

IOWA SOCCER ASSOCIATION, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

JULY 31, 2015 AND 2014



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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Iowa Soccer Association, Inc.

We have compiled the accompanying statements of financial position of Iowa Soccer Association, Inc. (a non-profit corporation) as of July 31, 2015 and 2014 and the related statements of activities for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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 compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit the statements of cash flows required by accounting principles generally accepted in the United States of America. If the omitted statements of cash flows were included with the financial statements, they might influence the user's conclusions about the Association's financial position and results of operations. Therefore, these financial statements are not designed for those who are not informed about such matters.

McGowen, Hurst, Clark & Smith, P.C.

West Des Moines, Iowa
October 30, 2015

IOWA SOCCER ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JULY 31, 2015 AND 2014
(See Independent Accountant's Compilation Report)

	<u>ASSETS</u>	
	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash	\$ 200,892	\$ 287,620
Certificates of deposit	330,006	327,006
Accounts receivable	60,229	20,842
TOTAL CURRENT ASSETS	<u>591,127</u>	<u>635,468</u>
 PROPERTY AND EQUIPMENT		
Computer equipment	13,378	19,485
Accumulated depreciation	(10,497)	(12,831)
NET PROPERTY AND EQUIPMENT	<u>2,881</u>	<u>6,654</u>
 OTHER ASSET		
Investment in and loan to Soccer Travel, LLC	8,311	6,578
Investment in AMG, LLC	1,479	1,335
TOTAL OTHER ASSETS	<u>9,790</u>	<u>7,913</u>
 TOTAL ASSETS	<u><u>\$ 603,798</u></u>	<u><u>\$ 650,035</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
 CURRENT LIABILITIES		
Accounts payable	\$ 87,049	\$ 1,217
Deferred revenues	54,641	248,106
TOTAL CURRENT LIABILITIES	<u>141,690</u>	<u>249,323</u>
 NET ASSETS		
Unrestricted net assets	<u>462,108</u>	<u>400,712</u>
 TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 603,798</u></u>	<u><u>\$ 650,035</u></u>

The accompanying notes are an integral part of these financial statements

IOWA SOCCER ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JULY 31, 2015 AND 2014
(See Independent Accountant's Compilation Report)

REVENUES	<u>2015</u>	<u>2014</u>
Registration fees - players	\$ 446,827	\$ 411,900
Registration fees - coaches	40,922	40,696
Registration fees - other	4,350	4,600
Event and camp fees	288,490	122,720
User fees	967,954	734,593
Sponsorships and grants	13,750	3,000
Merchandise sales	37,355	29,599
Other income and reimbursements	5,008	7,238
Interest income	2,193	1,763
TOTAL REVENUES	<u>1,806,849</u>	<u>1,356,109</u>
EXPENSES		
Event and camp expenses	202,720	138,024
Lodging, meals and transportation	215,519	99,137
Referees and non-employee compensation	373,728	274,158
Salaries and wages	361,219	344,981
Payroll taxes	27,235	26,116
Retirement contribution	10,486	9,693
Other employee benefits	12,943	12,677
Awards and gifts	20,095	10,158
Apparel and merchandise	59,934	28,505
Depreciation	3,774	4,308
Equipment and supplies	55,261	31,769
Insurance	50,244	47,132
Miscellaneous	25,889	20,105
Player fees	106,532	103,588
Postage	4,051	3,731
Printing and publications	583	55
Professional fees	57,611	27,167
Rent - equipment & events	129,552	115,078
Rent - office	13,889	13,889
Telephone	14,188	11,757
TOTAL EXPENSES	<u>1,745,453</u>	<u>1,322,028</u>
INCREASE IN NET ASSETS	61,396	34,081
NET ASSETS - Beginning of Year	<u>400,712</u>	<u>366,631</u>
NET ASSETS - End of Year	<u><u>\$ 462,108</u></u>	<u><u>\$ 400,712</u></u>

The accompanying notes are an integral part of these financial statements

IOWA SOCCER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
(See Independent Accountant's Compilation Report)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Iowa Soccer Association, Inc. is a not-for-profit corporation organized to further and promote the sport of soccer through organization, training and education; to aid, administer, assist and teach the sport of soccer for pleasure, recreational and other nonprofit purposes to and for the residents of the State of Iowa; and to organize soccer teams to compete and participate in the sport of soccer through the establishment and development of soccer programs.

Income Taxes - Iowa Soccer Association, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Association would be liable for taxes on any net income derived from activities unrelated to its exempt purpose.

Management is unaware of any uncertain tax positions at July 31, 2015 and 2014. Interest and penalties associated with income tax matters would be presented as components of income tax expense. There were no interest or penalty charges during the fiscal year ended July 31, 2015 and 2014. The Association's prior three years' tax returns remain subject to examination by the Internal Revenue Service.

Accounts Receivable - Accounts receivable, which are unsecured, arise primarily from miscellaneous revenues for user fees, registrations and cost reimbursements. Accounts receivable are stated at the amounts billed. Management believes that substantially all accounts receivable are collectible, therefore no allowance for doubtful accounts is provided.

Investments - The Association owns a 33.33% interest in Alliance Management Group, LLC and owns a 25.80% interest in Soccer Travel, LLC. These investments are accounted for using the equity method of accounting. Accordingly, investments are recorded at acquisition cost plus the Association's equity in the undistributed earnings or losses of the entity.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events - Management has evaluated subsequent events through October 30, 2015, the date the financial statements were available to be issued.

NOTE B - CERTIFICATES OF DEPOSIT

The Association held certificates of deposit totaling \$330,006 and \$327,006 at July 31, 2015 and 2014, respectively. The certificates bear interest ranging from 0.40% to 1.40% and are presented at cost which approximates market value.

The face value of certificates maturing within the next year totals \$82,000, with the remaining \$248,000 maturing between 1 and 3 years from the balance sheet date. Management has elected to report all certificates as current assets since they are held in a brokerage account and could be sold and converted to cash quickly at an amount approximating face value.

IOWA SOCCER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE C - DEFERRED REVENUES

Deferred revenues consist of fees and registrations received in the current year for events and activities that will occur in the next fiscal year. Deferred revenues are recognized as revenues during the period in which the related event occurs.

NOTE D - RETIREMENT PLAN

The Association sponsors a SIMPLE IRA Retirement Plan. All employees expected to earn at least \$5,000 are eligible to participate. The Association makes matching contributions equal to 100% of the first 3% of compensation contributed to the Plan by each participant. Employer contributions to the Plan were \$10,486 and \$9,693 for the years ended July 31, 2015 and 2014, respectively.

NOTE E - LEASE COMMITMENT

The Association leases office facilities pursuant to the terms of a lease ending on June 30, 2016. The lease provides for monthly rental payments of \$1,157. Annual rent expense associated with the office lease was \$13,889 for the years ended July 31, 2015 and 2014. Minimum future rental payments under terms of the lease are \$12,732 for 2016.

NOTE F - FUNCTIONAL EXPENSES

Functional expense allocations were made by direct assignment of costs to functional categories where a direct relationship exists. Other common expenses have been allocated to functional categories based on time, use and occupancy estimates.

Following is a summary of the Association's functional expenses:

	<u>2015</u>	<u>2014</u>
Program service activities fulfilling exempt purpose	\$ 1,464,889	\$ 1,091,755
Management, general and other association activities	<u>280,564</u>	<u>230,273</u>
	<u>\$ 1,745,453</u>	<u>\$ 1,322,028</u>