United States Soccer Foundation, Inc.

Financial Report
June 30, 2023

Contents

Independent Auditor's Report

Board of Directors
United States Soccer Foundation, Inc.

Opinion

We have audited the financial statements of United States Soccer Foundation, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2023 and 2022, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation, as of June 30, 2023 and 2022, the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) . Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, on July 1, 2022, the Foundation adopted new accounting guidance for its leases under Financial Accounting Standards Board Accounting Standards Codification Topic 842, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued or are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

RSM US LLP

Washington, D.C.
December 12, 2023

United States Soccer Foundation, Inc.

Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Cash	**$ 2,801,580**	$ 3,998,212
Grants receivable	**391,872**	435,828
Contributions receivable	**2,370,975**	3,432,092
Investments	**52,806,945**	46,285,994
Lease right-of-use asset, net	**2,951,393**	-
Property and equipment, net	**630,347**	757,277
Other assets	**284,649**	277,329
Total assets	**$ 62,237,761**	$ 55,186,732
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	**$ 1,366,999**	$ 1,321,977
Line of credit	**-**	68
Refundable advances	**34,824**	871,893
Grants payable	**101,636**	101,636
Lease liabilities, net	**4,118,311**	-
Deferred rent	**-**	1,322,599
Total liabilities	**5,621,770**	3,618,173
Commitments and contingency (Notes 4 and 11)		
Net assets:		
Without donor restrictions	**45,544,416**	43,589,945
With donor restrictions	**11,071,575**	7,978,614
Total net assets	**56,615,991**	51,568,559
Total liabilities and net assets	**$ 62,237,761**	$ 55,186,732

See notes to financial statements.

United States Soccer Foundation, Inc.

Statements of Activities
Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contributions	$ 4,799,051	$ 6,827,863	$ 11,626,914	$ 3,162,538	$ 2,134,965	$ 5,297,503
Federal grant revenue	719,234	-	719,234	1,342,736	-	1,342,736
Interest and dividends, net of fees	556,395	-	556,395	448,969	-	448,969
In-kind contributions	1,112,923	-	1,112,923	587,974	-	587,974
Other income	519,376	-	519,376	1,350,269	-	1,350,269
Net assets released from restrictions	3,734,902	(3,734,902)	-	2,379,959	(2,379,959)	-
Total revenue and support	11,441,881	3,092,961	14,534,842	9,272,445	(244,994)	9,027,451
Expenses:						
Program services:						
Programs and grants	9,752,658	-	9,752,658	9,230,795	-	9,230,795
Supporting services:						
Communications	1,233,842	-	1,233,842	632,622	-	632,622
Development	1,840,996	-	1,840,996	1,236,125	-	1,236,125
Management and general	1,000,070	-	1,000,070	1,286,960	-	1,286,960
	4,074,908	-	4,074,908	3,155,707	-	3,155,707
Total expenses	13,827,566	-	13,827,566	12,386,502	-	12,386,502
Change in net assets before gains (losses) on investments	(2,385,685)	3,092,961	707,276	(3,114,057)	(244,994)	(3,359,051)
Realized and unrealized gains (losses) on investments	4,340,156	-	4,340,156	(5,104,672)	-	(5,104,672)
Change in net assets	1,954,471	3,092,961	5,047,432	(8,218,729)	(244,994)	(8,463,723)
Net assets:						
Beginning	43,589,945	7,978,614	51,568,559	51,808,674	8,223,608	60,032,282
Ending	$ 45,544,416	$ 11,071,575	$ 56,615,991	$ 43,589,945	$ 7,978,614	$ 51,568,559

See notes to financial statements.

United States Soccer Foundation, Inc.

Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services	Supporting Services			
	Programs and Grants	Communications	Development	Management and General	Total
Compensation and benefits	$ 1,812,525	$ 627,766	$ 1,018,000	$ 698,505	$ 4,156,796
Professional services	78,026	273,727	83,751	459,140	894,644
Occupancy	-	-	-	781,888	781,888
Meetings and special events expense	380,551	808	154,172	39,086	574,617
Travel and meals	172,898	52,989	115,522	66,711	408,120
Office expenses	1,015	97	(2,006)	69,305	68,411
Risk management	-	-	-	318,994	318,994
National Soccer for Success—event costs	277,821	-	-	-	277,821
Marketing and communications	522,039	1,263	26,874	614	550,790
Banking, payroll and state registration fees	17,924	1,018	5,034	39,718	63,694
Miscellaneous employee expenses	-	5,150	150	19,151	24,451
Curriculum and evaluation	247,946	-	-	-	247,946
General in-kind expenses	1,112,458	-	-	-	1,112,458
Total before grants	4,623,203	962,818	1,401,497	2,493,112	9,480,630
Grant awards	4,346,936	-	-	-	4,346,936
Allocated overhead expenses	782,519	271,024	439,499	(1,493,042)	-
Total expenses	$ 9,752,658	$ 1,233,842	$ 1,840,996	$ 1,000,070	$ 13,827,566

See notes to financial statements.

United States Soccer Foundation, Inc.

Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services	Supporting Services			
	Programs and Grants	Communications	Development	Management and General	Total
Compensation and benefits	$ 1,579,572	$ 250,294	$ 658,738	$ 855,687	$ 3,344,291
Professional services	111,492	187,473	29,722	406,402	735,089
Occupancy	-	-	-	776,450	776,450
Meetings and special events expense	252,992	1,338	48,325	15,002	317,657
Travel and meals	121,977	38,894	95,270	99,534	355,675
Office expenses	1,030	1,567	2,358	108,250	113,205
Risk management	-	-	-	232,290	232,290
National Soccer for Success—event costs	64,263	-	-	-	64,263
Marketing and communications	2,491	6	50,950	-	53,447
Banking, payroll and state registration fees	7,467	1,528	18,617	17,405	45,017
Miscellaneous employee expenses	667	372	137	30,214	31,390
Curriculum and evaluation	211,031	25,000	-	-	236,031
General in-kind expenses	587,974	-	-	-	587,974
Total before grants	2,940,956	506,472	904,117	2,541,234	6,892,779
Grant awards	5,493,723	-	-	-	5,493,723
Allocated overhead expenses	796,116	126,150	332,008	(1,254,274)	-
Total expenses	$ 9,230,795	$ 632,622	$ 1,236,125	$ 1,286,960	$ 12,386,502

See notes to financial statements.

United States Soccer Foundation, Inc.

Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	**$ 5,047,432**	$ (8,463,723)
Adjustments to reconcile change in net assets to		
net cash provided by (used in) operating activities:		
Depreciation and amortization	**126,930**	135,555
Realized and unrealized (gains) losses on investments	**(4,340,156)**	5,104,672
Amortization of operating right-of-use assets	**439,999**	-
Deferred rent	**-**	(136,823)
Changes in assets and liabilities:		
(Increase) decrease in:		
Grants receivable	**43,956**	(90,543)
Contributions receivable	**1,061,117**	2,272,193
Other assets	**(7,320)**	39,557
Increase (decrease) in:		
Accounts payable and accrued expenses	**45,022**	400,665
Refundable advances	**(837,069)**	344,449
Grants payable	**-**	(8,476)
Operating lease liability	**(595,680)**	-
Net cash provided by (used in) operating activities	**984,231**	(402,474)
Cash flows from investing activities:		
Proceeds from sales of investments	**7,543,057**	10,241,294
Purchases of investments	**(9,723,852)**	(7,381,863)
Net cash (used in) provided by investing activities	**(2,180,795)**	2,859,431
Cash flows from financing activities:		
Net payments on line of credit	**(68)**	(732,020)
Net cash used in financing activities	**(68)**	(732,020)
Net (decrease) increase in cash	**(1,196,632)**	1,724,937
Cash:		
Beginning	**3,998,212**	2,273,275
Ending	**$ 2,801,580**	$ 3,998,212
Supplemental disclosure of cash flow information:		
Cash paid for interest	**$ -**	$ 854

See notes to financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: United States Soccer Foundation, Inc. (the Foundation) is a nonprofit and nonstock corporation that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The mission of the U.S. Soccer Foundation is to provide underserved communities access to innovative play spaces and evidence-based soccer programs that instill hope, foster well-being and help youth achieve their fullest potential. The Foundation views soccer as a powerful vehicle for social change. By supporting the development of places to play, places to grow and places to learn, the Foundation's goal is to ensure that children in underserved communities have easy and affordable access to quality soccer programs that support their physical and personal development.

