

**UNITED STATES OF AMERICA WRESTLING
ASSOCIATION**

d/b/a USA Wrestling

**Financial Statements &
Supplemental Schedules**

For the Year Ended August 31, 2016

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
United States of America Wrestling Association
d/b/a USA Wrestling
Colorado Springs, Colorado

We have audited the accompanying financial statements of United States of America Wrestling Association, d/b/a USA Wrestling (a nonprofit organization), which comprise the statement of financial position as of August 31, 2016, and the related statements of activities and 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 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 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 of America Wrestling Association, d/b/a USA Wrestling, as of August 31, 2016, 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 of America Wrestling Association's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2015, 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 supplemental schedules of program services and of 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
November 28, 2016

UNITED STATES OF AMERICA WRESTLING ASSOCIATION
d/b/a USA WRESTLING

Statement of Financial Position

August 31, 2016

(With Comparative Amounts for 2015)

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,534,336	\$ 3,021,954
Short-term investments	4,089,594	3,906,834
Accounts receivable, net	883,338	215,601
Due from the USOC	74,614	
Pledges receivable		30,000
Inventory	69,196	75,195
Prepaid expenses	<u>243,155</u>	<u>917,894</u>
Total current assets	8,894,233	8,167,478
PROPERTY AND EQUIPMENT:		
Furniture and equipment	477,186	578,138
Building and improvements	434,231	434,231
Wrestling room improvements	222,611	222,611
Land	71,416	71,416
Less accumulated depreciation	<u>(771,186)</u>	<u>(802,814)</u>
Property and equipment, net	434,258	503,582
TOTAL ASSETS	<u>\$ 9,328,491</u>	<u>\$ 8,671,060</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 1,097,191	\$ 1,134,250
Due to the USOC	759,825	76,520
Deferred revenue	<u>638,131</u>	<u>1,588,927</u>
Total current liabilities	2,495,147	2,799,697
NET ASSETS:		
Unrestricted	546,190	(462,120)
Unrestricted - Board designated	1,512,433	1,484,212
Temporarily restricted	<u>4,774,721</u>	<u>4,849,271</u>
Total net assets	6,833,344	5,871,363
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,328,491</u>	<u>\$ 8,671,060</u>

See Notes to Financial Statements

UNITED STATES OF AMERICA WRESTLING ASSOCIATION
d/b/a USA WRESTLING
Statement of Activities and Changes in Net Assets
For the Year Ended August 31, 2016
(With Comparative Totals for 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Totals</u>	<u>2015 Totals</u>
SUPPORT AND REVENUE:				
Events and educational programs	\$ 6,561,357	\$	\$ 6,561,357	\$ 1,597,731
Membership	5,496,630		5,496,630	5,103,531
Grants and contributions	761,750	2,220,328	2,982,078	2,055,864
USOC grants	1,190,528		1,190,528	1,025,033
Corporate sponsorship	652,161		652,161	638,419
Tour and program revenue	553,330		553,330	864,867
USOC digital media	300,000		300,000	300,000
Royalties	217,035		217,035	211,903
Investment income (loss)	30,720	181,818	212,538	(127,326)
Development broadcasting	100,500		100,500	314,820
Newspaper and internet income	89,301		89,301	92,689
Other	43,938		43,938	81,942
Satisfied program restrictions	<u>2,476,696</u>	<u>(2,476,696)</u>	<u> </u>	<u> </u>
Total support and revenue	18,473,946	(74,550)	18,399,396	12,159,473
EXPENSES:				
Program services:				
Events and educational programs	6,362,556		6,362,556	2,727,327
National Team	6,158,607		6,158,607	5,512,891
Membership	3,364,073		3,364,073	3,404,573
Promotions and sport development	<u>589,107</u>	<u> </u>	<u>589,107</u>	<u>566,738</u>
Total program services	16,474,343		16,474,343	12,211,529
Supporting services:				
General and administrative	589,887		589,887	531,285
Marketing and fundraising	<u>373,185</u>	<u> </u>	<u>373,185</u>	<u>140,720</u>
Total supporting services	<u>963,072</u>	<u> </u>	<u>963,072</u>	<u>672,005</u>
Total expenses	<u>17,437,415</u>	<u> </u>	<u>17,437,415</u>	<u>12,883,534</u>
CHANGE IN NET ASSETS	1,036,531	(74,550)	961,981	(724,061)
NET ASSETS, beginning of year	<u>1,022,092</u>	<u>4,849,271</u>	<u>5,871,363</u>	<u>6,595,424</u>
NET ASSETS, end of year	<u>\$ 2,058,623</u>	<u>\$ 4,774,721</u>	<u>\$ 6,833,344</u>	<u>\$ 5,871,363</u>

