

Preliminary Draft

**USA TEAM HANDBALL**  
**Financial Statements**  
**For the Year Ended December 31, 2023**



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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, 2023, 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, 2023, 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.

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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, 2022, and our audit report dated November 20, 2023, 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, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Colorado Springs, Colorado  
November 15, 2024

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USA TEAM HANDBALL  
Statements of Financial Position  
For the Year Ended December 31, 2023  
(With Comparative Amounts for 2022)

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 51,288	\$ 127,002
Accounts/grants receivable	1,384	53,750
Prepaid expenses	<u>27,295</u>	<u>62,378</u>
Total current assets	79,967	243,130
OFFICE SOFTWARE AND EQUIPMENT:		
Office software and equipment	11,971	11,971
Less accumulated depreciation	<u>(2,539)</u>	<u>(145)</u>
Office software and equipment - net	<u>9,432</u>	<u>11,826</u>
TOTAL ASSETS	<u>\$ 89,399</u>	<u>\$ 254,956</u>

<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 12,871	\$ 22,609
Accrued liabilities	14,742	628
Deferred revenue	<u>160</u>	<u>26,036</u>
Total current liabilities	27,773	49,273
NET ASSETS:		
Net assets without donor restrictions	57,212	205,683
Net assets with donor restrictions	<u>4,414</u>	<u>          </u>
Total net assets	<u>61,626</u>	<u>205,683</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 89,399</u>	<u>\$ 254,956</u>

See Notes to Financial Statements

# Preliminary Draft

USA TEAM HANDBALL  
Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2023  
(With Comparative Amounts for 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
<b>REVENUE:</b>				
Corporate sponsorship	\$ 180,321	\$	\$ 180,321	\$ 188,370
USOPC grants	105,752	11,900	117,652	125,108
Value-in-kind	104,948		104,948	62,448
Events	53,153		53,153	69,225
USOPC digital media agreement	50,000		50,000	50,000
Membership income	43,499		43,499	70,285
IHF funding	42,849		42,849	183,008
USATHF grants	11,500		11,500	34,985
Contributions	8,686	2,626	11,312	31,938
Merchandise sales	1,100		1,100	
Other income	279		279	31,650
Interest & dividends	93		93	55
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues, gains, and other support before net assets released from restrictions	602,180	14,526	616,706	847,072
<b>NET ASSETS RELEASED FROM RESTRICTIONS:</b>				
Satisfaction of purpose restrictions	10,112	(10,112)	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue, gains, and other support	612,292	4,414	616,706	847,072
<b>EXPENSES:</b>				
Program expenses	526,919		526,919	611,926
Supporting services:				
General & administrative	233,844		233,844	334,742
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	760,763		760,763	946,668
<b>CHANGE IN NET ASSETS</b>				
	(148,471)	4,414	(144,057)	(99,596)
<b>NET ASSETS, beginning of year</b>				
	<hr/>	<hr/>	<hr/>	<hr/>
	205,683		205,683	305,279
<b>NET ASSETS, end of year</b>				
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 57,212	\$ 4,414	\$ 61,626	\$ 205,683

See Notes to Financial Statements

USA TEAM HANDBALL  
Statement of Functional Expenses  
For the Year Ended December 31, 2023  
(With Comparative Amounts for 2022)

	<u>Program Expenses</u>	<u>General &amp; Administrative</u>	<u>Total 2023 Expenses</u>	<u>Total 2022 Expenses</u>
Travel	\$ 244,484	\$ 16,695	\$ 261,179	\$ 321,898
Salaries	76,337	78,084	154,421	229,132
Supplies & equipment	129,637	289	129,926	76,048
Insurance	11,968	35,902	47,870	54,055
Professional fees		26,560	26,560	37,383
Employee benefits	7,457	13,983	21,440	22,728
Referee expenses	18,699		18,699	15,246
Promotion & advertising	9,354	9,160	18,514	27,161
Safe Sport		13,314	13,314	9,617
Payroll taxes	6,442	6,474	12,916	17,893
Membership fees		10,000	10,000	16,000
Contract labor	9,645		9,645	14,755
Direct event costs	7,700		7,700	6,596
Bank charges		6,410	6,410	7,565
Rent		5,546	5,546	5,083
Dues & subscriptions		3,401	3,401	4,820
Miscellaneous	(453)	3,671	3,218	7,378
Depreciation	2,394		2,394	145
Postage		2,297	2,297	1,697
Coaching development	1,713		1,713	3,500
Facility rental	792		792	17,914
Registrations & fees	750		750	24,106
Telephone		632	632	9,246
Interest Expense		82	82	
Bad debts				11,199
Board meetings				5,503
	<u>\$ 526,919</u>	<u>\$ 233,844</u>	<u>\$ 760,763</u>	<u>\$ 946,668</u>