A summary of the Foundation's significant accounting policies follows:

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As required by the Non-Profit Entities topic of the FASB ASC, Financial Statements of Not-for-Profit Organizations, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: These assets represent the portion of expendable funds that are available for support of the Foundation's operations.

Net assets with donor restrictions: These assets represent the portion of net assets that are subject to donor-imposed restrictions that will be met by the passage of time or other events specified by the donor, or those that require resources to be maintained in perpetuity and that only the earnings on such amounts be used in the manner specified by the donor, which includes endowment funds. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions receivable: Contributions receivable are carried at the original unconditionally promised amount, less an estimate made for doubtful contributions receivable based on a review of all outstanding balances on a monthly basis. Management determines the allowance for doubtful contributions receivable by using the historical experience applied to an aging of the contributions receivable. Receivables are written off when deemed uncollectible. Based on management's evaluation of the collectability of receivables, there is no provision for doubtful promises at June 30, 2023 and 2022. Contribution receivables include long-term agreements with donors for soccer field certificates or other in-kind value to assist in building soccer fields for grantees.

Investments: Investments are carried at fair value, as discussed in Note 4. Investment income is included in the change in net assets without donor restrictions unless the income is restricted by donor or law. Realized and unrealized gains and losses are recorded as a separate component in the statements of activities. Cash held temporarily in the investment portfolio is included in investments on the statements of financial position.

Financial risk: The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash.

The Foundation invests in professionally managed portfolios that contain various securities and alternative investments. Such investments are exposed to various risks, such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to change in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Property and equipment: Purchased equipment and software are stated at cost. The Foundation follows the practice of capitalizing all expenditures for property and equipment in excess of $2,500. Betterments and improvements that significantly extend an asset's life are capitalized. Depreciation is recorded using the straight-line method over an estimated useful life of two to seven years. Leasehold improvements are stated at cost and amortized over the lesser of their estimated useful life or lease term.

Refundable advances: The Foundation receives grants from federal agencies and private grantors for various purposes. Grant revenue is generally recognized when the qualifying expenditures are incurred under the grant. Grant payments received in advance of expenditures incurred for the purpose specified under the grant restrictions are recorded as refundable advances.

The Foundation received proceeds from the Paycheck Protection Program (PPP) during the year ended June 30, 2021, totaling $515,177. The Foundation recognized the funds as refundable advances, and $515,177 is presented as a liability on the accompanying statements of financial position at June 30, 2021. The Foundation recognized revenue related to the PPP received during the year ended June 30, 2022, as formal forgiveness was received.

Grants payable: The Board of Directors of the Foundation annually approves certain unconditional grants for the fiscal year, which are recorded as an expense and payable in the year the grant is approved.

Refundable grants: The Foundation receives grants from federal agencies and private grantors for various purposes. Grant revenue is generally recognized when the qualifying expenditures are incurred under the grant. Grant payments received in advance of expenditures incurred for the purpose specified under the grant restrictions are recorded as refundable grants.

Operating leases: In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. *Topic 842* also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the statements of activities. The Foundation adopted *Topic 842* on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Foundation has applied *Topic 842* to reporting periods beginning on July 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Foundation's historical accounting treatments under ASC Topic 840, Leases.

The Foundation elected the "package of practical expedients" under the transition guidance within *Topic 842*, in which the Foundation does not reassess: (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Foundation has not elected to adopt the "hindsight" practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of *Topic 842* on July 1, 2022.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The Foundation made an accounting policy election available under *Topic 842* not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of *Topic 842*). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives.

To determine the present value of lease payments, the Foundation made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of *Topic 842*). The risk-free discount rates were obtained using U.S. Treasury securities as posted on the Federal Reserve website.

The Foundation has not made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its office leases, and therefore, the right-of-use asset and lease liabilities do not include the non-lease components. The non-lease components typically represent additional services transferred to the Foundation, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of *Topic 842* resulted in the recording of additional ROU assets and lease liabilities related to the Foundation's operating leases of $3,391,392 and $4,701,943, respectively, at July 1, 2022. The adoption of the new lease standard did not impact the changes in net assets or cash flows.

