

NEW YORK STATE WEST YOUTH
SOCCER ASSOCIATION, INC.

CORNING, NEW YORK

REVIEWED FINANCIAL STATEMENTS

AND

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

AUGUST 31, 2014 AND 2013



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

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MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying statements of financial position of New York State West Youth Soccer Association, Inc. (a not-for-profit organization) as of August 31, 2014 and 2013, and the related statements of activities and changes in net assets, and cash flows for the years then ended. 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 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 conformity with accounting principles generally accepted in the United States of America.

Mengel, Metzger, Barr & Co. LLP

Elmira, New York
October 7, 2014

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	<u>August 31,</u>	
	<u>2014</u>	<u>2013</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 77,342	\$ 123,291
Investments	616,438	562,846
Accounts receivable	55,274	34,316
Prepaid and deferred expenses	<u>8,730</u>	<u>12,467</u>
TOTAL CURRENT ASSETS	757,784	732,920
 <u>PROPERTY AND EQUIPMENT</u>		
Land, building and improvements	163,030	163,030
Furniture and equipment	48,322	48,322
Computer equipment	68,354	66,150
Vehicle	<u>25,259</u>	<u>25,259</u>
	304,965	302,761
Less allowances for depreciation	<u>154,123</u>	<u>142,025</u>
	<u>150,842</u>	<u>160,736</u>
	<u>\$ 908,626</u>	<u>\$ 893,656</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 80,817	\$ 71,547
Deferred revenues	<u>79,882</u>	<u>79,461</u>
TOTAL CURRENT LIABILITIES	160,699	151,008
 <u>UNRESTRICTED NET ASSETS</u>	 <u>747,927</u>	 <u>742,648</u>
	<u>\$ 908,626</u>	<u>\$ 893,656</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>2014</u>	<u>2013</u>
Registrations	\$ 729,188	\$ 730,636
Less:		
Player insurance	(138,439)	(134,461)
National fees	(118,816)	(123,005)
Net registration revenues	<u>471,933</u>	<u>473,170</u>
Passes	271,237	218,035
Training	268,669	288,991
Marketing	16,778	5,473
Scholarships and sponsorships	42,789	25,330
Coaching courses	38,478	30,893
Merchandise sales	2,947	11,588
League administration	22,000	22,000
Investment income	53,786	25,643
Other revenue	20,082	17,565
TOTAL REVENUES	<u>1,208,699</u>	<u>1,118,688</u>
 <u>EXPENSES</u>		
Programs:		
Olympic development program and player development academy	402,852	427,073
State Cup tournament	40,891	56,633
President's Cup tournament	8,763	1,704
Region I	23,993	24,053
Coaching education	115,753	114,986
Thruway and Expressway league	54,580	-
Total program expenses	<u>646,832</u>	<u>624,449</u>
State administration	515,148	484,605
Membership reinvestment	29,342	29,650
Opportunity grant	-	1,423
Depreciation	12,098	13,537
TOTAL EXPENSES	<u>1,203,420</u>	<u>1,153,664</u>
INCREASE (DECREASE) IN NET ASSETS	5,279	(34,976)
Net assets at beginning of year	<u>742,648</u>	<u>777,624</u>
NET ASSETS AT END OF YEAR	<u>\$ 747,927</u>	<u>\$ 742,648</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>2014</u>	<u>2013</u>
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 5,279	\$ (34,976)
Adjustments to reconcile change in net assets to net cash (used for) provided from operating activities:		
Depreciation	12,098	13,537
Gain on investments	(38,379)	(14,931)
Reinvested investment income, net	(15,213)	(12,986)
Changes in certain assets and liabilities affecting operations:		
Accounts receivable	(20,958)	(6,379)
Prepaid and deferred expenses	3,737	20,605
Accounts payable and accrued expenses	9,270	4,243
Deferred revenues	421	32,379
NET CASH (USED FOR) PROVIDED FROM OPERATING ACTIVITIES	<u>(43,745)</u>	<u>1,492</u>
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of equipment	(2,204)	(1,017)
Purchase of investments	-	(45,000)
NET CASH USED FOR INVESTING ACTIVITIES	<u>(2,204)</u>	<u>(46,017)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(45,949)	(44,525)
Cash and cash equivalents at beginning of year	<u>123,291</u>	<u>167,816</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 77,342</u>	<u>\$ 123,291</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, 2014 AND 2013

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). Revenues are recorded when earned.

