

AMERICAN YOUTH SOCCER ORGANIZATION



**AYSO Annual Budget
Fiscal Year 2011
July 1, 2011 to June 30, 2012**



To: All Executive Members
From: Jeff Stern, AYSO National Treasurer
Date: April 25, 2011
SUBJECT: Budget for Fiscal Year 2011

Dear Executive Members:

Enclosed is the financial budget for the 2011/2012 fiscal year beginning this July 1. Your National Board of Directors presents it for your review at the NAGM.

As always, this year's budget is designed to provide all of our players and volunteers with the top programs, events and other aspects of AYSO that we all expect and it will be the first budget governing operations in our new National Office. We are all looking forward to it.

This budget will allow AYSO to continue to ***Provide world class youth soccer programs that enrich children's lives.***

We will present a budget review workshop at the NAGM on Friday, May 27 where you may address questions to me, your Chief Financial Officer, National President and National Executive Director. Please plan to attend.

Respectfully,

Jeff Stern

Jeff Stern
AYSO National Treasurer

AMERICAN YOUTH SOCCER ORGANIZATION

FY 2011 BUDGET

Key 2011/2012 Budget Highlights:

Revenue is divided into three categories: (1) registration revenue, (2) operating revenue, and (3) program revenue (excess of costs). Expenses are also grouped into three categories: (1) program costs (excess of funding), (2) membership development, and (3) administration.

As with last year's budget, we have included a budgeted **balance sheet** and **cash flow statement**. Also, a long range forecast is provided to highlight anticipated revenues, expenses and cash flows over the next five years.

The following comments are based on comparisons between the 2011 *budget* and the 2010 *forecasted* results.

Revenue

- **0.06%** increase in **registration revenue** due to flat player registrations over FY '10 combined with the completion of the fee assistance program
- **8%** decrease in **sponsorship** revenue due to existing deal terminations plus transition to new Herbalife deal
- **38.2%** decrease in **AYSO Soccer Camps** program revenue due to an estimated decrease of 2,000 players over FY '10 plus the transfer into this department of an existing full time National Office employee
- **66.8%** increase in **Supply Center** program revenue driven by aggressive marketing, continued strong sales of AYSO publications, and the renegotiation of our printing outsource contract with IKON

Expenditures

- Overall **Direct Player Costs** are **1.7% higher** than FY '10 due to a 1.6% increase in our *direct* insurance costs. Direct Player Costs are an expense category that reports costs for **USSF player fees** at \$1 per player, and insurance premiums directly related to player registration for **soccer accident insurance** ("SAI") at \$0.84 per player, **general liability insurance** at \$0.43 per player, and **umbrella liability insurance** at \$0.23 per player.
- **Programs & Volunteer Services, Coaching and Management** all reflect costs for National Office programs related to the game including officiating and membership services, Curriculum and Instruction, National Games, VIP, RC, AD and SD training, and Commission and Task Force meetings.
- **Events** department supports costs to develop, promote, and manage AYSO Section Meetings, Road Shows and the National Annual General Meeting.
- The **Safe Haven** department reflects costs for our Safe Haven program that helps protect AYSO kids and volunteers.
- Costs for our annual Section Meetings, the AYSO Road Shows and National Annual General Meeting are all captured within the **Meetings** category. Overall meeting costs are slightly **higher** than last year due to increased funding for Section Meetings.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Key 2011/2012 Budget Highlights (continued):

- The Membership and Development category this year includes costs for **Section and Area Operations** as well as funding for the **Membership Development Department**. Overall costs for **Section and Area Operations remain flat** over FY '10.
- Overall **Administration** costs are **3.4% higher** than 2010 and include compensation costs for the National Executive Director, the Chief Financial Officer, and all front office support staff. Additionally, this expense category includes support costs for the National Board of Directors, and all legal expenses. There are five full time employees in this department.
- The **Sales & Marketing** category combines the Marketing, Sales, Communication and Production departments. There are eight full time employees within these departments responsible for all AYSO publications and communications, including AYSO.org, PLAYSOCCKER magazine, the Parents Guide to AYSO magazine, three weekly newsletters (The Commish, Whistle Stop and Hey Coach) and four monthly newsletters (90 Second Soccer parent, Dollars & Sense, The Sentinel and more Soccer For More Kids) and an extensive public relations program. In addition, the department also creates new sponsorship deals and manages existing relationships.
- The **Operations** expense category is broad and includes 18 full time employees, or 34% of total National Office headcount, spread over several departments: Finance, Registration, Information Technology, Facilities, Mail & Printing, and Human Resources support costs.
- **Depreciation and Amortization** costs are **higher** in 2011 due to the full year effect in 2011 of capital expenditure investments made in 2010 for the NATIONAL OFFICE relocation project.
- **Other (Income) Expense** is the combination of interest earned on investments plus all interest expense including the outstanding US Soccer Foundation loan. Also included in this category are sponsor in-kind expense offsets to in-kind sponsor revenue reported within the operating revenue portion of this budget.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

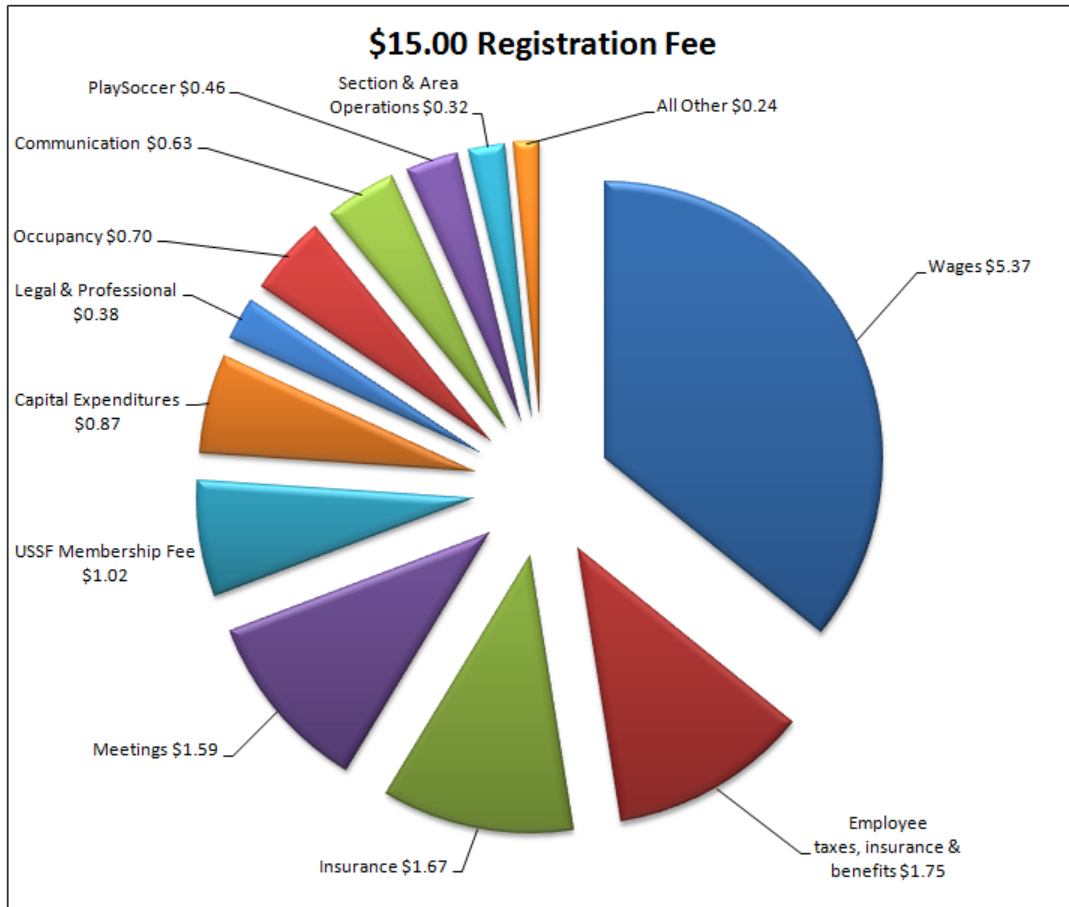
Budget Presentation by Goals and Objectives:

Per **Section 9.12** of the **AYSO National Bylaws**, the National Board of Directors shall annually present to the Executive Members at the National Annual General Meeting a set of **goals and objectives** for the American Youth Soccer Organization. The proposed budget for each fiscal year, which shall also be presented annually to the Executive Members, shall be predicated and based upon the stated goals and objectives. The schedules below and on the following page sets forth our goals and objectives for fiscal 2011.

#	Organizational Goals
1	Increase the number of players in the organization
2	Build up reserves with the target of creating a cash reserve equal to six months of operating expenses
3	Ensure National Office staffing meets the needs of the organization

#	Specific Goals
1	Continue to develop and implement Executive Member training (RC's, AD's, SD's)
2	Continue to fund marketing and development plans with focus on growth
3	Full startup of the North American Adult Soccer Association (NAASA)
4	Overall technology plan to include all hardware and software aspects, short and long term
5	Explore using outside professional planning /input to RoadShows and Section leadership Conferences
6	Outreach to regions via periodic teleconferences/webinars to include RC's, AD's, SD's and Board Liaisons
7	Extend up to two NBOD meetings into Sunday
8	Include one dinner event with sponsors, including National Office staff, NBOD members and invited guests to promote a positive working relationship between AYSO and its valued sponsors
9	Create a comprehensive plan to support regions at risk
10	Support phase-in of mandatory coach training – publicity, online training, etc.
11	Support changes to the instructor program

The National Office Player Fee: Where does it all go?

