

**UNITED STATES ASSOCIATION OF
BLIND ATHLETES, INC.**

**Financial Statements &
Supporting Schedules**

For the Year Ended December 31, 2015

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
United States Association of
Blind Athletes, Inc.
Colorado Springs, Colorado

We have audited the accompanying financial statements of United States Association of Blind Athletes, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and changes in net assets and of cash flows for the year 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 audit. We conducted our audit 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 of 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 United States Association of Blind Athletes, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the United States Association of Blind Athletes, Inc.'s 2014 financial statements, and our report dated April 20, 2015, 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, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program and supporting services are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Waugh & Goodwin, LLP

Colorado Springs, Colorado

April 14, 2016

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.
Statement of Financial Position
December 31, 2015
(With Comparative Amounts for 2014)

	<u>ASSETS</u>	
	<u>2015</u>	<u>2014</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 313,329	\$ 236,872
Accounts receivable	259,500	16,911
Prepaid expenses	<u>7,511</u>	<u>3,181</u>
Total current assets	580,340	256,964
LONG-TERM INVESTMENTS	370,584	363,556
FURNITURE AND EQUIPMENT:		
Athletic equipment	51,070	51,070
Teraflex floor	33,288	33,288
Less accumulated depreciation	<u>(49,003)</u>	<u>(43,612)</u>
Furniture and equipment - net	<u>35,355</u>	<u>40,746</u>
TOTAL ASSETS	<u>\$ 986,279</u>	<u>\$ 661,266</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 43,837	\$ 109,268
Payable to athletes	95,468	87,304
Accrued payroll liabilities	<u>3,046</u>	<u>2,941</u>
Total liabilities	142,351	199,513
NET ASSETS:		
Unrestricted	335,916	433,651
Temporarily restricted	<u>508,012</u>	<u>28,102</u>
Total net assets	<u>843,928</u>	<u>461,753</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 986,279</u>	<u>\$ 661,266</u>

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2015
(With Comparative Totals for 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Totals</u>	<u>2014 Totals</u>
REVENUE:				
Contributions & bequests	\$ 115,220	\$ 391,309	\$ 506,529	\$ 140,039
USOC grants	207,800		207,800	530,689
Grants	123,914	213,120	337,034	102,600
Paralympic outreach	163,468		163,468	
Athlete registrations	79,106		79,106	16,701
Corporate sponsorship	68,308		68,308	55,000
In-kind contributions	51,435		51,435	56,940
Fundraising events	32,043		32,043	24,211
Membership dues	16,900		16,900	13,856
Merchandise sales, net of cost of goods sold of \$1,952 and \$3,830	11,489		11,489	2,561
Interest & dividends	2,197		2,197	3,350
Realized & unrealized gains losses on investments	(5,061)		(5,061)	11,886
Other income				4,275
Satisfied program restrictions	<u>124,519</u>	<u>(124,519)</u>		
Total revenue	991,338	479,910	1,471,248	962,108
EXPENSES:				
Program services:				
Development	369,112		369,112	224,905
Athlete events	346,601		346,601	455,039
Membership	166,020		166,020	136,156
Coaches/referees	<u>32,402</u>		<u>32,402</u>	<u>37,706</u>
Total program services	914,135		914,135	853,806
Supporting services:				
General & administrative	130,985		130,985	120,358
Fundraising	<u>43,953</u>		<u>43,953</u>	<u>36,425</u>
Total supporting services	<u>174,938</u>		<u>174,938</u>	<u>156,783</u>
Total expenses	<u>1,089,073</u>		<u>1,089,073</u>	<u>1,010,589</u>
CHANGE IN NET ASSETS	(97,735)	479,910	382,175	(48,481)
NET ASSETS, beginning of year	<u>433,651</u>	<u>28,102</u>	<u>461,753</u>	<u>510,234</u>
NET ASSETS, end of year	<u>\$ 335,916</u>	<u>\$ 508,012</u>	<u>\$ 843,928</u>	<u>\$ 461,753</u>

