

**NEW YORK STATE WEST YOUTH  
SOCCER ASSOCIATION, INC.**

**CORNING, NEW YORK**

**REVIEWED FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

**AUGUST 31, 2018 AND 2017**



**MENGEL METZGER BARR & CO. LLP**

Certified Public Accountants

## CONTENTS

<u>REVIEWED FINANCIAL STATEMENTS</u>	<u>PAGE</u>
Independent Accountant's Review Report	3
Statements of Financial Position	4
Statements of Activities and Changes in Net Assets	5
Statements of Cash Flows	6
Notes to Financial Statements	7

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
New York State West Youth Soccer Association, Inc.  
Corning, New York

We have reviewed the accompanying financial statements of New York State West Youth Soccer Association, Inc. (a not-for-profit organization) which comprise the statements of financial position as of August 31, 2018 and 2017, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant's Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Mengel, Metzger, Barr & Co. LLP*

Elmira, New York  
October 10, 2018

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	August 31,	
	<u>2018</u>	<u>2017</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 31,498	\$ 98,509
Investments	696,240	656,687
Accounts receivable	41,527	46,237
Prepaid and deferred expenses	<u>9,331</u>	<u>13,251</u>
TOTAL CURRENT ASSETS	778,596	814,684
 <u>PROPERTY AND EQUIPMENT</u>		
Land, building and improvements	163,030	163,030
Furniture and equipment	51,197	51,197
Computer equipment	73,522	73,522
Vehicle	<u>17,046</u>	<u>17,159</u>
	304,795	304,908
Less allowances for depreciation	<u>171,322</u>	<u>165,899</u>
	<u>133,473</u>	<u>139,009</u>
	<u>\$ 912,069</u>	<u>\$ 953,693</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 197,835	\$ 108,041
Deferred revenues	<u>31,566</u>	<u>42,023</u>
TOTAL CURRENT LIABILITIES	229,401	150,064
 <u>UNRESTRICTED NET ASSETS</u>		
	<u>682,668</u>	<u>803,629</u>
	<u>\$ 912,069</u>	<u>\$ 953,693</u>

See independent accountant's review report and accompanying notes which are an integral part of the financial statements.

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	<u>Year ended August 31,</u>	
	<u>2018</u>	<u>2017</u>
Registrations	\$ 706,545	\$ 677,050
Less:		
Player insurance	(133,006)	(132,529)
National fees	(107,182)	(107,108)
Net registration revenues	<u>466,357</u>	<u>437,413</u>
Passes	265,545	288,633
Training	255,567	262,111
Marketing	27,495	28,019
Scholarships and sponsorships	19,210	55,623
Coaching courses	11,865	27,012
Merchandise sales	2,994	444
Commissions	6,048	17,233
League administration	22,870	28,335
Investment income	39,719	45,828
Other revenue	21,456	17,849
TOTAL REVENUES	<u>1,139,126</u>	<u>1,208,500</u>
 <u>EXPENSES</u>		
Programs:		
Olympic development program and player development academy	358,900	379,307
State Cup tournament	56,524	50,190
Region I	36,564	37,582
Coaching education	76,516	89,392
Thruway and Expressway leagues	30,008	33,341
Recreation	2,184	-
Total program expenses	<u>560,696</u>	<u>589,812</u>
State administration	630,061	586,467
Membership reinvestment	58,760	30,286
Depreciation	10,570	12,103
TOTAL EXPENSES	<u>1,260,087</u>	<u>1,218,668</u>
DECREASE IN NET ASSETS	(120,961)	(10,168)
Net assets at beginning of year	<u>803,629</u>	<u>813,797</u>
NET ASSETS AT END OF YEAR	<u>\$ 682,668</u>	<u>\$ 803,629</u>

See independent accountant's review report and accompanying notes which are an integral part of the financial statements.

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

	<u>Year ended August 31,</u>	
	<u>2018</u>	<u>2017</u>
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ (120,961)	\$ (10,168)
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	10,570	12,103
Gain on investments	(23,234)	(37,988)
Gain on disposal of vehicle	(3,795)	-
Reinvested investment income, net	(16,319)	(7,640)
Changes in certain assets and liabilities affecting operations:		
Accounts receivable	4,710	16,188
Prepaid and deferred expenses	3,920	21,483
Accounts payable and accrued expenses	89,794	15,994
Deferred revenues	<u>(10,457)</u>	<u>(11,956)</u>
NET CASH USED FOR OPERATING ACTIVITIES	(65,772)	(1,984)
 <u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of equipment	(17,046)	(17,159)
Insurance proceeds from disposal of vehicle	<u>15,807</u>	<u>-</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(1,239)</u>	<u>(17,159)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(67,011)	(19,143)
Cash and cash equivalents at beginning of year	<u>98,509</u>	<u>117,652</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 31,498</u>	<u>\$ 98,509</u>

See independent accountant's review report and accompanying notes which are an integral part of the financial statements.

