

SOUTH CAROLINA YOUTH SOCCER ASSOCIATION, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2007 AND 2006

SOUTH CAROLINA YOUTH SOCCER ASSOCIATION, INC.

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MAY 31, 2007 AND 2006

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McGregor & COMPANY^{LLP}

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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 – cash basis of the South Carolina Youth Soccer Association, Inc. as of May 31, 2007 and 2006, and the related statements of receipts and disbursements and changes in net assets – 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 audit.

We conducted our audits in accordance with U. S. generally accepted auditing standards. 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 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 – cash basis of the South Carolina Youth Soccer Association, Inc. as of May 31, 2007 and 2006, and its receipts and disbursements and changes in net assets – cash basis for the years then ended, on the basis of accounting described in Note 1.

McGregor & Company, LLP

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September 8, 2007

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SOUTH CAROLINA YOUTH SOCCER ASSOCIATION, INC.

**STATEMENTS OF ASSETS AND NET ASSETS -
CASH BASIS**

MAY 31, 2007 AND 2006

Assets	2007	2006
Cash	<u>\$ 380,749</u>	<u>\$ 304,568</u>
Total Assets	<u>380,749</u>	<u>304,568</u>
Net Assets - Cash Basis		
Unrestricted	<u>380,749</u>	<u>304,568</u>
Total Net Assets	<u>380,749</u>	<u>304,568</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 -
CASH BASIS**

FOR THE YEARS ENDED MAY 31, 2007 AND 2006

	2007	2006
Receipts		
State Select Programs	\$ 270,379	\$ 272,277
Registration	269,740	265,995
Tournaments	205,042	137,597
Sponsorships	25,000	2,777
Clinics and Workshops	44,365	17,995
Other	20,526	13,432
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Total Receipts	835,052	710,073
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Disbursements		
State Select Programs	256,044	189,965
Tournaments - SCYSA Sponsored	138,092	116,516
Tournaments - Region III	27,581	14,749
Registration	39,394	34,647
Clinics and Workshops	45,793	28,125
Administration	88,453	93,339
Directors' and Officers' Expenses	44,620	41,903
Insurance	101,238	150,935
Marketing and Publications	14,739	38,146
Other	2,917	606
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Total Disbursements	758,871	708,931
	<hr/>	<hr/>
Excess of Receipts Over (Under) Disbursements	76,181	1,142
	<hr/>	<hr/>
Beginning Net Assets - Cash Basis	304,568	303,426
	<hr/>	<hr/>
Ending Net Assets - Cash Basis	380,749	304,568
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See Independent Auditors' Report

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

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

The purpose of the Association is to foster, encourage and promote the organization and activities of youth soccer programs in the State of South Carolina and to support the activities thereof.

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

Method of Accounting

The financial statements are presented on the cash basis which reflect only cash received and disbursed. Therefore, receivables and payables and accrued income and expenses which may be material in amount are not reflected. Under the cash basis of financial reporting, the Association is not required to capitalize the purchase of equipment or other fixed assets; accordingly, equipment purchases are expensed as made. The statements are not intended to present the overall financial position or results of operations in conformity with generally accepted accounting principles.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

Management has elected to adopt certain recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Because the Association prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than U. S. generally accepted accounting principles, the adoption of SFAS No. 117 would not be required. Management has, however, elected as per SFAS No. 117 to report information regarding its net assets and revenues, expenses and changes in net assets – cash basis according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association has only unrestricted net assets.

Gash

As of May 31, 2007 and 2006, the Association had bank balances with a financial institution in excess of Federal Deposit Insurance Corporation coverage limits in the amounts of \$288,000 and \$219,000, respectively.

Income Taxes

The Association is a nonprofit organization as defined in Section 501(c)(3) of the Internal Revenue Code and is not subject to any federal or state income taxes except for taxes on business income earned not related to its tax exempt functions. In 2007 and 2006, there was no unrelated business income.

NOTE 2 ADVERTISING COSTS

The Association's advertising costs consist of expenses incurred in printing its monthly newsletter and other nondirect response advertising. These costs are expensed as incurred.

NOTE 3 CONCENTRATIONS

SCYSA's entire operations are located within South Carolina, and depend for success on a relatively healthy economy in the state as a whole. In addition, SCYSA derives almost all of its revenue from fees charged to participants in its youth-soccer programs and events.