

**NATIONAL WRESTLING  
COACHES ASSOCIATION**

**YEARS ENDED  
JUNE 30, 2017 AND 2016**



## 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, 2017 and 2016, 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, 2017 and 2016, 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  
December 20, 2017

**NATIONAL WRESTLING COACHES ASSOCIATION**

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Current assets:		
Cash	\$ 476,160	\$ 543,631
Receivables	120,544	81,657
Campaign pledges receivable	5,000	10,000
Prepaid expenses	<u>22,334</u>	<u>27,710</u>
Total current assets	<u>624,038</u>	<u>662,998</u>
Property and equipment:		
Equipment and software	14,764	63,944
Vehicle	11,615	12,800
Website development	493,595	493,595
Patent	<u>97,114</u>	<u>97,114</u>
	617,088	667,453
Less accumulated depreciation and amortization	<u>530,084</u>	<u>550,529</u>
Total property and equipment	<u>87,004</u>	<u>116,924</u>
Other assets, security deposit	<u>2,200</u>	<u>2,200</u>
Total assets	<u><u>\$ 713,242</u></u>	<u><u>\$ 782,122</u></u>

See notes to financial statements.

## LIABILITIES AND NET ASSETS

	2017	2016
Liabilities:		
Accounts payable	\$ 16,876	\$ 39,266
Event deposits	239,348	223,895
Deferred revenue	24,435	62,119
Director retirement enhancement		10,000
Total liabilities, all current	280,659	335,280
Net assets:		
Unrestricted	423,933	404,849
Temporarily restricted	8,650	41,993
Total net assets	432,583	446,842
Total liabilities and net assets	\$ 713,242	\$ 782,122

**NATIONAL WRESTLING COACHES ASSOCIATION**

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue and support:						
Membership dues	\$ 99,514		\$ 99,514	\$ 78,971		\$ 78,971
OPC registration fees	170,117		170,117	169,066		169,066
Contributions	580,132	\$ 344,700	924,832	474,152	\$ 398,741	872,893
Coaching development income	239,045		239,045	212,857		212,857
Event income	174,121		174,121	231,068		231,068
Other income	8,599		8,599	8,659		8,659
Corporate sponsors	152,875		152,875	109,500		109,500
Net assets released from restrictions	378,043	(378,043)	-	402,669	(402,669)	-
	<u>1,802,446</u>	<u>(33,343)</u>	<u>1,769,103</u>	<u>1,686,942</u>	<u>(3,928)</u>	<u>1,683,014</u>
Expenses:						
Programs	1,509,409		1,509,409	1,480,539		1,480,539
General and administrative	140,891		140,891	125,117		125,117
Fundraising	133,062		133,062	83,112		83,112
	<u>1,783,362</u>		<u>1,783,362</u>	<u>1,688,768</u>		<u>1,688,768</u>
Change in net assets	19,084	(33,343)	(14,259)	(1,826)	(3,928)	(5,754)
Net assets:						
Beginning	<u>404,849</u>	<u>41,993</u>	<u>446,842</u>	<u>406,675</u>	<u>45,921</u>	<u>452,596</u>
Ending	<u>\$ 423,933</u>	<u>\$ 8,650</u>	<u>\$ 432,583</u>	<u>\$ 404,849</u>	<u>\$ 41,993</u>	<u>\$ 446,842</u>

See notes to financial statements.

