

**USA TEAM HANDBALL**  
**Financial Statements**  
**For the Year Ended December 31, 2021**



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
USA Team Handball  
Colorado Springs, Colorado

### **Opinion**

We have audited the accompanying financial statements of USA Team Handball (a non-for-profit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the 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 December 31, 2021, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis of Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of USA Team Handball and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we 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 the 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 USA Team Handball's

ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, we:

- 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 USA Team Handball'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Team Handball's ability to continue as a going concern for a reasonable period of time.

## **Report on Summarized Comparative Information**

We have previously audited the financial statements of USA Team Handball for the year ended December 31, 2020, and our audit report dated June 4, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*McMillen & Company, PLLC*

Colorado Springs, Colorado  
June 4, 2022

USA TEAM HANDBALL  
Statements of Financial Position  
For the Year Ended December 31, 2021  
(With Comparative Amounts for 2020)

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 260,353	\$ 264,689
Accounts/grants receivable	28,857	
Prepaid expenses	17,140	24,650
Inventory	<u>          </u>	<u>1,200</u>
Total current assets	306,350	290,539
OFFICE SOFTWARE AND EQUIPMENT:		
Office software and equipment	2,000	3,507
Less accumulated depreciation	<u>(2,000)</u>	<u>(3,315)</u>
Office software and equipment - net	<u>          </u>	<u>192</u>
TOTAL ASSETS	<u>\$ 306,350</u>	<u>\$ 290,731</u>

<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 521	\$ 11,005
Due to USOPC		5,000
Accrued liabilities	<u>550</u>	<u>29,593</u>
Total current liabilities	1,071	45,598
NET ASSETS:		
Net assets without donor restrictions	293,967	228,925
Net assets with donor restrictions	<u>11,312</u>	<u>16,208</u>
Total net assets	<u>305,279</u>	<u>245,133</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 306,350</u>	<u>\$ 290,731</u>

See Notes to Financial Statements

USA TEAM HANDBALL  
Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2021  
(With Comparative Amounts for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	2020 Totals
REVENUE:				
Corporate sponsorship	\$ 176,692	\$	\$ 176,692	\$ 177,500
IHF funding	158,875		158,875	137,451
USOPC grants	121,855		121,855	183,883
USOPC digital media agreement	50,000		50,000	50,000
USATHF grants	50,000		50,000	
Membership income	50,127		50,127	20,457
Paycheck Protection Program	32,855		32,855	37,743
Events	24,085		24,085	
Other income	14,635		14,635	6,482
Contributions	1,793	11,312	13,105	822
Value-in-kind	12,496		12,496	11,589
Interest & dividends	49		49	29
Merchandise sales				909
Fundraising events				781
Total revenues, gains, and other support before net assets released from restrictions	693,462	11,312	704,774	627,646
NET ASSETS RELEASED FROM RESTRICTIONS:				
Satisfaction of purpose restrictions	16,208	(16,208)		
Total revenue, gains, and other support	709,670	(4,896)	704,774	627,646
EXPENSES:				
Program expenses	367,720		367,720	95,349
Supporting services:				
General & administrative	276,908		276,908	253,690
Total expenses	644,628		644,628	349,039
CHANGE IN NET ASSETS	65,042	(4,896)	60,146	278,607
NET ASSETS (DEFICIENCY), beginning of year	228,925	16,208	245,133	(33,474)
NET ASSETS, end of year	\$ 293,967	\$ 11,312	\$ 305,279	\$ 245,133

See Notes to Financial Statements

USA TEAM HANDBALL  
Statement of Functional Expenses  
For the Year Ended December 31, 2021  
(With Comparative Amounts for 2020)

	Program Expenses	General & Administrative	Total 2021 Expenses	Total 2020 Expenses
Travel	\$ 175,628	\$ 24,675	\$ 200,303	\$ 7,132
Salaries	53,256	124,095	177,351	163,682
Professional fees	39,000	26,991	65,991	48,146
Insurance		31,298	31,298	19,615
Contract labor	27,640		27,640	3,000
Supplies & equipment	19,682	229	19,911	15
Facility rental	19,257		19,257	
Promotion & advertising	18,030		18,030	25,209
Employee benefits	1,670	15,030	16,700	9,448
Payroll taxes	4,261	9,988	14,249	12,835
Rent		10,985	10,985	14,708
Safe Sport		10,305	10,305	5,977
Membership fees		10,026	10,026	9,586
Referee expenses	6,221		6,221	
Miscellaneous	383	3,937	4,320	2,306
Postage		4,239	4,239	646
Telephone		3,260	3,260	2,372
Coaching development	2,500		2,500	21,000
Bank charges		966	966	1,693
Dues & subscriptions		884	884	1,212
Depreciation	192		192	457
	<u>\$ 367,720</u>	<u>\$ 276,908</u>	<u>\$ 644,628</u>	<u>\$ 349,039</u>

