

**UNITED STATES VIRGIN ISLANDS (U.S.V.I.)
SOCCER FEDERATION, INC.**
**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**
DECEMBER 31, 2015
(With Comparative Totals for 2014)



U.S.V.I. SOCCER FEDERATION, INC.
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
DECEMBER 31, 2015

TABLE OF CONTENTS

Independent Auditor's Report.....	1
<i>Financial Statements:</i>	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6



1090 Vermont Ave., NW
Suite 920
Washington, DC 20005
PO. Box 2478
Kingshill, VI 00851
111 South Calvert St.
Suite 2700
Baltimore, MD 21202

INDEPENDENT AUDITOR'S REPORT

United States Soccer Federation, Inc.
St. Croix, U.S. Virgin Islands

Report on the Financial Statements

We have audited the accompanying financial statements of United States Soccer Federation, Inc., which comprise the statement of financial position as of December 31, 2015, and the related statement of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Federation as of December 31, 2015, and the changes in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated March 31, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Best Smith & Co

St. Croix, U.S. Virgin Islands
April 7, 2016

U.S.V.I SOCCER FEDERATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015
(With Comparative Totals for 2014)

	2015	2014
ASSETS		
Current Assets:		
Cash	\$ 50,261	\$ 188,379
Receivables	4,635	-
Prepaid Expenses	5,920	3,150
Other Assets	1,000	-
Total Current Assets	61,816	191,529
Noncurrent Assets:		
Property and Equipment, net	531,693	19,492
Construction in Progress	104,861	262,160
Total Noncurrent Assets	636,554	281,652
Total Assets	\$ 698,370	\$ 473,181
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 16,043	\$ 4,616
Total Current Liabilities	16,043	4,616
Total Liabilities	16,043	4,616
Net Assets:		
Total Net Assets	682,327	468,565
Total Liabilities and Net Assets	\$ 698,370	\$ 473,181

The accompanying notes are an integral part of these financial statements

U.S.V.I. SOCCER FEDERATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015
(With Comparative Totals for 2014)

	2015	2014
INCOME		
Financial Assistance Program	\$ 1,049,665	\$ 636,125
Capital Funding	232,382	231,018
Registration and Dues	8,540	17,488
Concession, Net of Expenses	(6,394)	13,993
Contributions and Other	41,986	11,421
Total Income	1,326,179	910,045
EXPENSES		
Travel	361,185	167,706
Contract Labor	176,933	158,527
Coaching	121,395	73,866
Development Program	90,520	63,523
Awards and Grants	40,220	36,035
Special Events	54,168	36,074
Facility and Equipment	127,205	28,874
Office	19,717	10,335
Rent	40,900	42,000
Advertisement	14,262	8,818
Insurance	10,141	8,946
Auto	11,437	7,032
Depreciation	15,509	5,075
Utilities	4,867	4,124
Professional Fees	15,680	4,430
Other	8,278	4,949
Total Operating Expenses	1,112,417	660,314
Change in Net Assets	213,762	249,731
Net Assets, Beginning of Year	468,565	218,834
Net Assets, End of Year	\$ 682,327	\$ 468,565

The accompanying notes are an integral part of these financial statements.

U.S.V.I. SOCCER FEDERATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(With Comparative Totals for 2014)

	2015	2014
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 213,762	\$ 249,731
<i>Adjustment to Reconcile Net Assets to Net Cash Provided by Operating Activities:</i>		
Depreciation	15,509	5,075
<i>Changes in Operating Assets and Liabilities:</i>		
(Increase) in Receivables	(4,635)	-
(Increase) in Prepaid Expenses	(2,770)	(3,150)
(Increase) in Other Assets	(1,000)	-
Increase in Accounts Payable	11,427	3,917
Net Cash Provided by Operating Activities	232,293	255,573
<i>Cash Flows from Investing Activities:</i>		
Acquisition of Fixed Assets	(265,550)	(4,328)
Construction-in-Progress	(104,861)	(250,754)
Net Cash (Used in) Investing Activities	(370,411)	(255,082)
Net (Decrease) Increase in Cash	(138,118)	491
Cash, Beginning of Year	188,379	187,888
Cash, End of Year	\$ 50,261	\$ 188,379

The accompanying notes are an integral part of these financial statements.

