

**NATIONAL WRESTLING
COACHES ASSOCIATION**

**YEARS ENDED
JUNE 30, 2015 AND 2014**



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 (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, 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, 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.

Brown Schultz Steidman & Fritz

Lancaster, Pennsylvania
May 10, 2015

NATIONAL WRESTLING COACHES ASSOCIATION

STATEMENTS OF FINANCIAL POSITION – JUNE 30, 2015 AND 2014

ASSETS

	<u>2015</u>	<u>2014</u>
Cash	\$ 493,495	\$ 391,837
Receivables	141,452	23,719
Campaign pledges receivable	30,000	98,500
Prepaid expenses	27,387	8,745
	<u>692,334</u>	<u>522,801</u>
Equipment and software	54,444	54,444
Vehicle	12,800	12,800
Website	431,456	431,456
Patent	97,114	97,114
	<u>595,814</u>	<u>595,814</u>
Less accumulated depreciation and amortization	<u>503,415</u>	<u>442,423</u>
	<u>92,399</u>	<u>153,391</u>
Security deposit	2,200	2,200
Assets not yet placed in service, website development costs	<u>9,500</u>	<u>9,500</u>
	<u>11,700</u>	<u>11,700</u>
	<u><u>\$ 796,433</u></u>	<u><u>\$ 687,892</u></u>

See notes to financial statements.

LIABILITIES AND NET ASSETS

	<u>2015</u>	<u>2014</u>
Liabilities:		
Accounts payable	\$ 24,326	\$ 9,894
Event deposits	292,146	222,267
Deferred revenue	17,365	17,665
Director retirement enhancement	<u>10,000</u>	<u> </u>
Total liabilities	<u>343,837</u>	<u>249,826</u>
Net assets:		
Unrestricted	406,675	427,561
Temporarily restricted	<u>45,921</u>	<u>10,505</u>
Total net assets	<u>452,596</u>	<u>438,066</u>
Total liabilities and net assets	<u><u>\$ 796,433</u></u>	<u><u>\$ 687,892</u></u>

NATIONAL WRESTLING COACHES ASSOCIATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue and support:						
Membership dues	\$ 81,997		\$ 81,997	\$ 80,968		\$ 80,968
OPC registration fees	179,767		179,767	175,670		175,670
Contributions	471,249	\$ 379,389	850,638	384,768	\$ 344,580	729,348
Coaching development income	125,473		125,473	158,332		158,332
Event income	145,171		145,171	222,008		222,008
Other income	3,533		3,533	3,542		3,542
Corporate sponsors	180,500		180,500	244,250		244,250
Grant income	65,000		65,000	65,000		65,000
Net assets released from restrictions	343,973	(343,973)	-	343,230	(343,230)	-
	<u>1,596,663</u>	<u>35,416</u>	<u>1,632,079</u>	<u>1,677,768</u>	<u>1,350</u>	<u>1,679,118</u>
Expenses:						
Programs	1,377,127		1,377,127	1,455,659		1,455,659
General and administrative	137,939		137,939	140,498		140,498
Fund-raising	102,483		102,483	82,307		82,307
	<u>1,617,549</u>		<u>1,617,549</u>	<u>1,678,464</u>		<u>1,678,464</u>
Change in unrestricted net assets	<u>(20,886)</u>	<u>35,416</u>	<u>14,530</u>	<u>(696)</u>	<u>1,350</u>	<u>654</u>
Net assets:						
Beginning	427,561	10,505	438,066	428,257	9,155	437,412
Ending	<u>\$ 406,675</u>	<u>\$ 45,921</u>	<u>\$ 452,596</u>	<u>\$ 427,561</u>	<u>\$ 10,505</u>	<u>\$ 438,066</u>

See notes to financial statements.

NATIONAL WRESTLING COACHES ASSOCIATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Increase in net assets	\$ 14,530	\$ 654
Adjustments:		
Depreciation and amortization	60,992	62,394
Change in assets and liabilities:		
Receivables	(117,733)	(126)
Prepaid expenses	(18,642)	13,980
Pledges receivable	68,500	(8,500)
Security deposit		(2,200)
Accounts payable	14,432	(10,846)
Event deposits	69,879	57,091
Deferred revenue	(300)	3,338
Director retirement enhancement	<u>10,000</u>	
Net cash provided by operating activities and net increase in cash	101,658	115,785
Cash:		
Beginning	<u>391,837</u>	<u>276,052</u>
Ending	<u>\$ 493,495</u>	<u>\$ 391,837</u>

See notes to financial statements.

NATIONAL WRESTLING COACHES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 AND 2014

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 conformity 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, 2015, cash balances exceeded the Federal Deposit Insurance Corporation limit by \$28,947.

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, 2015 AND 2014

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, software and website acquisitions and improvements over \$3,500. Equipment, software and website are stated at cost. Depreciation is being provided on the straight-line basis over the assets' estimated useful lives.

Patent:

The Association has developed an optimal performance calculator program that is used by its members. This program is central to its business plan. The Association received approval of the patent during 2007 and the costs of the patent are being amortized over its remaining estimated useful life.

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.

NATIONAL WRESTLING COACHES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2015 AND 2014

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.

The Association is currently open to audit under the statute of limitations by the Internal Revenue Service for the tax reporting periods ended after June 30, 2012.

Subsequent events:

The Association has evaluated subsequent events through May 10, 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 4.25% as of June 30, 2015. There was no outstanding balance at June 30, 2015 and 2014.

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.

For the fiscal year ended June 30, 2014, the Association concluded a lease agreement (which began May 2010), which was less than the fair value of the rent expense. Due to this, the Association recorded in-kind contributions of \$6,200 for July 1 through December 31, 2013 fiscal year ended June 30, 2014, with a corresponding amount recorded for rent expense.

Rent expense totaled \$26,535 and \$18,746 for the years ended June 30, 2015 and 2014, respectively.

NATIONAL WRESTLING COACHES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2015 AND 2014

3. Office rent (continued):

The future minimum lease payments under the lease agreement are as follows:

2016	\$ 19,200
2017	9,600

4. Program services:

The Association provides the following program services:

	<u>2015</u>	<u>2014</u>
Membership activities - allows for the production and dissemination of amateur athletic news and the promotion of national amateur wrestling athletic activities.	\$ 85,470	\$ 85,339
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.	289,168	409,640
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.	859,061	811,162
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>143,428</u>	<u>149,518</u>
	<u>\$ 1,377,127</u>	<u>\$ 1,455,659</u>

NATIONAL WRESTLING COACHES ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2015 AND 2014

5. Temporarily restricted net assets:

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

	<u>2015</u>	<u>2014</u>
Purpose restricted, program entrenchment	<u>\$ 45,921</u>	<u>\$ 10,505</u>

Net assets released from temporary restriction were as follows:

	<u>2015</u>	<u>2014</u>
Program use restrictions accomplished:		
Coaches education	\$ 217,273	\$ 246,730
Program entrenchment	63,200	8,000
Event	54,000	56,000
OPC	<u>9,500</u>	<u>32,500</u>
	<u>\$ 343,973</u>	<u>\$ 343,230</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 \$19,327 and \$15,952 for 2015 and 2014, respectively.