

USA TEAM HANDBALL
Financial Statements &
Supporting Schedules
For the Years Ended June 30, 2012 and 2011

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
USA Team Handball
Colorado Springs, Colorado

We were engaged to audit the accompanying financial statements of USA Team Handball (a nonprofit organization), which comprise the statements of financial position as of June 30, 2012 and 2011, and the related statements of activities and changes in net assets and of cash flows for the years then ended.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

We were unable to validate numerous expenses incurred and revenues received by the Organization due to insufficient supporting documentation. We were unable to obtain sufficient appropriate audit evidence about the existence and accuracy of these revenues and expenses by other auditing procedures.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph.

Other-Matters

The schedules of program and supporting services are presented for purposes of additional analysis and are not a required part of the financial statements. Because of the significance of the matter discussed in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to, and we do not, express an opinion on the supplementary information referred to above.

Wang & Goodwin, LLP
Colorado Springs, Colorado
November 22, 2013

USA TEAM HANDBALL
Statements of Financial Position
June 30, 2012 and 2011

	<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
CURRENT ASSETS:			
Cash and cash equivalents		\$ 912	\$ 7,954
Accounts receivable		<u> </u>	<u>48,880</u>
TOTAL ASSETS		<u>\$ 912</u>	<u>\$ 56,834</u>

	<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:			
Accounts payable		\$ 58,785	\$ 103,142
Deferred USOC revenue		<u>37,500</u>	<u> </u>
Total liabilities		96,285	103,142
NET ASSETS:			
Unrestricted		<u>(95,373)</u>	<u>(46,308)</u>
Total net assets		<u>(95,373)</u>	<u>(46,308)</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 912</u>	<u>\$ 56,834</u>

See Notes to Financial Statements

USA TEAM HANDBALL
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
REVENUE:		
USOC grants	\$ 202,475	298,170
Corporate sponsorship	108,192	151,863
Other income	64,672	57,407
Membership dues	27,153	33,573
Contributions & bequests	21,119	243,119
Merchandise sales net of cost		
of goods sold of \$70 and \$5,862	3,344	504
Athlete registrations	500	37,998
Interest & dividends	8	5
Germany versus Poland match		75,549
In-kind contributions		9,800
Grants		990
Loss on disposal of assets		(907)
Total revenue	427,463	908,071
EXPENSES:		
Program expenses	324,857	532,793
Supporting services:		
General & administrative	151,671	425,782
Total expenses	476,528	958,575
CHANGE IN NET ASSETS	(49,065)	(50,504)
DEFICIENCY OF NET ASSETS, beginning of	(46,308)	4,196
DEFICIENCY OF NET ASSETS, end of year	\$ (95,373)	\$ (46,308)

See Notes to Financial Statements

USA TEAM HANDBALL
Statements of Cash Flows
June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (49,065)	\$ (50,504)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation		605
Loss on disposal of equipment		907
Changes in assets and liabilities:		
Decrease in due from the USOC	48,880	(2,731)
Decrease in accounts payable	(44,357)	65,932
Increase in deferred USOC revenue	<u>37,500</u>	
Total adjustments	<u>42,023</u>	<u>64,713</u>
Net cash provided (used) by operating activities	<u>(7,042)</u>	<u>14,209</u>
NET INCREASE (DECREASE) IN CASH	(7,042)	14,209
CASH AND CASH EQUIVALENTS, beginning of year	<u>7,954</u>	<u>(6,255)</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 912</u>	<u>\$ 7,954</u>

See Notes to Financial Statements

USA TEAM HANDBALL
Notes to Financial Statements
For the Years Ended June 30, 2012 and 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

USA Team Handball (Organization) is the national governing body for team handball, making it responsible for the promotion and development of the sport in the United States.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Organization's checking and savings accounts.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Contributions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as satisfied program restrictions.

Income Tax

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. Accordingly, no income tax provision has been recorded.

The Organization's form 990, Return of Organization Exempt from Income Tax, for the years ending 2009 to 2012 are subject to examination by various taxing authorities, generally for three years after the date they were filed. Management of the Organization believes that it does not have any uncertain tax positions that are material to the financial statements.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 22, 2013, the date that the financial statements were available to be issued.

B. RELATED PARTY TRANSACTIONS

The United States Olympic Committee (USOC) provided grants to the Organization as follows for the years ended June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
High Performance grants	\$ 103,377	\$ 219,960
Media revenue	75,000	75,000
PR shared services	<u>24,098</u>	<u>3,210</u>
	<u>\$ 202,475</u>	<u>\$ 298,170</u>

The Organization is economically dependent on the funding it receives from the USOC to maintain its programs.

C. GOING CONCERN

As reflected in the accompanying statement of financial position, The Organization has a deficiency of net assets at June 30, 2012 of (\$95,373). In order to reduce this deficiency, the Organization is taking the following actions:

- Improving internal processes and keeping financial records throughout the year.
- Adopt a budget by the Board of Directors and closely monitor it in comparison to actual expenditures and taking steps to prevent cost overruns.
- Exploring other sources of revenue including corporate sponsorship, grants, donations and board fundraising responsibilities.
- Reducing program and administration expenses and increasing revenues in order to accumulate reserves.

D. SCOPE LIMITATION

As stated in the independent auditors' report, it was not possible to validate numerous expenses incurred and revenues received by the Organization due to insufficient supporting documentation. Examples of supporting documentation that was missing included vendor invoices, expense reports, cancelled checks, deposit slips and sponsorship agreements.

USA TEAM HANDBALL
Schedule of Program and Supporting Services
For the Year Ended June 30, 2012

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Total Expenses</u>
Advertising	\$ 160	\$	\$ 160
Bank charges		893	893
Employee benefits	791	7,122	7,913
Equipment rental	2,262		2,262
Insurance	11,232		11,232
National team expenses	263,536		263,536
Miscellaneous	3,504	100	3,604
Payroll taxes	2,372	20,217	22,589
Postage		3,374	3,374
Printing & recording		37	37
Salaries	10,886	92,793	103,679
Supplies	913		913
Telephone	2,065		2,065
Travel	<u>27,136</u>	<u>27,135</u>	<u>54,271</u>
	<u>\$ 324,857</u>	<u>\$ 151,671</u>	<u>\$ 476,528</u>