See Notes to Financial Statements

UNITED STATES OF AMERICA WRESTLING ASSOCIATION
d/b/a USA WRESTLING

Statement of Cash Flows

For the Year Ended August 31, 2016

(With Comparative Amounts for 2015)

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 961,981	\$ (724,061)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	70,700	52,937
Loss on disposal of equipment	388	
Restricted investment (income) loss	(181,818)	116,959
Restricted contributions	(2,220,328)	(1,908,890)
Realized gain on investments	(50,232)	(110,469)
Unrealized gain (loss) on investments	(86,732)	266,871
Decrease (increase) in assets:		
Accounts receivable	(667,737)	46,396
Due from the USOC	(74,614)	101,623
Inventory	5,999	3,593
Prepaid expenses	674,739	(541,484)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(37,059)	87,821
Due to the USOC	683,305	44,785
Deferred revenue	(950,796)	1,184,196
Total adjustments	<u>(2,834,185)</u>	<u>(655,662)</u>
Net cash used by operating activities	(1,872,204)	(1,379,723)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Short-term investments, net	(45,796)	1,345
Acquisition of property and equipment	<u>(1,764)</u>	<u>(226,957)</u>
Net cash used by investing activities	(47,560)	(225,612)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Restricted investment income	181,818	(116,959)
Pledges receivable, net	30,000	178
Restricted contributions	<u>2,220,328</u>	<u>1,908,890</u>
Net cash provided by financing activities	<u>2,432,146</u>	<u>1,792,109</u>
NET INCREASE IN CASH	512,382	186,774
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,021,954</u>	<u>2,835,180</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 3,534,336</u>	<u>\$ 3,021,954</u>

See Notes to Financial Statements

UNITED STATES OF AMERICA WRESTLING ASSOCIATION
d/b/a USA WRESTLING

Notes to Financial Statements

For the Year Ended August 31, 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

United States of America Wrestling Association (the Association) is the national governing body for the sport of wrestling, making it responsible for the promotion and development of its members in the United States.

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. The Association is not a private foundation.

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 August 31, 2015, from which the summarized information was derived.

Certain reclassifications have been made to the prior-year amounts in order to conform to the current year financial statement format.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Association's checking and money market accounts. Balances in business accounts are federally insured up to \$250,000. The financial institution has collateralized the Association's sweep accounts by pledging 102% of the balances on deposit with securities backed by agencies of the federal government, as required by current law. In the event of a bank failure, the Association might only be able to recover the amounts insured and collateralized.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Inventory

Inventory is stated at the lower of cost (first-in, first out method) or market and consists of uniforms.

Accounts Receivable

The Association has recorded accounts receivable at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. An allowance for doubtful accounts of \$2,800 and \$0 was recorded at August 31, 2016 and 2015, respectively.

Depreciation

Furniture and equipment are recorded at cost. The Association capitalizes all assets that have an original cost or fair market value of \$1,000 or greater. Depreciation is recorded using the straight-line method over the estimated useful lives for each asset as follows:

	<u>Years</u>
Furniture and equipment	3-7
Building	40

Depreciation expense for the years ended August 31, 2016 and 2015 was \$70,700 and \$52,937, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

Contributed Services

The Association receives a substantial amount of donated services in carrying out the Association's programs. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under FASB ASC 958.

Membership Revenue

Membership revenue is recognized as revenue in the corresponding year of the license and consists of the following:

	<u>2016</u>	<u>2015</u>
Athlete registrations	\$ 3,627,359	\$ 3,565,838
Non-athlete registrations	<u>1,869,271</u>	<u>1,537,693</u>
	<u>\$ 5,496,630</u>	<u>\$ 5,103,531</u>

Income Taxes

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 the date it was filed. Management of the Association believes that it does not have any uncertain tax positions that are material to the financial statements.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates in the 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.

Supplemental Cash Flow Information

During the years ended August 31, 2016 and 2015, the Association paid no interest or income taxes.

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through November 28, 2016, the date that the financial statements were available to be issued.

B. FAIR VALUE MEASUREMENTS

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.

Notes to Financial Statements

B. FAIR VALUE MEASUREMENTS - Continued

The level in the fair value hierarchy within which a fair value 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 August 31, 2016 and 2015:

<u>Assets at Fair Value as of August 31, 2016</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 73,317	\$	\$	\$ 73,317
Mutual funds	1,337,967			1,337,967
Equities	642,675			642,675
Corporate bonds	202,081			202,081
Government bonds	125,436			125,436
USOE pooled funds		1,708,118		1,708,118
	<u>\$ 2,381,476</u>	<u>\$ 1,708,118</u>	<u>\$</u>	<u>\$ 4,089,594</u>

