



**Independent Auditors' Report  
and Financial Statements  
June 30, 2010**

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Stayner Bates & Jensen P.C.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
USA Team Handball  
Salt Lake City, Utah

We have audited the accompanying statement of financial position of USA Team Handball (the Organization) (a nonprofit corporation) as of June 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USA Team Handball as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Stayner, Bates & Jensen, P.C.*

Stayner, Bates & Jensen, PC  
Salt Lake City, Utah  
July 20, 2011

**USA TEAM HANDBALL**  
Statement of Financial Position  
June 30, 2010

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents (Note 1)	\$ -
Prepaid event expenses (Note 1)	40,901
Accounts receivable (Note 1)	<u>31,197</u>

Total Current Assets	<u>72,098</u>
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**PROPERTY AND EQUIPMENT (Note 1)**

Computers and peripherals	1,100
Accumulated depreciation	<u>(214)</u>

Net Property and Equipment	<u>886</u>
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<b>TOTAL ASSETS</b>	<b><u>\$ 72,984</u></b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Cash overdraft (Note 1)	\$ 5,599
Accounts payable	66,845
Accrued expenses	22,546
Deferred revenue (Note 1)	<u>111,515</u>

Total Current Liabilities	<u>206,505</u>
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<b>TOTAL LIABILITIES</b>	<b><u>206,505</u></b>
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<b>NET ASSETS - UNRESTRICTED</b>	<b><u>(133,521)</u></b>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 72,984</u></b>
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The accompanying notes are an integral part of these financial statements.

**USA TEAM HANDBALL**  
**Statement of Activities**  
**For the Year Ended June 30, 2010**

**REVENUES AND SUPPORT**

Contributions (Notes 1 and 2)	\$ 507,046
Grants	262,060
Membership dues	38,747
Events, tryouts, and other	142,307
Interest income	<u>12</u>
Total Revenues and Support	<u>950,172</u>

**EXPENDITURES**

Program services	864,149
Management and general	184,410
Fundraising	19,632
Interest expense	<u>2,531</u>
Total Expenditures	<u>1,070,722</u>

Change in Net Assets	(120,550)
Net Assets at Beginning of Year	<u>(12,971)</u>
Net Assets at End of Year	<u><u>\$ (133,521)</u></u>

The accompanying notes are an integral part of these financial statements.

**USA TEAM HANDBALL**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ (120,550)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	214
Changes in assets and liabilities:	
Increase in prepaid expenses and other	(40,039)
Increase in accounts receivable	(31,197)
Increase in cash overdraft	5,599
Increase in accounts payable	31,172
Increase in accrued expenses	16,726
Increase in deferred revenue	<u>111,515</u>
Net Cash Used in Operating Activities	<u>(26,560)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchases of property and equipment	<u>(1,100)</u>
Net Cash Used in Investing Activities	<u>(1,100)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(27,660)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>27,660</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ -</u></u>

**SUPPLEMENTAL CASH FLOW INFORMATION:**

Cash Payments For:	
Interest	\$ 2,531
Income taxes	\$ -

The accompanying notes are an integral part of these financial statements.

**USA TEAM HANDBALL**  
**Notes to the Financial Statements**  
**June 30, 2010**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

USA Team Handball (the Organization) is a not-for-profit organization originally incorporated in the State of Utah under the name Salt Lake Warriors, Inc. on January 19, 2005. The name was changed to Utah Team Handball Foundation on June 23, 2006, and again on May 13, 2008 to USA Team Handball. The Organization was established to develop, promote, educate and grow the sport of Team Handball at all levels in the United States and to enable United States athletes to achieve sustained competitive excellence to win medals in international and Olympic competition.

USA Team Handball is the only organization recognized by the United States Olympic Committee (USOC) and International Handball Federation to lead handball initiatives in the United States.

The Organization's support comes primarily from individual contributions, funding from the USOC, individual and club membership dues, and ticket sales and sponsorships for special sporting events.

**Summary of Significant Accounting Policies**

The accounting and reporting policies of the Organization conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. The following is a summary of the more significant of the Organization's accounting policies:

**a. Basis of Accounting**

The financial statements of the Organization are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization has adopted Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities* (ASC 958), (formerly Statement of Financial Accounting Standards ("SFAS") No. 117). Under this statement, the Organization is required to report and record its financial position, activities and contributions received under three classes; permanently restricted, temporarily restricted and unrestricted. These classes are determined by the donor's restrictions for the use of the funds or the lack thereof. When a donor's restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and are shown in the statement of activities as net assets released from restriction. Temporary restrictions expire when a time restriction is met, or the purpose of the restricted funds has been accomplished. As of June 30, 2010, the Organization had no assets that were temporarily or permanently restricted in nature.