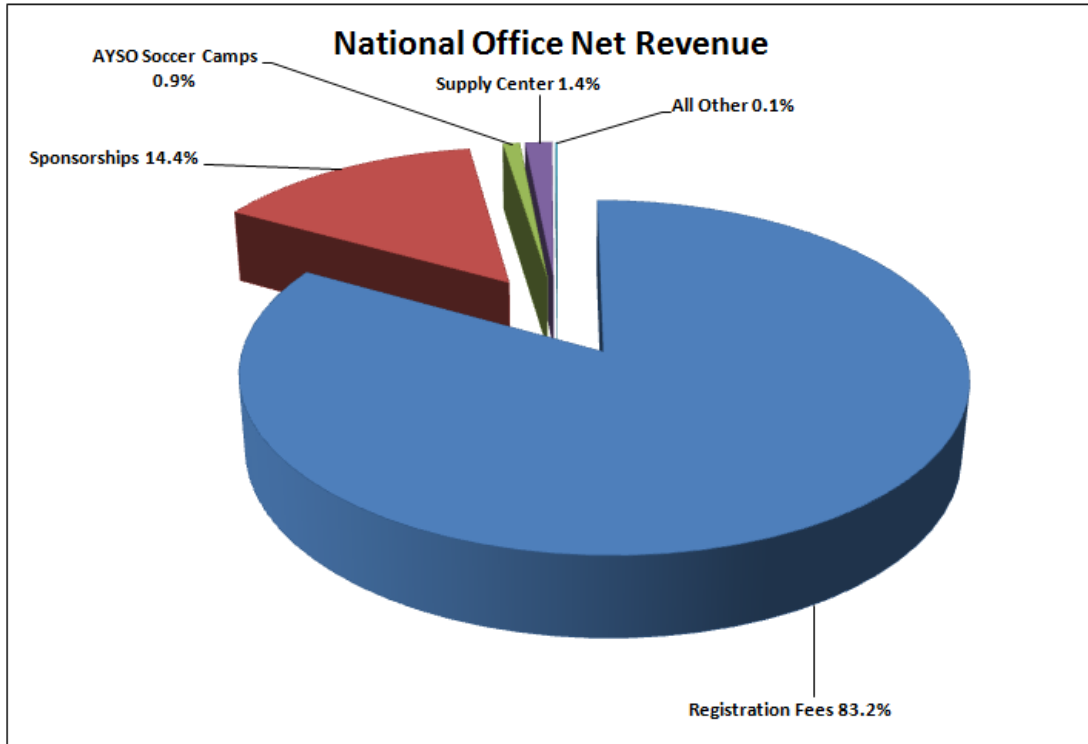


The chart above describes the components of the **national player fee**.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

National Office Revenues

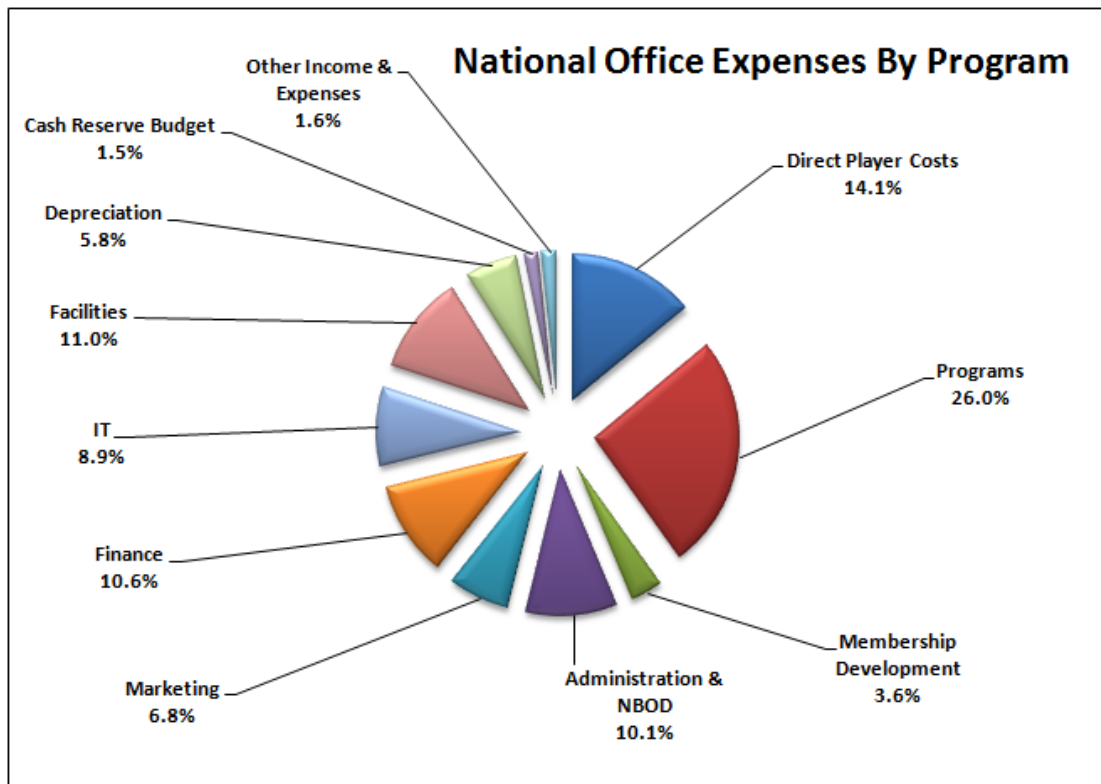
The following chart sets forth the sources of National Office net revenues, principally from National Office player registration fees and corporate sponsorships. Note that all revenue from AYSO Soccer Camps and the Supply Center is reported here as program revenue in excess of program costs, or net revenue.



**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

National Office Expenses

The following chart sets forth the allocations of National Office expenses by department for the fiscal year 2011/2012. Some programs are partially “self-funding”, such as Section Meetings, and National Coaching Courses, and therefore the costs presented below are the “net” program costs in excess of funding.



**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

What is the real per-player cost to operate AYSO?

	FY '11 Budget	Per Player	% Total
Player Count	547,835		
REVENUE FROM REGISTRATION FEES	\$ 8,217,525	\$ 15.00	77.0%
Sponsorships	1,422,917	2.60	
AYSO Store Royalties	-	-	
AYSO Adult League	-	-	
AYSO Soccer Camps	345,000	0.63	
AYSO Supply Center	681,599	1.24	
Contributions and Other	10,000	0.02	
REVENUE FROM ALL OTHER SOURCES	2,459,516	\$ 4.49	23.0%
TOTAL REVENUE	10,677,041	\$ 19.49	100.0%
Direct Player Costs	1,382,325	2.52	
Fee abatement	-	-	
AYSO Soccer Camps	255,907	0.47	
AYSO Supply Center	539,171	0.98	
Programs	2,553,599	4.66	
Membership & Development	355,072	0.65	
General & Administration	5,536,232	10.11	
TOTAL EXPENSES	10,622,306	\$ 19.39	99.5%
INCREASE (DECREASE) IN NET ASSETS	\$ 54,735	\$ 0.10	0.5%

Per-player revenue from NSTC player fees

Per-player revenue raised from other NSTC programs and activities

Total actual per-player revenue

From the schedule above you will note that National Office player fees represent the largest single source of total gross National office revenue (**77.0%**). We work hard to minimize reliance upon a single revenue source by raising funds from other sources wherever possible. For FY 2011, budgeted gross revenue from all other programs and activities will reach only **\$2,459,516**, or **\$4.49 per-player**. Largely coming from national sponsorships and AYSO Soccer Camps, revenue from all other sources represents dollars we do *not* need to collect in the form of player fees.

AMERICAN YOUTH SOCCER ORGANIZATION FY 2011 BUDGET

AMERICAN YOUTH SOCCER ORGANIZATION FY 2011 BUDGET STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS																				
		See page # for details:		'11 Budget		Per Player		'10 Budget		'10 Forecast		'09 Actual		'08 Actual		Var to '10 Bud		Var to '10 Fcst		
I. Registration Revenue:																				
Registration fees	13	\$	8,217,525	\$	15.00	\$	8,157,948	\$	8,212,345	\$	7,118,558	\$	7,396,353	\$	59,577	\$	5,180			
Direct Player Costs	16		1,382,325		2.52		1,394,492		1,359,169		1,416,648		1,425,655		12,167		(23,156)			
Contribution Margin			6,835,200		12.48		6,763,456		6,853,176		5,701,910		5,970,698		71,744		(17,976)			
II. Operating Revenue																				
Sponsorships	17		1,422,917		2.60		1,052,252		1,386,052		1,561,949		1,600,280		370,665		36,865			
AYSO Store Royalties			-		-		-		-		3,554		958		-		-			
Contributions			10,000		0.02		10,000		10,000		38,973		14,751		-		-			
Miscellaneous income			-		-		-		-		504		1,354		-		-			
Total Operating Revenue			1,432,917		2.62		1,062,252		1,396,052		1,604,980		1,617,343		370,665		36,865			
III. Program Revenue (excess of costs)																				
AYSO Soccer Camps	18		89,093		0.16		126,988		144,165		92,888		164,241		(37,895)		(55,072)			
Supply Center	19		142,429		0.26		85,414		85,414		107,790		66,719		57,015		57,015			
AYSO Adult League	20		-		-		20,000		9,997		-		7,141		(20,000)		(9,997)			
Net Program Revenue			231,522		0.42		232,402		239,576		200,678		238,101		(880)		(8,054)			
NET REVENUE																				
		\$	8,499,639	\$	15.51		\$ 8,058,110	\$	8,488,804	\$	7,507,568	\$	7,826,142	\$	441,529	\$	10,835			
IV. Program Costs (excess of funding)																				
Programs & Volunteer Services	21		559,480		1.02		586,213		551,645		824,074		958,428		26,733		(7,835)			
Coaching	22		207,558		0.38		300,070		214,658		136,348		n/a		92,512		7,100			
Management	23		296,028		0.54		268,340		268,340		116,901		n/a		(27,688)		(27,688)			
Events	24		323,127		0.59		226,559		244,276		258,486		316,050		(96,568)		(78,851)			
Safe Haven	24		362,348		0.66		277,795		305,015		245,980		281,906		(84,553)		(57,333)			
Meetings	25		555,458		1.01		534,236		534,236		263,222		432,192		(21,222)		(21,222)			
PlaySOCCER	27		249,600		0.46		249,600		249,600		161,997		329,305		-		-			
Net Program Costs			2,553,599		4.66		2,442,813		2,367,770		2,007,008		2,317,881		(110,786)		(185,829)			
V. Membership Development																				
Membership Development	28		179,385		0.33		73,108		73,109		88,097		75,156		(106,277)		(106,276)			
Section & Area Operations	29		175,687		0.32		175,687		175,687		134,993		164,562		-		-			
Total Membership Development			355,072		0.65		248,795		248,796		223,090		239,718		(106,277)		(106,276)			
VI. General and Administration expenses																				
Administration	30		1,000,065		1.83		876,191		967,570		1,063,822		1,236,198		(123,874)		(32,495)			
Sales & Marketing	31		664,320		1.21		616,361		618,845		623,287		635,375		(47,959)		(45,475)			
Operations	32		2,997,044		5.47		3,002,193		2,935,981		2,669,232		2,539,278		5,149		(61,063)			
Depreciation	35		569,975		1.04		447,623		435,175		323,762		360,058		(122,352)		(134,800)			
Other (income) expense			154,829		0.28		154,627		154,626		137,320		123,055		(202)		(203)			
Cash Reserve	36		150,000		0.27		-		-		-		-		(150,000)		(150,000)			
Total General and Administration Expenses			5,536,233		10.10		5,096,995		5,112,197		4,817,423		4,893,964		(439,238)		(424,036)			
TOTAL EXPENSES																				
			8,444,904		15.42		7,788,603		7,728,763		7,047,521		7,451,563		(656,301)		(716,141)			
INCREASE (DECREASE) IN NET ASSETS																				
		\$	54,735	\$	0.10		\$ 269,507	\$	760,041	\$	460,047	\$	374,579	\$	(214,772)	\$	(705,306)			
Player Count	14		547,835				552,835		547,835		558,265		580,604		(5,000)		-			
Per Player Registration Fee	13	\$	15.00	\$		\$	15.00	\$	15.00	\$	12.75	\$	12.75	\$	-	\$	-			
National Office Staff Headcount	37		52.6				48.5		49.0		48.5		50.5		(4.1)		(3.6)			