See Notes to Financial Statements



USA TEAM HANDBALL  
Statements of Cash Flows  
For the Year Ended December 31, 2021  
(With Comparative Amounts for 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 60,146	\$ 278,607
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Paycheck Protection Program	(32,855)	(37,743)
Depreciation	192	457
(Increase) decrease in operating assets:		
Accounts/grants receivable	(28,857)	8,000
Prepaid expenses	7,510	(19,450)
Inventory	1,200	(1,200)
Increase (decrease) in operating liabilities:		
Accounts payable	(10,484)	(4,802)
Due to USOPC	(5,000)	5,000
Accrued liabilities	<u>(29,043)</u>	<u>(46,459)</u>
Total adjustments	<u>(97,337)</u>	<u>(96,197)</u>
Net cash provided (used) by operating activities	<u>(37,191)</u>	<u>182,410</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Paycheck Protection Program	<u>32,855</u>	<u>37,743</u>
Net cash provided by financing activities	<u>32,855</u>	<u>37,743</u>
NET INCREASE (DECREASE) IN CASH	(4,336)	220,153
CASH AND CASH EQUIVALENTS, beginning of year	<u>264,689</u>	<u>44,536</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 260,353</u>	<u>\$ 264,689</u>

See Notes to Financial Statements

USA TEAM HANDBALL  
Notes to Financial Statements  
For the Year Ended December 31, 2021

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

USA Team Handball (the Organization) is the national governing body for team handball, making it responsible for the promotion and development of the sport in the United States. During the period July 1, 2019, to December 31, 2019, the Organization changed its fiscal year-end from June 30 to December 31.

Method of Accounting

The financial statements of USA Team Handball have been prepared on the accrual basis of accounting.

New Accounting Pronouncements - Not Yet Adopted

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This ASU allows for the presentation and disclosure of contributions of nonfinancial assets to be more transparent in not-for-profit entities' financial statements. The new guidance requires not-for-profit entities to add a separate line item to the statement of activities, and to include various disaggregated disclosures by category, for contributions of nonfinancial assets. ASU 2020-07 is to be applied retrospectively and is effective for annual reporting periods beginning after June 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of the adoption of ASU 2020-07 on its financial statements.

Basis of Presentation

The financial statement presentation follows the recommendations of accounting principles generally accepted in the United States of America (GAAP).

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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- Net assets without donor restrictions: net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.
- Net assets with donor restrictions: net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other purposes specified by the donor. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Income Taxes

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, 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.

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivables are stated at the amount the Organization expects to collect from balances outstanding at year-end. Based on the Organization's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization of losses on balances outstanding at year-end, if any, will be immaterial. Therefore, no allowance for doubtful accounts is considered necessary.

### Property and Equipment

Items with greater than one-year useful life and costs greater than \$500 are capitalized. Assets are recorded at cost or fair market value if donated and depreciated using the straight-line method over estimated useful lives.

### Revenue Recognition

The Organization's revenue recognition policies are as follows:

- Event and sponsorship revenue - event and sponsorship revenues are recognized in the amount that reflects the consideration that the Organization is entitled to in exchange for substantially fulfilling performance obligations specific to each event or contract. Sponsorships and event revenues are recognized as revenue in the period in which the Organization satisfies its performance obligation to its sponsors and event participants. The Organization's performance obligations for sponsorship revenue are to provide promotion and advertising opportunities as arranged under each contract. The Organization's performance obligation for event revenue is to hold a specified event.
- Membership dues - membership dues revenue is recognized in the amount that reflects the consideration that the Organization is entitled to in exchange for providing membership services. Dues are recognized as revenue in the period in which the Organization satisfies its performance obligation to its members. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer, as defined by ASC 606. The Organization's performance obligation for membership dues revenue is to provide membership services and benefits accessible only to its members.

### 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.

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However, restricted contributions are reported as an increase in unrestricted net assets if the restriction is satisfied in the same reporting period in which the support is recognized.

