Federación Puertorriqueña de Fútbol, Inc

Financial Statements and Report of Independent Certified Public Accountant

December 31, 2025 and 2024

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INDENPENDET AUDITOR'S REPORT

Board of Directors
Federación Puertorriqueña de Fútbol, Inc.

Report on the Audit of the Financial Statements Opinion

I have audited the financial statements of Federación Puertorriqueña de Fútbol, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Federación Puertorriqueña de Fútbol, Inc. as of December 31, 2025 and 2024, and the changes in 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

I conducted the audits in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. Im required to be independent of Federación Puertorriqueña de Fútbol, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. I believe that the audit evidence I 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 Federación Puertorriqueña de Fútbol, Inc. 's ability to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, I:

- 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 ABC Company'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Federación Puertorriqueña de Fútbol, Inc. 's ability to continue as a going concern for a reasonable period of time.

Im 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.

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Federación Puertorriqueña de Fútbol, Inc

Federación Puertorriqueña de Fútbol, Inc.
Statements of Financial Position

			December 31,	
			2025	2024
	Unrestricted	Restricted	Total	Total
ASSETS				
Cash and cash equivalents	$ 68,132	$ -	$ 68,132	$ 32,300
Accounts receivables, net	-	-	-	-
Fixed Assets, net	1,621,610	-	1,621,610	1,621,610
Right-of-use assets, net	138,529	-	138,529	132,612
Total Assets	$ 1,828,272	$ -	$ 1,828,272	$ 1,786,522
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	$ 129,636	$ -	$ 129,636	$ 221,916
Finance lease liability	122,556	-	122,556	134,737
SBA loan	500,000	-	500,000	633,646
Total Liabilities	752,191	-	752,191	990,300
Net Assets				
Unrestricted	1,046,210	-	1,046,210	790,495
Restricted	-	29,871	29,871	5,728
Total Net Assets	1,046,210	29,871	1,076,081	796,223
Total Liabilities and Net Assets	$ 1,798,401	$ 29,871	$ 1,828,272	$ 1,786,522

(See Independent Auditors' Report and Accompanying Notes)

Federación Puertorriqueña de Fútbol, Inc.
Statements of Activities

	Unrestricted	Restricted	December 31, 2025 Total	2024 Total
Revenues				
Registration and affiliation fees	$ 243,431	$ -	$ 243,431	$ 397,109
Activities and promotions	76,050	-	76,050	464,209
Contributions	-	3,467,994	3,467,994	2,627,684
Other revenues, net	828,056	-	828,046	610,794
Net Assets released from restrictions	3,467,994	(3,467,994)	-	-
Total Revenues	4,615,531	-	4,615,531	4,099,796
Expenses				
Competitions and events	1,288,753	-	1,288,753	1,681,342
Development and training	359,785	-	359,785	349,539
General and administrative	2,830,530	-	2,830,530	2,112,519
Total Expenses	4,479,068	-	4,479,068	4,143,400
Changes in Net Assets	136,463	-	136,463	(43,604)
Net Assets, beginning of the year	939,618	-	939,618	839,827
Net Assets, ending of the year	$ 1,076,081	$ -	$ 1,076,081	$ 796,223

(See Independent Auditors' Report and Accompanying Notes)

Federación Puertorriqueña de Fútbol, Inc.
Statement of Cash flows

	December 31,	
	2025	2024
Cash flows from operating activities		
Net change in net assets	$ 136,463	$ (43,604)
Adjustments to reconcile change in net assets		
Amortization and Depreciation	46,996	37,028
Changes in operating assets and liabilities:		
Accounts receivables		8,270
Accounts payables and accrued expenses	407,720	65,553
Net cash (used in) provided by operating activities	591,179	67,247
Cash flows from investing activities	-	(78,721)
Cash flows from financing activities		
SBA loan proceeds	(543,165)	-
Debts repayment	(12,182)	(39,821)
Net cash flows (used in) provided by financing activities	(555,347)	(39,821)
Net change in cash	35,832	(51,295)
Cash, beginning of the year	32,300	83,595
Cash, end of the year	$ 68,132	$ 32,300
Supplemental information		
Interest paid	$ 8,825	$ 7,088

(See Independent Auditors' Report and Accompanying Notes)

NOTE 1 - NATURE OF OPERATIONS

Federación Puertorriqueña de Fútbol, Inc de Fútbol, Inc. (FPF) was incorporated under the laws of the Commonwealth of Puerto Rico on August 9, 1972 as a nonprofit organization. The purpose of FPF is to develop, promote and govern the game of soccer at all levels in Puerto Rico.