Revenue and support recognition: A significant amount of the Foundation's contribution revenue was initially provided from the World Cup USA 1994, Inc. (WCOC). The Foundation reports unconditional gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets or are unavailable for use due to uncollected amounts or time restrictions. When the restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Unconditional contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Unconditional unrestricted gifts of cash and other assets are recorded when received or in the period in which such amounts are estimable. Revenues from special events are recognized at the time the event occurs. Amounts received in advance of the event are recorded as deferred revenue.

In-kind contributions: Contributions of nonfinancial assets, such as donated lighting for soccer fields and equipment for use in the Foundation's operations, are recorded as non-financial asset contribution revenue and expense at their estimated fair value, based on published wholesale prices or independent supplier quotations. Donated equipment is used exclusively for the Foundation's programs.

The Foundation received contributed in-kind goods and services during the years ended June 30, 2023 and 2022 as follows:

	2023	2022
Lighting facilities	$ 996,900	$ 496,000
Equipment	116,023	91,974
	$ 1,112,923	$ 587,974

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Functional allocation of expenses: The costs of providing for the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited. Expenses, such as occupancy, office expenses and various travel costs are allocated based on salaries and time spent. The functional categories are as follows:

Program and grants: This represents grants made to 501(c)(3) nonprofit organizations and other tax-exempt organizations and all expenses associated with grant administration.

Communications: The Foundation maintains a Marketing and Communications department dedicated to fostering public interest and support for the sport of soccer as a vehicle to improve health, social and youth development outcomes, particularly among children in underserved communities. Other departments also incur minimal marketing expenses during the normal course of business.

Development: All expenses are associated with raising funds for the Foundation.

Management and general: All other operating expenses are incurred by the Foundation in the accomplishment of its tax-exempt purposes.

Income tax status: The Foundation is organized as a nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Section 509(a)(1). The Foundation is annually required to file a Return of Organization Exempt form Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. We have determined that the Foundation is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassification: Certain 2022 in-kind revenue and expenses were recorded to conform to the 2023 presentation. The reclassification has no effect on the previously reported change in net assets.

Subsequent events: The Foundation has evaluated subsequent events through December 12, 2023, the date on which the financial statements were available to be issued.

Note 2. Availability and Liquidity

The Foundation regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to maximize the return on investment of its funds not required for annual operations. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date at June 30, 2023 and 2022, are composed of following:

	2023	2022
Cash	$ 2,801,580	$ 3,998,212
Grants receivable	391,872	435,828
Contributions receivable	2,370,975	3,432,092
Investments	52,806,945	46,285,994
Total financial assets available	58,371,372	54,152,126
Less amounts not available to be used within one year:		
Net assets with donor restrictions	11,071,575	7,978,614
Investments not redeemable within one year	13,649,543	12,694,194
	24,721,118	20,672,808
Financial assets available to meet general expenditures within one year	$ 33,650,254	$ 33,479,318

Note 3. Contributions Receivable

Contributions receivable are unconditional and are estimated to be fully collectible as follows at June 30, 2023 and 2022:

	2023	2022
Cash	$ 2,269,340	$ 3,330,457
In-kind field certificates	97,885	97,885
In-kind—other	3,750	3,750
	$ 2,370,975	$ 3,432,092
Amounts due in:		
Less than 1 year	$ 1,496,804	$ 627,092
1 to 5 years	874,171	2,805,000
	$ 2,370,975	$ 3,432,092

The Foundation also has received conditional federal and private awards that have not been recognized as revenue at the respective statement of financial position date, as remaining related expenditures have not yet occurred. As of June 30, 2023 and 2022, the amount of unrecognized conditional federal and private awards amounted to $57,652 and $1,246,058, respectively.

