



Essex County Youth Soccer Association, Inc.

**Financial Statements for the Years Ended
August 31, 2024 and 2023**



CARAS & SHULMAN, PC
*Certified Public Accountants
Business Advisors*

Essex County Youth Soccer Association, Inc.
Financial Statements for the Years Ended August 31, 2024 and 2023

Contents

Independent Accountant's Review Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	5
Notes to Financial Statements	6



CARAS & SHULMAN, PC
Certified Public Accountants
Business Advisors

Independent Accountant's Review Report

To the Board of Directors
Essex County Youth Soccer Association, Inc.
Haverhill, MA

We have reviewed the accompanying financial statements of Essex County Youth Soccer Association, Inc. (a non-profit organization), which comprise the statements of financial position as of August 31, 2024 and 2023, and the related statements of activities and cash flows for the years 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 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.

Accountant's 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 Essex County Youth Soccer Association, Inc. and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's 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.

Caras & Shulman, PC

Caras & Shulman, PC
Certified Public Accountants

October 28, 2024

Essex County Youth Soccer Association, Inc.
Statements of Financial Position
August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current assets:		
Cash	\$ 241,255	\$ 170,993
Accounts receivable	60,779	62,521
Prepaid expenses	<u>7,946</u>	<u>1,752</u>
Total current assets	<u>309,980</u>	<u>235,266</u>
Property and equipment:		
Office equipment	2,389	2,389
Software	<u>62,585</u>	<u>62,585</u>
Total property and equipment	64,974	64,974
Less accumulated depreciation	<u>62,582</u>	<u>56,746</u>
Net property and equipment	<u>2,392</u>	<u>8,228</u>
Other assets:		
Cash restricted for soccer field development	<u>55,984</u>	<u>55,928</u>
Total Assets	<u>\$ 368,356</u>	<u>\$ 299,422</u>
Liabilities and Net Assets		
Current liabilities:		
Contract liabilities	\$ 188,052	\$ 175,337
Accounts payable	<u>2,854</u>	<u>-</u>
Total current liabilities	<u>190,906</u>	<u>175,337</u>
Net assets:		
Without donor restrictions	121,466	68,157
With donor restrictions	<u>55,984</u>	<u>55,928</u>
Total net assets	<u>177,450</u>	<u>124,085</u>
Total Liabilities and Net Assets	<u>\$ 368,356</u>	<u>\$ 299,422</u>

Essex County Youth Soccer Association, Inc.
Statement of Activities
For the Year Ended August 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Registration fees - Fall season	\$ 164,111	\$ -	\$ 164,111
Registration fees - Spring season	307,255	-	307,255
Donations	1,413	-	1,413
Interest	42	56	98
	<u>472,821</u>	<u>56</u>	<u>472,877</u>
Total revenues			
Expenses:			
Program expenses:			
Fall season	97,307	-	97,307
Spring season	233,696	-	233,696
Education	13,798	-	13,798
Technology and web expenses	18,425	-	18,425
	<u>363,226</u>	<u>-</u>	<u>363,226</u>
Total program expenses			
Supporting services:			
Telephone, email, and postage	16,203	-	16,203
Office supplies	7,450	-	7,450
Professional services	12,663	-	12,663
Rent of meeting facilities and storage space	13,677	-	13,677
Amortization, software	5,836	-	5,836
Corporate filing fees	457	-	457
	<u>56,286</u>	<u>-</u>	<u>56,286</u>
Total supporting services			
Total expenses			
	<u>419,512</u>	<u>-</u>	<u>419,512</u>
Change in net assets	53,309	56	53,365
Net assets, beginning of year	68,157	55,928	124,085
Net Assets, End of Year	<u>\$ 121,466</u>	<u>\$ 55,984</u>	<u>\$ 177,450</u>

Essex County Youth Soccer Association, Inc.
Statement of Activities
For the Year Ended August 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Registration fees - Fall season	\$ 142,739	\$ -	\$ 142,739
Registration fees - Spring season	247,612	-	247,612
Donations	1,590	-	1,590
Interest	21	28	49
	<u>391,962</u>	<u>28</u>	<u>391,990</u>
Total revenues			
Expenses:			
Program expenses:			
Fall season	89,472	-	89,472
Spring season	215,442	-	215,442
Education	6,717	-	6,717
Technology and web expenses	27,689	-	27,689
	<u>339,320</u>	<u>-</u>	<u>339,320</u>
Total program expenses			
Supporting services:			
Telephone, email, and postage	16,412	-	16,412
Office supplies	5,559	-	5,559
Professional services	9,775	-	9,775
Rent of meeting facilities and storage space	10,913	-	10,913
Amortization, software	7,662	-	7,662
Corporate filing fees	399	-	399
	<u>50,720</u>	<u>-</u>	<u>50,720</u>
Total supporting services			
Total expenses			
	<u>390,040</u>	<u>-</u>	<u>390,040</u>
Change in net assets			
	1,922	28	1,950
Net assets, beginning of year			
	<u>66,235</u>	<u>55,900</u>	<u>122,135</u>
Net Assets, End of Year			
	<u>\$ 68,157</u>	<u>\$ 55,928</u>	<u>\$ 124,085</u>

