

**USA TEAM HANDBALL**

**Financial Statements &  
Supporting Schedules**

**For the Years Ended June 30, 2013 and 2012**

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**INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
USA Team Handball  
Colorado Springs, Colorado

We have audited the accompanying financial statements of USA Team Handball (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statement.

**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 conducting our audits in accordance with auditing standards generally accepted in the United States of America. We conducted our audit of June 30, 2013 financial statements 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Opinion on the June 30, 2013 Financial Statements**

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, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Disclaimer of Opinion on the June 30, 2012 Financial Statements**

We were unable to validate numerous expenses incurred and revenues received by the Organization in the financial statements for the year ended June 30, 2012. We were unable to obtain sufficient audit evidence about the existence and accuracy of these revenues and expenses.

#### **Disclaimer of Opinion on the June 30, 2012 Financial Statements**

Because of the significance of the matter discussed 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 on the June 30, 2012 financial statements, and accordingly, in our report dated November 7, 2013, we issued a disclaimer of opinion on those financial statements.

#### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program and supporting services are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Waugh & Goodwin, LLP*  
Colorado Springs, Colorado  
April 5, 2014

USA TEAM HANDBALL  
Statements of Financial Position  
June 30, 2013 and 2012

	<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
CURRENT ASSETS:			
Cash and cash equivalents		\$ 7,706	\$ 912
TOTAL ASSETS		<u>\$ 7,706</u>	<u>\$ 912</u>
 <u>LIABILITIES AND NET ASSETS</u> 			
CURRENT LIABILITIES:			
Accounts payable		\$ 17,649	\$ 58,785
Accrued liabilities		8,177	
Deferred USOC revenue		<u>25,000</u>	<u>37,500</u>
Total liabilities		50,826	96,285
NET ASSETS:			
Unrestricted		<u>(43,120)</u>	<u>(95,373)</u>
Total net assets		<u>(43,120)</u>	<u>(95,373)</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 7,706</u>	<u>\$ 912</u>

See Notes to Financial Statements

USA TEAM HANDBALL  
Statements of Activities and Changes in Net Assets  
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
REVENUE:		
USOC grants	\$ 274,122	\$ 127,475
Membership dues	84,301	27,153
IHF travel reimbursement	69,156	
USOC media/marketing agreement	62,500	75,000
Grant from USATHF	40,000	
Other income	30,292	64,672
Merchandise sales, net of cost of goods sold of \$0 and \$70	769	3,344
Interest & dividends	22	8
Corporate sponsorship		108,192
Contributions & bequests		21,119
Athlete registrations	<u>                    </u>	<u>500</u>
Total revenue	561,162	427,463
EXPENSES:		
Program expenses	332,011	324,857
Supporting services:		
General & administrative	<u>176,898</u>	<u>151,671</u>
Total expenses	<u>508,909</u>	<u>476,528</u>
CHANGE IN NET ASSETS	52,253	(49,065)
DEFICIENCY OF NET ASSETS, beginning of year	<u>(95,373)</u>	<u>(46,308)</u>
DEFICIENCY OF NET ASSETS, end of year	<u>\$ (43,120)</u>	<u>\$ (95,373)</u>

See Notes to Financial Statements

USA TEAM HANDBALL  
Statements of Cash Flows  
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 52,253	\$ (49,065)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
Decrease in accounts receivable		48,880
Decrease in accounts payable	(41,136)	(44,357)
Increase in accrued liabilities	8,177	
Decrease in deferred USOC revenue	<u>(12,500)</u>	<u>37,500</u>
Total adjustments	<u>(45,459)</u>	<u>42,023</u>
Net cash provided (used) by operating activities	<u>6,794</u>	<u>(7,042)</u>
NET INCREASE (DECREASE) IN CASH	6,794	(7,042)
CASH AND CASH EQUIVALENTS, beginning of year	<u>912</u>	<u>7,954</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 7,706</u>	<u>\$ 912</u>

See Notes to Financial Statements

USA TEAM HANDBALL  
Notes to Financial Statements  
For the Years Ended June 30, 2013 and 2012

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, is subject to examination by various taxing authorities, generally for three years after the date it was 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 April 5, 2014, 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, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
High Performance grants	\$ 166,500	\$ 103,377
PR shared services	57,622	24,098
Matching grants	<u>50,000</u>	<u>          </u>
	<u>\$ 274,122</u>	<u>\$ 127,475</u>

In 2013 the Association entered into a digital media agreement with the USOC. The term of the agreement is January 1, 2013 through December 31, 2016. Prior to signing the digital media agreement, a content license agreement was in effect through December 31, 2012. The Association received \$62,500 during the year ended June 30, 2013 from the digital media agreement and \$75,000 during the year ended June 30, 2012 from the content license agreement.

The USA Team Handball Foundation (USATHF) provided the Association with a grant of \$40,000 for the year ended June 30, 2013.

The Organization receives significant economic benefits from grants provided by the USOC and the USATHF in order to enhance its programs to current levels.

### C. GOING CONCERN

As reflected in the accompanying statement of financial position, The Organization has a deficiency of net assets at June 30, 2013 of \$43,120. In order to reduce this deficiency, the Organization is taking the following actions:

- Improving internal processes and keeping financial records throughout the year.

## Notes to Financial Statements

### C. GOING CONCERN - Continued

- 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.

USA TEAM HANDBALL  
Schedule of Program and Supporting Services  
For the Year Ended June 30, 2013

	Program Services	General & Administrative	Total Expenses
Advertising	\$	\$ 2,085	\$ 2,085
Bank charges		1,347	1,347
Dues & subscriptions		1,750	1,750
Employee benefits	13,195	4,320	17,515
Insurance	1,854	19,812	21,666
National team expenses	36,925		36,925
Membership fees		2,344	2,344
Miscellaneous	2,885	336	3,221
Payroll taxes	6,640	3,647	10,287
Postage		20,529	20,529
Printing & recording	43		43
Professional fees		14,568	14,568
Salaries	131,072	72,000	203,072
Supplies		9,092	9,092
Telephone	548	1,143	1,691
Travel	138,849	23,925	162,774
	<u>\$ 332,011</u>	<u>\$ 176,898</u>	<u>\$ 508,909</u>