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

AMERICAN YOUTH SOCCER ORGANIZATION FY 2011 BUDGET STATEMENTS OF FINANCIAL POSITION					
	'11 Budget 06/30/12	'10 Budget 06/30/11	'10 Forecast 06/30/11	'09 Actual 06/30/10	'08 Actual 06/30/09
Current Assets					
Cash & cash equivalents	3,807,478	3,204,215	4,056,137	3,137,738	3,664,798
Intercompany accounts - net	100,000	-	-	10,722	-
Accounts receivable - net	2,590,906	2,649,801	3,172,985	3,417,733	2,851,427
Inventory	80,000	170,000	140,000	126,292	105,387
Prepaid expenses	261,724	130,029	99,889	217,546	166,943
Total Current Assets	6,840,108	6,154,045	7,469,011	6,910,031	6,788,555
Property, furniture & equipment	6,287,337	5,367,094	5,809,337	4,956,894	4,204,314
Less accumulated depreciation	(4,870,066)	(4,312,539)	(4,300,091)	(3,819,918)	(3,496,156)
Net Property, Furniture & Equipment	1,417,271	1,054,555	1,509,246	1,136,976	708,158
Other Assets					
Deferred compensation plan investment	295,949	340,231	329,549	362,345	386,173
All other assets	226,255	229,273	72,382	61,471	-
Total Other Assets	522,204	569,504	401,931	423,816	386,173
TOTAL ASSETS	\$ 8,779,583	\$ 7,778,104	\$ 9,380,188	\$ 8,470,823	\$ 7,882,886
Current Liabilities					
Accounts payable	448,830	348,829	424,984	425,577	380,370
Accrued compensation	359,996	177,423	359,996	247,670	275,599
Accrued expenses	421,935	428,798	622,488	143,403	304,807
Deferred sponsor revenue	258,000	300,000	558,000	308,692	450,190
Deferred soccer camp fees	-	-	-	-	13,885
Deferred expenses other	-	13,494	-	166,641	13,494
Deferred player registration fees	3,859,360	3,856,024	3,821,151	4,123,487	3,719,868
Current portion long term debt	189,336	176,221	176,221	153,569	153,569
Total Current Liabilities	5,537,457	5,300,789	5,962,840	5,569,039	5,311,782
Long Term Debt					
Notes payable	223,598	439,714	442,036	655,179	749,776
Deferred compensation	250,365	271,521	261,884	293,218	327,988
	473,963	711,235	703,920	948,397	1,077,764
Net Assets	2,768,163	1,766,080	2,713,428	1,953,387	1,493,340
TOTAL LIABILITIES AND NET ASSETS	\$ 8,779,583	\$ 7,778,104	\$ 9,380,188	\$ 8,470,823	\$ 7,882,886

See page # for details:

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

AMERICAN YOUTH SOCCER ORGANIZATION FY 2011 BUDGET STATEMENTS OF CASH FLOWS						
	See page# for details:	'11 Budget 06/30/12	'10 Budget 06/30/11	'10 Forecast 06/30/11	'09 Actual 06/30/10	'08 Actual 06/30/09
Increase In Net Assets	10	\$ 54,735	\$ 269,507	\$ 760,041	\$ 460,047	\$ 374,579
Add back non-cash items:						
Depreciation and amortization	35	569,975	447,623	435,175	323,762	360,058
Decrease in deferred compensation plan					23,828	
Amortization of investments premium (discount)						
Allowance for doubtful accounts		(28,408)		-	3,547	1,257
(Increases) Decreases In Assets And Liabilities						
Intercompany accounts		(100,000)	-	10,722	-	-
Accounts receivable		582,079	613,678	244,748	(860,376)	629,345
Inventory		60,000	-	(13,708)	(20,905)	39,740
Prepaid expenses		(161,836)	(51,460)	117,657	(56,595)	5,061
Deferred compensation plan investment		33,600	21,600	32,796	-	18,492
All other assets		(153,873)	(93,854)	(10,911)	-	-
Accounts payable		23,846	23,829	(593)	44,707	(76,019)
Accrued compensation		-	-	112,326	(27,928)	(15,912)
Accrued expenses		(200,553)	(188,996)	479,085	(155,645)	(40,141)
Deferred sponsor revenue		(300,000)	(300,000)	249,308	(141,498)	174,868
Deferred soccer camp fees		-	-	-	118,460	(86,212)
Deferred expenses other		-	-	(166,641)	(54,024)	-
Deferred player registration fees		38,209	-	(302,336)	403,620	(225,708)
Deferred compensation		(11,520)	(27,624)	(31,334)	-	-
Net Cash Provided (Used) By Operations		\$ 406,254	\$ 714,303	\$ 1,916,335	\$ 61,000	\$ 1,159,408
Cash Flows From Investing Activities						
Sale of fixed assets		-	-	-	-	50,000
Purchase of investment securities		(38,047)	(38,047)	-	-	(24,663)
Cash surrender value life insurance		-	-	-	3,697	-
Capital expenditures	35	(478,000)	(410,200)	(852,443)	(568,576)	(486,093)
Net Cash Used By Investing Activities		(516,047)	(448,247)	(852,443)	(564,879)	(460,756)
Cash Flows Used For Financing Activities						
Payment of long term debt		(152,653)	(152,653)	(142,080)	(94,597)	(142,007)
All Other		13,787	-	(3,413)	71,416	-
Net Cash Flows From Financing Activities		(138,866)	(152,653)	(145,493)	(23,181)	(142,007)
NET INCREASE (DECREASE) IN CASH		\$ (248,659)	\$ 113,403	\$ 918,399	\$ (527,060)	\$ 556,645
Operating funds			2,544,584	(298,275)		2,246,309
Non-operating funds - cash reserve			1,274,285	44,816		1,319,101
Restricted Funds			237,268	4,800		242,068
CASH & CASH EQUIVALENTS	11		\$ 4,056,137	\$ (248,659)		\$ 3,807,478

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Explanation of Key Financial Statement Line Items

I. REGISTRATION REVENUE AND DIRECT PLAYER COSTS

Player Registration Fees	\$8,217,525	\$15.00 Per Player
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We have budgeted for a flat or zero *player increase* over the fiscal year 2010 forecast of 547,835 players, resulting in a 2011 budgeted player count of **547,835**.

This year's budget contains no proposed fee increase, and accordingly the per player fee assumption used in this document remains constant at **\$15.00** per player.

Player Registration and Player Fee History:						
	Fiscal YR	# Players	% Change		Player Fee	% Change
	Budget	2011	547,835	0.0%	\$	15.00 0.0%
	Forecast	2010	547,835	-1.9%	\$	15.00 17.6%
	Actual	2009	558,265	-3.8%	\$	12.75 0.0%
	Actual	2008	580,604	-5.4%	\$	12.75 8.5%
	Actual	2007	613,958	-0.7%	\$	11.75 0.0%
	Actual	2006	618,568	1.2%	\$	11.75 0.0%
	Actual	2005	611,131	0.3%	\$	11.75 0.0%
	Actual	2004	609,056	-2.3%	\$	11.75 11.9%
	Actual	2003	623,193	-1.0%	\$	10.50 0.0%
	Actual	2002	629,402	-1.6%	\$	10.50 0.0%
	Actual	2001	639,401	-3.2%	\$	10.50 0.0%
	Actual	2000	660,600	4.3%	\$	10.50 16.7%
	Actual	1999	633,500	0.9%	\$	9.00 12.5%
	Actual	1998	628,000		\$	8.00

The chart above describes the player registration and national player fee amounts for the budget year 2011 and the previous thirteen years.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Player Registration	547,835	\$15.00 Per Player
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It is the normal pattern of our business to register a significant number of players for the subsequent fiscal year *before* the current fiscal ends. By **June 30, 2011**, we expect to have already registered **254,743** players for FY '11. Then, budgeted player counts by month for the remainder of FY '11 will total **293,092**, bringing the total budgeted player count for FY '11 to **547,835**.

See the following schedule for details:

AYSO PLAYER REGISTRATIONS					
	FY '11			% Players Registered	
	Deferred	Current	Total	By Month	Cumm.
Jan-11	1,644		1,644	0.3%	0.3%
Feb-11	1,644		1,644	0.3%	0.6%
Mar-11	1,644		1,644	0.3%	0.9%
Apr-11	35,061		35,061	6.4%	7.3%
May-11	104,089		104,089	19.0%	26.3%
Jun-11	110,661		110,661	20.2%	46.5%
Jul-11		96,019	96,019	17.5%	64.0%
Aug-11		73,962	73,962	13.5%	77.5%
Sep-11		47,492	47,492	8.7%	86.2%
Oct-11		10,405	10,405	1.9%	88.1%
Nov-11		2,200	2,200	0.4%	88.5%
Dec-11		5,944	5,944	1.1%	89.6%
Jan-12		15,435	15,435	2.8%	92.4%
Feb-12		17,117	17,117	3.1%	95.5%
Mar-12		13,154	13,154	2.4%	97.9%
Apr-12		5,519	5,519	1.0%	98.9%
May-12		3,863	3,863	0.7%	99.6%
Jun-12		1,982	1,982	0.4%	100.0%
	254,743			FY '11 players registered in FY '10	
		293,092		FY '11 players registered in FY '11	
			547,835	Total FY '11 registered players	

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Direct Player Costs	\$1,394,492	\$2.52 Per Player
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Direct player costs include a **\$1 per player fee** for membership to the United States Soccer Federation, (“USSF”), and **direct insurance costs**. Direct insurance costs include **soccer accident insurance** (“SAI”), and **general and umbrella liability insurance** premiums.

AYSO’s insurance policies cover all registered players, coaches, referees, and other volunteers for injuries that happen while participating in any approved AYSO activity. The injury must be directly related to the primary activity of soccer and occur within the scope of duties related to AYSO’s operation, including uninterrupted travel to and from scheduled games, practices, tournaments or events.

Note that AYSO’s SAI policy is designed as a *secondary coverage* plan. This means covered participants should seek reimbursement from their primary health insurance provider if they have one, and then apply or submit a claim to the SAI program for coverage.

<i>The limits of coverage are:</i>	
Medical expenses limit	\$50,000
Dental expenses limit	\$10,000
Physical therapy & Chiropractic limit	\$1,000
Accidental death & dismemberment	\$10,000
Orthopedic appliance benefit	\$10,000
Benefit period	104 weeks
Deductible	\$200
100% ER treatment if seen within 72 hours	

AYSO’s insurance program is reviewed annually to make sure we receive the maximum benefits for our premium dollars. Currently, our insurance brokerage firm is **Willis**, the third largest insurance intermediary in the United States. Willis is publicly traded on the New York Stock Exchange (NYSE:WSH), and has over 20,500 employees and 210 offices throughout the United States.

