

GEORGETOWN FOOTBALL CLUB
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2020



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Georgetown Football Club

Report on the Financial Statements

We have audited the accompanying financial statements of Georgetown Football Club (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets- modified cash basis as of June 30, 2020, and the related statements of support, revenue, and expenses- modified cash basis, functional expenses, and cash flows-modified cash basis 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 the modified cash basis of accounting as described in Note 1; including determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 assets, liabilities, and net assets of Georgetown Football Club, as of June 30, 2020, and its support, revenue, and expenses and cash flows for the year then ended in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Change in Accounting Principle

As discussed in Note 2 to the financial statements, in the year ended June 30, 2020, the Organization adopted new accounting guidance, *ASU 2018-08- Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and *ASU 2016-18- Statement of Cash Flows (Topic 230): Restricted Cash*. Our opinion is not modified with respect to this matter.

Craft, Wanager, Noble & Company, PLLC

Craft, Wanager, Noble & Company, PLLC
Richmond, Kentucky
August 23, 2021

Georgetown Football Club
Statement of Assets, Liabilities, and Net Assets- Modified Cash Basis
June 30, 2020

Assets

Current Assets	
Cash and cash equivalents	\$ 74,498
Total Current Assets	<u>74,498</u>
 Total Assets	 <u>\$ 74,498</u>

Liabilities and Net Assets

Net Assets	
Net assets without donor restrictions	74,498
Net assets with donor restrictions	<u>-</u>
Total Net Assets	<u>74,498</u>
 Total Liabilities and Net Assets	 <u>\$ 74,498</u>

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

Georgetown Football Club
Statement of Support, Revenue, and Expense- Modified Cash Basis
For the Year Ended June 30, 2020

Net Assets without Donor Restrictions	
Revenues, Gains and Other Support	
Registrations	\$ 140,844
Other income	<u>1,711</u>
Total Revenues without donor restrictions	<u>142,555</u>
Total Revenues, Gains and Other Support without donor restrictions	<u>142,555</u>
Expenses	
Program	169,992
Fundraising	-
Administration	<u>4,956</u>
Total Expenses	<u>174,948</u>
Change in Net Assets without Donor Restrictions	<u>(32,393)</u>
Change in Net Assets	(32,393)
Net Assets, beginning of year	<u>106,891</u>
Net Assets, end of year	<u><u>\$ 74,498</u></u>

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

Georgetown Football Club
Statement of Functional Expenses- Modified Cash Basis
For the Year Ended June 30, 2020

	<u>Program</u>	<u>Fundraising</u>	<u>Administration</u>	<u>Total</u>
Supplies	\$ 29,696	\$ -	\$ -	\$ 29,696
Salaries				
Coaches	72,917	-	-	72,917
Director of Coaching	12,500	-	2,500	15,000
Referees	12,479	-	-	12,479
Tournament fees	21,690	-	-	21,690
Licenses and fees	14,229	-	-	14,229
Repairs and maintenance	3,066	-	-	3,066
Vendors	1,123	-	-	1,123
Office supplies	-	-	2,396	2,396
Other expenses	2,292	-	60	2,352
	<u>2,292</u>	<u>-</u>	<u>60</u>	<u>2,352</u>
Total	<u>\$ 169,992</u>	<u>\$ -</u>	<u>\$ 4,956</u>	<u>\$ 174,948</u>

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

Georgetown Football Club
Statement of Cash Flows- Modified Cash Basis
For The Year Ended June 30, 2020

Change in Net Assets	\$ (32,393)
Cash flows from operating activities	<u>(32,393)</u>
Cash flows from investing activities	-
Cash flows from financing activities	-
Net change in cash	<u>(32,393)</u>
Cash, cash equivalents and restricted cash at beginning of year	<u>106,891</u>
Cash, cash equivalents and restricted cash at end of year	<u><u>\$ 74,498</u></u>

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

Georgetown Football Club
Notes to Financial Statements
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Georgetown Football Club (the Organization) is a not-for-profit corporation operated under Section 501 (c) (3) of the Internal Revenue Code. The Organization was established in 2014 through a joint venture with Georgetown Scott County Parks and operates with volunteer board members.

Georgetown Football Club’s mission is provide access to a local soccer league to citizens of Scott County ranging from the ages of four to nineteen. The Organization operates spring and fall recreational, academy, and select leagues. The Organization’s primary emphasis is to develop passionate, disciplined, and hard-working global citizens. We have a mandate to develop socially conscious individuals who will model our core values in their everyday lives.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restriction and net assets without donor restriction. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- 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. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.
- 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 Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Basis of Accounting

The financial statements of the Organization have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, revenues and the related assets are recorded when received rather than when the obligations are incurred. Modifications to the cash basis of accounting include recording investments at fair market value and carrying fixed assets at historical cost less accumulated depreciation.

