

USA TEAM HANDBALL
Financial Statements
For the Year Ended December 31, 2024



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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, 2024, 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, 2024, 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.

Adjustments to Prior Period Financial Statements

The financial statements of USA Team Handball as of December 31, 2023, were audited by us, and our report dated November 15, 2024, expressed an unmodified opinion on those statements. As more fully described in Note I to the financial statements, USA Team Handball has restated its 2023 financial statements to include the accrual of certain expenses related to the 2023 activities, in accordance with accounting principles generally accepted in the United States of America. In our opinion, such adjustments are appropriate and have been properly applied.

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 G to the financial statements, the Organization has a deficiency in unrestricted net assets and an ongoing uncertainty in outlook that raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are described in Note G. See also Note J for information on payable forgiveness. 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.

Subsequent Event

As discussed in Note J, after the year ended December 31, 2024, the Organization received notice of payable cancellation from a related party.

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.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the financial statements of USA Team Handball for the year ended December 31, 2023, and our audit report dated November 15, 2024, 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, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived. The amounts have not been modified as a result of the adjustments to prior period financial statements described above.

McMillen & Company, PLLC

Colorado Springs, Colorado
November 18, 2025

USA TEAM HANDBALL
Statements of Financial Position
For the Year Ended December 31, 2024
(With Comparative Amounts for 2023)

	<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$	14,497	\$ 51,288
Accounts/grants receivable			1,384
Other receivable		19,553	
Prepaid expenses		<u>22,410</u>	<u>27,295</u>
Total current assets		56,460	79,967
OFFICE SOFTWARE AND EQUIPMENT:			
Office software and equipment		11,971	11,971
Less accumulated depreciation		<u>(4,933)</u>	<u>(2,539)</u>
Office software and equipment - net		<u>7,038</u>	<u>9,432</u>
TOTAL ASSETS	\$	<u>63,498</u>	<u>\$ 89,399</u>
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES:			
Accounts payable	\$	170,167	\$ 15,230
Accrued liabilities		4,125	12,383
Deferred revenue		<u>23,614</u>	<u>160</u>
Total current liabilities		197,906	27,773
NET ASSETS:			
Net assets without donor restrictions		(161,960)	57,212
Net assets with donor restrictions		<u>27,552</u>	<u>4,414</u>
Total net assets		<u>(134,408)</u>	<u>61,626</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>63,498</u>	<u>\$ 89,399</u>

See Notes to Financial Statements

USA TEAM HANDBALL
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024
(With Comparative Amounts for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Totals	2023 Totals
REVENUE:				
Corporate sponsorship	\$ 177,212	\$	\$ 177,212	\$ 180,321
USOPC grants	118,600		118,600	117,652
Contributions	33,556	57,227	90,783	11,312
Value-in-kind	55,303		55,303	104,948
IHF funding	31,094		31,094	42,849
USOPC digital media agreement	25,000		25,000	50,000
Events	23,120		23,120	53,153
Membership income	21,495		21,495	43,499
USATHF grants		10,000	10,000	11,500
Merchandise sales	8,450		8,450	1,100
Interest & dividends	91		91	93
Other income				279
Total revenues, gains, and other support before net assets released from restrictions	493,921	67,227	561,148	616,706
NET ASSETS RELEASED FROM RESTRICTIONS:				
Satisfaction of purpose restrictions	44,089	(44,089)		
Total revenue, gains, and other support	538,010	23,138	561,148	616,706
EXPENSES:				
Program expenses	515,737		515,737	526,919
Development expenses				
General & administrative	209,352		209,352	233,844
Total expenses	725,089		725,089	760,763
CHANGE IN NET ASSETS	(187,079)	23,138	(163,941)	(144,057)
NET ASSETS, beginning of year, as previously reported	57,212	4,414	61,626	205,683
PRIOR PERIOD ADJUSTMENT	(32,093)		(32,093)	
NET ASSETS, beginning of year, as restated	25,119	4,414	29,533	205,683
NET ASSETS, end of year	\$ (161,960)	\$ 27,552	\$ (134,408)	\$ 61,626

See Notes to Financial Statements

USA TEAM HANDBALL
Statement of Functional Expenses
For the Year Ended December 31, 2024
(With Comparative Amounts for 2023)