Essex County Youth Soccer Association, Inc.
Statements of Cash Flows
For the Years Ended August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash provided by (used for) operating activities:		
Increase in net assets from operating activities	\$ 53,365	\$ 1,950
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization	5,836	7,662
Changes in operating assets and liabilities:		
Accounts receivable	1,742	(5,813)
Prepaid expenses	(6,194)	(404)
Accounts payable	2,854	(1,867)
Contract liabilities	<u>12,715</u>	<u>20,894</u>
Cash provided by operating activities	<u>70,318</u>	<u>22,422</u>
Increase in cash, cash equivalents and restricted cash	70,318	22,422
Cash, cash equivalents and restricted cash at beginning of year	<u>226,921</u>	<u>204,499</u>
Cash, cash equivalents and restricted cash at End of Year	<u>\$ 297,239</u>	<u>\$ 226,921</u>

Essex County Youth Soccer Association, Inc.
Notes to Financial Statements
August 31, 2024 and 2023

Note 1 Accounting Policies

A summary of the significant accounting policies applied on a consistent basis by the Organization in the preparation of the accompanying financial statements is set forth below:

Nature of Activities

Essex County Youth Soccer Association, Inc. (the Organization) was organized in May 1992 and is engaged in fostering amateur sports competition through the game of youth soccer. The Organization is incorporated in Massachusetts and promotes the game of soccer for the youth of Essex County, Massachusetts. The Organization provides educational programs to benefit players, coaches, referees, and the general public. The Organization has fall and spring competitive seasons.

Basis of Accounting

The financial statements of the Organization have been prepared under the accrual basis in accordance with accounting principles generally accepted in the United States of America. Under this basis, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes: net assets without donor restrictions or net assets with donor restrictions.

A description of the net assets without restrictions and net assets with restrictions classes is as follows:

Net assets without restrictions are resources available to support operations. The only limits on the use of net assets without restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates; the purposes specified in its corporate documents and its application for tax-exempt status. Net assets without donor restrictions also include amounts designated by the Board of Directors (the "Board") for future use.

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are reported in this class if the donor limited their use, as are promised contributions that are not yet due.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets with donor restrictions to net assets without donor restrictions. Donor imposed restrictions that are met in the same period they are received are recorded as without donor restrictions support.

Net assets with donor restrictions as of August 31, 2024 and 2023, totaling \$55,984 and \$55,928, respectively, are available for soccer field development. Other assets were added to net assets with restrictions because they were received with temporary restrictions as to the use of assets.

Essex County Youth Soccer Association, Inc.
Notes to Financial Statements
August 31, 2024 and 2023

Note 1 Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the Organization to make certain judgments, estimates, and assumptions that affect the amounts reported in financial statements and the disclosures made in the accompanying notes. For example, the Organization uses judgments and estimates in determining how revenue should be recognized. These judgments and estimates include identifying performance obligations, determining if the performance obligations are distinct, determining the standalone sales price (SSP) for each distinct performance obligation, timing of revenue recognition for each distinct performance obligation, estimating total job costs for each contract and estimating variable consideration to be included in the transaction price. The Organization uses estimates in determining the collectability of accounts receivable and the appropriate levels of various accruals. The Organization also uses estimates in determining the remaining economic lives and fair values of acquired property and equipment and other long-lived assets. Despite the Organization's intention to establish accurate estimates and use reasonable assumptions, actual results may differ from our estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

The Organization maintains cash balances at a single financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization's accounts at this institution may, at times, exceed the federally insured limit. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Cash restricted for soccer field development

The Organization raises cash for soccer field development. Cash raised is set in a Money Market Savings account until management has identified a plan for the best use of the resources.

Accounts Receivable and Allowance for Credit Losses

Receivables are stated at their estimated collectible amounts and comprise amounts billed and currently due from customers. The Organization extends credit to customers in the normal course of business. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest.