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 2014 or 2013.

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, 2014 AND 2013

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, 2014 or 2013.

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.

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.

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, 2014 and 2013 approximated \$1,200 and \$1,400 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, 2014, 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, 2011. The tax returns for the years ended August 31, 2011 through August 31, 2014 are still subject to potential audit by the IRS and the taxing authorities in New York State. Management of the Association believes it has no material uncertain tax positions and, accordingly it has not recognized any liability for unrecognized tax benefits.

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

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

AUGUST 31, 2014 AND 2013

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

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.

Reclassifications

Certain 2013 amounts have been reclassified to conform with the 2014 presentation.

Subsequent events

The Association has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through October 7, 2014, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure 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, 2014 or 2013.

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

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

AUGUST 31, 2014 AND 2013

NOTE B: FAIR VALUE MEASUREMENTS, Cont'd

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.

The following table sets forth by level, within the fair value hierarchy, the Association's investments at fair value as of August 31, 2014 and 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>August 31, 2014</u>				
Cash equivalents	\$ 141,658	\$ -	\$ -	\$ 141,658
Mutual funds:				
Bond	122,454	-	-	122,454
Foreign	47,364	-	-	47,364
Growth	54,893	-	-	54,893
Emerging Markets	24,216	-	-	24,216
Other	<u>92,461</u>	<u>-</u>	<u>-</u>	<u>92,461</u>
Total mutual funds	341,388	-	-	341,388
Equities:				
Consumer	27,897	-	-	27,897
Energy	11,595	-	-	11,595
Financials	21,309	-	-	21,309
Health Care	16,661	-	-	16,661
Industrials	17,423	-	-	17,423
Information technology	22,179	-	-	22,179
Other	<u>16,328</u>	<u>-</u>	<u>-</u>	<u>16,328</u>
Total equities	<u>133,392</u>	<u>-</u>	<u>-</u>	<u>133,392</u>
Total assets at fair value	<u>\$ 616,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 616,438</u>

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

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

AUGUST 31, 2014 AND 2013

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, 2013</u>				
Cash equivalents	\$ 141,197	\$ -	\$ -	\$ 141,197
Mutual funds:				
Bond	109,929	-	-	109,929
Foreign	44,183	-	-	44,183
Growth	49,917	-	-	49,917
Emerging Markets	19,651	-	-	19,651
Other	<u>80,753</u>	-	-	<u>80,753</u>
Total mutual funds	304,433	-	-	304,433
Equities:				
Consumer	29,854	-	-	29,854
Energy	12,722	-	-	12,722
Financials	16,928	-	-	16,928
Health Care	12,696	-	-	12,696
Industrials	15,101	-	-	15,101
Information technology	15,811	-	-	15,811
Other	<u>14,104</u>	-	-	<u>14,104</u>
Total equities	<u>117,216</u>	-	-	<u>117,216</u>
Total assets at fair value	<u>\$ 562,846</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 562,846</u>

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

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

AUGUST 31, 2014 AND 2013

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</u>
August 31, 2014:			
Cash equivalents	\$ 141,658	\$ 141,658	\$ -
Mutual funds	341,388	318,500	22,888
Equities	<u>133,392</u>	<u>94,401</u>	<u>38,991</u>
	<u>\$ 616,438</u>	<u>\$ 554,559</u>	<u>\$ 61,879</u>
August 31, 2013:			
Cash equivalents	\$ 141,197	\$ 141,197	\$ -
Mutual funds	304,433	299,280	5,153
Equities	<u>117,216</u>	<u>94,253</u>	<u>22,963</u>
	<u>\$ 562,846</u>	<u>\$ 534,730</u>	<u>\$ 28,116</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, 2014 and 2013 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, 2014 AND 2013

NOTE D: COMMITMENTS

The Association leases certain office equipment under a lease which expires June 2016. Future minimum lease commitments under this agreement are as follows:

<u>Year ending August 31,</u>	<u>Amount</u>
2015	\$ 2,430
2016	<u>2,025</u>
	<u>\$ 4,455</u>

Lease expense, including usage charges, amounted to \$3,850 and \$3,674 in 2014 and 2013, 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 \$12,387 and \$11,347 for the years ended August 31, 2014 and 2013, respectively.