See Notes to Financial Statements



# Preliminary Draft

USA TEAM HANDBALL  
Statements of Cash Flows  
For the Year Ended December 31, 2023  
(With Comparative Amounts for 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (144,057)	\$ (99,596)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,394	145
(Increase) decrease in operating assets:		
Accounts/grants receivable	52,366	(24,893)
Prepaid expenses	35,083	(45,238)
Increase (decrease) in operating liabilities:		
Accounts payable	(9,738)	22,088
Accrued liabilities	14,114	78
Deferred revenue	<u>(25,876)</u>	<u>26,036</u>
Total adjustments	<u>68,343</u>	<u>(21,784)</u>
Net cash provided (used) by operating activities	(75,714)	(121,380)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of computer equipment	<u>                    </u>	<u>(11,971)</u>
Net cash provided (used) by investing activities		(11,971)
NET INCREASE (DECREASE) IN CASH	(75,714)	(133,351)
CASH AND CASH EQUIVALENTS, beginning of year	<u>127,002</u>	<u>260,353</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 51,288</u>	<u>\$ 127,002</u>

See Notes to Financial Statements

USA TEAM HANDBALL  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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.

New Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, in June 2016. The ASU introduces a new expected credit loss model for the recognition and measurement of credit losses on financial assets measured at amortized cost, such as loans, receivables, debt securities, and net investments in leases. The ASU also modifies the accounting for available-for-sale debt securities and provides new guidance on the presentation and disclosure of credit losses.

The adoption of ASU 2016-13 did not have a material impact on the financial statements and did not require any cumulative adjustment to beginning balances, since the Organization does not currently report any financial instruments within the scope of the ASU 2016-13. However, the Organization has reviewed and updated its policies and procedures to ensure compliance with the new standard and to maintain effective internal controls over financial reporting.

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

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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.

## 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

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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 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

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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, 2022, 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, 2022, 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, 2023, in-kind goods and services received amounted to \$104,948, primarily consisting of \$73,042 of program apparel, \$23,000 of lodging, and \$8,906 of rent and other assets.

### 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

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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

During the year ended December 31, 2023, the Organization did not pay any interest or income taxes.

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, 2023 and 2022, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 51,288	\$ 127,002
Accounts/grants receivable	<u>1,384</u>	<u>53,750</u>
Total financial assets	52,672	180,752
Less:		
Donor restricted net assets purpose restricted	<u>(4,414)</u>	<u>                    </u>
Amount available for general expenditures	<u>\$ 48,258</u>	<u>\$ 180,752</u>

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## C. NET ASSETS WITH DONOR RESTRICTIONS: TEMPORARY IN NATURE

Net assets with donor restrictions at December 31, 2023 and 2022, consist of donations restricted for the following purposes or timing:

	<u>2023</u>	<u>2022</u>
Marketing & governance	\$ 4,200	\$
Women's Beach	<u>214</u>	<u>                    </u>
Total	<u>\$ 4,414</u>	<u>\$</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended December 31, 2023 and 2022, temporary restrictions were released for the following purposes:

	<u>2023</u>	<u>2022</u>
Marketing & communication	\$ 7,700	\$ 10,000
Women's Beach	1,246	
Other	1,166	
Referee Development	<u>                    </u>	<u>1,312</u>
Total	<u>10,112</u>	<u>\$ 11,312</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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Governance & management	\$ 73,500	\$ 115,000
Shared services	31,200	35,200
Marketing & communication	9,400	9,400
Other	3,409	
International relations	<u>                    </u>	<u>12,000</u>
Total	<u>\$ 117,509</u>	<u>\$ 171,600</u>

For the year ended December 31, 2023, the Organization also received \$28,000 of value-in-kind goods and services from the

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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, 2023. In addition to the amounts above, the Organization has received \$50,000 during each of the years ended December 31, 2023 and 2022, 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 year ended December 31, 2023, the Organization received \$42,849 for sport development. Related to the above revenue, as of December 31, 2023, the Organization had a receivable of \$1,384 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 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, 2023, the Organization exercised its option to renew the lease for another year.

## F. SUBSEQUENT EVENTS

In preparing the financial statements, Management has evaluated events and transactions for potential recognition or disclosure through November 15, 2024, 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. Management does not believe that the Organization owes the



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amounts claimed by the other party and does not believe any liability existed prior to December 31, 2023; therefore, no accrual has been made in the accompanying financial statements. Management expects to settle the matter outside of court for approximately \$42,000, during the year ended December 31, 2024.