The name of our **SAI carrier** is the **Starr Indemnity & Liability Company** of New York, NY. Starr is rated **A** (Excellent) **X** (\$500 million to \$750 million in assets) by A. M. Best Company, Inc. A.M. Best is the industry standard financial strength rating service for insurance companies. Our **liability carrier** is **Philadelphia Insurance Companies** of Bala Cynwyd, PA. Philadelphia is rated **A+** (Superior) **XIV** (\$1.5 billion to \$2 billion in assets) by A.M. Best.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Direct Player Costs (continued) \$1,394,492 \$2.52 Per Player

The following chart summarizes AYSO's 2011 budgeted direct player costs:

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Player count	552,835	547,835	547,835	(5,000)	-
Per player registration fee	\$ 15.00	\$ 15.00	\$ 15.00	\$ -	\$ -
Registration fees	\$ 8,292,525	\$ 8,217,525	\$ 8,217,525	\$ (75,000)	\$ -
Other discounts	\$ (134,577)	\$ (5,180)	\$ -	\$ 134,577	\$ 5,180
Net Player registration fees	\$ 8,157,948	\$ 8,212,345	\$ 8,217,525	\$ 59,577	\$ 5,180
Per Player Direct Costs					
Soccer Accident Insurance	\$ 0.90	\$ 0.84	\$ 0.84	\$ 0.06	\$ -
Umbrella Insurance	\$ 0.22	\$ 0.22	\$ 0.23	\$ (0.01)	\$ (0.01)
General Liability Insurance	\$ 0.40	\$ 0.41	\$ 0.43	\$ (0.03)	\$ (0.02)
Sub-total Direct Insurance	\$ 1.52	\$ 1.47	\$ 1.50	\$ 0.02	\$ (0.03)
USSF Membership Fee	\$ 1.00	\$ 1.00	\$ 1.02	\$ (0.02)	\$ (0.02)
Total Per Player Direct Costs	\$ 2.52	\$ 2.47	\$ 2.52	\$ 0.00	\$ (0.05)
Direct Player Costs					
Soccer Accident insurance	\$ 494,995	\$ 464,372	\$ 460,181	\$ 34,814	\$ 4,191
Umbrella Insurance	\$ 121,987	\$ 121,987	\$ 128,086	\$ (6,099)	\$ (6,099)
General Liability Insurance	\$ 224,675	\$ 224,975	\$ 236,224	\$ (11,549)	\$ (11,249)
Sub-total Direct Insurance	\$ 841,657	\$ 811,334	\$ 824,491	\$ 17,166	\$ (13,157)
USSF Membership Fee	\$ 552,835	\$ 547,835	\$ 557,835	\$ (5,000)	\$ (10,000)
Total Direct Player Costs	\$ 1,394,492	\$ 1,359,169	\$ 1,382,326	\$ 12,166	\$ (23,157)

Direct insurance costs are significant --- they comprise **16 % of total National Office budgeted expenses**. Prior to fiscal year 2009, claims filed against our SAI policy had risen significantly for two consecutive years. That created pressure on our insurance carrier to increase the premium. So in an attempt to minimize the negative impact of premium increases to our bottom line, we selected new carrier and claims administration companies in FY '10 to administer our SAI program. The financial impact on our insurance program has been both significant and positive, and consequently we have renewed our program with these same companies. **SAI premium** expense this year will actually **decrease** by **(\$4,191)** or **-0.9%** over FY '10, resulting in a total SAI premium for FY '11 of **\$460,181**. This is a one year deal that will become effective July 1, 2011.

Due to the continued positive impact of our Safe Haven department and overall risk management programs made possible by funds from the annual budget, the increase in both *number* and *dollar amount* of claims filed against our general liability policy has been minimal. As a result, our 2011 **Umbrella** and **General Liability** premium will be **\$364,310** which is a mere **5% increase** over premiums paid in FY '10.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

OPERATING REVENUE

Sponsorship Revenue	\$1,422,917	\$2.60 Per Player
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Net sponsorship revenue is budgeted at **\$1,422,917** or **8% below** FY '10. The decrease is due to the loss of existing sponsors who did not renew, as well as the transformation of our previous Herbalife sponsorship into a new deal but at a much reduced rate.

Sponsorship Service Costs include general funds to help provide better service to our sponsors and increase retention. However beginning this year, we believe it will be more economical to provide this support through a new full time sponsor services coordinator position for which we have budgeted in the Marketing department.

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Sponsorships					
Cash	\$ 946,251	\$ 1,362,501	\$ 1,238,717	\$ 292,466	\$ (123,784)
In-kind	184,200	184,200	184,200	-	-
Gross sponsorship revenue	1,130,451	1,546,701	1,422,917	292,466	(123,784)
Less estimated sponsorship service costs	78,199	160,649	-	78,199	160,649
Net Sponsorship Revenue	\$ 1,052,252	\$ 1,386,052	\$ 1,422,917	\$ 370,665	\$ 36,865

As with last year's budget, we have included the "in-kind" value of goods due to AYSO under sponsor contracts. The chart above depicts FY '11 sponsorship revenue.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

II. PROGRAM REVENUE (EXCESS OF COSTS)

AYSO Soccer Camps	\$89,093	\$0.16 Per Player
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AYSO Soccer Camps is a program started in 2005 that represents the financial results of the agreement between AYSO and UK International Soccer Camps. Under this license agreement, AYSO Soccer Camps will promote and operate youth soccer camps, including day camps and residency camps, throughout the United States.

All camps are staffed with instructors who have successfully completed personal background checks required by AYSO and who have received training in all AYSO instructional methods and techniques. Only camp materials, curriculum, and instructional procedures that follow AYSO guidelines will be used.

AYSO will earn a **fifteen percent (15%) licensing fee** from gross camp receipts, of which **one-third (5%) will be returned** to local host regions.

Compensation, travel and communication costs are higher this year primarily due to a staffing change that now includes one full time National Office employee in this department instead of one part-time employee as in previous years.

Department / Program Name	FY '10 Budget		FY '10 Forecast		FY '11 Budget		FY '11 Budget Variance To:	
							FY '10 Budget	FY '10 Forecast
# of players	25,000		25,000		23,000		(2,000)	(2,000)
Average Registration Fee	\$ 100.00		\$ 100.00		\$ 100.00		\$ -	\$ -
Camp Registration Fees								
Players	\$ 375,000	100.0%	\$ 375,000	100.0%	\$ 345,000	100.0%	(30,000)	(30,000)
Equipment	-	0.0%	-	0.0%	-	0.0%	-	-
Gross Program Revenue	375,000	100.0%	375,000	100.0%	345,000	100.0%	(30,000)	(30,000)
Less Direct costs:								
Payments to regions	125,000	33.3%	125,000	33.3%	115,000	33.3%	10,000	10,000
Direct Program Costs	125,000	33.3%	125,000	33.3%	115,000	33.3%	10,000	10,000
Contribution Margin	250,000	66.7%	250,000	66.7%	230,000	66.7%	(20,000)	(20,000)
Sponsor Revenue	-	0.0%	-	0.0%	-	0.0%	-	-
NET REVENUE	250,000	66.7%	250,000	66.7%	230,000	66.7%	(20,000)	(20,000)
Operating Expenses								
Compensation/Travel/Communication	44,162	11.8%	26,985	7.2%	68,057	19.7%	(23,895)	(41,072)
Banking & Merchant Fees	75,000	20.0%	75,000	20.0%	69,000	20.0%	6,000	6,000
All Other Expenses	3,850	1.0%	3,850	1.0%	3,850	1.1%	-	-
TOTAL OPERATING EXPENSES	123,012	32.8%	105,835	28.2%	140,907	40.8%	(17,895)	(35,072)
NET PROGRAM REVENUE (LOSS)	\$ 126,988	33.9%	\$ 144,165	38.4%	\$ 89,093	25.8%	\$ (37,895)	\$ (55,072)

The chart above represents the FY 2011 budget assumptions for AYSO Soccer Camps.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

AYSO Supply Center	\$142,429	\$0.16 Per Player
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Supply Center net program revenue is the result of **\$681,599** in sales less **\$539,170** in expenses including cost of goods sold. 2011 budgeted net program revenue is **+66.8% higher** than the 2010 forecast based upon improved cost of sales performance plus the successful renegotiation of our outsourced printing services deal with IKON that has significantly lowered costs. Supply Center program revenue helps **offset the production of registration kits**. Basic AYSO registration kits are provided to each region annually at no additional charge, even though the cost to produce and ship these kits results in a loss.

Department / Program Name	FY '10 Budget		FY '10 Forecast		FY '11 Budget		FY '11 Budget Variance To:	
							FY '10 Budget	FY '10 Forecast
Sales:								
Publications AYSO	\$ 595,488	87.4%	\$ 595,488	87.4%	\$ 595,488	87.4%	\$ -	\$ -
Registration Kits	34,116	5.0%	34,116	5.0%	34,116	5.0%	-	-
Recognition Product	51,995	7.6%	51,995	7.6%	51,995	7.6%	-	-
Gross Program Revenue	681,599	100.0%	681,599	100.0%	681,599	100.0%	-	-
Cost of Goods Sold:								
Publications AYSO	203,649	29.9%	203,649	29.9%	194,649	28.6%	9,000	9,000
Registration Kits	151,471	22.2%	151,471	22.2%	151,471	22.2%	-	-
Recognition Product	18,125	2.7%	18,125	2.7%	18,125	2.7%	-	-
Cost of sales	373,245	54.8%	373,245	54.8%	364,245	53.4%	9,000	9,000
Gross Margin	308,354	45.2%	308,354	45.2%	317,354	46.6%	9,000	9,000
Other Costs of Sales:								
Freight	2,928	0.4%	2,928	0.4%	2,928	0.4%	-	-
Taxes	11,167	1.6%	11,167	1.6%	9,167	1.3%	2,000	2,000
Shrinkage	9,411	1.4%	9,411	1.4%	3,536	0.5%	5,875	5,875
Obsolete stock	3,369	0.5%	3,369	0.5%	2,039	0.3%	1,330	1,330
All other	1,144	0.2%	1,144	0.2%	1,142	0.2%	2	2
Other Costs of Sales	28,019	4.1%	28,019	4.1%	18,812	2.8%	9,207	9,207
Net Margin	280,335	41.1%	280,335	41.1%	298,542	43.8%	18,207	18,207
LESS OPERATING EXPENSES	194,921	28.6%	194,921	28.6%	156,113	22.9%	38,808	38,808
NET PROGRAM REVENUE (LOSS)	\$ 85,414	12.5%	\$ 85,414	12.5%	\$ 142,429	20.9%	\$ 57,015	\$ 57,015

There is one full time employee in the Supply Center. The chart above describes the fiscal year 2011 Supply Center budget.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

AYSO Adult League	\$0	\$0.00 Per Player
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Since 2000, the AYSO Adult League has provided the opportunity for AYSO “graduates”, parents of players and other fans of the game to play the “AYSO Way” while being registered with the only recognized adult affiliate of US Soccer – the United States Adult Soccer Association. Players from 19 to 72 years of age have benefited from this program.