	Program Expenses	General & Administrative	Total 2024 Expenses	Total 2023 Expenses
Travel	\$ 213,859	\$ 20,213	\$ 234,072	\$ 261,179
Salaries	89,917	39,142	129,059	154,421
Professional fees		83,753	83,753	26,560
Supplies & equipment, including VIK	67,058	252	67,310	129,926
Insurance	10,017	29,118	39,135	47,870
Registrations & fees	30,207		30,207	750
Employee benefits	15,911	3,313	19,224	21,440
Facility rental	14,558		14,558	792
Background checks	12,700		12,700	
Payroll taxes	8,856	3,777	12,633	12,916
Coaching development	10,846		10,846	1,713
Membership fees	10,000		10,000	10,000
Dues & subscriptions	4,980	3,062	8,042	3,401
Uniforms, including VIK	7,693		7,693	
Contract labor	7,044		7,044	9,645
Promotion & advertising		6,133	6,133	18,514
Rent		5,305	5,305	5,546
Safe Sport	1,429	3,231	4,660	13,314
Bank charges		4,539	4,539	6,410
Referee expenses	4,260		4,260	18,699
Direct event costs	4,000		4,000	7,700
Miscellaneous	444	2,841	3,285	3,218
IT expense		2,400	2,400	1,344
Depreciation	1,958	436	2,394	2,394
Interest expense		1,530	1,530	82
Postage		307	307	2,297
Telephone				632
	<u>\$ 515,737</u>	<u>\$ 209,352</u>	<u>\$ 725,089</u>	<u>\$ 760,763</u>

See Notes to Financial Statements

USA TEAM HANDBALL
Statements of Cash Flows
For the Year Ended December 31, 2024
(With Comparative Amounts for 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (163,941)	\$ (144,057)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,394	2,394
(Increase) decrease in operating assets:		
Accounts/grants receivable	1,384	52,366
Other receivable	(19,553)	
Prepaid expenses	4,885	35,083
Increase (decrease) in operating liabilities:		
Accounts payable	122,844	(9,738)
Accrued liabilities	(8,258)	14,114
Deferred revenue	<u>23,454</u>	<u>(25,876)</u>
Total adjustments	<u>127,150</u>	<u>68,343</u>
Net cash used by operating activities	<u>(36,791)</u>	<u>(75,714)</u>
NET DECREASE IN CASH	(36,791)	(75,714)
CASH AND CASH EQUIVALENTS, beginning of year	<u>51,288</u>	<u>127,002</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 14,497</u>	<u>\$ 51,288</u>

See Notes to Financial Statements

USA TEAM HANDBALL
Notes to Financial Statements
For the Year Ended December 31, 2024

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.

Method of Accounting

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

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:

- 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.

Cash and Cash Equivalents

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

Accounts and Other Receivable

Accounts and other receivable 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 \$1,500 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

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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. 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, 2023, 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, 2023, from which the summarized information was derived. Refer to Note I for additional information regarding prior year amounts.

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, 2024, in-kind goods and services received amounted to \$55,303, primarily consisting of \$29,627 of program equipment and apparel, \$18,270 of lodging, and \$7,406 of rent and other services.

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 programs 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 could differ from those estimates.

Supplemental Cash Flow Information

Cash flows from operating activities include interest payments of \$1,530 and \$82 for the years ended December 31, 2024 and 2023, respectively. The Organization paid no income taxes during the years ended December 31, 2024 and 2023.

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, 2024 and 2023, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

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	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 14,497	\$ 51,288
Accounts/grants receivable		1,384
Other receivable	<u>19,553</u>	<u></u>
Total financial assets	34,050	52,672
Less:		
Donor restricted net assets purpose restricted	<u>(27,552)</u>	<u>(4,414)</u>
Amount available for general exenditures	<u>\$ 6,498</u>	<u>\$ 48,258</u>

C. CONTRACT ASSETS AND LIABILITIES

The timing of revenue recognition, billings, and cash collections may result in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) on the Statement of Financial Position. Amounts are billed as work progresses in accordance with agreed-upon contractual terms. Revenue is recognized upon satisfaction of performance obligations (Note A).

