-	1,832	31,021	32,853	-	32,853
Meetings and Conventions	-	1,572	-	-	-	1,993	-	3,565	354	3,919
Outreach	-	-	-	102,142	-	-	-	102,142	-	102,142
Salaries, Wages, and Contract Labor	117,820	57,183	45,117	35,000	137,619	62,427	63,170	518,336	300,272	818,608
Payroll Taxes	8,627	4,284	1,866	2,771	6,690	5,388	5,020	34,646	21,454	56,100
Employee Benefits	4,717	20,034	3,355	6,291	20,531	1,008	1,204	57,140	57,545	114,685
Bad Debt	-	-	-	-	-	-	-	-	2,732	2,732
Depreciation and Amortization	8,917	452	1,719	452	6,151	1,719	362	19,772	1,720	21,492
Office	2,130	761	2,890	761	2,282	2,890	608	12,322	3,309	15,631
Professional Fees	3,992	1,426	5,417	1,426	4,277	5,417	1,140	23,095	7,816	30,911
Repairs and Maintenance	1,005	359	1,363	359	1,076	1,363	287	5,812	1,364	7,176
Occupancy	6,075	2,170	8,244	2,170	6,509	8,244	1,736	35,148	8,242	43,390
<b>Total Expenses by Function</b>	<b>\$ 248,097</b>	<b>\$ 112,924</b>	<b>\$ 424,993</b>	<b>\$ 155,171</b>	<b>\$ 456,405</b>	<b>\$ 540,270</b>	<b>\$ 104,548</b>	<b>\$ 2,042,408</b>	<b>\$ 431,939</b>	<b>\$ 2,474,347</b>

See accompanying notes.



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

	<b>Program Services</b>							<b>Management and General</b>	<b>Total</b>	
	<b>Competition</b>	<b>Coaching Education</b>	<b>Cups</b>	<b>Futsal &amp; Outreach Programs</b>	<b>Olympic Development Program</b>	<b>Registration</b>	<b>Media and Promotions</b>			<b>Total</b>
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
Field Usage Fees	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
<b>Total Expenses by Function</b>	<b>\$ 230,905</b>	<b>\$ 115,310</b>	<b>\$ 519,396</b>	<b>\$ 89,208</b>	<b>\$ 388,145</b>	<b>\$ 433,678</b>	<b>\$ 97,241</b>	<b>\$ 1,873,883</b>	<b>\$ 406,543</b>	<b>\$ 2,280,426</b>

See accompanying notes.

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

	<b>Years Ended July 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash Flows From Operating Activities</b>		
Change in Net Assets	\$ 354,804	\$ 440,812
Reconciliation of Change in Net Assets with Cash Flows From Operations		
Bad Debt Expense	2,732	5,069
Depreciation	21,492	22,982
Net Investment Return	75,987	-
Gain on Sale of Property and Equipment	-	(946)
Changes in		
Accounts Receivable	76,734	(84,834)
Grants Receivable	16,699	(25,897)
Prepaid Expenses	(6,169)	(940)
Accounts Payable and Accrued Expenses	(17,314)	(7,711)
Player Insurance Liability	37,032	38,188
Deferred Revenue	66,901	574
	<u>628,898</u>	<u>387,297</u>
<b>Net Cash Provided by Operating Activities</b>		
<b>Cash Flows From Investing Activities</b>		
Purchases of Investments	(5,705,181)	-
Proceeds From Sale of Investments	2,853,207	-
Purchases of Property and Equipment	(33,902)	(1,909)
Proceeds From Sale of Property and Equipment	-	2,128
	<u>(2,885,876)</u>	<u>219</u>
<b>Net Cash (Used) Provided by Investing Activities</b>		
<b>Net Change in Cash</b>	(2,256,978)	387,516
<b>Cash, Beginning of Year</b>	<u>2,675,229</u>	<u>2,287,713</u>
<b>Cash, End of Year</b>	<u>\$ 418,251</u>	<u>\$ 2,675,229</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, 2023 or 2022 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)****Grants Receivable**

The Association records unconditional grants that are expected to be collected at net realizable value. Grants receivable 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 grant revenue in the consolidated statements of activities. The Association determines the allowance for uncollectable grants receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Grants receivable are written off when deemed uncollectable. Based on these criteria, no allowance for uncollectable grants receivable has been provided at July 31, 2023 and 2022 since the Association does not expect any material losses.

