United States Soccer Foundation, Inc.

Financial Report
June 30, 2022

Contents

Independent Auditor's Report

Board of Directors
United States Soccer Foundation, Inc.

Report on the Audit of the Financial Statements

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, 2022 and 2021, 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, 2022 and 2021, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2023, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

RSM US LLP

Washington, D.C.
February 17, 2023

United States Soccer Foundation, Inc.

Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash	**$ 3,998,212**	$ 2,273,275
Grants receivable	**435,828**	345,285
Contributions receivable	**3,432,092**	5,704,285
Investments	**46,285,994**	54,250,097
Property and equipment, net	**757,277**	892,832
Other assets	**277,329**	316,886
Total assets	**$ 55,186,732**	$ 63,782,660
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	**$ 1,321,977**	$ 921,312
Line of credit	**68**	732,088
Refundable advances	**871,893**	527,444
Grants payable	**101,636**	110,112
Deferred rent	**1,322,599**	1,459,422
Total liabilities	**3,618,173**	3,750,378
Commitments and Contingency (Notes 4, 9 and 12)		
Net assets:		
Without donor restrictions	**43,589,945**	51,808,674
With donor restrictions	**7,978,614**	8,223,608
Total net assets	**51,568,559**	60,032,282
Total liabilities and net assets	**$ 55,186,732**	$ 63,782,660

See notes to financial statements.

United States Soccer Foundation, Inc.

Statements of Activities
Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contributions	**$ 3,162,538**	**$ 2,134,965**	**$ 5,297,503**	$ 5,307,282	$ 2,513,127	$ 7,820,409
Federal grant revenue	**1,342,736**	**-**	**1,342,736**	1,305,532	-	1,305,532
Interest and dividends, net of fees	**448,969**	**-**	**448,969**	686,484	-	686,484
In-kind contributions	**91,974**	**-**	**91,974**	55,100	-	55,100
Other income	**1,350,269**	**-**	**1,350,269**	1,691,527	-	1,691,527
Net assets released from restrictions	**2,379,959**	**(2,379,959)**	**-**	5,927,310	(5,927,310)	-
Total revenue and support	**8,776,445**	**(244,994)**	**8,531,451**	14,973,235	(3,414,183)	11,559,052
Expenses:						
Program services:						
Programs and grants	**8,734,795**	**-**	**8,734,795**	7,972,717	-	7,972,717
Supporting services:						
Communications	**632,622**	**-**	**632,622**	866,126	-	866,126
Development	**1,236,125**	**-**	**1,236,125**	1,410,079	-	1,410,079
Management and general	**1,286,960**	**-**	**1,286,960**	486,385	-	486,385
	3,155,707	**-**	**3,155,707**	2,762,590	-	2,762,590
Total expenses	**11,890,502**	**-**	**11,890,502**	10,735,307	-	10,735,307
Change in net assets before (losses) gains on investments	**(3,114,057)**	**(244,994)**	**(3,359,051)**	4,237,928	(3,414,183)	823,745
Realized and unrealized (losses) gains on investments	**(5,104,672)**	**-**	**(5,104,672)**	13,540,579	-	13,540,579
Change in net assets	**(8,218,729)**	**(244,994)**	**(8,463,723)**	17,778,507	(3,414,183)	14,364,324
Net assets:						
Beginning	**51,808,674**	**8,223,608**	**60,032,282**	34,030,167	11,637,791	45,667,958
Ending	**$ 43,589,945**	**$ 7,978,614**	**$ 51,568,559**	$ 51,808,674	$ 8,223,608	$ 60,032,282

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
Soccer for Success—training travel costs					-
Curriculum and evaluation	211,031	25,000	-	-	236,031
General in-kind expenses	91,974	-	-	-	91,974
Total before grants	2,444,956	506,472	904,117	2,541,234	6,396,779
Grant awards	5,493,723	-	-	-	5,493,723
Allocated overhead expenses	796,116	126,150	332,008	(1,254,274)	-
Total expenses	$ 8,734,795	$ 632,622	$ 1,236,125	$ 1,286,960	$ 11,890,502

See notes to financial statements.