As of December 31, the contract balances were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Deferred revenue	\$ 23,614	\$	\$

D. NET ASSETS WITH DONOR RESTRICTIONS: TEMPORARY IN NATURE

Net assets with donor restrictions at December 31, 2024 and 2023, consist of donations restricted for the following purposes or timing:

	<u>2024</u>	<u>2023</u>
Wheelchair Handball National Team	\$ 24,309	\$
Men's junior team	2,755	214
Women's development	472	
Men's development	16	
Marketing & governance	<u></u>	<u>4,200</u>
Total	<u>\$ 27,552</u>	<u>\$ 4,414</u>

Net assets are released from donor restrictions by incurring

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expenses that satisfy the restricted purpose. During the years ended December 31, 2024 and 2023, temporary restrictions were released for the following purposes:

	<u>2024</u>	<u>2023</u>
Other	\$ 19,534	\$ 1,166
Women's Beach	2,070	1,246
Marketing & communication	<u> </u>	<u>7,700</u>
Total	<u>\$ 21,604</u>	<u>\$ 10,112</u>

E. RELATED PARTY TRANSACTIONS

The United States Olympic & Paralympic Committee (USOPC) provided grants to the Organization as follows for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Governance & management	\$ 73,500	\$ 73,500
Marketing & communication	9,400	9,400
Other	4,500	3,409
Shared services	<u>31,200</u>	<u>31,200</u>
Total	<u>\$ 118,600</u>	<u>\$ 117,509</u>

For the year ended December 31, 2024, the Organization also received \$55,303 of value-in-kind goods and services from the USOPC, as described in Note A.

In 2013, the Organization entered into a digital media agreement with the USOPC. The term of the agreement was extended through December 31, 2026. In addition to the amounts above, the Organization has received \$25,000 and \$50,000 for the years ended December 31, 2024 and 2023, respectively, under this agreement.

In 2019, the Organization entered into an agreement with the International Handball Federation (IHF) by which IHF was to provide an annual grant of \$96,000 to be restricted for the salary of a full-time Chief Executive Officer. This agreement ended during the fiscal year ended December 31, 2022. During the years ended December 31, 2024 and 2023, respectively, the Organization received \$31,094 and \$42,849 for sport development.

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

F. LEASE

Beginning February 1, 2022, the Organization entered into a sub-lease 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 start date with an option for renewal. During the year ended December 31, 2024, the Organization exercised its option to renew the lease for another year.

G. GOING CONCERN

As reflected in the accompanying statement of financial position, the Organization had a deficiency of net assets without donor restrictions at December 31, 2024, of \$161,960 and positive net assets with donor restrictions of \$27,552.

In order to reduce the deficiency of net assets, Management and the Board of Directors are pursuing the following actions:

- Beginning in late 2024, the Organization instituted comprehensive cost-containment measures, restructured staffing and operational expenditures, and centralized financial oversight to ensure timely reporting and budget adherence.
- Management has also secured successive major sponsorship renewals while also actively developing new revenue channels tied to national team training sites, domestic competition, and membership growth.
- In early 2025, the Organization adopted a balanced operating budget for the remaining fiscal year, inclusive of payments on all deficits carried forward, with actual year-to-date performance tracking favorably to plan.
- The Organization has broadened its pipeline of grant funding with other institutional partners, resolving a substantial share of observed deficit/debt directly therewith, and has restructured its event and program

models to ensure that major activities are either cost-neutral or revenue-generating.

These combined initiatives together with continued and broadening engagement in fundraising, sponsorship development, and fiscal oversight are expected to materially improve liquidity and have supported the Organization's fully realized ability to meet obligations as they come due.

H. 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.

I. PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2024, Management identified previously unrecorded liabilities totaling \$32,093 related to events conducted in the prior year. Accordingly, the Organization has restated its prior year financial statements to properly reflect these liabilities and the related impact on net assets. As a result of this restatement, beginning unrestricted net assets for the year ended December 31, 2024, decreased by \$32,093.

J. SUBSEQUENT EVENTS

In preparing the financial statements, Management has evaluated events and transactions for potential recognition or disclosure through November 18, 2025, the date that the financial statements were available to be issued.

During the year ended December 31, 2024, the Organization entered negotiations to settle a matter with an unrelated party who claimed grievances against the Organization relating to a certain contract signed in the year ended December 31, 2020. During the year ended December 31, 2024, Management entered into a settlement agreement with the party, under which the

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Organization paid \$42,000 in 2024. The agreement also requires the Organization to pay 10% of Defined Gross Revenues (DGR) received from a certain grantor in 2025 and 2026, not to exceed \$30,000 combined. As of December 31, 2024, no DGR from the grantor has been received for 2025 or 2026, and no liability has been accrued. The future obligation is contingent upon receipt of sponsor revenue.

Subsequent to fiscal year end, the Organization received forgiveness of approximately \$92,000 in accrued liabilities. Since this forgiveness occurred after December 31, 2024, it represents a condition that did not exist at the balance sheet date. In accordance with ASC 855-10-25-1, this is considered a non-recognized subsequent event. Therefore, the financial statements as of and for the year ended December 31, 2024, have not been adjusted for this transaction.