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.
Statement of Cash Flows
December 31, 2015
(With Comparative Amounts for 2014)

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 382,175	\$ (48,481)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	5,391	5,017
Net unrealized and realized (gains) losses on investments	5,061	(11,886)
Changes in assets and liabilities:		
Increase in accounts receivable	(242,589)	(6,389)
Increase in prepaid expenses	(4,330)	9,883
Decrease in accounts payable	(65,431)	3,679
Increase in payable to athletes	8,164	39,890
Increase in payroll liabilities	105	284
Total adjustments	<u>(293,629)</u>	<u>40,478</u>
Net cash provided (used) by operating activities	88,546	(8,003)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of assets		(4,995)
Change in investments, net	<u>(12,089)</u>	<u>(3,116)</u>
Net cash used by investing activities	<u>(12,089)</u>	<u>(8,111)</u>
NET INCREASE (DECREASE) IN CASH	76,457	(16,114)
CASH AND CASH EQUIVALENTS, beginning of year	<u>236,872</u>	<u>252,986</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 313,329</u>	<u>\$ 236,872</u>

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.

Notes to Financial Statements

For the Year Ended December 31, 2015

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The United States Association of Blind Athletes, Inc. (Association) is the national governing body for blind athletes, making it responsible for the promotion and development of athletic competitions in the United States.

Cash and Cash Equivalents

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

Depreciation

Assets are recorded at cost and depreciated using the straight-line method over estimated useful lives of five years. Depreciation expense amounted to \$5,391 and \$5,017 for the years ended December 31, 2015 and 2014, respectively.

Use of Estimates in Preparation of Financial Statements

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.

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.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Donated Services

The Association recognizes donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation. During the years ended December 31, 2015 and 2014, \$23,145 and \$28,650, respectively, were recorded for donated goalball coaching and referee services, accounting services, and printing services.

Income Tax

The Association 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 Association's form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after it is filed. Management of the Association believes that it does not have any uncertain tax positions that are material to the financial statements.

Prior-year Comparisons

The financial statements include certain prior-year summarized comparative information in total but not by net asset or functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 14, 2016, the date that the financial statements were available to be issued.

Notes to Financial Statements

B. INVESTMENTS

The Association applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following tables present assets that are measured at fair value on a recurring basis at December 31, 2015 and 2014:

Assets at Fair Value as of December 31, 2015

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
USOE investment	\$ _____	\$ 370,584	\$ _____	\$ 370,584

Assets at Fair Value as of December 31, 2014

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
USOE investment	\$ _____	\$ 363,556	\$ _____	\$ 363,556

Notes to Financial Statements

B. INVESTMENTS - Continued

The USOE Investment consists of units in a pooled portfolio managed by the United States Olympic Endowment (USOE). At December 31, 2015, the USOE portfolio consisted of the following types of securities:

Alternative investments	33.58%
Domestic equities	27.34
International equities	24.47
Domestic bonds	7.01
Cash and cash equivalents	4.21
International bonds	2.81
Convertible securities	<u>.58</u>
	<u>100.00%</u>

C. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Resident program	\$ 412,559	\$ 21,250
WellPoint grant	89,601	
Copeland Scholarship Fund	<u>5,852</u>	<u>6,852</u>
	<u>\$ 508,012</u>	<u>\$ 28,102</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the year ended December 31, 2015, \$1,000 was released for Copeland scholarships and \$123,519 for WellPoint grant expenses.

The United States Association of Blind Athletes is developing a Goalball Center of Excellence in Ft. Wayne, Indiana. The Association's goal, through the support of grants and donations, is to purchase one or two homes that will allow United States Association of Blind Athletes to offer a limited number of elite and pre-elite Goalball athletes a full-time residency program that will support high performance goalball training, while integrating college education or employment opportunities. United States Association of Blind Athletes will partner with Turnstone, a non-profit organization in Ft. Wayne, whose mission is to provide therapeutic, educational, wellness and recreation programs which empower people with disabilities. Through the Association's funding efforts and its relationship with Turnstone, it plans to develop a long-term United States Association of Blind Athletes Goalball Center of Excellence which invests in sustaining a training program for future Paralympic goalball athletes.

