



AYSO National Player Fee Increase Cost Impacts on Future Financial State



Purpose:

- Continue to be good stewards of AYSO finances to ensure long term stability
- To be forward looking for the next two years in relation to our costs associated with the National Player Fee revenue.
- Our last National Player Fee increase was in 2019

Why we are having this dialogue:

- Even with better fiscal management:
 - Cost increase impacts are much higher than they were a year ago
 - Insurance costs continue to increase at unprecedented rates
 - We have committed to continue investing in business development of the core program
 - Build reserves to aid in our ability to cover “unknown” expenses.



What is the AYSO National Player Fee?

- The AYSO National Player Fee is:
 - Paid by the parent or guardian for each player participant registered
 - Paid only once per participant per membership year
 - Transferrable from Region to Region
- What the AYSO National Player Fee does:
 - Covers the costs associated with:
 - Training curriculum development and training support systems
 - Financial support systems
 - Insurances for:
 - Soccer Accident Insurance for Players and Volunteers
 - Directors and Officers (Executive Members)
 - Liability
 - Sexual Molestation
 - and other areas
 - Section, Area, and Region support by office staff
 - Office operations including facilities and staff payroll/benefits
 - Legal Costs
 - Business Development investments
 - Contributes to reserves



Looking Forward Two Years:

Major Assumptions at current state and Organic rate of growth:

- 3% per year organic growth per year
- 10% combined impact on benefits and wages
- Estimating 20% cost increases for Insurances (SAI, D&O, Excess & Liability, etc.)
- Include QuickBooks “Simple Start” for S/A/R as part of being an AYSO program and not require Regions to burden the expense
- Continue investment into business development tools (Mojo, Google Ads, SEO, etc.)
- Build reserves at \$750,000 per year to allow us to reduce insurance costs by self insuring some elements and aid with any “unforeseen” expenses

These are only assumptions based on the current rate of increases and could be higher or lower.

However the trend for the last few years supports these rate assumptions.



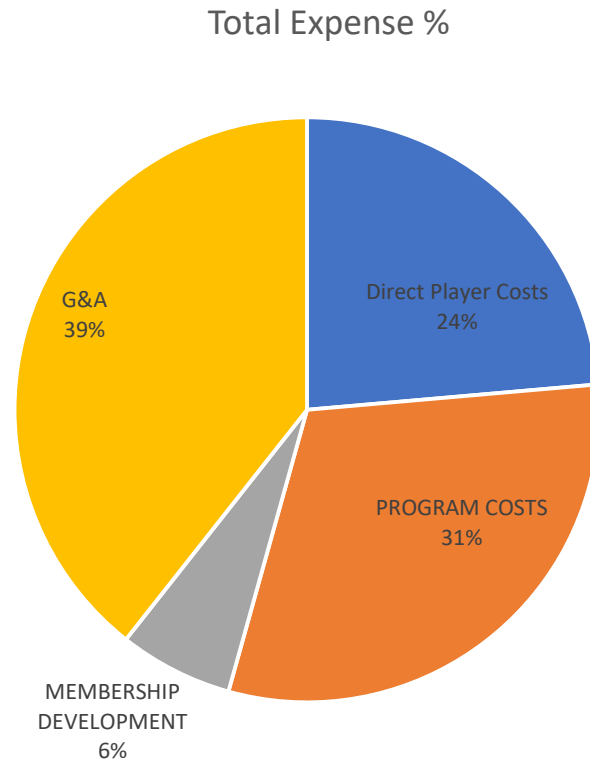
Player Count History for Growth Estimates

AYSO Player Count History/Forecast

	Fiscal Year	Player Count		Growth
MY16	2016/17	445,620	Actual	
MY17	2017/18	414,584	Actual	-7%
MY18	2018/19	389,014	Actual	-6%
MY19	2019/20	373,551	Actual	-4%
MY20	2020/21	187,119	Actual	-50%
MY21	2021/22	338,005	Actual	81%
MY22	2022/23	360,000	<i>Estimate</i>	7%
MY23	2023/24	370,800	<i>Estimate</i>	3%
MY24	2024/25	381,924	<i>Estimate</i>	3%
MY25	2025/26	393,382	<i>Estimate</i>	3%
MY26	2026/27	405,183	<i>Estimate</i>	3%



Costs Associated to National Player Fee and Percentages by Category



Estimated for MY23 & MY24

Direct Player Costs **24%**

Program Costs **31%**

Member Relations	4%
Education & Programs	7%
Events	1%
Risk Management	11%
NAGM	3%
Program Implementation	4%

Membership Development **6%**

Business Development	4%
Councils	1%
Section & Area Operations	2%

G&A **39%**

Administration	6%
Business Solutions	10%
Depreciation	0%
Facilities	6%
Finance	10%
Human Resources	0%
Marketing	6%
NBOD	2%