United States Soccer Foundation, Inc.

Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services	Supporting Services			
	Programs and Grants	Communications	Development	Management and General	Total
Compensation and benefits	$ 1,607,111	$ 398,068	$ 733,121	$ 486,282	$ 3,224,582
Professional services	139,920	209,244	153,450	592,820	1,095,434
Occupancy	2,156	-	-	805,812	807,968
Meetings and special events expense	2,072	-	1,000	-	3,072
Travel and meals	1,366	-	260	1,212	2,838
Office expenses	3,891	-	29,950	78,774	112,615
Risk management	-	-	-	204,525	204,525
National Soccer for Success—training of the trainers:					
Event costs	70,288	-	-	-	70,288
Marketing and communications	913	2,180	-	50	3,143
Soccer for Success—equipment and gear	363,724	-	-	-	363,724
Banking, payroll and state registration fees	3,477	9,692	12,667	19,088	44,924
Miscellaneous employee expenses	-	10	868	11,017	11,895
Curriculum and evaluation	247,613	-	-	-	247,613
General in-kind expenses	-	-	5,100	-	5,100
Program in-kind expenses	50,000	-	-	-	50,000
Total before grants	2,492,531	619,194	936,416	2,199,580	6,247,721
Grant awards	4,487,586	-	-	-	4,487,586
Allocated overhead expenses	992,600	246,932	473,663	(1,713,195)	-
Total expenses	$ 7,972,717	$ 866,126	$ 1,410,079	$ 486,385	$ 10,735,307

See notes to financial statements.

United States Soccer Foundation, Inc.

Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	**$ (8,463,723)**	$ 14,364,324
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	**135,555**	149,685
Realized and unrealized losses (gains) on investments	**5,104,672**	(13,540,579)
Deferred rent	**(136,823)**	(118,427)
Changes in assets and liabilities:		
(Increase) decrease in:		
Grants receivable	**(90,543)**	(235,253)
Contributions receivable	**2,272,193**	228,619
Other assets	**39,557**	134,037
Increase (decrease) in:		
Accounts payable and accrued expenses	**400,665**	(653,655)
Refundable advances	**344,449**	(85,380)
Grants payable	**(8,476)**	(1,485,370)
Net cash used in operating activities	**(402,474)**	(1,241,999)
Cash flows from investing activities:		
Proceeds from sales of investments	**10,241,294**	18,894,830
Purchases of investments	**(7,381,863)**	(18,101,567)
Net cash provided by investing activities	**2,859,431**	793,263
Cash flows from financing activities:		
Net advances (payments) on line of credit	**(732,020)**	732,088
Net cash (used in) provided by financing activities	**(732,020)**	732,088
Net increase in cash	**1,724,937**	283,352
Cash:		
Beginning	**2,273,275**	1,989,923
Ending	**$ 3,998,212**	$ 2,273,275
Supplemental disclosures of cash flow information:		
Cash paid for interest	**$ 854**	$ 1,136

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, 2022 and 2021. 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 years ended totaling $515,177 and $520,557 June 30, 2021 and 2020, respectfully. 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 PPP received during the years ended June 30, 2021 and 2020, during the years ended June 30, 2022 and 2021, respectively, 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.

Deferred rent: The Foundation has a lease agreement for rental space in Washington, D.C. The lease agreement provides for escalating payments over the life of the lease. In addition, a landlord improvement allowance was provided for leasehold improvements. The benefits the Foundation received and the rent increases in future years are being recognized on a straight-line basis over the life of the lease agreement. The difference between the expense and the cash payments is reported as a deferred rent liability.

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: The Foundation received $91,974 and $55,100 of contributed in-kind goods and services during 2022 and 2021, respectively. Contributed goods and services are recorded at their fair market value when received and consisted of donated equipment.

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.

Adopted accounting pronouncement: In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this update require that contributed nonfinancial assets to be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The Foundation adopted the amendment during the year ended June 20, 2022. The adoption of this pronouncement had no effect on the Foundation’s change in net assets during the year.