Notes to Financial Statements

D. RELATED PARTY TRANSACTIONS

The United States Olympic Committee (USOC) provided grants to the Association as follows:

	<u>2015</u>	<u>2014</u>
High Performance grants	\$ 167,800	\$ 167,800
Paralympic outreach		327,889
P&G grant	15,000	20,000
Special grant	<u>25,000</u>	<u>15,000</u>
	<u>\$ 207,800</u>	<u>\$ 530,689</u>

The Association is economically dependent on the funding it receives from the USOC to maintain its goalball high performance program at the current level.

E. IN-KIND CONTRIBUTIONS

In 2011, the Association moved into the USOC Sport Building at a discounted rental rate. In-kind revenue and rent expense of \$28,290 has been recorded for the years ended December 31, 2015 and 2014, in order to properly reflect the value of this contribution in the financial statements.

In addition, the Association receives in-kind donations from several sponsors. These donations, which include printing, promotions, meals, lodging, and the use of interns, have been recorded as revenue and expenses in the accompanying financial statements. Also included in the in-kind contributions are the donated services referred to in Note A of \$23,145 and \$28,650 for the years ended December 31, 2015 and 2014, respectively.

F. PENSION PLAN

The Association has a 403(b) retirement savings plan covering eligible employees. Employees may voluntarily contribute to the plan, subject to statutory limitations. The Association matches 50% of the employees' contribution up to a maximum of 3% of compensation. Retirement plan expense for the years ending December 31, 2015 and 2014, amounted to \$7,462 and \$4,741, respectively.

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.
Schedule of Program Services
For the Year Ended December 31, 2015

	Development	Athlete Events	Membership	Coaches/ Referees	Total
Awards	\$ 474	\$ 2,287	\$ 3,445	\$	\$ 6,206
Consultants/volunteers		2,825	10,000		12,825
Database management			808		808
Depreciation	5,391				5,391
Equipment rental			672		672
Insurance	664		18,722		19,386
Meals & lodging	71,934	62,908	14,175	1,266	150,283
Miscellaneous			35		35
Officials				23,145	23,145
Payroll taxes	3,054	5,954	4,862		13,870
Postage	2,902	844	485		4,231
Printing & recording		67	24,078		24,145
Registration & entry fees	17,906	11,617	3,143	86	32,752
Salaries	39,926	78,882	63,555		182,363
Scholarships			500		500
Stipends	27,956		1,236		29,192
Supplies	36,378	149,991	12,970		199,339
Telephone	2,394	171	2,247		4,812
Travel	153,929	25,682	5,087	7,905	192,603
Uniforms	6,204	5,373			11,577
	<u>\$ 369,112</u>	<u>\$ 346,601</u>	<u>\$ 166,020</u>	<u>\$ 32,402</u>	<u>\$ 914,135</u>

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.
Schedule of Supporting Services
For the Year Ended December 31, 2015

	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Accounting	\$ 9,740	\$	\$ 9,740
Awards		125	125
Bank charges	2,927		2,927
Insurance	14,408		14,408
Meals & lodging		3,818	3,818
Miscellaneous	195		195
Payroll taxes	1,649	4,879	6,528
Postage	534	342	876
Printing & recording	393		393
Registration & entry fees	2,020	1,041	3,061
Rent	32,442		32,442
Retirement plan	7,462		7,462
Salaries	52,462	32,874	85,336
Supplies	4,101	838	4,939
Telephone	2,595		2,595
Travel	57	36	93
	<u>\$ 130,985</u>	<u>\$ 43,953</u>	<u>\$ 174,938</u>