

**SOUTH CAROLINA YOUTH SOCCER ASSOCIATION, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MAY 31, 2010 AND 2009**

**SOUTH CAROLINA YOUTH SOCCER ASSOCIATION, INC.**

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# McGregor & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

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## INDEPENDENT AUDITORS' REPORT

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

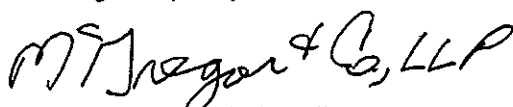
We have audited the accompanying statements of assets, liabilities and net assets – modified cash basis of the South Carolina Youth Soccer Association, Inc. as of May 31, 2010 and 2009, and the related statements of receipts and disbursements and changes in net assets – modified cash basis for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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 generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets – modified cash basis of the South Carolina Youth Soccer Association, Inc. as of May 31, 2010 and 2009, and its receipts and disbursements and changes in net assets – modified cash basis for the years then ended, on the basis of accounting described in Note 1.

As discussed in Note 1 to the financial statements, management has elected to change its policy and method for determining and reporting capital assets in 2009.



Columbia, South Carolina  
December 22, 2010

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**SOUTH CAROLINA YOUTH SOCCER ASSOCIATION, INC.**  
**STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS -**  
**MODIFIED CASH BASIS**

**MAY 31, 2010 AND 2009**

<b>Assets</b>	<b>2010</b>	<b>2009</b>
<b>Current Assets</b>		
Cash	<u>\$ 342,839</u>	<u>\$ 365,334</u>
<b>Total Current Assets</b>	342,839	365,334
<b>Property, Net</b>	<u>255,320</u>	<u>262,173</u>
<b>Total Assets</b>	<u><u>598,159</u></u>	<u><u>627,507</u></u>
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Note Payable - Current Portion	<u>4,197</u>	<u>3,888</u>
<b>Total Current Liabilities</b>	<u>4,197</u>	<u>3,888</u>
<b>Non-Current Liabilities</b>		
Note Payable - Long-Term Portion	<u>139,417</u>	<u>143,660</u>
<b>Total Non-Current Liabilities</b>	<u>139,417</u>	<u>143,660</u>
<b>Total Liabilities</b>	143,614	147,548
<b>Net Assets</b>		
Unrestricted	<u>454,545</u>	<u>479,959</u>
<b>Total Liabilities and Net Assets</b>	<u><u>598,159</u></u>	<u><u>627,507</u></u>

See Independent Auditors' Report

See Accompanying Notes to Financial Statements

**SOUTH CAROLINA YOUTH SOCCER ASSOCIATION, INC.**

**STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS -  
MODIFIED CASH BASIS**

**FOR THE YEARS ENDED MAY 31, 2010 AND 2009**

	2010	2009
<b>Receipts</b>		
State Select Programs	\$ 244,853	\$ 255,474
Registration Fees	315,355	312,570
Tournaments	289,690	248,340
Sponsorships	25,500	31,509
Clinics and Workshops	29,247	40,185
Other	17,488	18,038
	922,133	906,116
<b>Total Receipts</b>		
<b>Disbursements</b>		
State Select Programs	253,153	242,597
Tournaments - SCYSA Sponsored	260,689	161,643
Tournaments - Region III	32,264	29,552
Registration Fees	51,068	47,040
Clinics and Workshops	40,527	21,585
Administration	116,115	119,993
Directors' and Officers' Expenses	62,290	49,401
Insurance	110,827	99,683
Marketing and Publications	14,049	15,238
Interest	6,353	6,603
Other	212	7,362
	947,547	800,697
<b>Total Disbursements</b>		
<b>Excess of Receipts Over (Under) Disbursements</b>	(25,414)	105,419
<b>Unrestricted Net Assets - Beginning of Year</b>	479,959	374,540
<b>Unrestricted Net Assets - End of Year</b>	454,545	479,959

See Independent Auditors' Report

See Accompanying Notes to Financial Statements

**SOUTH CAROLINA YOUTH SOCCER ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Entity**

The Association is chartered by the South Carolina Secretary of State and was incorporated on June 4, 1987. The purpose of the Association is to foster, encourage and promote the organization and activities of youth soccer programs in South Carolina and to support the activities thereof.

The membership consists of properly constituted leagues (clubs, teams, and players).

The governing body is a board of directors elected from the membership.