**USA TEAM HANDBALL**  
**Notes to the Financial Statements**  
**June 30, 2010**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**b. Cash and Cash Equivalents**

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements or otherwise encumbered. The carrying amount approximates fair value because of the short maturity of those instruments.

**c. Use of Estimates**

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, including functional allocations during the reporting period. Actual results could differ from those estimates. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances in making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. While actual results could differ from those estimates, management believes that the estimates are reasonable. Key estimates made in the accompanying financial statements include, among others, economic useful lives, residual value and recovery of long-lived assets, and allocation of expenses between program services, management and general, and fundraising activities.

**d. Public Support and Revenue**

Contributions are generally recorded only upon receipt, unless evidence or an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, it is reported as unrestricted support.

Legally enforceable intentions to give are recorded similarly to unconditional promises to give. Intentions to give which are not legally enforceable are recorded when the funds are received. During the year ended June 30, 2010, revenue of \$31,197 has been recorded as legally enforceable intentions to give which were not received as of year-end.



**USA TEAM HANDBALL**  
**Notes to the Financial Statements**  
**June 30, 2010**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**d. Public Support and Revenue (Continued)**

The Organization recognizes contribution revenue for donated property and equipment in the period received at the property or equipment's fair value. If donated assets have questionable or uncertain value and no alternative use that adds value to the assets, the Organization does not recognize them in the financial statements. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization did not receive any donated property and equipment during the year ended June 30, 2010.

When the Organization receives donations or contributions in the form of services performed, the fair value of the donated services are recognized in the financial statements if the services either (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated. Services that do not meet either of the preceding criteria are not recognized. Donated services are recorded at their fair value. The Organization received donated services totaling \$17,278 for the year ended June 30, 2010.

**e. Accounts Receivable**

Accounts receivable represent grant contributions receivable from the United States Olympic Committee. No allowance for bad debts has been recorded as of June 30, 2010 since the Organization expects all outstanding amounts to be fully collectible. All of the Organization's receivables are due within one year.

**f. Deferred Event Revenue and Prepaid Event Expenses**

The Organization has received cash from ticket sales related to an event that will occur after June 30, 2010, and has prepaid expenses for this event. These amounts are recorded as short-term liabilities and assets, respectively, and will be recognized in the statement of activities after the event has occurred.

**USA TEAM HANDBALL**  
**Notes to the Financial Statements**  
**June 30, 2010**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**g. Income Taxes**

The Organization is a non-profit corporation whose revenue is derived from contributions and other fundraising activities and is not subject to federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The State of Utah has granted a similar exemption to the Organization. Accordingly, no taxes have been provided for in the financial statements.

**h. Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation. Repairs and maintenance, as well as insignificant asset purchases less than \$1,000, are expensed as incurred, whereas major improvements are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Computers and peripherals	3 years
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Depreciation expense on property and equipment was \$214 for the year ended June 30, 2010.

**i. Concentration of Credit Risk**

On November 9, 2010, the FDIC Board of Directors issued a final rule to provide temporary unlimited deposit insurance coverage for non-interest bearing transaction accounts at all FDIC-insured depository institutions. This additional temporary coverage is effective December 31, 2010 through December 31, 2012. In addition, the FDIC currently provides \$250,000 of insurance coverage per depository institution on interest bearing transaction accounts. The Organization has not experienced any losses in such accounts or lack of access to its cash, and believes it is not exposed to significant risk of loss with respect to cash. However, no assurance can be provided that access to the Organization's cash will not be impacted by adverse economic conditions in the financial markets. As of June 30, 2010, the Organization's bank deposits, net of outstanding checks, did not exceed federally insured limits.

**j. Advertising**

Advertising expenses are expensed as incurred. Advertising expense was \$4,807 for the year ended June 30, 2010.

**NOTE 2 - RELATED PARTY TRANSACTIONS**

The Organization receives a significant amount of contributions each year from members of its board of directors. During the year ended June 30, 2010, the Organization received contributions totaling \$506,446 from board members.

**USA TEAM HANDBALL**  
**Notes to the Financial Statements**  
**June 30, 2010**

**NOTE 3 - CONCENTRATIONS**

The Organization generally receives significant contributions from a few large donors. If the donors decided not to contribute in a given year, it could have an adverse effect on operations.

**NOTE 4 - LEASES**

The Organization leases its corporate offices rent free on a month-to-month basis from a member of its board of directors. On April 1, 2010, the Organization also entered into a lease agreement wherein it pays no rent. The lease is for a one year term and is renewable on the anniversary date of the lease upon consent of the lessor. The Organization has recorded income for these contributions of rent totaling \$6,828 for the year ended June 30, 2010.

**NOTE 5 - SUBSEQUENT EVENTS**

For purposes of these financial statements and all disclosures, subsequent events were evaluated through July 20, 2011, which is the date the financial statements were available to be issued.