Upcoming accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. A lessee is required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The ASU is expected to impact the Foundation’s financial statements as the Foundation has certain operating lease arrangements for which it is the lessee. The standard is effective for the Foundation on July 1, 2022, with early adoption permitted. The Foundation is in the process of evaluating the impact of this new guidance.

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

Reclassifications: Certain 2021 liabilities, contributions with donor restrictions and net assets released from restriction have been reclassified to conform to the 2022 presentation. There were no changes to the change in net assets as a result of these reclassifications.

Subsequent events: The Foundation has evaluated subsequent events through February 17, 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, 2022 and 2021, are composed of following:

	2022	2021
Cash	$ 3,998,212	$ 2,273,275
Grants receivable	435,828	345,285
Contributions receivable	3,432,092	5,704,285
Investments	46,285,994	54,250,097
Total financial assets available	54,152,126	62,572,942
Less amounts not available to be used within one year:		
Net assets with donor restrictions	7,978,614	8,223,608
Investments not redeemable within one year	12,694,194	11,686,742
	20,672,808	19,910,350
Financial assets available to meet general expenditures within one year	$ 33,479,318	$ 42,662,592

Note 3. Contributions Receivable

Contributions receivable are unconditional and are estimated to be fully collectible as follows at June 30, 2022 and 2021:

	2022	2021
Cash	$ 3,330,457	$ 5,594,173
In-kind field certificates	97,885	106,362
In-kind—other	3,750	3,750
	$ 3,432,092	$ 5,704,285
Amounts due in:		
Less than 1 year	$ 627,092	$ 3,354,285
1 to 5 years	2,805,000	2,350,000
	$ 3,432,092	$ 5,704,285

Note 3. Contributions Receivable (Continued)

The Foundation has a conditional promise to give for Soccer for Success from a donor, whereby the donor will contribute $1,000,000 over five years after certain requirements are met. As of June 30, 2022 and 2021, the amount of the conditional pledge that has not yet met conditions amounted to $202,046 and $402,721, respectively, and no revenue has been recorded.

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, 2022 and 2021, the amount of unrecognized conditional federal and private awards amounted to $1,246,058 and $2,052,592, respectively.

Note 4. Investments

Investments consist of the following at June 30, 2022 and 2021:

	2022	2021
U.S. equities	$ 46,179	$ 34,843
Mutual funds	29,706,259	38,876,000
Cash and money market, at cost	3,839,362	3,652,512
Alternative investments	12,694,194	11,686,742
	$ 46,285,994	$ 54,250,097

The following schedule summarizes the net investment (loss) income for the years ended June 30, 2022 and 2021:

	2022	2021
Realized and unrealized (loss) gain on investments	$ (5,104,672)	$ 13,540,579
Interest and dividends	624,008	851,210
Investment fees	(175,039)	(164,726)
	$ (4,655,703)	$ 14,227,063

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, 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)

	As of June 30, 2021				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Gate/ Lock-up
Private equity funds—venture/ buyout (b)	$ 2,034,556	$ 1,235,133	Upon liquidation of the fund	Not Applicable	None
Private equity managers—venture/ industry/buyout (a)	9,652,186	2,991,520	Upon liquidation of the fund	Not Applicable	None
	$ 11,686,742	$ 4,226,653			

(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, 2022, 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, 2022, 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.

Note 4. Investments (Continued)

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.

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

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, 2021:

Description	Total	Level 1	Level 2	Level 3
U.S. equities:				
Information technology	$ 24,418	$ 24,418	$ -	$ -
Financial services	4,881	4,881	-	-
Consumer Staples	4,797	4,797	-	-
Manufacturing	747	747	-	-
	34,843	34,843	-	-
Mutual funds—corporate bonds:				
Large cap blend	14,131,538	14,131,538	-	-
Intermediate—core bonds	4,008,447	4,008,447	-	-
Foreign large growth	4,816,971	4,816,971	-	-
Foreign large value	4,633,799	4,633,799	-	-
Diversified emerging markets	4,625,257	4,625,257	-	-
High yield bonds	3,966,481	3,966,481	-	-
Mid-cap growth	1,184,527	1,184,527	-	-
Mid-cap blend	1,508,980	1,508,980	-	-
	38,876,000	38,876,000	-	-
Total assets classified at fair value	$ 38,910,843	$ 38,910,843	$ -	$ -