As part of the ongoing efforts by AYSO’s National Board of Directors to implement the strategic plan approved in 2007, we took an important first step in FY ’09 by spinning off the Adult League into a separate, standalone entity. In December 2009 the **North American Adult Soccer Association (“NAASA”)** was created as a California nonprofit public benefit corporation, with AYSO as its sole corporate member.

Then, early in fiscal year 2010 we completed the **transfer of all economic activity** from the accounts of AYSO to the accounts of the new legal entity, **NAASA**. For this reason, the Adult League section of the AYSO FY ’11 budget no longer includes revenues or expenses for NAASA activities. Instead, those items will be accounted for within a separate NAASA budget under the direction of the NAASA Board of Directors. While NAASA operations remain in the *startup* and *transition* phases, much work has been accomplished. A complete Board of Directors has been formed and this governing body meets regularly to direct the affairs of NAASA including the review of monthly financial statements and the procurement of SAI and general liability insurance. Once per year, the financial results of NAASA will be consolidated with those of AYSO as we prepare our annual tax return and audited financial statements.

The AYSO FY ’11 budget provides \$100,000 for NAASA startup funding. The chart below reflects the 2011 budgeted results for the adult league program.

Department / Program Name	FY '10			FY '11			FY '11 Budget Variance To:	
	Budget	Forecast	Budget	Budget	Forecast	Budget	Forecast	
# of players	-	-	-	-	-	-	-	
Registration fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
USASA Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Registration Fees								
Players	\$ -	0.0% \$ -	0.0% \$ -	0.0% \$ -	0.0%	\$ -	\$ -	
Gross Program Revenue	-	0.0%	-	0.0%	-	0.0%	-	
Less Direct costs:								
USASA Membership Fee	-	0.0%	-	0.0%	-	0.0%	-	
League dues	-	0.0%	-	0.0%	-	0.0%	-	
Direct Program Costs	-	0.0%	-	0.0%	-	0.0%	-	
Contribution Margin	-	0.0%	-	0.0%	-	0.0%	-	
Other Income	20,000	0.0%	9,997	0.0%	-	0.0%	(20,000)	
Sponsor Revenue	-	0.0%	-	0.0%	-	0.0%	-	
NET REVENUE	20,000	0.0%	9,997	0.0%	-	0.0%	(20,000)	
TOTAL OPERATING EXPENSES	-	0.0%	-	0.0%	-	0.0%	-	
NET PROGRAM REVENUE (LOSS)	\$ 20,000	0.0%	\$ 9,997	0.0%	-	0.0%	\$ (20,000)	

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

III. PROGRAM COSTS (EXCESS OF FUNDING)

Programs & Member Services	\$559,480	\$1.02 Per Player
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The **Programs & Member Services Department** is a group of cost centers supporting the development, administration and delivery of training and certification programs for referees and instructors, and support services for our Executive Members. Compensation costs for *all* employees in this group fall under the Officiating and Member Services cost center. There are six full time employees in this department.

The assistance provided by **Member Services** includes maintenance of member and regional records, exchange of important communications to key volunteers, revision and distribution of the executive member directory and oversight of legal and dispute issues brought to the NATIONAL OFFICE for resolution.

Funding has been provided to support the activities of the National Referee Program Administrator as well as the **National Referee Advisory Commission, (“NRAC”)**. This budget includes funds for one face to face meeting of the NRAC.

Overall, the 2011 Programs & Member Services Department budget reflects an **increase** over the 2010 forecast of **\$7,835**. This is due to the combination of increased funding to address regions at risk and expanded provisions for VIP programs. There are six full time employees in this department.

The chart below reflects the 2011 budget details for each component of the Programs and Member Services Department.

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
VIP	\$ -	\$ 4,739	\$ 10,880	\$ (10,880)	\$ (6,141)
Officiating & Member Services	555,530	516,222	517,200	38,330	(978)
Curriculum / Instruction	6,375	6,375	8,385	(2,010)	(2,010)
Officiating	14,116	14,116	12,822	1,294	1,294
Referee Commission	10,192	10,193	10,193	(1)	-
Department Total	\$ 586,213	\$ 551,645	\$ 559,480	\$ 26,733	\$ (7,835)

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Coaching	\$207,558	\$0.38 Per Player
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The **Coaching** department supports all activities and initiatives that relate to the training and development of our players. This includes the activity of the AYSO Coaching Program, the National Coaching Course, the **National Tournament Advisory Commission (“NTAC”)**, and the **National Coaching Advisory Commission (“NCAC”)**.

This budget includes funds for one face to face meeting each for the NCAC and NTAC. There are three full time employees in this department.

Overall, the 2011 Coaching Department budget reflects a **decrease** over the 2010 forecast of **\$7,100**. This is due to a combination of increased travel costs for attendance at 2012 National Games planning events along with decreased compensation costs resulting from the transfer of an existing National Office staff member to the Camps department.

The schedule below describes the 2011 budget for the Coaching Department.

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Coaching	\$ 269,122	\$ 188,449	\$ 179,349	\$ 89,773	\$ 9,100
Coaching Commission	10,329	10,329	10,329	-	-
National Coaching Course	(2,000)	(2,000)	(2,000)	-	-
National Games	9,174	9,174	11,174	(2,000)	(2,000)
Tournaments	(345)	(345)	(345)	-	-
VIP Programs	4,739	-	-	4,739	-
Tournament Commission	9,051	9,051	9,051	-	-
Department Total	\$ 300,070	\$ 214,658	\$ 207,558	\$ 92,512	\$ 7,100

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Management	\$296,028	\$0.54 Per Player
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The **Management** department is a group of cost centers supporting the development, administration and delivery of training and certification programs for administrators and members of Region, Area and Section staff. There are two full time employees in this department. All compensation costs fall under the Management cost center. This budget also includes support for the **National Management Advisory Commission (“NMAC”)**, and contains funds for one face to face meeting of the NMAC.

In the fall of 2011 the National Management Administrator, with assistance from several volunteer Management Instructors, will conduct training for new Area Directors. **Area Director Training** is held at the AYSO National Office where AD candidates have an opportunity to share issues and ideas and to become familiar with the services of the National Office.

In April 2010 the third of three successful **Regional Commissioner Training** pilot classes was held at the AYSO National Office. After reviewing the positive results, the National Board of Directors voted to elevate this program to permanent status within the Management department.

This budget funds **four RC Training classes** in FY '11. Each course will serve 35 attendees and include funding for travel costs up to a maximum of \$500 per attendee. All RC Training classes will be held at the new AYSO National Office in Torrance, CA and instructed from a pool of National Office staff, NMAC members and qualified volunteer instructors.

Overall, the 2011 Management Department budget reflects an **increase** over the 2010 forecast of **\$27,688**. This is primarily due to the inclusion of travel cost funding for RC Training.

The chart below describes the 2011 Management Department budget.

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Management	\$ 202,848	\$ 202,848	\$ 193,536	\$ 9,312	\$ 9,312
RC Training	24,000	24,000	70,000	(46,000)	(46,000)
SD Training	9,000	9,000	-	9,000	9,000
AD Training	20,900	20,900	20,900	-	-
Management Commission	11,592	11,592	11,592	-	-
Department Total	\$ 268,340	\$ 268,340	\$ 296,028	\$ (27,688)	\$ (27,688)

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Events	\$323,127	\$0.39 Per Player
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The **Events** department includes all support costs for the National Office staff to develop, promote and manage AYSO Section Meetings, Road Shows, and the Annual General Meeting. This includes actual **compensation costs** for four full time employees, including the addition of a **new Events Manager position**.

Events staff also helps coordinate and handle all necessary logistical arrangements for on-site meetings at the National Office including the National Board of Directors meetings, Regional Commissioner and Area Director training events. Overall, the 2011 Events Department budget reflects an **increase of \$78,851** over the 2010 forecast, due to the addition of a new full time employee.

The chart below reflects the budget details for the Events department.

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Events	\$ 226,559	\$ 244,276	\$ 323,127	\$ (96,568)	\$ (78,851)
Department Total	\$ 226,559	\$ 244,276	\$ 323,127	\$ (96,568)	\$ (78,851)

Safe Haven	\$362,348	\$0.66 Per Player
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There are four full time employees in the **Safe Haven** department, including the **Director of Human Resources**. Safe Haven's educational and risk management programs, along with those of our volunteer CVPA's and Safety Directors in the field, play a key role in AYSO's comprehensive risk management program.

Overall, the 2011 Safe Have budget reflects an **increase of \$57,333** over the 2010 forecast, due to increased background check funding. The chart below reflects 2011 budget details for the Safe Haven Department:

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Safe Haven	\$ 277,795	\$ 305,015	\$ 362,348	\$ (84,553)	\$ (57,333)
Department Total	\$ 277,795	\$ 305,015	\$ 362,348	\$ (84,553)	\$ (57,333)

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Meetings	\$555,458	\$1.01 Per Player
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The Meetings expense category includes funds for **Section Meetings**, the **National Annual General Meeting**, (“NAGM”), and **AYSO Road Shows**.

Twelve **Section Meetings** have been scheduled from January through April 2012. A total of **5,535** volunteers are budgeted to attend of which **4,854 are paid** with the remaining **681** participants **fully subsidized** from National Office budget funds.

Over **500** persons attend the **NAGM** each year to vote on the annual budget, proposed amendments to the National Rules and Regulations and Bylaws and to elect our National Board Members and National President.

The chart below shows a comparison of the consolidated FY '11 budgeted meeting costs as compared against FY '10 forecasted amounts. There is a **\$21,222 increase** in expenditures over FY '10, due primarily to increased travel and food and beverage costs.

