

Financial Statements  
and Other Financial Information

South Carolina Youth Soccer Association, Inc.

*Years Ended May 31, 2011 and 2010  
with Report of Independent Auditors*

South Carolina Youth Soccer Association, Inc.  
Financial Statements  
and Other Financial Information  
Years Ended May 31, 2011 and 2010

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## Report of Independent Auditors

To the Board of Directors  
South Carolina Youth Soccer Association, Inc.

We have audited the accompanying statements of assets, liabilities and net assets – modified cash basis of the South Carolina Youth Soccer Association, Inc. (the “Association”) as of May 31, 2011, and the related statements of changes in net assets – modified cash basis, and cash flows – modified cash basis for the year then ended. These financial statements are the responsibility of the Association’s management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of South Carolina Youth Soccer Association, Inc. as of May 31, 2010, were audited by other auditors whose report dated December 22, 2010, expressed an unqualified opinion.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States.

In our opinion, the financial statements referred to above present fairly, in all material respects, the statements of assets, liabilities and net assets of the South Carolina Youth Soccer Association, Inc, as of May 31, 2011, and the changes in its net assets and cash flows for the year then ended on the basis of accounting described in Note 1.

*Bauknight Pietras + Stormer, P.A.*

October 13, 2011

South Carolina Youth Soccer Association, Inc.  
 Statements of Assets, Liabilities and Net Assets - Modified Cash Basis

	May 31,	
	2011	2010
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 320,237	\$ 342,839
Property, net of accumulated depreciation of \$18,593 and \$11,994, respectively	248,721	255,320
Total assets	\$ 568,958	\$ 598,159
<b>Liabilities and net assets</b>		
Current liabilities:		
Note payable - current portion	\$ 4,485	\$ 4,197
Non-current liabilities:		
Note payable - non-current portion	134,974	139,417
Total liabilities	139,459	143,614
Unrestricted net assets	429,499	454,545
Total liabilities and net assets	\$ 568,958	\$ 598,159

*See accompanying notes.*

South Carolina Youth Soccer Association, Inc.  
Statements of Changes in Net Assets - Modified Cash Basis

	Years Ended May 31,	
	2011	2010
Receipts:		
Registration fees	\$ 297,909	\$ 315,355
Tournaments	282,900	289,690
State Select Programs	221,721	244,853
Clinics and workshops	32,818	29,247
Sponsorships	29,000	25,500
Other	30,022	17,488
Total receipts	894,370	922,133
Disbursements:		
Tournaments - SCYSA sponsored	256,736	260,689
State Select Programs	214,812	253,153
Administration	149,530	122,468
Insurance	121,241	110,827
Directors' and officers' expense	61,406	62,290
Registration fees	49,843	51,068
Tournaments - Region III	33,230	32,264
Clinics and workshops	28,515	40,527
Marketing and publications	2,154	14,049
Other	1,949	212
Total expenses	919,416	947,547
Change in net assets	(25,046)	(25,414)
Net assets, beginning of year	454,545	479,959
Net assets, end of year	\$ 429,499	\$ 454,545

*See accompanying notes.*

South Carolina Youth Soccer Association, Inc.  
Statements of Cash Flows

	Years Ended May 31,	
	2011	2010
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (25,046)	\$ (25,414)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	6,599	6,854
Net cash used in operating activities	(18,447)	(18,560)
 <b>Cash flows from financing activities</b>		
Principal payments on debt	(4,155)	(3,934)
Net cash used in financing activities	(4,155)	(3,934)
 Net change in cash and cash equivalents	(22,602)	(22,494)
Cash and cash equivalents, beginning of year	342,839	365,333
 Cash and cash equivalents, end of year	\$ 320,237	\$ 342,839

*See accompanying notes.*

South Carolina Youth Soccer Association, Inc.  
Notes to Financial Statements  
May 31, 2011 and 2010

**1. Nature of Activities and Summary of Significant Accounting Policies**

South Carolina Youth Soccer Association, Inc. (the "Association") is a not-for-profit organization incorporated in South Carolina on June 4, 1987 for the purpose of developing, promoting, and administering the game of soccer among players under the age of 19 years in South Carolina.

The membership consists of properly constituted leagues (clubs, teams and players). The membership elects a board of directors who acts as the governing body.

**Basis of Accounting**

The Association's financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis other than U.S. generally accepted accounting principles, that includes recording of purchases of fixed assets and related depreciation expense. Under this method of accounting, revenues are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. If an expense results in an asset having an estimated useful life which extends substantially beyond the year of acquisition, the expenditure is capitalized and depreciated over the estimated useful life of the asset.

**Concentrations of Credit Risk**

Financial instruments which potentially subject the Association to concentrations of credit risk consist of cash in financial institutions.

The Association's cash is held in both interest and non-interest bearing accounts at commercial banks, which participate in the Federal Deposit Insurance Corporation's ("FDIC") Transaction Account Guarantee Program. At May 31, 2011, the Organization did not hold any cash in excess of FDIC limits.

**Revenue Recognition**

The Association's support is derived from player registration fees for state select programs and league and tournament play, as well as income from sponsorships, coaching clinics and interest. As there are no restrictions on the Association's use of these funds, they are classified as unrestricted revenue. All revenue is recognized when collected. The Association does not have restricted revenue.

**Property**

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

South Carolina Youth Soccer Association, Inc.  
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**1. Nature of Activities and Summary of Significant Accounting Policies (continued)**

**Income Taxes**

The Association is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from excise taxes and other restrictions because it has been determined by the Internal Revenue Service that the Association is not a private organization within the meaning of Code Section 501(a). Management is unaware of any circumstances which would jeopardize the Association's tax exempt status.

The Association's income tax filings are subject to audit by various taxing authorities. The Association's open audit periods are 2009 through 2011.

**2. Property**

A summary of property consisted of the following at May 31:

	2011	2010
Land	\$ 10,000	\$ 10,000
Building and improvements	257,314	257,314
	267,314	267,314
Less, accumulated depreciation	(18,593)	(11,994)
	\$ 248,721	\$ 255,320

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**3. Debt**

The Association's debt consisted of a mortgage note payable to a bank in monthly installments of \$1,132, including interest at 6.65%, through August 2028.

Total cash paid for interest was \$9,427 and \$6,353, respectively, in 2011 and 2010.

Principal maturities of debt for years subsequent to May 31, 2011 are as follows:

2012	\$	4,485
2013		4,793
2014		5,121
2015		5,472
Thereafter		<u>119,588</u>
Total	<u>\$</u>	<u>139,459</u>

**4. Subsequent Events**

The Association's management has evaluated events and transactions after May 31, 2011 through October 13, 2011, the date the financial statements were available to be issued, for subsequent events and determined that there were no events to report during that period.