

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

CORNING, NEW YORK

REVIEWED FINANCIAL STATEMENTS

AND

ACCOUNTANTS' REVIEW REPORT

AUGUST 31, 2010 AND 2009

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MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

ACCOUNTANTS' 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, 2010 and 2009, and the related statements of activities and changes in net assets, and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the Association's management.

A review consists principally of inquiries of Association personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, 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.

Based on our reviews, we are not aware of any material modifications that should be made to 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 21, 2010

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	August 31,	
	<u>2010</u>	<u>2009</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 243,990	\$ 222,599
Investments	358,179	348,080
Accounts receivable	28,504	50,262
Prepaid and deferred expenses	31,660	20,312
TOTAL CURRENT ASSETS	<u>662,333</u>	<u>641,253</u>
 <u>PROPERTY AND EQUIPMENT</u>		
Land, building and improvements	163,030	-
Furniture and equipment	48,322	48,322
Computer equipment	63,826	58,086
	<u>275,178</u>	<u>106,408</u>
Less allowances for depreciation	108,275	103,675
	<u>166,903</u>	<u>2,733</u>
	<u>\$ 829,236</u>	<u>\$ 643,986</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 74,239	\$ 56,427
Deferred revenues	50,139	58,600
TOTAL CURRENT LIABILITIES	<u>124,378</u>	<u>115,027</u>
 <u>UNRESTRICTED NET ASSETS</u>		
Unrestricted	604,858	428,959
Board designated	100,000	100,000
	<u>704,858</u>	<u>528,959</u>
	<u>\$ 829,236</u>	<u>\$ 643,986</u>

See accountants' 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

	Year ended August 31,	
	2010	2009
<u>REVENUES</u>		
Registrations	\$ 749,713	\$ 729,715
Less:		
Player insurance	(111,499)	(110,550)
National fees	(139,598)	(140,088)
Net registration revenues	498,616	479,077
Passes	202,331	202,418
Training	187,567	177,666
Marketing	11,581	22,695
Scholarships and sponsorships	23,221	13,836
Coaching courses	52,370	75,383
Merchandise sales	20,298	30,218
Investment income (loss)	11,809	(4,677)
Other revenue	20,980	8,270
TOTAL REVENUES	1,028,773	1,004,886
<u>EXPENSES</u>		
Programs:		
Olympic development program and player development academy	318,808	328,482
State Cup tournament	38,905	58,407
President's Cup tournament	8,060	4,875
Region I	20,246	-
Coaching education	80,973	88,095
Director of coaching	66,360	101,671
Total program expenses	533,352	581,530
State administration	314,922	329,231
Depreciation	4,600	1,491
TOTAL EXPENSES	852,874	912,252
INCREASE IN NET ASSETS	175,899	92,634
Net assets at beginning of year	528,959	436,325
NET ASSETS AT END OF YEAR	\$ 704,858	\$ 528,959

See accountants' 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>2010</u>	<u>2009</u>
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 175,899	\$ 92,634
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation	4,600	1,491
(Gain) loss on investments	(6,592)	9,218
Reinvested investment income	(3,507)	(3,079)
Changes in certain assets and liabilities affecting operations:		
Accounts receivable	21,758	464
Prepaid and deferred expenses	(11,348)	(1,522)
Accounts payable and accrued expenses	17,812	34,876
Deferred revenues	(8,461)	8,166
NET CASH PROVIDED FROM OPERATING ACTIVITIES	190,161	142,248
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(168,770)	(3,403)
Purchase of investments	-	(155,000)
NET CASH USED FOR INVESTING ACTIVITIES	(168,770)	(158,403)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	21,391	(16,155)
Cash and cash equivalents at beginning of year	222,599	238,754
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 243,990</u>	<u>\$ 222,599</u>

See accountants' 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 Accountants' Review Report)

AUGUST 31, 2010 AND 2009

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. In August 2003, the Board designated \$100,000 for future projects.

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 2010 or 2009.

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. The Association maintains its cash balances in a financial institution located in Corning, New York. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at the institution. In addition, in accordance with the FDIC's Temporary Liquidity Program, certain non-interest bearing transaction accounts at the financial institution are 100% insured through December 31, 2010. There were no uninsured balances at August 31, 2010.