At each balance sheet date, the Organization recognizes an expected allowance for credit losses. In addition, this estimate is updated at each reporting date to reflect any changes in credit risk since the receivable was initially recorded. Collections from customers are continuously monitored and an allowance for credit losses is maintained based on historical experience adjusted for current conditions and reasonable forecasts taking into account geographical and industry-specific economic factors. The Organization also considers any specific customer collection issues. Since the Company's trade receivables are largely similar, the Organization evaluates its allowance for credit losses as one portfolio segment. At origination, the Organization evaluates credit risk based on a variety of credit quality factors including prior payment experience, customer financial information, credit ratings, probabilities of default, industry trends and other internal metrics. On a continuing basis, data for each major customer is regularly reviewed based on past-due status to evaluate the adequacy of the allowance for credit losses; actual write-offs are charged against the allowance. At August 31, 2024 and 2023, the allowance for credit losses totaled zero.

Essex County Youth Soccer Association, Inc.
Notes to Financial Statements
August 31, 2024 and 2023

Note 1 Accounting Policies (continued)

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. Write-offs are presented as a reduction of sales.

At August 31, 2023, the Organization carries its accounts receivable at cost less an allowance for doubtful accounts under prior FASB issued guidance (FASB ASC 310).

Contributed Services

The value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. Individuals volunteer their time and perform a variety of tasks that assist the Organization.

Revenue Recognition

The Organization derives revenue primarily from team fees for games and tournaments.

Effective September 1, 2019, the Organization adopted ASC 606, *Revenue From Contracts With Customers* ("ASC 606") which created a single framework for recognizing revenue from contracts with customers that fall within its scope.

Under ASC 606, revenue is recognized upon the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services.

In accordance with ASC 606, the Organization recognizes revenue from contracts with customers using the following five-step revenue recognition model:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to each separate performance obligation
- Recognize revenue when, or as, the Organization satisfies each performance obligation

ASC 606 defines a performance obligation as a promise in a contract to transfer a distinct good or service to the customer and is considered the unit of account. The majority of the Organization's contracts have one single performance obligation as the promise to transfer the individual goods is not separately identifiable from other promises in the contracts and is, therefore, not distinct. Discounts and incentives are treated as separate performance obligations. The Organization allocates the contract's transaction price to each of these performance obligations separately using explicitly stated amounts or our best estimate using historical data.

Revenue including advertising, registration and scheduling are recognized at a point in time when the service has been provided. Contracts with customers generally do not exceed a period of one year. Revenues are recorded net of discounts, sales taxes, and estimated allowances.

Team referee fees and fees billed to maintain the website and scheduling software are billed seasonally. The Organization recognizes revenue from teams ratably over the contract period, which corresponds to the season in which games take place. Contracts generally do not exceed a period of one year.

Essex County Youth Soccer Association, Inc.

Notes to Financial Statements

August 31, 2024 and 2023

Note 1 Accounting Policies (continued)

The nature of the Organization's business gives rise to variable consideration, including discounts and allowances, that decreases the transaction price. Variable consideration is estimated at the amount that is most likely to be earned. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration are estimated based upon historical experience and known trends.

Incremental Costs to Obtain a Customer Contract

ASC 606 requires incremental costs to obtain a customer contract to be capitalized if the expected benefit period exceeds one year.

The Organization applies a practical expedient to expense incremental costs as incurred when the benefit period is less than one year.

Contract Balances

Timing of revenue recognition may differ from the timing of invoicing to customers. The Organization records a receivable when it has an unconditional right to invoice and receive payment related to service obligations that have been performed. On September 1, 2022, the opening balance of accounts receivable, net of an allowance for doubtful accounts totaled \$56,708. As of August 31, 2024 and 2023, accounts receivable, net of an allowance for doubtful accounts totaled \$60,779 and \$62,521, respectively, and is included in the accompanying balance sheets.

Contract assets represent an entity's right to payment for goods and services already transferred to a customer when the right to payment is conditional on matters other than the passage of time. As of September 1, 2022, and August 31, 2024 and 2023, there are no balances related to contract assets.

Contract liabilities represent an entity's obligation to transfer goods or services to a customer for whom the entity has received consideration or an amount of consideration is due from the customer that is considered unconditional. Contract liabilities generally consist of advance customer deposits or unearned revenue. As of September 1, 2022, there was a balance of \$154,443 related to contract liabilities. As of August 31, 2024 and 2023, the balance related to contract liabilities totaled \$188,052 and \$175,337, respectively.

Qualitative Economic Factors

The Organization considers the type of customer (member), type of contract and geographic location of each customer as it relates to revenue recognition. The Organization provides services to towns throughout Essex County, Massachusetts. Types of contracts between each customer (member) are similar, short-term contracts, not to exceed one year. Due to the similarity between types of contracts and customer (member) types, the Organization does not believe these factors would significantly influence the nature, amount, timing and uncertainty of revenue and cash flows. Economic factors that may affect geographic areas where customers (members) are located are considered when extending credit.