AYSO Road Shows return again this year, although with a smaller and consolidated “pool” of budget funds administered by the National Office based upon procedures and eligibility rules to be developed by the National Board of Directors. Road Shows are events designed to place greater emphasis on and raise the awareness of local training and education at the region and area level, to the overall success of AYSO nationwide. Road Shows will allocate money from the national budget to assist in providing training to volunteers at the grassroots, which is the foundation of our organization.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Meetings (continued)	\$555,458	\$1.01 Per Player
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The following chart depicts the budgeted costs for the consolidated Meetings budget for FY '11 Meetings expense:

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Section 1/10/11	\$ (39,574)	\$ (39,574)	\$ (102,351)	\$ 62,777	\$ 62,777
Section 2	19,429	19,429	32,186	(12,757)	(12,757)
Section 3	12,927	12,927	21,752	(8,825)	(8,825)
Section 4	24,969	24,969	34,634	(9,665)	(9,665)
Section 5	24,841	24,841	34,729	(9,888)	(9,888)
Section 6	20,902	20,902	25,771	(4,869)	(4,869)
Section 7	19,329	19,329	19,109	220	220
Section 8	15,605	15,605	11,416	4,189	4,189
Section 9	22,236	22,236	29,538	(7,302)	(7,302)
Section 12	17,571	17,571	19,342	(1,771)	(1,771)
Section 13	18,346	18,346	31,316	(12,970)	(12,970)
Section 14	26,646	26,646	42,705	(16,059)	(16,059)
Section Meeting Pool	-	-	70,000	(70,000)	(70,000)
SECTION MEETINGS	\$ 183,227	\$ 183,227	\$ 270,147	\$ (86,920)	\$ (86,920)
Section 1	10,000	10,000	-	10,000	10,000
Section 2	10,000	10,000	-	10,000	10,000
Section 3	10,000	10,000	-	10,000	10,000
Section 4	10,000	10,000	-	10,000	10,000
Section 5	10,000	10,000	-	10,000	10,000
Section 6	10,000	10,000	-	10,000	10,000
Section 7	10,000	10,000	-	10,000	10,000
Section 8	10,000	10,000	-	10,000	10,000
Section 9	10,000	10,000	-	10,000	10,000
Section 10	10,000	10,000	-	10,000	10,000
Section 11	10,000	10,000	-	10,000	10,000
Section 12	10,000	10,000	-	10,000	10,000
Section 13	10,000	10,000	-	10,000	10,000
Section 14	10,000	10,000	-	10,000	10,000
RoadShow Pool	-	-	70,000	(70,000)	(70,000)
ROADSHOWS	\$ 140,000	\$ 140,000	\$ 70,000	\$ 70,000	\$ 70,000
NAGM	211,009	211,009	215,311	(4,302)	(4,302)
Department Total	\$ 534,236	\$ 534,236	\$ 555,458	\$ (21,222)	\$ (21,222)

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

PlaySOCCER	\$249,600	\$0.46 Per Player
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This budget includes the direct costs for printing and mailing **two issues** of **PLAYSOCCER: August 2011** and **April 2012**. Each mailing will be distributed to **400,000 households**. Each issue will also be produced and distributed in a digital format.

Ad sales for PlaySOCCER have historically been difficult to obtain as they are for many association magazines, and therefore we have conservatively excluded these in FY '11. However we aggressively seek paid advertising, in addition to working with current sponsors to expand their placement at a surcharge.

The chart below reflects 2011 details for the various budget components of PlaySOCCER:

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
# Issues:					
August (Print)	400,000	400,000	400,000		
April (Print)	400,000	400,000	400,000		
Production costs per issue:	\$ 0.142	\$ 0.142	\$ 0.142	\$ -	\$ -
Postage per issue:	\$ 0.170	\$ 0.170	\$ 0.170	\$ -	\$ -
Revenue:					
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -
Subscriptions	-	-	-	-	-
Total (revenue)	-	-	-	-	-
Expenses:					
Production Costs	113,600	113,600	113,600	-	-
Postage	136,000	136,000	136,000	-	-
Other marketing costs	-	-	-	-	-
Total expenses	249,600	225,347	249,600	-	-
Department Total	\$ 249,600	\$ 225,347	\$ 249,600	\$ -	\$ -

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

IV. MEMBERSHIP AND DEVELOPMENT

Membership Development	\$179,385	\$0.33 Per Player
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Membership Development

The Membership Development department continues to identify AYSO growth opportunities, including large new partner relationships such as the National Recreation and Park Association. Staffed with a **Manager of Development** reporting to the Chief Marketing Officer, we are internally focused on retaining existing players and volunteers and developing new regions. We are adding a part-time **Section Resource Specialist** position, increasing total headcount in this department to **1.6**.

Also included in this year’s budget are funds for a Section Developer “in-house” training event plus one face to face meeting of the AYSO Development Commission.

The chart below provides the details for the FY ‘11 Membership Development budget:

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Development	\$ 73,108	\$ 73,109	\$ 179,385	\$ (106,277)	\$ (106,276)
Department Total	\$ 73,108	\$ 73,109	\$ 179,385	\$ (106,277)	\$ (106,276)

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Section & Area Operations	\$175,687	\$0.32 Per Player
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This budget includes travel, communication and other operating costs for Section and Area operations for the purpose of facilitating all normal operations including improving communications, growing player and volunteer membership, and controlling fraud. These funds may also be used at the discretion of the Section Director to attend any of the NBOD meetings.

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
S 01 Frances Stronks	\$ 8,368	\$ 8,368	\$ 8,368	\$ -	\$ -
S 02 Ken Rhoads	14,960	14,960	14,960	-	-
S 03 Randy Pittman	9,882	9,882	9,882	-	-
S 04 Rob Winters	12,536	12,536	12,536	-	-
S 05 Lee Stewart	9,120	9,120	9,120	-	-
S 06 Wells Frice	9,136	9,136	9,136	-	-
S 07 Brendan Cravalho	6,083	6,083	6,083	-	-
S 08 Eric Yott	20,563	20,563	20,563	-	-
S 09 Eileen Tabert	19,869	19,869	19,869	-	-
S 10 Donna Nelson	11,789	11,789	11,789	-	-
S 11 Fred Freeman	7,216	7,216	7,216	-	-
S 12 Robert Daniel	13,500	13,500	13,500	-	-
S 13 Shari Shaffer	14,995	14,995	14,995	-	-
S 14 Wendy Smith	15,396	15,396	15,396	-	-
S 99 TBD	2,274	2,274	2,274	-	-
Department Total	\$ 175,687	\$ 175,687	\$ 175,687	\$ -	\$ -

The schedule above describes the 2011 Section and Area Operations budget by section.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

V. GENERAL AND ADMINISTRATION EXPENSES

Administration	\$1,000,065	\$1.83 Per Player
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The **Administration Department** includes compensation costs for **five full time employees**, including AYSO's **National Executive Director** and **Chief Financial Officer**. Additional support costs are included for travel, supplies and legal expenses to cover all legal costs, retainers and marketing and licensing agreements.

The **Board of Directors** budget provides funds to support **18 NBOD** meetings per year:

- **4 traditional meetings** at the AYSO National Office in July and October 2011 and again in January and March 2012
- **12 monthly meetings via teleconference and webinar**
- **2 meetings** during the May 2012 NAGM in Seattle

Again this year NBOD funding has been provided to help support work on the strategic plan by providing travel, supplies and facilitator expenses for a strategic plan review during the July 2011 National Board of Directors Meeting.

Additional funds have been provided to address other issues including:

- Extending 2 NBOD meetings into Sunday
- Travel funds for NBOD members to visit Section Events and provide assistance to Section Directors
- Provide travel funds to ensure adequate AYSO representation at the USSF Annual Meeting
- Support and administrative costs for the National President including telephone, mail and supplies
- All other NBOD travel expenses and costs

Overall budgeted Administration costs are **\$32,495 higher** than last year due to the inclusion of additional travel and meeting costs.

The following chart describes the **2011 Administration** budget:

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Administration	\$ 764,536	\$ 827,915	\$ 830,505	\$ (65,969)	\$ (2,590)
National Board of Directors	111,655	139,655	\$ 169,560	(57,905)	(29,905)
Department Total	\$ 876,191	\$ 967,570	\$ 1,000,065	\$ (123,874)	\$ (32,495)

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Sales & Marketing	\$664,320	\$1.21 Per Player
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This portion of the budget provides funding for national advertising, internal communications, development and content for AYSO.org, acquisition of sponsors and licensees, research, media projects, public relations, event videos and materials, graphic design, sponsor services, marketing tools that support AYSO Region growth, fund raising and grant writing resources and research that support the national budget and special programs.

There are **eight full time employees** in this department. Marketing expenses are higher than FY '10 forecasted expenses due to a combination of the full year impact in FY '11 of the addition of a new employee in FY '10, as well as increased funding for various NAGM videos and promotional events.

The **Sales & Marketing Department** budget supports sponsorship sales development, support materials (sponsor and media kits), printing, postage for sponsor solicitations and mailing, staff travel, video and collateral material development for AYSO events and programs, subscriptions to trade and professional journals, professional membership fees and sponsor program development. The Sales & Marketing Department also handles all marketing and communications for the national organization, producing and editing multiple publications including PLAYSOCGER, Whistle Stop, Hey Coach, Dollars & \$ense, the Commish, The Advocate, 90 Second Soccer Parent and The Parent's Guide to AYSO.

Within the Sales & Marketing Department employees are also engaged in **design and production** activities including scheduling, production, design, layout and proof oversight of all AYSO manuals, publications, collateral, advertising and AYSO.org, the organization's national Web site.

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Marketing	\$ 616,361	\$ 618,845	\$ 664,320	\$ (47,959)	\$ (45,475)
Department Total	\$ 616,361	\$ 618,845	\$ 664,320	\$ (47,959)	\$ (45,475)

The chart above portrays the Sales & Marketing Department budget details for FY 2011.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Operations	\$2,997,044	\$5.47 Per Player
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The **Operations Department** is a group of cost centers relating to the support and daily operations of AYSO including: **Finance, Registration, Information Technology, Facilities, Mail & Printing, Human Resources and Special Projects.**

Budgeted Operations expenses are higher than FY '10 forecasted amounts by **\$61,064**. This is due to higher staff costs resulting from the **addition of two full time employees** combined with **lower than expected occupancy costs** for the new National Office facility in Torrance, CA.

We received notice of early termination of our existing lease from the Wiseburn School District immediately following the 2010 NAGM. This caused us to accelerate our search for a new facility. To support the National Office staff in this endeavor, AYSO President Mike Wade formed the **National Office Relocation Task Force**, with NBOD Members Mark Stewart (Chair), Adrienne Coffin, and Jeff Stern.

We began with a search for any available “free” or “nearly free” space that might be available from corporations or government agencies willing to donate space to AYSO. We communicated this appeal through the Section Directors and announced it in the Commish. Very few responses were received, and those we did get were for buildings requiring significant sums of money to refurbish or otherwise make suitable to our needs. Finally, we pursued the traditional route of hiring a commercial real estate broker to find the most cost effective lease or buy arrangement. All areas of the country were open to our search, limited only by some basic requirements on airport and hotel proximity.

Hundreds of properties were reviewed and as the list of possibilities narrowed to a more manageable number, National Office Relocation Task Force members and / or National Office staff visited each site.

A semi-final list of four properties was presented to the National Board of Directors on **October 27, 2010**. From that meeting the National Executive Director and Chief Financial Officer were empowered to negotiate and bring to the Relocation Task Force the best possible deal. This task was accomplished over the following three months. The final lease was executed on **February 4, 2011** for an **18,941 square foot** office facility in Torrance, CA.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Operations (continued)	\$2,997,044	\$5.47 Per Player
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The new lease is a **120 month, full service gross** deal with an approximate total value of **\$3.75 million dollars**. The initial rent is approximately **\$18 per square foot** and will **increase** by **3% per year**. There are **24 months of half-rent holidays**, effectively giving us one full year of **free rent** over the life of the lease. Most **normal operating expenses** such as utilities, janitorial and insurance **are included in base rent** but will increase up to **3% per year** over an initial base year expense calculation. Although our cash rent costs will contractually escalate over time, we will **“straight-line”** these costs in accordance with Statement of Financial Accounting Standards No. 13: *Accounting for leases*.