**Investments**

Investments if purchased are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment return is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less any external and direct internal investment expenses. Cash equivalents, and other securities and investments held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account with a limit of \$250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investments

**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, 2023 and 2022.

**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).

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

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.

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 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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****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, 2023 and 2022. 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, 2023 and 2022.

**Adoption of New Accounting Standards***Lease Accounting Standard*

Effective August 1, 2022, the Association adopted FASB ASC 842, *Leases*. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the consolidated statements of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statements of activities. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

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

The Association elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Organization also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

The adoption of FASB ASC 842, *Leases*, did not impact the financials for 2023. Refer to the lease footnote for additional details of the Association's leasing arrangements.

**Reclassifications**

Certain amounts in the prior period consolidated financial statements have been reclassified for comparative purposes to conform with the presentation in the current year. The reclassifications had no impact on previously reported net assets.

**Subsequent Events**

Management has evaluated subsequent events through December 8, 2023, 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,	
	2023	2022
Financial Assets, End of Year		
Cash	\$ 418,251	\$ 2,675,229
Accounts Receivable	159,027	238,493
Grants Receivable	9,198	25,897
Investments	2,775,987	-
Total Financial Assets	3,362,463	2,939,619
Less Amounts Not Available to be Used for General Expenditures within One Year		
Net Assets With Donor Restrictions	15,969	68,558
Board Designated Net Assets	46,063	81,025
Total Financial Assets Available	\$ 3,300,431	\$ 2,790,036

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 - GRANTS RECEIVABLE**

Grants receivable totaled \$9,198 and \$25,897 at July 31, 2023 and 2022, respectively. All remaining 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, 2023 and 2022 were as follows:

	July 31,	
	2023	2022
Accounts Receivable		
Beginning of Year	\$ 238,493	\$ 158,728
End of Year	\$ 159,027	\$ 238,493
Deferred Revenue		
Beginning of Year	\$ 15,296	\$ 14,722
End of Year	\$ 82,197	\$ 15,296

**NOTE 6 - INVESTMENTS**

Investments consisted of the following:

	July 31,	
	2023	2022
Cash and Cash Equivalents	\$ 274,456	\$ -
Money Market Funds	355,030	-
Corporate Bonds	445,941	-
U.S. Government Securities	863,842	-
Common Stocks	632,112	-
Mutual Funds	204,606	-
Total Investments	<u>\$ 2,775,987</u>	<u>\$ -</u>



**NOTE 7 - FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

**LEVEL 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access at the measurement date.

**LEVEL 2** - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**LEVEL 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Association uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at either July 31, 2023 or 2022.

*Cash and Cash Equivalents* - Fair value approximates carrying value due to the initial maturities of the instruments being three months or less.

*U.S. Government Securities and Corporate Bonds* - Valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions.

*Mutual Funds (including Money Market Funds)* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Association are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Association are deemed to be actively traded.

*Common Stocks* - Valued at the closing price reported on the active market in which the individual securities are traded.

The preceding methods described may provide a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the operating date.

The Association's investments were valued at Level 1 at December 31, 2023 with the exception of the U.S. Government Securities and Corporate Bonds which were valued at Level 2.

**Risks and Uncertainties**

The Association invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credits risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and those changes could materially affect account balances and amounts reported on the consolidated statements of financial position.

**NOTE 8 - PROPERTY AND EQUIPMENT**

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

Vehicles	\$	63,676	\$	44,613
Equipment		120,614		120,614
		184,290		165,227
Less Accumulated Depreciation		119,404		112,751
Total Property and Equipment, Net	\$	64,886	\$	52,476

**NOTE 9 - 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, 2023 and 2022, the player insurance expense was \$152,114 and \$137,778, 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, 2023 and 2022, respectively.

**NOTE 10 - BOARD DESIGNATED NET ASSETS**

The Board designated net assets for the following purposes:

	July 31,	
	2023	2022
Capital Expenditures	\$ 46,063	\$ 46,063
Olympic Development	-	34,962
Total Board Designated Net Assets	\$ 46,063	\$ 81,025

**NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were restricted as follows:

	July 31,	
	2023	2022
<b>Subject to Expenditure for Specified Purpose</b>		
Scholarships	\$ 6,771	\$ 7,661
Organizational Growth Initiative	-	35,000
Indianapolis Public Schools Outreach Program	-	7,500
Stakeholder Behavior Assessment, Impact, and Modification Initiative	<u>9,198</u>	<u>18,397</u>
Total Net Assets With Donor Restrictions	<u>\$ 15,969</u>	<u>\$ 68,558</u>

**NOTE 12 - 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, 2023 and 2022, there were no transactions between the Association and the Foundation.