The sources of revenue to fund Association programs are player registration fees for state select programs and league and tournament play and income from sponsorships, coaching clinics, and interest.

**Principles of Accounting**

The Association's policy is to prepare its financial statements on the modified cash basis of accounting that includes recording of depreciation on capitalized assets. Under this method, 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 expense is capitalized and depreciated over the estimated useful life of the asset.

The Association has a number of financial instruments, none of which are held for trading purposes. The Association estimates that the fair value of all financial instruments at June 30, 2010, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of assets, liabilities, and net assets - modified cash basis. The following methods and assumptions were used to determine the fair value of each class of financial instrument.

*Cash* - Fair value approximates respective carrying values due to the short maturities of those instruments.

*Note Payable* - Fair value approximates carrying value since borrowing or stated rates are similar to rates currently available to the Association for bank loans with similar terms and remaining maturities.

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

*Net Assets* - The Association reports receipts as increases in unrestricted net assets unless there are donor-imposed restrictions limiting the use of the assets received. No restricted receipts were received in year 2010 or 2009.

*Estimates* - The Association uses estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reporting period. Actual results could differ from those estimates.

*Income Taxes* - There is no provision for any income tax liability because the Association is exempt from federal and state income tax under Internal Revenue Code Section 501(c)(3). The Association is not currently undergoing examination of any previously filed tax returns; however, the returns filed for the most recent 3 years remain available for examination by taxing authorities. Management is not aware of tax positions in the returns which have less than a 50 percent chance of being affirmed under examination.

*Property and Equipment* - The recorded cost of property and equipment is based on purchase price and is depreciated over its estimated useful life using the straight-line method. The Association does not have a formal capitalization policy; however, large disbursements for property will be capitalized.

*Advertising* - All advertising costs are expensed as incurred.

**NOTE 2 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at May 31, 2010 and 2009:

<b>Description</b>	<b>Estimated Useful Life</b>	<b>2010 Cost</b>	<b>2009 Cost</b>
Land		\$ 10,000	\$ 10,000
Office Building	39 years	257,314	257,314
Less: Accumulated Depreciation		<u>(11,994)</u>	<u>(5,141)</u>
<b>Net</b>		<u>255,320</u>	<u>262,173</u>

For the years ended May 31, 2010 and 2009, \$6,854 and \$5,141, respectively, were charged against income for current depreciation.

**NOTE 3 NOTE PAYABLE**

The note payable consists of a note to a financial institution, the proceeds of which were used to purchase office space for the Association. The note is secured by a lien covering the real property at 7436 Broad River Road, Building 2, Unit 211 in Columbia, SC. The note has an interest rate of 6.65%. Payments of \$1,132 are due monthly. The final payment is due September 8, 2028.

Principal maturities of the note are as follows:

Due by May 31,	Amount
2011	\$ 4,197
2012	4,485
2013	4,793
2014	5,121
2015	5,472
Thereafter	<u>119,546</u>
Total	<u>143,614</u>

**NOTE 4 BANK DEPOSITS**

The following is a summary of FDIC coverage on bank deposits:

	2010	2009
Deposit Accounts with Banks (Bank Balances)	\$343,981	\$373,897
FDIC Insurance Coverage	<u>(343,981)</u>	<u>(373,897)</u>
Unsecured Portion	<u>                    -</u>	<u>                    -</u>

The Association's deposits are held at two banks, each of which carries FDIC insurance covering balances up to \$250,000 per account holder. The Association's non-interest bearing checking account (\$207,769 and \$288,612 bank balances as of May 31, 2010 and May 31, 2009, respectively), is held at a bank that is participating in the FDIC's Transaction Account Guarantee Program, which fully insures all non-interest bearing transaction accounts through December 31, 2010.

**NOTE 5 CONCENTRATIONS**

The South Carolina Youth Soccer Association, Inc. derives almost all of its revenue from fees charged to participants in its youth soccer programs and events, which are held entirely within the State of South Carolina. A significant reduction in the number of programs or events could have an adverse effect on the Association's future operations.

**NOTE 6 RELATED PARTY TRANSACTIONS**

For the years ended May 31, 2010 and May 31, 2009, the Association paid one of its officers immaterial amounts for services performed by the officer's business. The transactions were consummated on terms equivalent to those that prevail in arm's length transactions.

**NOTE 7 SUBSEQUENT EVENTS**

The Association evaluated the effects that subsequent events would have on the financial statements through the date of the auditors' report, which is also the date the financial statements were available for issuance.