

COLORADO SOCCER FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

TOGETHER WITH INDEPENDENT ACCOUNTANTS'
REVIEW REPORT

COLORADO SOCCER FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

March 26, 2024

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Colorado Soccer Foundation
Aurora, Colorado

We have reviewed the accompanying statements of **Colorado Soccer Foundation** (a Colorado nonprofit corporation) which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 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 taken 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement 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.

We are required to be independent of Colorado Soccer Foundation and meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, 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.

Report on Summarized Comparative Information

We have previously audited the Colorado Soccer Foundation's financial statements and we expressed an unmodified audit opinion on those financial statements in our report dated October 27, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor Roth and Company PLLC

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

COLORADO SOCCER FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Reviewed 2023	Audited 2022
<u>Assets</u>		
Cash and cash equivalents	\$ 381,579	\$ 306,661
Accounts receivable	10,135	32,857
Prepaid expenses	12,629	12,193
Property and equipment (Note 3)	4,824,004	4,963,949
Total assets	\$ 5,228,347	\$ 5,315,660
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 1,728	\$ 463
Accrued payroll costs	7,353	6,318
Deferred revenue	-	800
Finance lease obligation (Note 4)	3,639	-
Total liabilities	12,720	7,581
<u>Net assets</u>		
<u>Without donor restrictions</u>		
Undesignated	391,623	199,427
Net investment in fixed assets	4,824,004	4,963,949
	5,215,627	5,163,376
<u>With donor restrictions</u>		
	-	144,703
Total Net assets	5,215,627	5,308,079
Total liabilities and net assets	\$ 5,228,347	\$ 5,315,660

See accompanying notes and independent accountants' review report

COLORADO SOCCER FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Reviewed 2023			Audited 2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Foundations	\$ 377,150	\$ 20,000	\$ 397,150	\$ 810,853
Field and facility rental	119,404	-	119,404	128,085
Memberships	77,025	-	77,025	68,423
Corporations and community groups	59,249	5,338	64,587	71,419
Tournaments	50,207	-	50,207	3,272
Registrations	31,494	-	31,494	42,455
Individual and board contributions	22,087	1,200	23,287	70,314
Community informed programs	18,039	-	18,039	-
Concessions and retail, net	16,381	-	16,381	11,707
Investment income(loss)	640	-	640	(241)
Other	3,805	-	3,805	-
Government	-	-	-	20,000
Special events	-	-	-	16,490
Less: direct expenses	-	-	-	(3,348)
In-kind donations	-	-	-	800
Net assets released from restrictions (Note 5)	171,241	(171,241)	-	-
Total revenue and other support	946,722	(144,703)	802,019	1,240,229
<u>Expenses</u>				
Program services	735,233	-	735,233	723,127
Supporting services				
Management and general	83,327	-	83,327	55,139
Fund-raising	75,911	-	75,911	44,270
Total expense	894,471	-	894,471	822,536
Change in net assets	52,251	(144,703)	(92,452)	417,693
Net assets, beginning of year	5,163,376	144,703	5,308,079	4,890,386
Net assets, end of year	\$ 5,215,627	\$ -	\$ 5,215,627	\$ 5,308,079

See accompanying notes and independent accountants' review report

COLORADO SOCCER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Reviewed 2023				Audited 2022
	Supporting Services				
	Programs	Management and General	Fund- raising	Total	Total
Salaries	\$ 281,106	\$ 26,938	\$ 35,758	\$ 343,802	\$ 303,850
Payroll taxes and benefits	32,649	2,568	3,272	38,489	27,104
Security and maintenance	58,991	2,899	2,900	64,790	49,879
Coaches and referees	59,663	-	-	59,663	49,816
Insurance	42,919	2,072	2,071	47,062	41,675
Program management	26,728	3,588	7,451	37,767	37,500
Equipment	23,381	65	65	23,511	30,671
Utilities	20,108	1,389	1,603	23,100	22,995
Accounting and legal	-	21,335	-	21,335	7,712
Supplies	16,748	178	178	17,104	11,746
Program events and celebrations	12,716	-	-	12,716	6,573
Meetings and meals	4,503	169	419	5,091	2,160
Computers and software	4,370	229	230	4,829	5,121
Payment processing fees	4,408	105	106	4,619	3,823
Telephone and internet	3,912	225	226	4,363	4,179
Dues and subscriptions	2,825	129	129	3,083	3,650
Background checks	3,047	14	13	3,074	3,514
Repairs and maintenance	2,516	140	140	2,796	-
Staff development	1,844	17	326	2,187	788
Payroll processing	1,772	94	94	1,960	1,801
Sales tax	1,445	-	-	1,445	-
Property taxes	-	-	-	-	23,433
All other	5,040	416	173	5,629	8,275
	610,691	62,570	55,154	728,415	646,265
Depreciation	124,542	20,757	20,757	166,056	176,271
Total expenses	<u>\$ 735,233</u>	<u>\$ 83,327</u>	<u>\$ 75,911</u>	<u>\$ 894,471</u>	<u>\$ 822,536</u>