**NATIONAL WRESTLING COACHES ASSOCIATION**

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (14,259)	\$ (5,754)
Adjustments:		
Depreciation and amortization	41,535	47,114
(Increase) decrease in assets:		
Receivables	(38,887)	59,795
Prepaid expenses	5,376	(323)
Pledges receivable	5,000	20,000
Increase (decrease) in liabilities:		
Accounts payable	(22,390)	14,940
Event deposits	15,453	(44,541)
Deferred revenue	(37,684)	21,044
Director retirement enhancement	<u>(10,000)</u>	
Net cash provided by (used in) operating activities	<u>(55,856)</u>	<u>112,275</u>
Cash flows from investing activities:		
Website development costs		(62,139)
Purchase of property and equipment	<u>(11,615)</u>	
Net cash used in investing activities	<u>(11,615)</u>	<u>(62,139)</u>
Increase (decrease) in cash	(67,471)	50,136
Cash:		
Beginning	<u>543,631</u>	<u>493,495</u>
Ending	<u>\$ 476,160</u>	<u>\$ 543,631</u>

See notes to financial statements.

# **NATIONAL WRESTLING COACHES ASSOCIATION**

## **NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2017 AND 2016**

### **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.

#### *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, 2017 AND 2016**

### **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.

#### *Property and equipment and 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 \$9,500 and \$71,639 for June 30, 2017 and 2016, 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, 2017 AND 2016

### 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.

### 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 the interest rate was 5.25% as of June 30, 2017. There was no outstanding balance at June 30, 2017 and 2016.

### 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 original lease expired December 31, 2016. The Association exercised a three-year renewal option with a 3% rental payment increase, increasing the monthly payment to \$1,648. The renewed lease term is for three years, expiring December 31, 2019. The renewed lease contains two three-year renewal options with an increase of 3% and 5%, respectively, to the rental payment at each lease renewal. The future minimum lease payments under the current lease agreement are as follows:

Year ending June 30	
2018	\$ 19,776
2019	19,776
2020	<u>9,888</u>
Total	<u>\$ 49,440</u>

Rent expense totaled \$26,657 and \$25,945 for the years ended June 30, 2017 and 2016, respectively.

**NATIONAL WRESTLING COACHES ASSOCIATION**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2017 AND 2016

**4. Program services:**

The Association provides the following program services:

	<u>2017</u>	<u>2016</u>
Membership activities - allows for the production and dissemination of amateur athletic news and the promotion of national amateur wrestling athletic activities.	\$ 117,013	\$ 88,028
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.	401,453	386,235
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.	821,996	858,201
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>168,947</u>	<u>148,075</u>
	<u>\$ 1,509,409</u>	<u>\$ 1,480,539</u>

**NATIONAL WRESTLING COACHES ASSOCIATION**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2017 AND 2016

**5. Temporarily restricted net assets:**

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

	<u>2017</u>	<u>2016</u>
Coaches education		\$ 31,488
Program entrenchment	<u>\$ 8,650</u>	<u>10,505</u>
	<u>\$ 8,650</u>	<u>\$ 41,993</u>

Net assets released from temporary restriction were as follows:

	<u>2017</u>	<u>2016</u>
Program use restrictions accomplished:		
Coaches education	\$ 239,738	\$ 226,460
Program entrenchment	71,855	141,159
Event	61,450	29,050
OPC	<u>5,000</u>	<u>6,000</u>
	<u>\$ 378,043</u>	<u>\$ 402,669</u>

**6. Retirement plan:**

The Association has a defined contribution retirement plan, which covers all employees meeting certain age and service requirements. Employer contributions to the plan are based on 5% of eligible compensation. Contributions totaled \$18,516 and \$16,487 for 2017 and 2016, respectively.

## **NATIONAL WRESTLING COACHES ASSOCIATION**

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2017 AND 2016

#### **7. Subsequent events:**

On November 3, 2017, the Association and Wrestlers in Business Network, Inc. (WIBN) agreed to merge the WIBN into the Association, with the Association as the survivor of the merger, becoming the owner, without other transfer or assignment, of all the rights and properties of both parties, including all membership rights and subject to all the debts and liabilities of both parties. The assets of WIBN, including any future bequests to WIBN, shall be used to benefit the sport of wrestling consistent with the mission statement of the Association.

The Association has evaluated subsequent events through December 20, 2017, the date that the financial statements were available to be issued.