The Numbers – Revenue and Costs Maintaining \$20 NPF Through MY26

AYSO P&L SUMMARY

Per Player Comparison

	MY17	MY18	MY19	MY20	MY21	MY22	MY23	MY24	MY25	MY26
	Actual	Actual	Actual	Actual	Actual	Budget	Est. Budget	Est. Budget	Est. Budget	Est. Budget
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Registration Fees	17.38	17.51	17.94	20.00	20.02	20.00	20.00	20.00	20.00	20.00
Direct Player Costs	4.44	4.41	4.01	3.05	3.62	5.11	5.46	6.04	6.21	6.39
CONTRIBUTION MARGIN	12.93	13.10	13.93	16.95	16.40	14.89	14.54	13.96	13.79	13.61
NET REVENUE	18.40	16.83	16.40	28.41	18.58	15.54	15.17	14.58	14.82	14.19
TOTAL COSTS	18.65	19.45	16.58	20.01	11.73	14.23	17.67	18.61	19.08	19.56
Adjusted* Grand Total	(0.25)	(2.62)	(0.18)	(0.28)	5.79	1.32	(2.50)	(4.03)	(4.69)	(5.37)
<i>Adjustment for COVID relief*</i>				*	*					
Player Count	414,584	389,014	373,551	187,119	338,005	360,000	370,800	381,924	393,381	405,182



Cash Flow Forecast Through MY26 maintaining the \$20 NPF

Direct cash As of 7/1/2023	MY23 FY23/24	MY24 FY24/25	MY25 FY25/26	MY26 FY26/27
Cash from operating accounts				
Beginning balance	4,222,060	3,068,168	1,300,569	(772,951)
Cash Receipts (Incoming)				
Registrations	7,416,000	7,638,480	7,867,620	8,103,649
AR Other, Sponsors, VMP	858,000	858,000	858,000	858,000
Cash Disbursed (Outgoing)				
Vendors and payroll	(9,201,892)	(10,038,079)	(10,573,140)	(11,139,411)
Balance Sheet Impact				
Liabilities (Cash Commitments)	(226,000.00)	(226,000.00)	(226,000.00)	(226,000.00)
Net activity	(1,153,892)	(1,767,599)	(2,073,520)	(2,403,762)
Ending balance	3,068,168	1,300,569	(772,951)	(3,176,714)



The Impact:

At the current state without a membership fee increase:

- Cost increases will put us in an negative trend by:
 - Almost \$2.50 per player in MY23
 - Over \$4.00 per player in MY24
 - Reduces our cash balance to dangerous levels
 - We risk becoming insolvent unless we:
 - Increase revenue
 - Increase player count

Other considerations:

- The impact from the recent decisions regarding the USOPC background check has yet to be determined and evaluated.
- This does *not* include any of the investment expenditures for the Inorganic Growth plan.



The Numbers – Revenue and Costs Increasing to \$25 NPF Through MY26

AYSO P&L SUMMARY

Per Player Comparison

	MY17	MY18	MY19	MY20	MY21	MY22	MY23	MY24	MY25	MY26
	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Budget 2022/23	Est. Budget 2023/24	Est. Budget 2024/25	Est. Budget 2025/26	Est. Budget 2026/27
Registration Fees	17.38	17.51	17.94	20.00	20.02	20.00	20.00	25.00	25.00	25.00
Direct Player Costs	4.44	4.41	4.01	3.05	3.62	5.11	5.46	6.04	6.21	6.39
CONTRIBUTION MARGIN	12.93	13.10	13.93	16.95	16.40	14.89	14.54	18.96	18.79	18.61
NET REVENUE	18.40	16.83	16.40	28.41	18.58	15.54	15.17	19.58	19.38	19.19
TOTAL COSTS	18.65	19.45	16.58	20.01	11.73	14.23	17.67	18.61	19.08	19.56
Adjusted Grand Total	(0.25)	(2.62)	(0.18)	(0.28)	5.79	1.32	(2.50)	0.97	0.31	(0.37)
<i>Adjustment for COVID relief*</i>				*	*					
Player Count	414,584	389,014	373,551	187,119	338,005	360,000	370,800	381,924	393,381	405,182



Cash Flow Forecast Through MY26 at \$25 NPF

Direct cash As of 7/1/2023	MY23 FY23/24	MY24 FY24/25	MY25 FY25/26	MY26 FY26/27
Cash from operating accounts				
Beginning balance	4,222,060	3,068,168	3,210,189	3,103,574
Cash Receipts (Incoming)				
Registrations	7,416,000	9,548,100	9,834,525	10,129,561
AR Other, Sponsors, VMP	858,000	858,000	858,000	858,000
Cash Disbursed (Outgoing)				
Vendors and payroll	(9,201,892)	(10,038,079)	(10,573,140)	(11,139,411)
Balance Sheet Impact				
Liabilities (Cash Commitments)	(226,000.00)	(226,000.00)	(226,000.00)	(226,000.00)
Net activity	(1,153,892)	142,021	(106,615)	(377,850)
Ending balance	3,068,168	3,210,189	3,103,574	2,725,723



Conclusion:

Based on the facts and data shown comparing the Organic Growth revenue increases compared to cost increases, the NBOD recommends the following for consideration at the NAGM in 2023:

- Increase the AYSO Player Membership Fee to \$25.00 effective in MY24
 - With this increase, we should not need any additional increase for at least two years.
- Include a \$100K fund in the budget to aid any Regions that will be financially challenged.

Observations and needs for the future:

- As player numbers increase, we have the ability to look at other insurance options to help mitigate future insurance cost impacts
- Building reserves affords us ability to self insure in some areas potentially containing costs
- Finance team will continue to be conscientious in expense management
- AYSO will be strategic in the addition of personnel



Discussion and Questions?