Total investments:	
Classified at fair value	$ 38,910,843
Held at NAV (a)	11,686,742
Held at cost	3,652,512
	$ 54,250,097

(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, 2022 and 2021:

	2022	2021
Equipment and software	$ 251,089	$ 251,089
Leasehold improvements	1,276,985	1,276,985
	1,528,074	1,528,074
Less accumulated depreciation and amortization	770,797	635,242
	$ 757,277	$ 892,832

Depreciation and amortization expense was $135,555 and $149,685 for the years ended June 30, 2022 and 2021, 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 15^{th} of each month. At June 30, 2022 and 2021, there was $68 and $732,088 payable under the agreement, respectively. The interest incurred on the line of credit was $854 and $1,136 for the years ended June 30, 2022 and 2021, respectively.

Note 7. Refundable Advances

Under the Coronavirus Aid, Relief and Economic Security Act, the Foundation applied for the PPP loan with Small Business Administration (SBA) and received $515,177 and $520,557 during the years ended June 30, 2021 and 2020, respectively. The Foundation's PPP loan received during 2021 totaling $515,177 was forgiven in full and recognized as contribution revenue on the statements of activities during the year ended June 30, 2022. The Foundation's PPP loan received during 2020 totaling $520,557 was forgiven in full and recognized as contribution revenue on the statements of activities during the year ended June 30, 2021.

The Foundation intends to use the full amount of the PPP funds for payroll and other qualified expenses listed to be forgiven per the terms of the loan. The Foundation's accounting policy on the fund is disclosed in Note 1 to the financial statements. The Foundation determined it qualified for the program based on the criteria established by the SBA before applying, and the Foundation has met the PPP's eligibility criteria for forgiveness.

Note 8. 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 9. Operating Leases

During the year ended June 30, 2018, the Foundation executed a new 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, which are required to be recognized ratably over the lease term on a straight-line basis. Accordingly, the amount of rent expense does not coincide with cash payments. As part of the agreement, the landlord paid for $1,222,470 of leasehold improvements, which is a component of deferred rent. The leasehold improvements and the rent escalations give rise to a deferred rent liability, which is being amortized over the lease term. Deferred rent at June 30, 2022 and 2021, was $1,322,599 and $1,459,422, respectively.

Note 9. Operating Leases (Continued)

The future minimum lease payments under the new operating lease is as follows:

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

For the years ended June 30, 2022 and 2021, rent expense including operating costs were $640,895 and $665,530, respectively.

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. The future minimum rental receipts under the sublease to be received during the year ending June 30, 2023, is $79,607.

For the years ended June 30, 2022 and 2021, the Foundation recognized rent income of $166,967 and $161,971, respectively, which is included in other income in the statements of activities.

Note 10. 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, 2022 and 2021, the Foundation's matching contribution was $91,366 and $96,988, respectively.

Note 11. Net Assets With Donor Restrictions

Changes in net assets with donor restrictions during the years ended June 30, 2022 and 2021, are as follows:

	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. Net Assets With Donor Restrictions (Continued)

	Balance June 30, 2020	Additions	Released	Balance June 30, 2021
Time/purpose restricted:				
Safe Places to Play	$ 9,364,422	$ 1,996,428	$ 5,114,126	$ 6,246,724
Soccer for Success	1,905,458	458,224	710,458	1,653,224
Vanole fund	172,968	-	-	172,968
Los Angeles City Soccer Initiative	102,726	58,475	102,726	58,475
Mooch fund	76,217	-	-	76,217
Koskinen fund	16,000	-	-	16,000
	$ 11,637,791	$ 2,513,127	$ 5,927,310	$ 8,223,608

Note 12. Contingency

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.