

**NATIONAL WRESTLING
COACHES ASSOCIATION**

**YEARS ENDED
JUNE 30, 2016 AND 2015**



Independent Auditors' Report

Board of Trustees
National Wrestling Coaches Association
Manheim, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of National Wrestling Coaches Association (the Association) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities 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 from 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 auditors' 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 auditors consider internal control relevant to the Association'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 Association'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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Wrestling Coaches Association as of June 30, 2016 and 2015, 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.

Brown Schultz Steidman & Fritz

Lancaster, Pennsylvania

November 16, 2016

NATIONAL WRESTLING COACHES ASSOCIATION

STATEMENTS OF FINANCIAL POSITION – JUNE 30, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Current assets:		
Cash	\$ 543,631	\$ 493,495
Receivables	81,657	141,452
Campaign pledges receivable	10,000	30,000
Prepaid expenses	<u>27,710</u>	<u>27,387</u>
Total current assets	<u>662,998</u>	<u>692,334</u>
Property and equipment:		
Equipment and software	63,944	63,944
Vehicle	12,800	12,800
Website development	493,595	431,456
Patent	<u>97,114</u>	<u>97,114</u>
	667,453	605,314
Less accumulated depreciation and amortization	<u>550,529</u>	<u>503,415</u>
Total property and equipment	<u>116,924</u>	<u>101,899</u>
Other assets, security deposit	<u>2,200</u>	<u>2,200</u>
Total assets	<u><u>\$ 782,122</u></u>	<u><u>\$ 796,433</u></u>

See notes to financial statements.

LIABILITIES AND NET ASSETS

	<u>2016</u>	<u>2015</u>
Liabilities:		
Accounts payable	\$ 39,266	\$ 24,326
Event deposits	223,895	268,436
Deferred revenue	62,119	41,075
Director retirement enhancement	<u>10,000</u>	<u>10,000</u>
Total liabilities, all current	<u>335,280</u>	<u>343,837</u>
Net assets:		
Unrestricted	404,849	406,675
Temporarily restricted	<u>41,993</u>	<u>45,921</u>
Total net assets	<u>446,842</u>	<u>452,596</u>
Total liabilities and net assets	<u><u>\$ 782,122</u></u>	<u><u>\$ 796,433</u></u>

NATIONAL WRESTLING COACHES ASSOCIATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue and support:						
Membership dues	\$ 78,971		\$ 78,971	\$ 81,997		\$ 81,997
OPC registration fees	169,066		169,066	179,767		179,767
Contributions	474,152	\$ 398,741	872,893	471,249	\$ 379,389	850,638
Coaching development income	212,857		212,857	125,473		125,473
Event income	231,068		231,068	145,171		145,171
Other income	8,659		8,659	3,533		3,533
Corporate sponsors	109,500		109,500	180,500		180,500
Grant income				65,000		65,000
Net assets released from restrictions	402,669	(402,669)	-	343,973	(343,973)	-
	<u>1,686,942</u>	<u>(3,928)</u>	<u>1,683,014</u>	<u>1,596,663</u>	<u>35,416</u>	<u>1,632,079</u>
Expenses:						
Programs	1,480,539		1,480,539	1,377,127		1,377,127
General and administrative	125,117		125,117	137,939		137,939
Fundraising	83,112		83,112	102,483		102,483
	<u>1,688,768</u>		<u>1,688,768</u>	<u>1,617,549</u>		<u>1,617,549</u>
Change in unrestricted net assets	(1,826)	(3,928)	(5,754)	(20,886)	35,416	14,530
Net assets:						
Beginning	<u>406,675</u>	<u>45,921</u>	<u>452,596</u>	<u>427,561</u>	<u>10,505</u>	<u>438,066</u>
Ending	<u>\$ 404,849</u>	<u>\$ 41,993</u>	<u>\$ 446,842</u>	<u>\$ 406,675</u>	<u>\$ 45,921</u>	<u>\$ 452,596</u>

See notes to financial statements.

NATIONAL WRESTLING COACHES ASSOCIATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (5,754)	\$ 14,530
Adjustments:		
Depreciation and amortization	47,114	60,992
(Increase) decrease in assets:		
Receivables	59,795	(117,733)
Prepaid expenses	(323)	(18,642)
Pledges receivable	20,000	68,500
Increase (decrease) in liabilities:		
Accounts payable	14,940	14,432
Event deposits	(44,541)	46,169
Deferred revenue	21,044	23,410
Director retirement enhancement		<u>10,000</u>
Net cash provided by operating activities and net increase in cash	112,275	101,658
Cash flows used in investing activities, website development costs	<u>(62,139)</u>	<u> </u>
Increase in cash	50,136	101,658
Cash:		
Beginning	<u>493,495</u>	<u>391,837</u>
Ending	<u>\$ 543,631</u>	<u>\$ 493,495</u>

See notes to financial statements.

NATIONAL WRESTLING COACHES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2016 AND 2015

1. Nature of activities and summary of significant accounting policies:

Nature of activities:

The National Wrestling Coaches Association (the Association) is a national nonprofit membership organization dedicated to conducting amateur wrestling and other athletic activities, instituting and promoting educational programs and producing publications and videos for academic institutions at the collegiate and high school levels, as well as the general public, and supporting political and legal action to reduce the impact of Title IX on certain athletic activities in the near future and restore such activities to their prior status as a long-term goal.