See accompanying notes and independent accountants review report

COLORADO SOCCER FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Reviewed 2023	Audited 2022
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (92,452)	\$ 417,693
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	166,056	176,271
Investment gains	-	192
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts receivable	22,722	(22,372)
(Increase)decrease in prepaid expenses	(436)	(5,544)
(Increase)decrease in accounts payable	1,265	(654)
Increase(decrease) in deferred revenue	(800)	800
Increase(decrease) in payroll accruals	1,035	(1,988)
Net cash provided(used) by operating activities	<u>97,390</u>	<u>564,398</u>
<u>Cash flows from investing activities</u>		
(Additions) to fixed assets	(21,306)	(535,870)
(Payments) on finance lease obligation	(1,166)	-
(Reinvestment) of interest and dividends	-	104
(Additions) to investments	-	(350,000)
Withdrawal from investments	-	537,892
Net cash provided(used) by investing activities	<u>(22,472)</u>	<u>(347,874)</u>
Net increase(decrease) in cash and cash equivalents	74,918	216,524
Cash and cash equivalents, beginning of year	<u>306,661</u>	<u>90,137</u>
Cash and cash equivalents, end of year	<u>\$ 381,579</u>	<u>\$ 306,661</u>
Supplemental disclosure of information:		
Cash paid during the period for interest	<u>\$ 214</u>	<u>\$ -</u>
Noncash investing and financing transactions		
Property purchased under a finance lease	<u>\$ 4,805</u>	<u>\$ -</u>

See accompanying notes and independent accountants' review report

COLORADO SOCCER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 - NATURE OF ACTIVITIES

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, and memberships.

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, 2023, 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. Leases

The Organization accounts for leases in accordance with the Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, as amended. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard of having both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Operating leases are included in operating right-of-use (ROU) assets and operating lease liabilities in the statement of financial position. Financing leases are included in property and equipment and finance lease liabilities in the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization uses its incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also include any lease payments made and exclude any lease incentives. Lease expense for the lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain the Organization will exercise the option.

The Organization may have lease agreements with non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand alone prices. The Organization does not report ROU assets and liabilities for its short-term leases (leases with a term of 12-months or less).

12. Summarized Prior-Year Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

13. Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

14. Subsequent Events

Management has evaluated subsequent events through March 26, 2024, 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	140,301
Leased equipment	<u>4,805</u>
Total	5,179,154
Less: accumulated depreciation and amortization	<u>(355,150)</u>
Net property and equipment	<u><u>\$ 4,824,004</u></u>

Depreciation expense for the year was \$166,056.

NOTE 4 - FINANCE LEASE OBLIGATION

At year-end, the Organization has a photocopier under a finance lease arrangement. The future minimum lease payments are:

<u>Fiscal year</u>	<u>Amount</u>
2024	\$ 1,380
2025	1,380
2026	<u>1,150</u>
Total lease payments	3,910
Less present value adjustment	<u>(271)</u>
Present value of lease liabilities	<u><u>\$ 3,639</u></u>

Other information related to the lease is as follows:

Remaining lease term (years):	2.83
Discount rate:	5.00%

Supplemental cash flow information follows:

	<u>Amount</u>
Cash paid for amounts include the measurement of lease liabilities	
Financing cash outflows from finance lease	\$ 1,166
Right-of-use asset obtained in exchange for finance lease liability	\$ 4,805

NOTE 5 - 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>
After school program	\$ 166,065
Soccer city	<u>5,176</u>
Total	<u>\$ 171,241</u>

NOTE 6 - 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 \$129,149. 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 7 - CONCENTRATION OF FUNDING SOURCE

For the year ended June 30, 2023, approximately 38% of total revenue and other support was received from one foundation.

NOTE 8 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2023:

<u>Financial assets at year-end:</u>	<u>Amount</u>
Cash and cash equivalents	\$ 381,579
Accounts receivable	<u>10,135</u>
Financial assets available to meet general expenditures within one year	<u>\$ 391,714</u>

The Organization's goal is generally to maintain financial assets to meet six 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.