Essex County Youth Soccer Association, Inc.
Notes to Financial Statements
August 31, 2024 and 2023

Note 1 Accounting Policies (continued)

Practical Expedients

For all contract modifications prior to the initial application date, the Organization elected to use a practical expedient to reflect such contracts as modified as of the initial application date when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price. The Organization applied the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

Deferred Revenue

Deferred revenue represents club fees received prior to the commencement of the fall season.

Prepaid Expenses

Prepaid expenses represent monies advanced to individuals and/or organizations prior to incurring the associated expense.

Functional Expenses

Expenses are charged directly to program or supporting services in general categories based on specific identification.

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income or excise tax has been recorded in the financial statements.

The Organization follows accounting guidance provided in FASB ASC 740, "Income Taxes" with regard to accounting for uncertain income tax positions. This guidance provides a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740 also provides guidance on de-recognition of tax benefits, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Organization evaluates all significant income tax positions as required by accounting principles generally accepted in the United States of America. As of August 31, 2024, the Organization does not believe that it has taken any tax positions that would require the recording of an additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within twelve months of the report date. The Organization's annual returns are subject to examination by the respective taxing jurisdiction. The Organization's annual returns generally remain open for the last three years.

Property and Equipment

All property and equipment are stated at cost. Major additions and betterments are charged to the property accounts; while replacements, maintenance or repairs that do not improve or extend the life of the respective assets are expensed in the year incurred. Upon sale or retirement of an asset, the cost and related accumulated depreciation and amortization are eliminated from the respective accounts and the resulting gain or loss is included in current operations.

Essex County Youth Soccer Association, Inc.
Notes to Financial Statements
August 31, 2024 and 2023

Note 1 Accounting Policies (continued)

Depreciation and Amortization

Depreciation and amortization are computed by the straight-line method. The estimated useful life of each class of assets is as follows:

<u>Property and Equipment</u>	<u>Life in Years</u>
Office equipment	5
Software	3

For the years ended August 31, 2024 and 2023, depreciation and amortization expense totaled \$5,836 and \$7,662, respectively.

New Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). The ASU enhances the presentation and disclosure requirements for contributed nonfinancial assets. The Organization elected to adopt the standard effective August 1, 2022. The results of adopting ASU 2020-07 were insignificant and did not have a material impact on the Organization’s financial condition, results of operations, cash flows, business process, controls or systems.

In June 2016, the FASB issued new guidance in ASU 2016-13, Financial Instruments – Credit Losses (Topic 326). This new guidance significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information analyzing an entity’s exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable.

In September 1, 2023, the Company adopted Topic 326 using the modified-retrospective method, which allows for a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

Reclassifications

Certain reclassifications have been made to the August 31, 2023 financial statements to conform to classifications used at August 31, 2024.

Essex County Youth Soccer Association, Inc.
Notes to Financial Statements
August 31, 2024 and 2023

Note 2 Revenue from Contracts with Members

In accordance with ASC 606, the Organization disaggregates revenue from contracts with members based on the timing of satisfaction of performance obligations. The Organization determined that disaggregating revenue into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The following table disaggregates revenue for the years ended August 31:

	<u>2024</u>	<u>2023</u>
Performance obligations satisfied at a point in time	\$ 241,287	\$ 188,543
Performance obligations satisfied over time	<u>231,590</u>	<u>203,447</u>
Total revenue	<u>\$ 472,877</u>	<u>\$ 391,990</u>

Revenue from performance obligations satisfied at a point in time consists of income relating to registration, scheduling, advertising, team change fees, and interest. Revenue from performance obligations satisfied over time consists of revenue derived from teams for referees and website income earned ratably over the year.

Note 3 Net Assets with Donor Restrictions

The Organization did not reclass any funds from net assets with donor restrictions for the years ended August 31, 2024 and 2023.

Note 4 Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statements of cash flows for the years ended August 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 241,255	\$ 170,993
Cash restricted for soccer field development	<u>55,984</u>	<u>55,928</u>
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 297,239</u>	<u>\$ 226,921</u>

Amounts included in restricted cash represent those funds required to be set aside by contractual agreement with the donors for long term funding of the soccer field development.

Note 5 Liquidity and Availability

At August 31, 2024, the Organization had \$241,255 of financial assets available within one year of the reporting date to meet cash needs for general expenditures. This balance consists only of cash and cash equivalents. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Essex County Youth Soccer Association, Inc.
Notes to Financial Statements
August 31, 2024 and 2023

Note 6 Subsequent Events

Management evaluated subsequent events for the Organization through October 28, 2024, the date the financial statements were available to be issued, and has determined that there were no other material events that would require disclosure in the Organization's financial statements through this date.