Prior-Year Comparisons

The amounts shown for the year ended December 31, 2020, in the accompanying financial statements, include certain prior year summarized comparative information in total but not by net asset class or both natural and functional allocation for expenses. Accordingly, those prior year totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

In-kind Revenue

Corporate sponsorship income in the form of in-kind goods, such as apparel and equipment, and some qualifying services are reported as revenue and expense in the fiscal year they are received. For the year ended December 31, 2021, in-kind goods and services received amounted to \$12,496, which is included in corporate sponsorship in the accompanying statement of activities.

Functional expenses

The financial statements report certain categories of expenses that are attributable to program or supporting services of the Organization. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel expenses are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services made by the Organization's management.

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, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results

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could differ from those estimates.

Supplemental Cash Flow Information

During the year ended December 31, 2021, the Organization did not pay any interest or income taxes.

Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 4, 2022, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization has cash and cash equivalents as a current source of liquidity at its disposal.

In addition to currently held financial assets available to meet general expenditures over the next 12 months, the Organization operates under a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

As of December 31, 2021 and 2020, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 260,353	\$ 264,689
Accounts/grants receivable	<u>28,857</u>	<u>          </u>
Total financial assets	289,210	264,689
Less:		
Donor restricted net assets		
purpose restricted	<u>(11,312)</u>	<u>(16,208)</u>
Amount available for general		
exenditures	<u>\$ 277,898</u>	<u>\$ 248,481</u>

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C. NET ASSETS WITH DONOR RESTRICTIONS: TEMPORARY IN NATURE

Net assets with donor restrictions at December 31, 2021 and 2020, consist of donations restricted for the following purposes or timing:

	<u>2021</u>	<u>2020</u>
Women's Travel and Training Fund	\$ 10,000	\$
Referee Development	1,312	
High Performance Program		16,208
Total	<u>\$ 11,312</u>	<u>\$ 16,208</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended December 31, 2021 and 2020, temporary restrictions were released for the following purposes:

	<u>2021</u>	<u>2020</u>
High Performance Program	<u>\$ 16,208</u>	<u>\$</u>

D. RELATED PARTY TRANSACTIONS

The United States Olympic & Paralympic Committee (USOPC) provided grants to the Organization as follows for the year ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Governance and management grants	\$ 85,000	\$ 125,000
Shared services grants	25,000	
Communication grant	9,400	9,400
Other	2,955	2,068
COVID-19 grant		32,415
Grassroots grant		15,000
Total	<u>\$ 122,355</u>	<u>\$ 183,883</u>

In 2013, the Organization entered into a digital media agreement with the USOPC. The term of the agreement was

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extended through December 31, 2021. In addition to the amounts above, the Organization received \$50,000 during the year ended December 31, 2021, under this agreement.

In 2019, the Organization entered into an agreement with International Handball Federation (IHF) by which IHF is to provide an annual grant of \$96,000 to be restricted for the salary of a full-time Chief Executive Officer. In addition to the amounts above, the Organization also received \$50,875 for sport development and \$12,000 for COVID-related expenses from IHF during the year ended December 31, 2021. As of December 31, 2021, the Organization had a receivable of \$8,000 from IHF.

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

E. LEASE

Beginning August 1, 2019, the Organization entered into a lease arrangement with El Pomar Foundation, Inc. for 395 square feet of office space and 418 square feet of shared common areas. The lease required the Organization to pay \$6.58 per square foot through December 31, 2021 with an option for renewal. The fair value of the space was \$15.36 per square foot amounting to \$12,480. The El Pomar Foundation donated \$8,312 in in-kind rent for the year ended December 31, 2021.

Beginning February 1, 2022, the Organization entered into a sub-sublease agreement with the United States Olympic and Paralympic Committee for 252 square feet of office space. The lease arrangement requires the Organization to pay base rent in the amount of \$136.50 per month for the duration of the lease term and expires a year from the term start date with an option for renewal.

Future minimum lease payments under the new lease for office space are as follows for the years ending December 31:

2022	\$	1,502
2023		137

F. PAYCHECK PROTECTION PROGRAM

In December 2020, Congress passed the Consolidated Appropriations Act, which included the Economic Aid to Hard-Hit



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Small Businesses, Nonprofits, and Venues Act. This legislation allowed for additional funding under the Paycheck Protection Program (PPP) for certain entities. During the year ended December 31, 2021, the Organization received additional support of \$32,855 under the modified PPP. During the year ended December 31, 2021, the Organization satisfied the forgiveness requirements of the program and has recorded the revenue in the year ended December 31, 2021, applying provisions of ASC 958-605.