

PRELIMINARY

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USA TEAM HANDBALL

**Financial Statements &
Supporting Schedules**

For the Years Ended June 30, 2015 and 2014

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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 statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

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. 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

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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note C to the financial statements, the Organization has a deficiency in net assets that raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are described in Note C. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

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.

Colorado Springs, Colorado
December 11, 2015

USA TEAM HANDBALL
Statements of Financial Position
June 30, 2015 and 2014

	<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$	44,229	\$ 1,017
Travel advance		81	1,000
Prepaid expenses		<u>3,028</u>	<u>3,754</u>
TOTAL ASSETS	\$	<u>47,338</u>	\$ <u>5,771</u>

	<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:			
Accounts payable	\$	8,455	\$ 18,688
Accrued liabilities		29,331	21,172
Deferred USOC revenue		<u>25,000</u>	<u>25,000</u>
Total current liabilities		62,786	64,860
LOANS FROM OFFICERS		<u>82,380</u>	
Total liabilities		145,166	64,860
NET ASSETS:			
Unrestricted		<u>(97,828)</u>	<u>(59,089)</u>
Total net assets		<u>(97,828)</u>	<u>(59,089)</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>47,338</u>	\$ <u>5,771</u>

See Notes to Financial Statements

USA TEAM HANDBALL
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUE:		
USOC grants	\$ 190,069	\$ 268,175
Contributions	115,602	71,090
Special events	76,238	7,103
USOC digital media agreement	58,200	50,000
Grant from USATHF	55,920	38,200
Membership dues	45,980	60,999
Corporate sponsorship	40,034	5,098
Value-in-kind	31,567	31,285
Merchandise sales	8,975	9,723
Other income	2,193	14,157
Interest & dividends	<u>10</u>	<u>4</u>
Total revenue	624,788	555,834
EXPENSES:		
Program expenses	568,680	464,037
Supporting services:		
General & administrative	<u>94,847</u>	<u>107,766</u>
Total expenses	<u>663,527</u>	<u>571,803</u>
CHANGE IN NET ASSETS	(38,739)	(15,969)
DEFICIENCY OF NET ASSETS, beginning of year	<u>(59,089)</u>	<u>(43,120)</u>
DEFICIENCY OF NET ASSETS, end of year	<u>\$ (97,828)</u>	<u>\$ (59,089)</u>

See Notes to Financial Statements

USA TEAM HANDBALL
Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (38,739)	\$ (15,969)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Changes in assets and liabilities:		
Decrease in employee advances	919	(1,000)
Decrease in due from the USOC	726	(3,754)
Decrease in accounts payable	(10,233)	1,039
Increase in accrued liabilities	<u>8,159</u>	<u>12,995</u>
Total adjustments	<u>(429)</u>	<u>9,280</u>
Net cash used by operating activities	(39,168)	(6,689)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in loans from officers	<u>82,380</u>	<u> </u>
Net cash provided by financing activities	<u>82,380</u>	<u> </u>
NET INCREASE (DECREASE) IN CASH	43,212	(6,689)
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,017</u>	<u>7,706</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 44,229</u>	<u>\$ 1,017</u>

See Notes to Financial Statements

USA TEAM HANDBALL
Notes to Financial Statements
For the Years Ended June 30, 2015 and 2014

A. 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.

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 December 11, 2015, the date that the financial statements were available to be issued.

Supplemental Cash Flow Information

During the years ended June 30, 2015 and 2014, the Corporation did not pay any income taxes and paid interest of \$4,297 and \$0, respectively.

B. RELATED PARTY TRANSACTIONS

The United States Olympic Committee (USOC) provided grants to the Organization as follows for the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
High Performance grants	\$ 73,750	\$ 167,750
Coaching support	70,000	
Matching grants	25,000	65,000
PR shared services	13,649	29,550
Support a sport	<u>7,670</u>	<u>5,875</u>
	<u>\$ 190,069</u>	<u>\$ 268,175</u>

In 2013, the Organization entered into a digital media agreement with the USOC. The term of the agreement is January 1, 2013 through December 31, 2016. The Organization received \$58,200 and \$50,000 during the years ended June 30, 2015 and 2014, respectively.

The USA Team Handball Foundation (USATHF) provided the Organization with grants of \$55,920 and \$38,200 for the years ended June 30, 2015 and 2014, respectively.

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

During the year ended June 30, 2015 two board members loaned the Organization \$40,000 each. One loan is interest free and is to be paid back when the Organization has adequate funds. The other loan was put on a personal credit card and the Organization reimburses the board member for the interest. There are no formal agreements in place for either of the loans.

Notes to Financial Statements

C. GOING CONCERN

As reflected in the accompanying statement of financial position, the Organization has a deficiency of net assets at June 30, 2015 of \$97,828. In order to reduce this deficiency, the Organization has taken the following actions:

- Members of the Board of Directors have been actively seeking contributions.
- Improved internal processes and maintained financial records in a timely manner.
- Adopted a budget by the Board of Directors and closely monitored it in comparison to actual expenditures and have taken steps to prevent cost overruns.
- Have been actively exploring other sources of revenue including corporate sponsorship and grants.
- Reduced program and administration expenses.

USA TEAM HANDBALL
Schedule of Program and Supporting Services
For the Year Ended June 30, 2015

	Program Expenses	General & Administrative	Total Expenses
Bank charges	\$	\$ 1,102	\$ 1,102
Dues & subscriptions		527	527
Employee benefits	15,362	7,416	22,778
Insurance	33,351		33,351
Interest		4,297	
National team	254,979		254,979
Membership fees		2,061	2,061
Miscellaneous	1,000	882	1,882
Payroll taxes	16,414	3,060	19,474
Postage		817	817
Professional fees		8,064	8,064
Office		12,850	12,850
Salaries	184,263	40,000	224,263
Supplies		631	631
Telephone		443	443
Travel	<u>63,311</u>	<u>12,697</u>	<u>76,008</u>
	<u>\$ 568,680</u>	<u>\$ 94,847</u>	<u>\$ 659,230</u>