Basis of presentation:

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) as codified in FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Association is required to report information regarding its financial position and activities in up to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Use of estimates:

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash concentration:

The Association maintains cash balances at two financial institutions. At June 30, 2016, cash balances did not exceed the Federal Deposit Insurance Corporation limit.

Receivables:

Receivables are stated at the amount management expects to collect from balances outstanding at year-end. Management determines the allowance for doubtful accounts by evaluating individual accounts and considering their financial condition, credit history and current economic conditions. Receivables are written off when deemed uncollectible. Recoveries of previously written off accounts receivable are recorded when received.

NATIONAL WRESTLING COACHES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2016 AND 2015

1. Nature of activities and summary of significant accounting policies (continued):

Revenue recognition:

The Association records operating support and revenue on an accrual basis. Contributions are recorded when they are received unconditionally at their fair value.

Deferred revenue and event deposits represent membership dues, ticket sales, hotel reservations and convention income paid in advance. Membership dues are being recognized over the related membership year. Ticket sales, hotel reservations and convention income are recognized once the event to which the sale pertains takes place.

Equipment, software and website depreciation:

It is the Association's policy to capitalize equipment and software, vehicle and website development costs over \$3,500. Equipment and software, vehicle and website development costs are stated at cost. Depreciation is being provided on the straight-line basis over the assets' estimated useful lives. Certain software and website development costs have been capitalized but will not begin to depreciate until the assets are placed into service. Amounts capitalized but not depreciated totaled \$71,639 and \$9,500 for June 30, 2016 and 2015, respectively.

Recognition of donor restricted contributions:

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Statements of cash flows:

The Association, for cash flow purposes, considers cash to be its checking accounts.

Functional expenses:

The expenses associated with programs, general and administrative and fundraising are reflected in the statement of activities. Certain costs have been allocated between programs, general and administrative and fundraising based upon management's estimates.

NATIONAL WRESTLING COACHES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2016 AND 2015

1. Nature of activities and summary of significant accounting policies (continued):

Tax status:

The Association has been recognized as exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state statutes and files Form 990, *Return of Organization Exempt from Income Tax*, on an annual basis.

Reclassification:

Certain amounts in the 2015 financial statements have been reclassified for comparative purposes to conform with the presentation in the 2016 financial statements.

Subsequent events:

The Association has evaluated subsequent events through November 16, 2016, the date that the financial statements were available to be issued.

2. Line of credit:

The Association has a \$125,000 unsecured line of credit which is renewable annually. It accrues interest at prime plus 1% and was 4.50% as of June 30, 2016. There was no outstanding balance at June 30, 2016 and 2015.

3. Office rent:

In January 2014, the Association rented office space under a lease agreement which calls for monthly payments of \$1,600. In addition to the monthly rent, the Association is responsible for paying 2.5% of the taxes assessed against the property. The lease term is for three years, expiring December 31, 2016. The lease contains two three-year renewal options with an increase of 5% to the rental payment at each lease renewal. The future minimum lease payments under the lease agreement are \$9,600.

Rent expense totaled \$25,945 and \$26,535 for the years ended June 30, 2016 and 2015, respectively.

NATIONAL WRESTLING COACHES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2016 AND 2015

4. Program services:

The Association provides the following program services:

	<u>2016</u>	<u>2015</u>
Membership activities - allows for the production and dissemination of amateur athletic news and the promotion of national amateur wrestling athletic activities.	\$ 88,028	\$ 85,470
Events - conducts national amateur wrestling athletic activities for academic institutions that incorporate wrestling into the educational process. Facilitates competitive opportunities for youth through college age, folk-style wrestling, which generates public awareness, recognition of wrestling excellence and education to the general wrestling community.	386,235	289,168
Coaches education - to develop proficiency in and with coaches, while providing educational opportunities for the general wrestling community. Provides guidance in and around the academic environment on several aspects of wrestling activities, encompassing weight management, nutrition, administration, leadership and technical knowledge.	858,201	859,061
Program entrenchment - the Association, in an effort to protect amateur wrestling, dedicates a considerable amount of time and resources to saving threatened interscholastic/intercollegiate wrestling programs and establishing new ones.	<u>148,075</u>	<u>143,428</u>
	<u>\$ 1,480,539</u>	<u>\$ 1,377,127</u>

NATIONAL WRESTLING COACHES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2016 AND 2015

5. Temporarily restricted net assets:

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2016</u>	<u>2015</u>
Coaches education	\$ 31,488	\$ 35,416
Program entrenchment	<u>10,505</u>	<u>10,505</u>
	<u>\$ 41,993</u>	<u>\$ 45,921</u>

Net assets released from temporary restriction were as follows:

	<u>2016</u>	<u>2015</u>
Program use restrictions accomplished:		
Coaches education	\$ 226,460	\$ 217,273
Program entrenchment	141,159	63,200
Event	29,050	54,000
OPC	<u>6,000</u>	<u>9,500</u>
	<u>\$ 402,669</u>	<u>\$ 343,973</u>

6. Retirement plan:

The Association has a defined contribution retirement plan, which covers all employees meeting certain age and service requirements. Employer matching contributions to the plan are based on 5% of eligible compensation. Contributions totaled \$16,487 and \$19,327 for 2016 and 2015, respectively.