The **Finance** department handles all accounting, financial and registration functions of the national Office, including preparation of the budget, investments, insurance, risk management, tax filings and maintenance of AYSO’s nonprofit status. The **thirteen full-time employees** of the Finance & Registration staff oversee the administration of over 3,300 local bank accounts and produce and distribute more than 2,800 financial reports each month. This includes the processing of player and volunteer registration forms submitted to the National Office for data entry and the preparation of registration kits, mailing labels, member I.D. cards and verification of tournament rosters.

Information Technology includes development, maintenance, customer support, repair and upgrades for all National Office application systems, including our flagship online membership management system: eAYSO as well as the Great Plains financial system. **There are four full time employees** including the **Manager of Information Systems, one Support Technician and two Help Desk Support Coordinators**. Also included in the information technology budget are costs to host and maintain the www.ayso.org website, maintain and operate the AYSO data co-location center in Salt Lake City, provide primary and back-up telecommunication capacity, and cover annual software maintenance fees for third party applications such as Great Plains, and various other Microsoft products.

The chart below provides the details for the 2011 Operations budget.

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Finance & Registration	\$ 983,254	\$ 984,519	\$ 1,038,572	\$ (55,318)	\$ (54,053)
Information Technology	723,051	779,092	\$ 872,761	(149,710)	(93,669)
Facilities	1,107,422	1,057,750	\$ 980,639	126,783	77,111
Central Banking POC Project	78,392	4,547	\$ -	78,392	4,547
Mail & Printing	68,324	68,324	\$ 65,324	3,000	3,000
Human Resources	41,749	41,749	\$ 39,749	2,000	2,000
Department Total	\$ 3,002,192	\$ 2,935,981	\$ 2,997,045	\$ 5,147	\$ (61,064)

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Operations (continued)	\$2,997,044	\$5.47 Per Player
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Maintenance of all AYSO office buildings, vehicles, landlord relations, telephone and alarm systems is the responsibility of the **Facilities Department**. Also included in this expense category are insurance **premiums for all indirect policies**: auto, crime, property & casualty, D&O, and fiduciary liability. Premiums for these lines of coverage have **decreased by \$25,309 or 21.5% over 2010 amounts**, as an added benefit of our new full service gross facility lease. Other major costs are National Office **occupancy costs, equipment repairs, maintenance and print room outsource costs**, and **telephone, internet and data line costs**. There is **one full time employee**.

We are set to recognize a significant reduction in outsourced printing costs due to the expiration of an existing five year deal and the expected implementation of a new contract with our service provider IKON. The new contract will be attractive not only financially, but with e-Commerce capabilities we will increase our ability to deliver printed training materials more quickly, and at a reduced production cost.

The **Human Resources** budget includes **support costs** for the Human Resources Director and various training and development costs. (Note: Budgeted *compensation* costs for the Human Resources Director are included within the Safe Haven Department budget.)

Unallocated copy paper, supplies and postage are budgeted in the **Mail & Printing** department. All other copy paper, supplies and postage costs are allocated to the originating department.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Depreciation	\$569,975	\$1.04 Per Player
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Depreciation expense has **increased** from last year by **\$134,799** due to the capital expenditures made in FY '10 for the AYSO National Office relocation project.

The chart below depicts FY '11 depreciation and amortization expense:

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Furniture & Fixtures	\$ 5,409	\$ 11,826	\$ 32,396	\$ (26,987)	\$ (20,570)
Equipment	78,030	83,728	121,364	(43,334)	(37,636)
Software	360,953	331,835	396,632	(35,679)	(64,797)
Leasehold improvements	3,231	7,787	19,583	(16,352)	(11,796)
Department Total	\$ 447,623	\$ 435,176	\$ 569,975	\$ (122,352)	\$ (134,799)

Capital Expenditures	\$478,000	\$0.87 Per Player
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Capital expenditures for FY '11 will include more user requested eAYSO enhancements as prioritized by the eAYSO Commission, and will include the fifth and final contractual payment for eAYSO2 that was released in November 2009.

The schedule below describes FY '11 capital expenditures by asset category:

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Furniture & Fixtures	\$ 5,000	\$ 140,000	\$ 10,000	\$ (5,000)	\$ 130,000
Equipment	60,000	185,000	95,000	(35,000)	90,000
Software	345,200	345,200	373,000	(27,800)	(27,800)
Leasehold improvements	-	182,243	-	-	182,243
CAPEX Total	\$ 410,200	\$ 852,443	\$ 478,000	\$ (67,800)	\$ 374,443

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

Cash Reserve	\$150,000	\$0.27 Per Player
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A cash reserve budget line item has been added this year to help raise cash reserves in accordance with our strategic goals and objectives. We believe it is important to build a cash reserve fund sufficient to cover at least one-half of the total expenses required to operate the AYSO National Office for a full year.

These funds will be placed into separate investment accounts from normal operational funds and will be assigned **voluntarily restricted status**. This means NBOD approval will be required to use these funds once invested.

Department / Program Name	FY '10 Budget	FY '10 Forecast	FY '11 Budget	FY '11 Budget Variance To:	
				FY '10 Budget	FY '10 Forecast
Cash Reserve Fund	\$ -	\$ -	\$ 150,000	\$ (150,000)	\$ (150,000)
Department Total	\$ -	\$ -	\$ 150,000	\$ (150,000)	\$ (150,000)

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

VI. WAGES, TAXES AND BENEFITS

Compensation	\$3,906,959	\$7.12 Per Player
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The schedule below describes total National Office compensation costs and headcount distribution by department.

Department	NATIONAL OFFICE 2011 STAFF COMPENSATION AND HEADCOUNT BY DEPARTMENT						
	Compensation: FY '11 Budget			(Incr) Decr Over FY '10 Fct	Headcount		
	Payroll	Benefits	Total		FY '10 Fct	+/-	FY '11 Bud
Coaching / Camps / Events	350,204	112,121	462,325	(53,622)	6.0	1.0	7.0
Supply Center / Safe Haven	227,066	97,276	324,342	(11,056)	5.0	-	5.0
Special Programs & Membr Svcs.	308,244	97,703	405,947	9,723	6.0	-	6.0
Management	117,420	56,653	174,073	7,562	2.0	-	2.0
Development / Marketing	519,734	132,437	652,171	(63,171)	9.0	0.6	9.6
Administration	506,226	135,546	641,772	10,223	5.0	-	5.0
Operations	918,149	328,180	1,246,329	(147,615)			
Finance & Registration					12.0	1.0	13.0
Information Technology					3.0	1.0	4.0
Facilities					1.0	-	1.0
National Office Totals	\$ 2,947,043	\$ 959,916	\$ 3,906,959	\$ (247,956)	49.0	3.6	52.6

There are **3.6 new full time equivalent (FTE) positions included in this budget.** This raises total National Office headcount to **52.6 employees.** The new positions are:

- **Events Manager:** Events department, full time
- **eAYSO Help Desk Coordinator:** Information Technology department, full time
- **Accounting Clerk:** Finance department, full time
- **Section Resource Specialist:** Development department, part time

We have anticipated a **14% increase** in employer health insurance costs and a **10% increase** for dental, vision, life and AD&D insurance. There will be no FY '11 increase in California workers compensation premium. A **3.0% merit salary increase** assumption was used for all staff below the Director level. This means that while funds may be available for pay increases, only those employees earning a merit increase will be eligible. Eligibility and amount of increase per employee will be determined during the annual performance review process as administered by the Director of Human Resources.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

VII. DEFERRED PLAYER REGISTRATION FEES

It is the normal pattern of our business to register a significant number of players for the subsequent fiscal year before the current fiscal year ends. By **June 30, 2012**, we expect to have registered **257,291** players for the *next* fiscal year (FY '12) which will begin July 1, 2012 as per the following schedule:

	FY '12 Players Registered In FY '11		
	Registered Players	Per Player Fee	Player Registration Fees
Jan-12	1,660	\$ 15.00	\$ 24,900
Feb-12	1,660	\$ 15.00	24,900
Mar-12	1,660	\$ 15.00	24,900
Apr-12	35,412	\$ 15.00	531,180
May-12	105,130	\$ 15.00	1,576,950
Jun-12	111,769	\$ 15.00	1,676,530
Deferred player registration at 06/30/12	257,291		
Deferred player registration fees at 06/30/12			\$ 3,859,360

Since our revenue recognition policy is to *defer* revenue on players registered for future fiscal years, we are budgeting deferred player registration fees of **\$3,859,360** at June 30, 2012. This deferred revenue amount along with related accounts receivable appears on our budgeted balance sheet at June 30, 2012. Cash receipts on collection of receivables arising from deferred revenue each spring is a significant part of AYSO's business cycle.

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

VIII. NOTE PAYABLE TO US SOCCER FEDERATION FOUNDATION

In April of 2001 AYSO secured an interest only loan of **\$1,500,000** from the US Soccer Federation Foundation to help pay a judgment arising from a dispute with a former AYSO sponsor. To begin the process of permanently retiring our debt to the USSF, we completed a successful renegotiation of this loan in fiscal 2007. The first part of the deal required us to reduce the outstanding principle by \$300,000 in two \$150,000 installments which we have completed. Thereafter, the new loan terms called for **fixed monthly payments** over **seven years** commencing **August 15, 2007** at an annual interest rate of **7.2%**. Monthly payments at this rate are **\$17,726**.

During **FY '11** we will pay **\$212,716** to **service this debt**, of which **\$36,495** will be for **interest expense** and **\$176,221** will be for **principal reduction**. We are current on all payments and in compliance with all loan covenants. Our **final loan payment** will occur in **July 2014**.

The schedule below sets forth the annual details over the life of the loan.

USSFF Loan Details	2007	2008	2009	2010	2011	2012	2013	2014	Totals
Loan Payments	\$ 194,991	\$ 212,712	\$ 212,716	\$ 212,717	\$ 212,716	\$ 212,716	\$ 212,716	\$ 17,621	\$ 1,488,905
Principal Reduction	121,577	142,079	152,653	164,015	176,221	189,336	203,427	17,621	1,166,929
Interest Expense	73,414	70,633	60,063	48,702	36,495	23,380	9,289	-	321,976
	\$ 194,991	\$ 212,712	\$ 212,716	\$ 212,717	\$ 212,716	\$ 212,716	\$ 212,716	\$ 17,621	
Loan Balance	\$ 1,045,352	\$ 903,273	\$ 750,620	\$ 586,605	\$ 410,384	\$ 221,048	\$ 17,621	\$ -	

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

IX. CONTINGENCY

Should we fail to meet our budgeted player registration numbers, or suffer a revenue loss for any other reason, we have prepared the following **contingency** plan that outlines some **specific action items we would explore** under three different scenarios of unfavorable player count or general revenue deficiencies.

Note these action items only represent **suggested** courses of action that would be thoughtfully considered by the National Board of Directors in the event of a revenue shortfall.