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(See Independent Accountant's Review Report)

AUGUST 31, 2018 AND 2017

NOTE A: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

New York State West Youth Soccer Association, Inc. (the "Association") was founded in 1982 and is a non-profit service organization dedicated to the promotion and development of good sportsmanship and fair play through the game of soccer. The purposes of the Association are (1) to promote and to organize the teaching of soccer, and (2) to foster amateur sports competition by promoting, developing and governing youth soccer activities through affiliation with the United States Youth Soccer Association (USYSA), the United States Soccer Federation (USSF), and the Federation de International Football Association (FIFA).

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Net asset classification

The accompanying financial statements present information regarding the Association's financial position and activities according to two classes of net assets - unrestricted and temporarily restricted. The classes are differentiated by the presence or absence of donor restrictions.

*Unrestricted net assets* - may be designated for specific purposes by action(s) of the Board of Directors or may be limited by contractual agreements with outside parties. Unrestricted net assets include unrestricted operating assets as well as funds internally designated for specific programs and facilities.

*Temporarily restricted net assets* - are subject to donor-imposed stipulations that expire by the passage of time or can be fulfilled or removed by actions pursuant to the stipulations. There were no temporarily restricted net assets in 2018 or 2017.

Revenue recognition

The Association's revenues are primarily derived from fees charged for registration, training, passes and courses. These fees are recognized as revenues as they are earned.

Cash and cash equivalents

For purposes of presentation in the statements of financial position and the statements of cash flows, the Association considers highly liquid investments with a maturity of three months or less which are available for operations to be cash equivalents. Cash and other investments with maturities of three months or less held in the Association's investment portfolio or held in short term investments until suitable long-term investments are identified are excluded from cash equivalents for purposes of statement of financial position and the statement of cash flows presentation. Cash balances are maintained at a financial institution located in Corning, New York and are insured by the FDIC up to \$250,000 at the institution. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Association has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash.

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd  
(See Independent Accountant's Review Report)

AUGUST 31, 2018 AND 2017

NOTE A: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Accounts receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There is no valuation allowance at August 31, 2018 or 2017.

Property and equipment

Property and equipment are recorded at cost or the fair market value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives which range from three to twenty-five years. Expenditures for repairs and maintenance are charged to activities as incurred, while major improvements are capitalized. Upon sale or retirement, the related cost and allowances for depreciation are removed from the accounts and the related gain or loss is reflected in operations.

Deferred revenues

Deferred revenues relate principally to registration and academy fees collected in advance for the subsequent fiscal year.

Advertising

Advertising costs are expensed as incurred. Advertising costs for the years ended August 31, 2018 and 2017 amounted to \$6,371 and \$3,139, respectively.

Tax status

The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Association has filed for and received income tax exemptions in the various jurisdictions where it is required to do so. The Association files Form 990 tax returns in the U.S. federal jurisdiction and in New York State. With few exceptions, as of August 31, 2018, the Association is no longer subject to U.S. federal or state income tax examinations by tax authorities for years ended prior to August 31, 2015. The tax returns for years ended August 31, 2015 through August 31, 2018 are still subject to potential audit by the IRS and taxing authorities in New York State. Management of the Association believes they have no material uncertain tax positions and, accordingly, they have not recognized any liability for unrecognized tax benefits.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make 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 revenues and expenses during the reporting period. Actual results may differ from those estimates.



NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd  
(See Independent Accountant's Review Report)

AUGUST 31, 2018 AND 2017

NOTE A: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Subsequent events

The Association has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through October 10, 2018, which is the date the financial statements are available to be issued. No subsequent events requiring disclosures were noted.

NOTE B: FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establishes a framework for measuring fair value. That framework 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 are described below:

Level 1 Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 Valuation is based upon:

- Quoted prices for similar instruments in active markets;
- Quoted prices for identical or similar instruments in inactive markets;
- Inputs other than quoted prices that are observable for the instruments;
- 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 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.

All investments are valued based upon quoted prices for identical instruments in active markets. There have been no changes in the methodologies used at August 31, 2018 or 2017.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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 reporting date.