<u>Assets at Fair Value as of August 31, 2015</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 156,056	\$	\$	\$ 156,056
Mutual funds	1,238,642			1,238,642
Equities	616,551			616,551
Corporate bonds	149,952			149,952
Government bonds	100,278			100,278
USOE pooled funds		1,645,355		1,645,355
	<u>\$ 2,261,479</u>	<u>\$ 1,645,355</u>	<u>\$</u>	<u>\$ 3,906,834</u>

The United States Olympic Endowment (USOE) investment consists of units in a pooled portfolio managed by the USOE. At August 31, 2016, the USOE portfolio consisted of the following types of securities:

Alternative investments	37.30%
Domestic equities	30.37
International equities	20.55
Domestic bonds	6.89
International bonds	2.99
Cash & cash equivalents	<u>1.90</u>
	<u>100.00%</u>

Notes to Financial Statements

B. FAIR VALUE MEASUREMENTS - Continued

Some investments are exposed to various risks that may cause their reported fair values to fluctuate from period to period and could materially affect the recorded amount of investments in the Association's financial statements. Investments in equity securities fluctuate in value in response to many factors, such as the activities and financial condition of individual companies, general business and industry market conditions and the state or perceived direction of the economy. The values of debt securities fluctuate in response to changing interest rates, credit worthiness of issuers, and overall economic policies that impact market conditions. The values of certain investments, such as hedge funds, can fluctuate in response to direct market conditions and other factors that may or may not have a high correlation to overall market direction. Though the market values of investments are subject to fluctuation, management believes that the investment policy is prudent for the long-term welfare of the Association.

Investment income (loss) consists of the following at August 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 75,574	\$ 29,076
Realized gains on securities	50,232	110,469
Unrealized gains (losses) on securities	<u>86,732</u>	<u>(266,871)</u>
	<u>\$ 212,538</u>	<u>\$ (127,326)</u>

C. PLEDGES RECEIVABLE

Pledges receivable represent promises to give which have been made by donors but have not yet been received by the Association.

During the years ended August 31, 2016 and 2015, the Association collected \$30,000 and \$31,919 respectively, on pledges which had been recognized as support in previous years.

Notes to Financial Statements

D. DEFERRED REVENUE

Deferred revenue consists of the following at August 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Membership	\$ 225,658	\$ 199,192
USOC grants	262,111	111,456
USOC digital media	100,000	100,000
Tour & participant revenue	23,090	8,743
Sponsorship	20,885	125,113
High performance revenue	6,387	4,462
World Championships	<u> </u>	<u>1,039,961</u>
	<u>\$ 638,131</u>	<u>\$ 1,588,927</u>

E. OPERATING LEASES

The Association leases a mailing system under an operating lease through September 2017. This lease requires monthly payments of \$846.

The Association also leases a vehicle under an operating lease through December 2017. This lease requires monthly payments of \$750.

Future minimum lease payments for the years ended August 31 are as follows:

2017	\$ 19,155
2018	3,096

F. BOARD DESIGNATED NET ASSETS

In prior years, the Board of Directors established separate cash and investment accounts for the purpose of creating an operating reserve and a reserve for future increases in insurance costs. During the year ended August 31, 2015, the Board approved releasing the Board restricted insurance reserve to be used for operating expenses.

The Board designated net assets amount to the following at August 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Operating reserve	<u>\$ 1,512,433</u>	<u>\$ 1,484,212</u>

Any use of the operating reserve requires approval by a two-thirds majority vote of the Board of Directors.

Notes to Financial Statements

G. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at August 31, 2016 and 2015, consist of the following:

	<u>2016</u>	<u>2015</u>
Capital campaign	\$ 4,341,549	\$ 4,160,054
Multiple medal incentive program	111,530	132,217
Freestyle men's program	93,150	223,000
Greco Roman programs	90,630	221,458
Living the Dream program	86,309	4,242
Kiki-Greco Roman programs	50,950	50,950
Athlete appearance donation	603	
Freestyle women's program		39,000
USOC Proctor & Gamble Youth Sports		18,225
Beat the Streets program		125
	<u>\$ 4,774,721</u>	<u>\$ 4,849,271</u>

The capital campaign donations are restricted for the national team and at-risk youth programs.

Net assets are released from donor restriction by incurring expenses that satisfy the restricted purpose. During the years ended August 31, 2016 and 2015, net assets were released from restrictions as follows:

	<u>2016</u>	<u>2015</u>
Living the Dream program	\$ 553,138	\$ 65,311
Freestyle World Cup event	552,421	562,237
Athlete stipends	317,600	51,000
Greco Roman other programs	156,203	99,586
Freestyle other programs	113,162	80,333
Freestyle Olympics/training	108,000	
Freestyle Jr. tournaments/training	64,400	
USWF CSOTC Residents program	58,736	45,232
Freestyle international competitions	49,900	
Athlete appearance donation	49,397	50,000
Coaching support	48,097	50,038
Greco Roman Olympics	45,000	
Freestyle individual training	43,800	7,000
Women's Cadet & Junior camps	40,225	30,000
World Championships	40,000	
Freestyle pre-World tour	32,000	
USOC Proctor & Gamble Youth Sports	25,725	34,465
Women's other programs	21,300	43,849
Multiple medal incentive program	20,877	3,206
Freestyle national team program	20,800	
Freestyle fall Russia tour	18,000	13,000

