

COLORADO SOCCER FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

COLORADO SOCCER FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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October 27, 2022

INDEPENDENT AUDITORS' REPORT

Board of Directors
Colorado Soccer Foundation
Aurora, Colorado

Opinion

We have audited the accompanying financial statements of the **Colorado Soccer Foundation** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Colorado Soccer Foundation as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Colorado Soccer Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Colorado Soccer Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Colorado Soccer Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Colorado Soccer Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Taylor Roth and Company PLLC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER, COLORADO

COLORADO SOCCER FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

| | 2022 |
|-----------------------------------|--------------|
| <u>Assets</u> | |
| Cash and cash equivalents | \$ 306,661 |
| Accounts receivable | 32,857 |
| Prepaid expenses | 12,193 |
| Property and equipment (Note 3) | 4,963,949 |
| Total assets | \$ 5,315,660 |
| <u>Liabilities and net assets</u> | |
| <u>Liabilities</u> | |
| Accounts payable | \$ 463 |
| Accrued payroll costs | 6,318 |
| Deferred revenue | 800 |
| Commitments (Note 4) | |
| Total liabilities | 7,581 |
| <u>Net assets</u> | |
| Without donor restrictions | 5,163,376 |
| With donor restrictions (Note 5) | 144,703 |
| Total Net assets | 5,308,079 |
| Total liabilities and net assets | \$ 5,315,660 |

The accompanying notes are an integral part of these financial statements

COLORADO SOCCER FOUNDATION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

| | 2022 | | |
|------------------------------------------------|-------------------------------|----------------------------|--------------|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| <u>Revenue and other support</u> | | | |
| Foundations | \$ 666,150 | \$ 144,703 | \$ 810,853 |
| Field and facility rental | 128,085 | - | 128,085 |
| Corporations and community groups | 71,419 | - | 71,419 |
| Individual and board contributions | 70,314 | - | 70,314 |
| Memberships | 68,423 | - | 68,423 |
| Registrations | 42,455 | - | 42,455 |
| Government | 20,000 | - | 20,000 |
| Special events | 16,490 | - | 16,490 |
| Less: direct expenses | (3,348) | - | (3,348) |
| Concessions and retail, net | 11,707 | - | 11,707 |
| Tournaments | 3,272 | - | 3,272 |
| Loss on investments | (241) | - | (241) |
| In-kind donations (Note 6) | 800 | - | 800 |
| Net assets released from restrictions (Note 7) | 538,188 | (538,188) | - |
| Total revenue and other support | 1,633,714 | (393,485) | 1,240,229 |
| <u>Expenses</u> | | | |
| Program services | 723,127 | - | 723,127 |
| Supporting services | | | |
| Management and general | 55,139 | - | 55,139 |
| Fund-raising | 44,270 | - | 44,270 |
| Total expense | 822,536 | - | 822,536 |
| Change in net assets | 811,178 | (393,485) | 417,693 |
| Net assets, beginning of year | 4,352,198 | 538,188 | 4,890,386 |
| Net assets, end of year | \$ 5,163,376 | \$ 144,703 | \$ 5,308,079 |