Note 4. Investments

Investments consist of the following at June 30, 2023 and 2022:

	2023	2022
U.S. equities	$ 91,520	$ 46,179
Mutual funds	31,943,354	29,706,259
Cash and money market, at cost	7,122,528	3,839,362
Alternative investments	13,649,543	12,694,194
	$ 52,806,945	$ 46,285,994

The following schedule summarizes the net investment income (loss) for the years ended June 30, 2023 and 2022:

	2023	2022
Realized and unrealized gain (loss) on investments	$ 4,340,156	$ (5,104,672)
Interest and dividends	740,435	624,008
Investment fees	(184,040)	(175,039)
	$ 4,896,551	$ (4,655,703)

The following tables summarizes these investments whose fair value is based on net asset value (NAV) per unit as a practical expedient by major class:

	As of June 30, 2023				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Gate/ Lock-up
Private equity funds—venture/ buyout (b)	$ 1,866,044	$ 1,281,941	Upon liquidation of the fund	Not Applicable	None
Private equity managers—venture/ industry/buyout (a)	11,783,499	3,697,984	Upon liquidation of the fund	Not Applicable	None
	$ 13,649,543	$ 4,979,925			

	As of June 30, 2022				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Gate/ Lock-up
Private equity funds—venture/ buyout (b)	$ 2,062,474	$ 1,221,169	Upon liquidation of the fund	Not Applicable	None
Private equity managers—venture/ industry/buyout (a)	10,631,720	4,598,023	Upon liquidation of the fund	Not Applicable	None
	$ 12,694,194	$ 5,819,192			

Note 4. Investments (Continued)

(a) ***Private equity managers—venture/industry/buyout:*** This fund's investment objective is to realize long-term compounded returns in excess of those available through conventional investments in the public equity markets. The fund's main focus is making primary commitments to pooled investment vehicles, which are principally blind pool vehicles, focused on a diversified set of private equity strategies, which may include middle-market buyout, large buyout, distressed, growth equity, credit, venture capital and industry focused strategies. These funds are generally long-term and highly illiquid. The Foundation can expect to retain its interests in the fund until the fund is wound-up and dissolved. The nature of the investments in these categories is that distributions are received through the liquidation of the underlying assets of the fund. As of June 30, 2023, it is probable that the investments in these categories will be liquidated at an amount different from the NAV of the Foundation's ownership interest in partners' capital. Investments in the underlying funds are reported at their estimated fair value, as determined in good faith by the manager. Fair value is based on the information provided by the respective general partner of each of the underlying funds, including audited financial statements, which reflects the fund's share of the fair value of the net assets of the respective underlying fund, and any other relevant factors determined by the manager. The fund has applied the fair value guidance for measuring its investments in the underlying funds using the practical expedient. As such, the fund fair values its investments using the underlying funds' NAV's without any further adjustments. The value reported by the Foundation is the value of its ownership share.

(b) ***Private equity—venture/buyout:*** This category includes several private equity funds pursuing venture and/or buyout strategies to generate investment returns. These investments can never be redeemed with the funds. Instead, the nature of the investments in these categories is that distributions are received through the liquidation of the underlying assets of the fund. As of June 30, 2023, it is probable that the investments in these categories will be liquidated at an amount different from the NAV of the Foundation's ownership interest in partners' capital. Investments in the underlying funds are reported at their estimated fair value, as determined in good faith by the manager. Fair value is based on the information provided by the respective general partner of each of the underlying funds, including audited financial statements, which reflects the fund's share of the fair value of the net assets of the respective underlying fund, and any other relevant factors determined by the manager. The fund has applied the fair value guidance for measuring its investments in the underlying funds, using the practical expedient. As such, the fund fair values its investments using the underlying funds' NAV's without any further adjustments. The value reported by the Foundation is the value of its ownership share.

Investments are reported at fair value, in accordance with current accounting standards, and the Foundation uses the following input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2: Includes inputs other than Level 1 that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

Level 3: Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as bid/ask spreads and liquidity discounts. The Foundation has no Level 3 investments.

Note 4. Investments (Continued)

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy as of June 30, 2023:

Description	Total	Level 1	Level 2	Level 3
U.S. equities:				
Information technology	$ 23,940	$ 23,940	$ -	$ -
Financial services	15,795	15,795	-	-
Consumer staples	45,922	45,922	-	-
Manufacturing	5,863	5,863	-	-
	91,520	91,520	-	-
Mutual funds—corporate bonds:				
Large cap blend	12,469,845	12,469,845	-	-
Foreign large value	3,756,849	3,756,849	-	-
High yield bonds	3,925,160	3,925,160	-	-
Intermediate—core bonds	3,996,833	3,996,833	-	-
Diversified emerging markets	2,688,253	2,688,253	-	-
Foreign large growth	3,402,639	3,402,639	-	-
Mid-cap blend	1,703,775	1,703,775	-	-
	31,943,354	31,943,354	-	-
Total assets classified at fair value	$ 32,034,874	$ 32,034,874	$ -	$ -