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd  
(See Independent Accountant's Review Report)

AUGUST 31, 2018 AND 2017

NOTE B: FAIR VALUE MEASUREMENTS, Cont'd

The following table sets forth by level, within the fair value hierarchy, the Association's investments at fair value as of August 31, 2018 and 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>August 31, 2018</u>				
Cash equivalents	\$ 145,888	\$ -	\$ -	\$ 145,888
Mutual funds:				
Bond	142,846	-	-	142,846
Foreign	53,540	-	-	53,540
Growth	87,575	-	-	87,575
Emerging markets	28,771	-	-	28,771
Other	<u>80,537</u>	<u>-</u>	<u>-</u>	<u>80,537</u>
Total mutual funds	393,269	-	-	393,269
Equities:				
Consumer	28,604	-	-	28,604
Energy	7,780	-	-	7,780
Financials	25,748	-	-	25,748
Health care	27,600	-	-	27,600
Industrials	12,390	-	-	12,390
Information technology	44,010	-	-	44,010
Other	<u>10,951</u>	<u>-</u>	<u>-</u>	<u>10,951</u>
Total equities	<u>157,083</u>	<u>-</u>	<u>-</u>	<u>157,083</u>
Total assets at fair value	<u>\$ 696,240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 696,240</u>

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd  
(See Independent Accountant's Review Report)

AUGUST 31, 2018 AND 2017

NOTE B: FAIR VALUE MEASUREMENTS, Cont'd

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>August 31, 2017</u>				
Cash equivalents	\$ 142,915	\$ -	\$ -	\$ 142,915
Mutual funds:				
Bond	133,203	-	-	133,203
Foreign	54,564	-	-	54,564
Growth	51,353	-	-	51,353
Emerging markets	32,344	-	-	32,344
Other	<u>98,770</u>	<u>-</u>	<u>-</u>	<u>98,770</u>
Total mutual funds	370,234	-	-	370,234
Equities:				
Consumer	20,377	-	-	20,377
Energy	7,638	-	-	7,638
Financials	28,539	-	-	28,539
Health care	24,503	-	-	24,503
Industrials	15,747	-	-	15,747
Information technology	30,113	-	-	30,113
Other	<u>16,621</u>	<u>-</u>	<u>-</u>	<u>16,621</u>
Total equities	<u>143,538</u>	<u>-</u>	<u>-</u>	<u>143,538</u>
Total assets at fair value	<u>\$ 656,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 656,687</u>

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd  
(See Independent Accountant's Review Report)

AUGUST 31, 2018 AND 2017

NOTE C: INVESTMENTS

Investments are recorded at fair value. Realized and unrealized gains and losses are reflected in the statements of activities and changes in net assets.

Fair value, cost and unrealized appreciation of the Association's investments are as follows:

	<u>Fair value</u>	<u>Cost</u>	<u>Unrealized appreciation (depreciation)</u>
August 31, 2018:			
Cash equivalents	\$ 145,888	\$ 145,888	\$ -
Mutual funds	393,269	396,577	(3,308)
Equities	<u>157,083</u>	<u>101,578</u>	<u>55,505</u>
	<u>\$ 696,240</u>	<u>\$ 644,043</u>	<u>\$ 52,197</u>
August 31, 2017:			
Cash equivalents	\$ 142,915	\$ 142,915	\$ -
Mutual funds	370,234	369,236	998
Equities	<u>143,538</u>	<u>102,761</u>	<u>40,777</u>
	<u>\$ 656,687</u>	<u>\$ 614,912</u>	<u>\$ 41,775</u>

Management evaluates securities for other-than-temporary impairments on a regular basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Association to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. In the opinion of management, none of the individual losses as of August 31, 2018 and 2017 represent an other-than-temporary impairment.

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the risk associated with investment securities and the uncertainties related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risks could materially affect the Association's financial statements.

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd  
(See Independent Accountant's Review Report)

AUGUST 31, 2018 AND 2017

NOTE D: COMMITMENTS

The Association leases certain office equipment under a lease which expires May 2021. Future minimum lease commitments under this agreement are as follows:

<u>Year ending August 31,</u>	<u>Amount</u>
2019	\$ 1,145
2020	1,145
2021	<u>859</u>
	<u>\$ 3,149</u>

Lease expense, including usage charges, amounted to \$3,148 and \$2,650 for the years ended August 31, 2018 and 2017, respectively.

NOTE E: RETIREMENT PLAN

The Association has a 401(k) profit sharing plan covering substantially all employees. The Plan is subject to a maximum employer match of 4% of compensation, based on Internal Revenue Code limitations. Contributions to the Plan amounted to \$10,704 and \$11,850 for the years ended August 31, 2018 and 2017, respectively.