FPF is affiliated through membership with the Federaction Ineternationale of Football Association (FIFA) and Confederation of North, Central America and Caribbean Association Football (CONCACAF). FIFA is the world- governing body of soccer and CONCCAF is one of the FIFA's six continental governing bodies for association football.

FPF is recognized as the governing body of soccer in Puerto Rico and is member of the Puerto Rico Olympic Committee. Also, operates the Puerto Rico national football team, the Schedule Liga Profesional de Fútbol de Puerto Rico.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of American (U.S. GAAP). These statements report amounts separately by class of net assets. The separate classes of assets are defined as net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions include all resources that are not subject to donor-imposed restrictions. Net assets with donor restrictions include resources that are subject to donor stipulations that limit the use of the contributed assets. When a donor restriction expires, that is when a stipulated 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.

Concentration of Credit Risk

FPF maintains its cash in bank deposit accounts which at times may exceed federally insured limits. FPF has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash.

Property and Equipment

Property and equipment, including leasehold improvements and software development costs, are recorded at cost net of accumulated depreciation and amortization. Significant property and equipment purchases are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. Depreciation and amortization are provided on a straight-line basis between the shorter of estimated useful lives or the lease term.

Contributions

Contributions received are recorded based on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. FPF presents restricted contributions whose restrictions are met in the same reporting period as contributions without donor restrictions. FPF received contributions from FIFA and CONCACAF.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Registration and Affiliation Fees

All member organizations of FPF that register players are required to pay a referee or player registration fee. Registration fees for individual players are determined by whether a player is registered as a youth, adult amateur, or professional player. In addition to membership fees and registration fees, referees and coaches pay additional fees. Registration and affiliation fees are recognized over the applicable term, which is the calendar year.

Activities and promotions

Includes the sale of tickets meals and other articles. Such revenues are recognized when the event take place.

Other revenues

Includes the sale of tickets and other articles and are recognized when the event take place.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Management bases these estimates and assumptions upon historical experience, existing known circumstances, authoritative accounting pronouncements and other factors that management believes to be reasonable. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on the reported results of operations.

NOTE 3 – SMALL BUSINESS ADMINISTRATION (SBA) LOAN

In October 2020, the FPF applied for a SBA loan amounting to $150,000, at 2.75% interest rate per annum, and maturing in thirty years. Monthly payments amount to $641, which include principal and interest. This loan was cancelled in July 2025.

Subsequently, in December 2022, the FPF applied for another SBA amounting to $500,000, at 1.875% interest rate per annum and has a term of fifteen years. Monthly payments amount to $3,427, which include principal and interest.

Both loans are subject to the terms and conditions of the SBA. The aggregate outstanding balance amounted to $500,000 as of December 31, 2025.

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists of contributions from FIFA and CONCACAF that are subject to donor-imposed restrictions on its use.

As of December 31, 2025, an aggregate amount of $3,467,994, was released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the contributor.

NOTE 5 - INCOME TAXES

FPF is tax-exempt organization under Sections 1101.01 (5) of Puerto Rico Tax Act as amended and 501©(3) of the Internal Revenue Code (IRC), as a result no provision of income taxes has being made on these financial statements

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Finance Lease

In February 2020, FPF leased a vehicle with monthly payments amounting to $568 which includes interest and principal. The lease expires in August 2025 and has the option to acquire the asset by a nominal amount. Accordingly, FPF has recognized the right-of-use asset, net of amortization and the liability as a finance lease obligation.

In August 2023, FPF leased a vehicle with monthly payments amounting to $764 which includes interest and principal. The lease expires in March 2029 and has the option to acquire the asset by a nominal amount. Accordingly, FPF has recognized the right-of-use asset, net of amortization and the liability as a finance lease obligation.

In May 2024, FPF leased a vehicle with monthly payments amounting to $923 which includes interest and principal. The lease expires in November 2029 and has the option to acquire the asset by a nominal amount. Accordingly, FPF has recognized the right-of use asset, net of amortization and the liability as a finance lease obligation.

Legal Matters

Puerto Rico Soccer League filed a legal action against FPF. The litigation cases is pending and Management believes that at this point the outcome can't be predicted.

NOTE 7 - SUBSEQUENT EVENTS

FPF evaluated its financial statements for subsequent events through the date the consolidated financial statements were available to be issued.

In June 2025, FPF acquired an office space at a cost of $1,200,000 at AM Tower in San Juan, Puerto Rico. To complete the transaction, a note payable of $550,000 was originated at an interest rate of 8.9%, maturing in 15 years.

Also, in 2025, the FPF paid off the SBA loan originated in 2020.