**NOTE 13 - LEASES**

The Association leased office space and equipment under short-term leases. Rent expense totaled \$39,564 and \$49,775 for years ended July 31, 2023 and 2022, respectively, and is included in occupancy expenses.

**NOTE 14 - RETIREMENT PLAN EXPENSE**

The Association's matching contributions to the 401(k) plan for the years ended July 31, 2023 and 2022 were \$11,659 and \$11,746, respectively.

**NOTE 15 - MEDIA AND PROMOTIONS**

The Association incurred expenses for various media and promotions projects during the year totaling \$104,548 and \$97,241 for the years ended July 31, 2023 and 2022, respectively.

**NOTE 16 - 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.

**NOTE 16 - MANAGEMENT SERVICES AGREEMENT (Continued)**

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, 2023 and 2022, ISP earned gross revenue fees of \$90,718 and \$80,083, respectively.

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

Years Ending July 31,	
<u>2024</u>	<u>\$ 41,924</u>

**NOTE 17 - 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.

Future commissions to ISA are expected to be as follows:

Years Ending July 31,	
<u>2024</u>	<u>\$ 13,835</u>



**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, 2023 and 2022, and our report dated December 8, 2023, 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 8, 2023



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

	July 31,						
	2023				2022		
	Indiana Soccer Association, Inc.	Indiana Sports Properties, LLC	Eliminations	Total	Indiana Soccer Association, Inc.	Indiana Sports Properties, LLC	Total
<b>Assets</b>							
Cash	\$ 365,238	\$ 53,013	\$ -	\$ 418,251	\$ 2,326,892	\$ 348,337	\$ 2,675,229
Accounts Receivable	159,027	-	-	159,027	223,845	14,648	238,493
Grants Receivable	9,198	-	-	9,198	25,897	-	25,897
Prepaid Expenses	24,904	-	-	24,904	18,735	-	18,735
Note Receivable	-	395,200	(395,200)	-	-	-	-
Investments	2,775,987	-	-	2,775,987	-	-	-
Property and Equipment	183,851	439	-	184,290	164,788	439	165,227
Less Accumulated Depreciation	(118,965)	(439)	-	(119,404)	(112,312)	(439)	(112,751)
<b>Total Assets</b>	<b>\$ 3,399,240</b>	<b>\$ 448,213</b>	<b>\$ (395,200)</b>	<b>\$ 3,452,253</b>	<b>\$ 2,647,845</b>	<b>\$ 362,985</b>	<b>\$ 3,010,830</b>
<b>Liabilities</b>							
Accounts Payable & Accrued Expenses	\$ 79,999	\$ -	\$ -	\$ 79,999	\$ 94,643	\$ 2,670	\$ 97,313
Player Insurance Liability	206,833	-	-	206,833	169,801	-	169,801
Note Payable	395,200	-	(395,200)	-	-	-	-
Deferred Revenue	82,197	-	-	82,197	15,296	-	15,296
<b>Total Liabilities</b>	<b>764,229</b>	<b>-</b>	<b>(395,200)</b>	<b>369,029</b>	<b>279,740</b>	<b>2,670</b>	<b>282,410</b>
<b>Net Assets</b>							
Without Donor Restrictions	2,619,042	448,213	-	3,067,255	2,299,547	360,315	2,659,862
With Donor Restrictions	15,969	-	-	15,969	68,558	-	68,558
<b>Total Net Assets</b>	<b>2,635,011</b>	<b>448,213</b>	<b>-</b>	<b>3,083,224</b>	<b>2,368,105</b>	<b>360,315</b>	<b>2,728,420</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,399,240</b>	<b>\$ 448,213</b>	<b>\$ (395,200)</b>	<b>\$ 3,452,253</b>	<b>\$ 2,647,845</b>	<b>\$ 362,985</b>	<b>\$ 3,010,830</b>