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Accountants' Review Report)

AUGUST 31, 2010 AND 2009

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, 2010 or 2009.

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.

Deferred revenues

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

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, 2010, 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, 2007. The tax returns for the years ended August 31, 2007 through August 31, 2010 are still subject to potential audit by the IRS and the taxing authorities in New York State. The Association adopted the provisions of FASB ASC 740-10 *Accounting for Uncertainty in Income Taxes* (formerly FIN 48), and its related amendment on September 1, 2009. Management of the Association believes it has no material uncertain tax positions and, accordingly it will not recognize 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 Accountants' Review Report)

AUGUST 31, 2010 AND 2009

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

Reclassifications

Certain 2009 amounts have been reclassified to conform with the 2010 presentation.

Subsequent events

The Association has conducted an evaluation of potential subsequent events occurring after the statements of financial position date through October 21, 2010, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

NOTE B: FAIR VALUE MEASUREMENTS

FASB ASC 820-10 *Fair Value Measurements* 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 under FASB ASC 820-10 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 and are therefore considered to be Level 1 in the above valuation hierarchy. There have been no changes in the methodologies used at August 31, 2010 or 2009.

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Accountants' Review Report)

AUGUST 31, 2010 AND 2009

NOTE C: INVESTMENTS

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

	<u>Fair value</u>	<u>Cost</u>	<u>Unrealized appreciation (depreciation)</u>
August 31, 2010:			
Cash equivalents	\$ 211,917	\$ 211,917	\$ -
Certificates of deposit	30,022	30,000	22
Mutual funds	<u>116,240</u>	<u>118,746</u>	<u>(2,506)</u>
	<u>\$ 358,179</u>	<u>\$ 360,663</u>	<u>\$ (2,484)</u>
August 31, 2009:			
Cash equivalents	\$ 1,159	\$ 1,159	\$ -
Certificates of deposit	238,043	238,000	43
Mutual funds	<u>108,878</u>	<u>126,395</u>	<u>(17,517)</u>
	<u>\$ 348,080</u>	<u>\$ 365,554</u>	<u>\$ (17,474)</u>

Information pertaining to securities with gross unrealized losses at August 31, 2010 and 2009, aggregated by investment category and length of time that individual securities have been in a continuous loss position, are as follows:

	<u>Less than 12 months</u>		<u>12 months or greater</u>		<u>Total</u>	
	<u>Fair value</u>	<u>Gross unrealized losses</u>	<u>Fair value</u>	<u>Gross unrealized losses</u>	<u>Fair value</u>	<u>Gross unrealized losses</u>
August 31, 2010:						
Mutual funds	<u>\$ 65,784</u>	<u>\$ 2,997</u>	<u>\$ 12,669</u>	<u>\$ 1,821</u>	<u>\$ 78,453</u>	<u>\$ 4,818</u>
August 31, 2009:						
Mutual funds	<u>\$ 14,401</u>	<u>\$ 1,526</u>	<u>\$ 94,477</u>	<u>\$ 15,991</u>	<u>\$ 108,878</u>	<u>\$ 17,517</u>

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Accountants' Review Report)

AUGUST 31, 2010 AND 2009

NOTE C: INVESTMENTS, Cont'd

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.

At August 31, 2010, the securities with unrealized losses have depreciated 6% from the Association's basis. As the Association has the ability to hold the securities for the foreseeable future, no declines are deemed to be other-than-temporary.

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.

NOTE D: COMMITMENTS

The Association leased its office at \$2,236 per month under terms of an operating lease that expired in April 2010. In February 2010, the Association purchased a building for its State operations office. Additionally, the Association leases certain office equipment under leases which expire through March 2011. Future minimum lease commitments under these agreements are as follows:

<u>Year ending August 31,</u>	<u>Amount</u>
2011	<u>\$ 1,792</u>

Lease expense, including usage charges, amounted to \$22,026 and \$38,157 in 2010 and 2009, 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 \$7,192 and \$4,474 for the years ended August 31, 2010 and 2009, respectively.

NOTE F: CONTINGENT LIABILITY

The Association is involved in a legal action with the former Director of Coaching. The Association believes it has defenses for the claims, believes the claims are substantially without merit, and is vigorously defending the actions. In the opinion of management, the final disposition of this matter will not have a material effect on the Association's financial position.