U.S.V.I. SOCCER FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of U.S.V.I. Soccer Federation, Inc.'s (the Federation) significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

- ***Nature of Operations***

The Federation is a private organization duly constituted and registered in the U.S. Virgin Islands as a non-profit organization. The principal activity of the Federation is to improve and regulate the game of football (soccer) throughout the territory. The Federation is an affiliate of the Federation Internationale de Football Association ("FIFA") which is the world-governing body of soccer and is comprised of the various national soccer associations. FIFA is responsible for the promotion and organization of the game of soccer throughout the world. The Federation is also affiliated with the Confederation of North, Central American and Caribbean Association Football (CONCACAF).

- ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

- ***Basis of Presentation***

The financial statements are presented under standards for not-for-profit organizations issued by the Financial Accounting Standards Board. Under these standards, financial statements are required to report information regarding the Federation's financial position and activities for each of the three classes of net assets (based on the existence or absence of donor imposed restrictions) as follows:

- ... *Unrestricted Net Assets* – unrestricted resources available to support operations that can be utilized at the discretion of the Board of Directors and management and also includes temporarily restricted resources which become available for use by the Federation in accordance with the intention of donors.

- ... *Temporarily Restricted Net Assets* – net assets that are subject to donor-imposed stipulations that will be met either by actions of the Project and/or the passage of time.

- ... *Permanently Restricted Net Assets* – net assets subject to donor-imposed stipulations that are to be maintained permanently by the Project.

All assets of the Federation were unrestricted as at December 31, 2015.

- ***Support***

The Federation receives a significant portion of its revenues from FIFA under the FIFA Financial Assistance Program (FAP). Revenues are based on fixed contract amount and recognized on the accrual basis of accounting. Included in revenues is \$232,382 which represents funding from FIFA for the construction of building and related facilities in St. Croix, USVI.

- ***Property and Equipment***

The Federation records property and equipment at cost. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets ranging from 5 to 7 years.

Building	39 years
Furniture and Equipment	5-7 years
Vehicle	5 years

- ***Cash and Cash Equivalents***

For the purposes of the statements of cash flows, the Federation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

- ***Income Taxes***

The Federation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no federal income tax has been recorded in the financial statements.

- ***Use of Estimates***

The preparation of financial statements in accordance 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. Accordingly, actual results could differ from those estimates.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2015:

Building	\$ 501,042
Furniture and Equipment	18,794
Vehicle	<u>36,735</u>
Total	556,571
Less: Accumulated Depreciation	<u>(24,878)</u>
Property and Equipment, Net	<u>\$ 531,693</u>

NOTE 3 CONSTRUCTION IN PROGRESS

Construction in progress represents costs accumulated for the construction of a soccer field at plot #23-1 Estate Upper Bethlehem, St. Croix US Virgin Islands. At December 31, 2015 construction in progress totaled \$104,861.

NOTE 4 CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Federation's main source of income is the funds received under the FIFA Financial Assistance Program (FAP). Any change in this source of support would have a significant impact on its programs and services.

NOTE 5 CONCENTRATION OF CREDIT RISK

Financial instruments which subject the Federation to concentration of credit risk consist principally of cash. The Federation had no deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000 per account held at a federally insured institution. The Federation, however had balances of \$65,444 in an institution that is not FDIC insured, consequently; balances held at this institution could be at risk should the institution fail.

NOTE 6 LEASE AGREEMENT

The Federation conducts its activities at two offices, located in St. Croix and St. Thomas.

The St. Croix and St. Thomas office is leased on a month to month basis with a monthly rental fee of \$1000 respectively. The St. Croix office lease ended in February 2015 and the Federation moved into a new office building which was constructed with partial funding from FIFA. The new office building located at Upper Bethlehem, St. Croix is built on land leased from the government of the United States Virgin Islands for a period of 30 years with a monthly payment of \$800.

The Federation also leased housing on St. Thomas for the technical director, on a month to month basis for \$1,150. This agreement ended in February 2015. The Federation then entered into a new lease agreement with monthly payments of \$1,500. This new lease agreement is for the period April 1, 2015 to March 31, 2016.

Rental fees over the next five years are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 26,100
2017	\$ 21,600
2018	\$ 21,600
2019	\$ 21,600
2020	\$ 21,600

Rent expense for the year ended December 31, 2015 was \$40,900.

NOTE 7 SUBSEQUENT EVENTS

The Federation’s management has evaluated subsequent events through April 7, 2016, the date the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that existed at the balance sheet date including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events that did not exist at the balance sheet date, but disclosures of such events, if any, are included in the accompanying notes.