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

	Years Ended July 31,							
	2023				2022			
	Indiana Soccer Association Inc.	Indiana Sports Properties, LLC	Eliminations	Total	Indiana Soccer Association Inc.	Indiana Sports Properties, LLC	Eliminations	Total
<b>Revenue, Support and Gains</b>								
Program Services								
Competition	\$ 495,054	\$ -	\$ -	\$ 495,054	\$ 429,412	\$ -	\$ -	\$ 429,412
Coaching Education	20,037	-	-	20,037	42,245	-	-	42,245
Cups	543,971	-	-	543,971	647,946	-	-	647,946
Olympic Development Program	473,171	-	-	473,171	402,114	-	-	402,114
Registration	976,169	-	-	976,169	930,758	-	-	930,758
<b>Total Program Services</b>	<b>2,508,402</b>	<b>-</b>	<b>-</b>	<b>2,508,402</b>	<b>2,452,475</b>	<b>-</b>	<b>-</b>	<b>2,452,475</b>
Other Revenue								
Marketing	6,144	-	-	6,144	1,500	-	-	1,500
Management Fee & Commissions	122,716	90,718	-	213,434	82,204	80,246	-	162,450
Program Grants	-	-	-	-	72,202	-	-	72,202
Contributions	24,448	-	-	24,448	31,350	-	-	31,350
Net Investment Return	75,987	-	-	75,987	-	-	-	-
Miscellaneous	3,136	-	(2,400)	736	3,824	(163)	(2,400)	1,261
<b>Total Other Revenue</b>	<b>232,431</b>	<b>90,718</b>	<b>(2,400)</b>	<b>320,749</b>	<b>191,080</b>	<b>80,083</b>	<b>(2,400)</b>	<b>268,763</b>
<b>Total Revenue, Support and Gains</b>	<b>2,740,833</b>	<b>90,718</b>	<b>(2,400)</b>	<b>2,829,151</b>	<b>2,643,555</b>	<b>80,083</b>	<b>(2,400)</b>	<b>2,721,238</b>
<b>Expenses</b>								
Program Services								
Competition	248,097	-	-	248,097	230,905	-	-	230,905
Coaching Education	112,924	-	-	112,924	115,310	-	-	115,310
Cups	424,993	-	-	424,993	519,396	-	-	519,396
Futsal & Outreach Programs	155,171	-	-	155,171	89,208	-	-	89,208
Olympic Development Program	456,405	-	-	456,405	388,145	-	-	388,145
Registration	540,270	-	-	540,270	433,678	-	-	433,678
Media and Promotions	104,548	-	-	104,548	97,241	-	-	97,241
<b>Total Program Services</b>	<b>2,042,408</b>	<b>-</b>	<b>-</b>	<b>2,042,408</b>	<b>1,873,883</b>	<b>-</b>	<b>-</b>	<b>1,873,883</b>
Management and General	431,519	2,820	(2,400)	431,939	405,496	3,447	(2,400)	406,543
<b>Total Expenses</b>	<b>2,473,927</b>	<b>2,820</b>	<b>(2,400)</b>	<b>2,474,347</b>	<b>2,279,379</b>	<b>3,447</b>	<b>(2,400)</b>	<b>2,280,426</b>
Change in Net Assets	266,906	87,898	-	354,804	364,176	76,636	-	440,812
<b>Net Assets, Beginning of Year</b>	<b>2,368,105</b>	<b>360,315</b>	<b>-</b>	<b>2,728,420</b>	<b>2,003,929</b>	<b>283,679</b>	<b>-</b>	<b>2,287,608</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,635,011</b>	<b>\$ 448,213</b>	<b>\$ -</b>	<b>\$ 3,083,224</b>	<b>\$ 2,368,105</b>	<b>\$ 360,315</b>	<b>\$ -</b>	<b>\$ 2,728,420</b>

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

	July 31,	
	2023	2022
Petty Cash	\$ 50	\$ 50
Old National Operating Account	365,188	2,104,380
Old National Capital Expenditures	-	52,619
Insurance Deductible 2018-2019	-	76,354
Insurance Deductible 2019-2020	-	54,797
Insurance Deductible 2020-2021	-	38,692
Regions Bank - ISP	53,013	348,337
<b>Total Cash</b>	<b>\$ 418,251</b>	<b>\$ 2,675,229</b>