The accompanying notes are an integral part of these financial statements

COLORADO SOCCER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

| | 2022 | | | |
|---------------------------------|---------------------|------------------------------|------------------|------------|
| | Supporting Services | | | |
| | Program Services | Management And General | Fund- raising | Total |
| Salaries | \$ 253,774 | \$ 24,752 | \$ 25,324 | \$ 303,850 |
| Payroll taxes and benefits | 23,508 | 1,798 | 1,798 | 27,104 |
| Security and maintenance | 44,891 | 3,741 | 1,247 | 49,879 |
| Coaches | 49,816 | - | - | 49,816 |
| Insurance | 37,716 | 2,392 | 1,567 | 41,675 |
| Program management | 34,597 | 1,139 | 1,764 | 37,500 |
| Equipment | 30,198 | 237 | 236 | 30,671 |
| Property taxes | 21,090 | 1,172 | 1,171 | 23,433 |
| Utilities | 20,693 | 1,222 | 1,080 | 22,995 |
| Supplies | 11,115 | 316 | 315 | 11,746 |
| Accounting | - | 7,712 | - | 7,712 |
| Program events and celebrations | 6,573 | - | - | 6,573 |
| Computers and software | 4,773 | 174 | 174 | 5,121 |
| Contractors | 4,476 | - | - | 4,476 |
| Telephone and internet | 3,739 | 220 | 220 | 4,179 |
| Payment processing fees | 3,676 | 42 | 145 | 3,863 |
| Dues and subscriptions | 2,605 | 939 | 106 | 3,650 |
| Background checks | 3,504 | 5 | 5 | 3,514 |
| Meetings and meals | 1,935 | 193 | 32 | 2,160 |
| Payroll processing | 1,621 | 90 | 90 | 1,801 |
| Website | 1,327 | 74 | 73 | 1,474 |
| Printing and postage | 1,257 | 75 | 65 | 1,397 |
| Staff development | 727 | 24 | 37 | 788 |
| Marketing | 672 | 8 | 8 | 688 |
| Other | 200 | - | - | 200 |
| | 564,483 | 46,325 | 35,457 | 646,265 |
| Depreciation | 158,644 | 8,814 | 8,813 | 176,271 |
| Total expenses | \$ 723,127 | \$ 55,139 | \$ 44,270 | \$ 822,536 |

The accompanying notes are an integral part of these financial statements

COLORADO SOCCER FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

| | <u>2022</u> |
|-----------------------------------------------------------------------------------------------|--------------------------|
| <u>Cash flows from operating activities</u> | |
| Change in net assets | \$ 417,693 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | |
| Depreciation | 176,271 |
| Investment gains | 192 |
| <u>Changes in operating assets and liabilities</u> | |
| (Increase)decrease in accounts receivable | (22,372) |
| (Increase)decrease in prepaid expenses | (5,544) |
| (Increase)decrease in accounts payable | (654) |
| Increase(decrease) in deferred revenue | 800 |
| Increase(decrease) in payroll accruals | (1,988) |
| Net cash provided(used) by operating activities | <u>564,398</u> |
| <u>Cash flows from investing activities</u> | |
| (Additions) to fixed assets | (535,870) |
| (Reinvestment) of interest and dividends | 104 |
| (Additions) to investments | (350,000) |
| Withdrawal from investments | 537,892 |
| Net cash provided(used) by investing activities | <u>(347,874)</u> |
| | |
| Net increase(decrease) in cash and cash equivalents | 216,524 |
| | |
| Cash and cash equivalents, beginning of year | <u>90,137</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 306,661</u></u> |

The accompanying notes are an intergral part of these financial statements

COLORADO SOCCER FOUNDATION

NOTES TO FINANCIAL STATEMENTS **FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

The Colorado Soccer Foundation (the Organization) was founded in 2020 with the mission to make the game of soccer accessible to all kids who want to play. The Organization's home base of operations and programming is known as Soccer City Aurora, a facility with four turf fields, a community lounge, a classroom, and office space. Youth pay \$10 for a 3-month membership that allows them to play pick-up soccer any time the facility is open. In addition to daily activities at Soccer City Aurora, the Organization implements Soccer After School programming across the Denver Metro Area in schools with high rates of free and reduced lunch. Across all programs, the Organization provides access to soccer to over 5,000 youth participants every year. Financial support comes primarily through foundations, field and facility rentals.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The financial statements of the Colorado Soccer Foundation have been prepared in accordance with U.S. generally accepted accounting principles which require the Organization to report its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalent, except for those amounts held in the investment portfolio which are invested for long term purposes.

4. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received; conditional promises to give with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

5. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment of \$1,000 or more. The fair value of donated assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Income Taxes

The Organization is exempt from Federal and State income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Functional Reporting of Expenses

For the year ended June 30, 2022, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocations are determined by management on a rational and systematic basis. Salaries and benefits are allocated on a time and effort basis. All other expenses are allocated on a determination of the program benefited.

9. Fair Value Measurements

The Organization follows the provisions of the Fair Value Measurements and Disclosures Topic of FASB ASC, which requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

10. Compensated absences

In accordance with Statement of Financial Accounting Standards (SFAS) No. 43, since the Organization is not able to estimate compensated absences, no amount has been accrued in these financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

11. Subsequent Events

Management has evaluated subsequent events through October 27, 2022, the date the report was available for distribution.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of:

| <u>Description</u> | <u>Amount</u> |
|--------------------------------|---------------------|
| Land | \$ 840,000 |
| Building | 4,194,048 |
| Furniture and equipment | <u>118,995</u> |
| Total | 5,153,043 |
| Less: accumulated depreciation | <u>(189,094)</u> |
| Net property and equipment | <u>\$ 4,963,949</u> |

Depreciation expense for the year was \$176,271.

NOTE 4 - COMMITMENTS

In April of 2021, the Organization entered into a lease agreement for a copier. The future minimum lease payments are as follows:

| <u>Description</u> | <u>Amount</u> |
|--------------------|-----------------|
| 2023 | \$ 1,380 |
| 2024 | 1,380 |
| 2025 | 1,380 |
| 2026 | <u>1,150</u> |
| Total | <u>\$ 5,290</u> |

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

| <u>Description</u> | <u>Amount</u> |
|----------------------------------------|-------------------|
| After School Program – time restricted | <u>\$ 144,703</u> |

NOTE 6 - IN-KIND CONTRIBUTIONS

Donated goods and services are reflected in the accompanying financial statement at their estimated value at date of receipt. In-kind contributions reflected in the financial statements for the year consisted of:

| <u>Description</u> | <u>Amount</u> |
|-----------------------------------------|---------------|
| Electrician – 4 hours at \$100/hour | \$ 400 |
| AV/Tech support – 4 hours at \$100/hour | <u>400</u> |
| Total | <u>\$ 800</u> |

No amounts have been reflected in the financial statements for donated services not requiring specific expertise.

NOTE 7 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the following restricted program purposes:

| <u>Description</u> | <u>Amount</u> |
|------------------------------------|-------------------|
| Construction of Soccer City Aurora | <u>\$ 538,188</u> |

NOTE 8 - CONCENTRATION OF CREDIT

The Organization places all of its cash with one financial institution. Amounts in excess of \$250,000 are not insured by the FDIC or related entity. At year-end, the Organization's uninsured balance at the financial institution was approximately \$57,437. Management has evaluated its banking needs and the strength of the financial institution and feel it is in the best long-term interest of the Organization to continue its existing relationship.

NOTE 9 - CONCENTRATION OF FUNDING SOURCE AND RELATED PARTY

Concentration of Funding Source

For the year ended June 30, 2022, approximately 51% of total revenues and other support were received from one foundation.

Related Party

The Board Chair of the Organization is the Director of the foundation that provides 51% of total revenues and other support. Management and the Board have evaluated the activities and feel they were conducted in accordance with the Organization's conflict of interest policy.

NOTE 10 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2022:

| <u>Financial assets at year-end:</u> | <u>Amount</u> |
|------------------------------------------------------------------------------------------------------|-----------------------|
| Cash and cash equivalents | \$ 306,661 |
| Accounts receivable | <u>32,857</u> |
| Total financial assets available to meet cash needs for general expenditures within one year: | <u>\$ 339,518</u> |

The Organization's goal is generally to maintain financial assets to meet four months of operating expenses. Management considers donor restricted contributions that will be used within one year as part of its ordinary operations as being available for general expenditures.