Use of Estimates

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

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Georgetown Football Club
Notes to Financial Statements
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue

The Organization received its funding most from registration fees paid by players in the different leagues. Local businesses also provide funds to sponsor teams and to help raise money.

Property, Equipment and Depreciation

Property, improvements, and equipment is stated at cost or, if donated, at the approximate fair value at the date of donation. All property and equipment purchases have been capitalized and recorded in the financial statements. The Organization defines capital assets as assets with an initial individual cost of more than \$2,500.

Income Tax Status

The organization is recognized as a tax-exempt organization under code Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax has been made. In addition, the Organization has been classified as an Organization that is not a private foundation under Section 509(a).

The Organization is not aware of any unrelated business income as of June 30, 2020. In Accounting Standards Codification (ASC) 740-10-50, Income Taxes, (formerly FIN 48, Accounting for Uncertainty in Income Taxes) the Financial Accounting Standards Board (FASB) requires entities to disclose known or anticipated positions of income tax uncertainty. The Organization is not aware of any uncertain tax positions that would require adjustment to the financial statements. The Organization files income tax returns in the U.S. federal jurisdiction. The Organization is not subject to income tax examination by the U.S. federal, state or local tax authorities for years before 2018 (the year of Organization).

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

The Organization adopted *ASU 2018-08- Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and *ASU 2016-18- Statement of Cash Flows (Topic 230): Restricted Cash*, for the year ended June 30, 2020. This guidance changes how not-for-profit entities recognize their contributions received and made. It is designed to improve the information provided by not-for-profit entities for better comparison across entities relating to contribution activity. *ASU 2016-18- Statement of Cash Flows* changes how restricted cash is presented and disclosed to provide a better understanding of operations.

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Organization maintains cash and cash equivalents in local banks which may, at times, exceed the FDIC limits. The Organization's cash and cash equivalents are categorized as either (1) insured or collateralized with securities held by the entity or by its agent in the entity's name, (2) collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name or (3) uncollateralized (this includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name).

The Organization's categorization as of June 30, 2020 was as follows:

Category 1	\$	74,498
Category 2	\$	-
Category 3	\$	-

Georgetown Football Club
Notes to Financial Statements
June 30, 2020

NOTE 4 – CASH AND CASH EQUIVALENTS

Below is the summary of the cash on hand at June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Cash Accounts:			
Checking Accounts	\$ 74,498	\$ -	\$ 74,498
	\$ 74,498	\$ -	\$ 74,498

NOTE 5 – FUNCTIONAL ALLOCATION OF EXPENSES

The Organization provides closely related programs such as the soccer leagues, tournaments, and academy and select soccer fees. The costs of providing these programs and their activities have been summarized on a functional basis in the statement of Functional Expenses- Modified Cash Basis.

NOTE 6 – SCHEDULE OF LIQUIDITY

The Organization’s financial assets are available within one year of the balance sheet date for general expenditures as follows:

	June 30, 2020
Cash	\$ 74,498
	\$ 74,498

NOTE 7 – CONTRACT AND CONCENTRATION WITH GEORGETOWN-SCOTT COUNTY PARKS

The Organization has a contract with Georgetown-Scott County Parks for use of the soccer fields and operation of the soccer leagues. Should Georgetown-Scott County Parks no longer contract with Georgetown Football Club to provide these services, the Organization may have difficulty finding a replacement.

Should this contract not be renewed and Georgetown Football Club no longer provide these services in connection with the Georgetown-Scott County Parks finding a replacement could impact the Organization in its ability to continue operations.

NOTE 8- CORONAVIRUS (COVID-19) IMPACT

Prior to the year ending June 30, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak to be a pandemic. COVID-19 continues to spread across the globe and is impacting worldwide economic activity and financial markets. The continued spread of the disease represents a significant risk that operations could be disrupted in the near future. The Organization was forced to delay the spring/fall seasons until it was deemed safe for the league to commence. The revenues for the league decreased as there were less players registered. The extent to which COVID-19 may impact the Organization will depend on future developments and government regulations, which are highly uncertain and cannot be predicted. As a result, the Organization has not yet determined the impact this disruption may have on its financial statements for the year ending June 30, 2021.

NOTE 9 – SUBSEQUENT EVENTS

Management of the Organization has considered subsequent events through August 23, 2021, the date this report became available for issuance.