National Player Fee \$ 15.00				Player Fee Decreases Scenarios:		
FY '11 budgeted player count	547,835	New Player Count	"Lost" Players	(A)	(B)	(C)
What-if player decline of:	-2.0%	536,878	(10,957)	\$ (164,350)		
What-if player decline of:	-7.0%	509,487	(38,348)		\$ (575,227)	
What-if player decline of:	-10.0%	493,052	(54,784)			\$ (821,753)
Add back automatic decrease in USSF player fees due:				10,957	38,348	54,784
NET (DECREASE) IN CONTRIBUTION MARGIN :				\$ (153,394)	\$ (536,878)	\$ (766,969)
CONTINGENCY ACTION PLAN:						
Eliminate Cash Reserve	A			150,000	150,000	150,000
Cut Region at Risk Travel	A B				20,000	20,000
Eliminate Coaching Camps program	A B				55,200	55,200
Remove RC Training subsidized travel	A B				70,000	70,000
Eliminate RoadShow costs	A B				70,000	70,000
Safe Haven reductions	A B				35,004	35,004
Eliminate Commission meetings	A B				40,849	40,849
Royalty and internal control audits	A B				20,000	20,000
Programs, Marketing & Admin travel & event reductions	A B				75,644	75,644
Lower capital expenditures by \$75,000	A B				11,979	11,979
Eliminate 3.6 FTE National office staff positions	A B C					168,219
Eliminate National Office staff pay increase	A B C					64,001
TOTAL EXPENSE REDUCTIONS				\$ 150,000	\$ 548,676	\$ 780,896
CONTINGENCY ACTION PLAN IMPACT ON NET ASSETS				\$ (3,394)	\$ 11,798	\$ 13,927

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

X. 5 YEAR FORECAST

The following schedules are presented to provide a look at the **projected** financial results of the organization over the next **five years**. A primary goal in this five year forecast is the enhancement of financial stability through the rebuilding of our cash reserves. Our targeted cash reserve balance is one-half year of expenses, or approximately **\$4,000,000**.

Note these forward looking results are based upon assumptions derived from the best information we have available at this time. Factors unknown today or other factors beyond our control could cause actual results over the next five years to be significantly different.

This projection was prepared using the following *global* assumptions:

Revenue

- **\$1.25 per player fee increase in FY '13**
- **1% per year player growth beginning FY '12**
- A conservative approach to acknowledgement of short term **sponsor revenue** decline as existing deals expire, followed by replacements in FY '15
- **5% per year growth in AYSO Soccer Camp registrations in FY '12, 1% thereafter**
- **2% Supply Center sales growth in FY '12, 1% thereafter**

Direct Player Costs

- **1% per year increases in SAI, general liability and umbrella premiums**
- Assumption of *no increase* in the **USSF \$1 per player membership fee**

Expenditures

- **No National Office staff headcount additions** over FY '11 levels
- **1% per year merit pay increases**
- **+1% per year increases in meeting costs**
- **PlaySOCCER increases of 2% per year**
- **Section & Area Operations budgets will increase 1% per year**
- Aside from merit pay increases mentioned above, the **general assumption** for all **department costs** is flat to FY '11

Cash Flow

- Approximately **\$450,000** in annual additional capital expenditures beyond FY '11
- **\$212,712** per year in **USSF loan payments** to retire our debt in July 2014
- Continued **Cash Reserve** funding; **\$100,000** in FY '12; **\$400,000** per year thereafter

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

**AMERICAN YOUTH SOCCER ORGANIZATION
SCHEDULE OF FORECASTED ACTIVITIES AND CHANGES IN NET ASSETS
FISCAL YEARS 2011 THROUGH 2015**

	5 Year Forecast					Assumptions
	FY '11	FY '12	FY '13	FY '14	FY '15	
Registration fees	\$ 8,217,525	\$ 8,299,700	\$ 9,081,255	\$ 9,172,068	\$ 9,263,789	\$1.25 fee increase in FY '13; +1% player growth beginning FY '12 Annual direct insurance increase; SAI, GL and Umbrella all +1%; USSF fee \$1.00
Direct Player Costs	1,382,325	1,404,377	1,426,816	1,449,649	1,472,886	
Contribution Margin	6,835,200	6,895,323	7,654,440	7,722,418	7,790,903	Natural contract term of major sponsor; replacement FY '15 Flat to FY '11
Sponsorships	1,422,917	1,270,917	1,083,417	888,417	1,188,417	
Contributions	10,000	10,000	10,000	10,000	10,000	+5% player growth FY '12; +1% thereafter +2% sales growth FY '12; +1% thereafter; COGS flat to FY '11
Miscellaneous income	-	-	-	-	-	
Total Operating Revenue	1,432,917	1,280,917	1,093,417	898,417	1,198,417	Merit incr. 1% after FY '11; expenses flat to FY '11 Merit incr. 1% after FY '11; expenses flat to FY '11 Merit incr. 1% after FY '11; expenses flat to FY '11 Merit incr. 1% after FY '11; expenses flat to FY '11 Merit incr. 1% after FY '11; expenses flat to FY '11 +1% growth over FY '11 +2% / YR
AYSO Soccer Camps	89,093	127,588	128,617	140,478	141,600	
AYSO Supply Center	142,429	148,964	151,014	153,078	155,156	Merit incr. 1% after FY '11; expenses flat to FY '11 +1% growth over FY '11
Net Program Revenue	231,522	276,552	279,631	293,556	296,755	
NET REVENUE	\$ 8,499,639	\$ 8,452,792	\$ 9,027,488	\$ 8,914,392	\$ 9,286,075	Merit incr. 1% after FY '11; expenses flat to FY '11 +1% growth over FY '11
Programs & Volunteer Services	559,480	565,994	572,700	579,607	586,723	
Coaching	207,558	209,636	211,787	214,015	216,322	Merit incr. 1% after FY '11; expenses flat to FY '11 Merit incr. 1% after FY '11; expenses flat to FY '11
Management	296,028	299,324	302,722	306,238	309,876	
Events	323,127	327,537	332,065	336,716	341,495	Merit incr. 1% after FY '11; expenses flat to FY '11 Merit incr. 1% after FY '11; expenses flat to FY '11
Safe Haven	362,348	367,255	372,323	377,560	382,973	
Meetings	555,458	561,013	566,623	572,289	578,012	Cash reserve goal = \$4.0 million (1/2 YR expenses)
PlaySOCCER	249,600	254,592	259,684	264,878	270,175	
Net Program Costs	2,553,599	2,585,351	2,617,904	2,651,302	2,685,576	Merit incr. 1% after FY '11; expenses flat to FY '11 +1% growth over FY '11
Membership Development	179,385	180,396	181,424	182,470	183,534	
Section & Area Operations	175,687	177,444	179,218	181,010	182,821	Merit incr. 1% after FY '11; expenses flat to FY '11 Merit incr. 1% after FY '11; expenses flat to FY '11 Merit incr. 1% after FY '11; expenses flat to FY '11
Total Membership Development	355,072	357,840	360,642	363,480	366,355	
Administration	1,000,065	1,009,221	1,018,614	1,028,253	1,038,149	Cash reserve goal = \$4.0 million (1/2 YR expenses)
Marketing	664,320	672,698	681,307	690,156	699,255	
Operations	2,997,044	2,969,242	2,990,833	3,013,099	3,036,069	Merit incr. 1% after FY '11; expenses flat to FY '11 Merit incr. 1% after FY '11; expenses flat to FY '11
Depreciation	569,975	626,749	600,374	547,638	517,097	
Other (income) expense	154,829	104,829	84,829	64,829	44,829	Merit incr. 1% after FY '11; expenses flat to FY '11 Merit incr. 1% after FY '11; expenses flat to FY '11
Cash Reserve Fund	150,000	100,000	400,000	400,000	400,000	
Total General and Administration Expenses	5,536,233	5,482,739	5,775,957	5,743,975	5,735,399	Merit incr. 1% after FY '11; expenses flat to FY '11 Merit incr. 1% after FY '11; expenses flat to FY '11 Merit incr. 1% after FY '11; expenses flat to FY '11
TOTAL EXPENSES	8,444,904	8,425,929	8,754,503	8,758,758	8,787,329	
INCREASE IN NET ASSETS	\$ 54,735	\$ 26,863	\$ 272,985	\$ 155,634	\$ 498,746	+1%/YR player growth beginning FY '12 +\$1.25 fee increase in FY '13 No FTE changes
Player Count	547,835	553,313	558,846	564,435	570,079	
Per Player Registration Fee	\$ 15.00	\$ 15.00	\$ 16.25	\$ 16.25	\$ 16.25	
National Office Staff Headcount	52.6	52.6	52.6	52.6	52.6	

**AMERICAN YOUTH SOCCER ORGANIZATION
FY 2011 BUDGET**

**AMERICAN YOUTH SOCCER ORGANIZATION
SCHEDULE OF FORECASTED CASH FLOWS
FISCAL YEARS 2011 THROUGH 2015**

	5 Year Forecast					Assumptions
	FY '11	FY '12	FY '13	FY '14	FY '15	
Beginning Net Assets	\$ 2,713,428	\$ 2,768,163	\$ 2,795,026	\$ 3,068,011	\$ 3,223,644	
Increase in Net Assets	54,735	26,863	272,985	155,634	498,746	
Ending Net Assets	2,768,163	2,795,026	3,068,011	3,223,644	3,722,390	
Cash Flow						
Increase in Net Assets	54,735	26,863	272,985	155,634	498,746	
+ Depreciation Expense	569,975	626,749	600,374	547,638	517,097	
- Loan Principal Payments	(176,221)	(189,336)	(203,427)	(17,621)	-	
- Capital Expenditures	(478,000)	(405,000)	(450,000)	(405,000)	(450,000)	
+/- Net change in current assets and liabilities	(219,148)	-	-	-	-	
Net Cash Flow	(248,659)	59,276	219,932	280,651	565,843	
Cash:						
- Operating funds	2,246,309	2,305,585	2,525,517	2,806,167	3,372,010	
- Non-operating funds	1,319,101	1,345,483	1,372,393	1,399,841	1,427,837	
- Restricted Funds (Endowment/FSA)	242,068	242,068	242,068	242,068	242,068	
Ending Cash Balances	\$ 3,807,478	\$ 3,893,136	\$ 4,139,977	\$ 4,448,076	\$ 5,041,915	
Cash Reserve Fund:						
- Beginning balances	-	150,000	253,750	660,094	1,076,596	
- Deposits	150,000	100,000	400,000	400,000	400,000	
- Investment earnings @ 2.5%	-	3,750	6,344	16,502	26,915	
Ending Balances - Cash Reserve Fund	\$ 150,000	\$ 253,750	\$ 660,094	\$ 1,076,596	\$ 1,503,511	

Continue USSF debt amortization; fully retired in FY 14

Assume 2% / YR investment growth
Assume interest payout; flat principal

Goal = \$4.0 million (1/2 year expenses)