Total investments:	
Classified at fair value	$ 32,034,874
Held at NAV (a)	13,649,543
Held at cost	7,122,528
	$ 52,806,945

Note 4. Investments (Continued)

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy as of June 30, 2022:

Description	Total	Level 1	Level 2	Level 3
U.S. equities:				
Information technology	$ 21,793	$ 21,793	$ -	$ -
Financial services	11,943	11,943	-	-
Consumer staples	7,684	7,684	-	-
Manufacturing	4,759	4,759	-	-
	46,179	46,179	-	-
Mutual funds—corporate bonds:				
Large cap blend	10,434,131	10,434,131	-	-
Foreign large value	3,996,655	3,996,655	-	-
High yield bonds	3,615,414	3,615,414	-	-
Intermediate—core bonds	3,514,194	3,514,194	-	-
Diversified emerging markets	3,289,678	3,289,678	-	-
Foreign large growth	2,939,237	2,939,237	-	-
Mid-cap blend	1,351,524	1,351,524	-	-
Mid-cap growth	565,426	565,426	-	-
	29,706,259	29,706,259	-	-
Total assets classified at fair value	$ 29,752,438	$ 29,752,438	$ -	$ -

Total investments:	
Classified at fair value	$ 29,752,438
Held at NAV (a)	12,694,194
Held at cost	3,839,362
	$ 46,285,994

(a) In accordance with ASC Topic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Note 5. Property and Equipment

Property and equipment consists of the following at June 30, 2023 and 2022:

	2023	2022
Equipment and software	$ 251,089	$ 251,089
Leasehold improvements	1,276,984	1,276,985
	1,528,073	1,528,074
Less accumulated depreciation and amortization	897,726	770,797
	$ 630,347	$ 757,277

Depreciation and amortization expense was $126,930 and $135,555 for the years ended June 30, 2023 and 2022, respectively.

Note 6. Line of Credit Agreement

The Foundation has a line of credit agreement with a financial institution. Any outstanding balance is collateralized by the Foundation's investments held with the financial institution. The line of credit bears interest at a variable rate minus 2%. Interest is payable monthly on the 15th of each month. At June 30, 2023 and 2022, there was $0 and $68 payable under the agreement, respectively. The interest incurred on the line of credit was $0 and $854 for the years ended June 30, 2023 and 2022, respectively.

Note 7. Related Parties

The Foundation's Board of Directors consists of 25 members (two non-voting). The Board of Directors of the United States Soccer Federation (the USSF) may appoint two voting members of the Foundation's Board of Directors, one of which is to be filled by the President of the USSF. The Foundation has a strict conflict of interest policy for the purpose of maintaining the integrity of Foundation deliberations, which must be signed by members of its Board of Directors. Members of the Foundation's Board of Directors, who also serve on the USSF's Board of Directors, are precluded from participating in any vote that may directly or indirectly affect the USSF.

Note 8. Operating Leases

During the year ended June 30, 2018, the Foundation executed an office lease agreement, which commenced on January 1, 2018, and expires on October 31, 2028. The lease provides for one five-year option to renew at fair market rental rates. The lease requires minimum annual rents and provides for annual escalations. As an incentive for leasing the office space, the Foundation received an abatement of rent during the first 10 months of the term, as well as an allowance for tenant improvements that totaled $1,222,470.

Rent expense, which does not include a portion of real estate taxes and operation expenses totaled $654,958 and $640,895, for the years ended June 30, 2023 and 2022, respectively.

The Foundation calculated the present value of the lease over the term of the respective agreement using the risk-free rate on the adoption date of Topic 842, based on remaining lease term. The interest rate utilized was 2.92%. The weighted-average remaining lease term is 5.42 years.

Supplemental cash flow information related to leases for the year ended June 30, 2023:

Cash paid for amounts included in measurement of lease liabilities:	
Operating cash outflows—payments on operating leases	$ 792,442

Note 8. Operating Leases (Continued)

Future undiscounted cash flows for the next five years and thereafter, as determined under *Topic 842*, are as follows as of June 30, 2023:

Years ending June 30:	
2024	$ 792,442
2025	812,253
2026	832,560
2027	853,373
2028	874,708
Thereafter	294,563
	4,459,899
Less imputed interest*	341,588
Discounted lease liability	$ 4,118,311

* Imputed interest represents the difference between undiscounted cash flows and discounted cash flows.

Future undiscounted cash flows for the next five years and thereafter, as determined under Topic 840, are as follows as of June 30, 2023:

Years ending June 30:	
2023	$ 773,114
2024	792,442
2025	812,253
2026	832,560
2027	853,373
Thereafter	1,169,271
	$ 5,233,013

As the lessor, during the year ended June 30, 2018, the Foundation entered into a sublease agreement with a sublessee for part of its new office space for five years, starting January 1, 2018. During the year ended June 30, 2023, the Foundation renewed the agreement for three years, starting January 1, 2023.

The future minimum rental receipts for the sublease, as determined under Topic 842, is as follows as of June 30, 2023:

Years ending June 30:	
2024	$ 205,614
2025	213,836
2026	109,016
	$ 528,466

The future minimum rental receipts for the sublease, as determined under Topic 840, during the year ending June 30, 2023, is $180,399.

For the years ended June 30, 2023 and 2022, the Foundation recognized rent income of $182,122 and $166,967, respectively, which is included in other income in the statements of activities.

Note 9. Retirement Plan

The Foundation has adopted a retirement plan that includes a deferral arrangement pursuant to Section 401(k) of the IRC. All employees are eligible to enter the plan three months following their start date. Under the deferral arrangement, employees may elect to defer up to 100% of their annual compensation not to exceed IRS imposed limits. The Foundation provides a Safe Harbor match only to those employees who are contributing in the plan. The Safe Harbor formula is 100% of the first 3% of deferred compensation, plus 50% on the next 2% of deferred compensation, for a maximum Foundation match of 4%. During the years ended June 30, 2023 and 2022, the Foundation's matching contribution was $87,897 and $91,366, respectively.

Note 10. Net Assets With Donor Restrictions

Changes in net assets with donor restrictions during the years ended June 30, 2023 and 2022, are as follows:

	Balance June 30, 2022	Additions	Released	Balance June 30, 2023
Time/purpose restricted:				
Safe Places to Play	$ 5,030,314	$ -	$ 1,947,957	$ 3,082,357
Soccer for Success	1,672,920	145,221	952,807	865,334
Minipitch	645,526	6,682,642	580,526	6,747,642
Los Angeles City Soccer Initiative	334,669	-	207,612	127,057
Vanole fund	172,968	-	-	172,968
Mooch fund	76,217	-	-	76,217
Congressional Soccer Match	30,000	-	30,000	-
Koskinen fund	16,000	-	16,000	-
	$ 7,978,614	$ 6,827,863	$ 3,734,902	$ 11,071,575

	Balance June 30, 2021	Additions	Released	Balance June 30, 2022
Time/purpose restricted:				
Safe Places to Play	$ 6,246,724	$ 230,150	$ 1,446,560	$ 5,030,314
Soccer for Success	1,653,224	894,620	874,924	1,672,920
Minipitch	-	645,526	-	645,526
Los Angeles City Soccer Initiative	58,475	334,669	58,475	334,669
Vanole fund	172,968	-	-	172,968
Mooch fund	76,217	-	-	76,217
Congressional Soccer Match	-	30,000	-	30,000
Koskinen fund	16,000	-	-	16,000
	$ 8,223,608	$ 2,134,965	$ 2,379,959	$ 7,978,614

Note 11. Contingencies

Federal grants: Under the terms of the Foundation's reimbursable government contracts and grants, the Foundation is entitled to the reimbursement of direct and indirect costs incurred. All direct expenses and overhead rates charged under the Foundation's government contracts and grants are subject to audit by the cognizant government agency. Questioned costs that may arise from a government agency audit are unknown at this time. Any contract adjustment determined by subsequent review will be accounted for in the period determined.

PPP loan: The SBA has the right to audit recipients of PPP loans for up to six years from the date of forgiveness. However, management does not believe a material risk exists related to the SBA's right to audit.