Notes to Financial Statements

G. TEMPORARILY RESTRICTED NET ASSETS - Continued

	<u>2016</u>	<u>2015</u>
Women's individual international competitions	18,000	
National team programs	14,440	
Greco Roman pre-Worlds/pre-Olympics	13,000	
Olympic solidarity grant	12,000	
Wrestling room improvements	11,050	180,681
Freestyle Pan Am games	9,700	
Women's Olympics/training	6,400	
Greco Roman tour travel	6,000	3,500
Freestyle World Championships	5,000	50,000
Women's World Championships	2,200	40,000
Beat the Streets	125	130
Greco Roman World Championship		45,500
Capital campaign		35,465
Freestyle development program		25,502
Freestyle pre-Olympics		13,000
Women's fall Russia tour		11,000
Keep Wrestling in the Olympics		3,000
	<u>\$ 2,476,696</u>	<u>\$ 1,543,035</u>

H. RELATED PARTY TRANSACTIONS

During the years ended August 31, 2016 and 2015, the United States Olympic Committee (USOC) provided grants to the Association under the following categories:

	<u>2016</u>	<u>2015</u>
NGB funding	\$ 1,026,681	\$ 949,771
International relations grant	75,500	19,566
Value in-kind	62,347	55,696
Special projects grant	26,000	
	<u>\$ 1,190,528</u>	<u>\$ 1,025,033</u>

In addition to the above grants, the Association recognized \$300,000 for revenue received from the USOC for its digital media agreement during both years ended August 31, 2016 and 2015. The agreement is effective through December 31, 2016.

The USOC also provides significant value in-kind support in the form of room and board at the Olympic Training Center in Colorado Springs to support resident athlete programs and a number of camps. No amount has been reflected in these financial statements for this support.

Notes to Financial Statements

H. RELATED PARTY TRANSACTIONS - Continued

At August 31, 2016 and 2015, the Association had receivables from the USOC of \$74,614 and \$0, respectively, for amounts due under the above grants. At August 31, 2016 and 2015, the Association owed the USOC \$759,825 and \$76,520, respectively, for Olympic Training Center expenses, as well as expenses related to the Rio Olympics in 2016.

The USOC paid stipends directly to athletes in the years ended August 31, 2016 and 2015.

During the year ended August 31, 2016, the USOC also paid the Association \$125,000 to conduct the 2016 U.S. Olympic Team Trials for the sport of wrestling. This amount is included in the accompanying statement of activities as events and educational program revenue.

The Association is economically dependent upon grants from the USOC in order to maintain its programs at current levels.

I. PENSION PLAN

The Association has a tax sheltered annuity pension plan that covers substantially all of its employees. The plan allows employer and employee contributions. During the years ended August 31, 2016 and 2015, pension expense for employer contributions amounted to \$153,969 and \$146,753, respectively.

J. COMMITMENTS AND CONTINGENCIES

The Association has been named as a defendant in several lawsuits. Management believes that either these lawsuits are without merit or will be covered by insurance.

In a prior year, the Association had entered into a five year agreement for an online membership and event registration utility that required the Association to pay implementation and subscription fees over the term of the agreement, which was September 1, 2014 through August 31, 2019. During the year ended August 31, 2016, the Association and the company agreed to terminate this agreement, thereby releasing the Association and company from all rights and obligations under the initial agreement.

UNITED STATES OF AMERICA WRESTLING ASSOCIATION
d/b/a USA WRESTLING
Schedule of Program Services
For the Year Ended August 31, 2016

	Events and Educational Programs	National Team	Membership	Promotions & Sport Development	Total
Accident insurance	\$	\$	\$ 879,158	\$	\$ 879,158
Apparel	31,794	24,306			56,100
Athlete assistance		1,359,901			1,359,901
Bad debt expense	439	1,284	744		2,467
Bank charges & fees	8,154	15,552	162,613	578	186,897
Communications	16,188	17,521	10,291		44,000
Depreciation	9,067	34,053	6,827		49,947
Dues & subscriptions	201	586	339		1,126
Education expenses		12,132			12,132
Event expenses	50,548	1,949		66,427	118,924
Gifts & awards	115,687	3,644	4,525		123,856
Hospitality & protocol	460,894	4,247	8,016		473,157
Insurance	7,729	48,252	29,020		85,001
Internet/bracketing	34,724		8,199		42,923
Liability insurance			547,292		547,292
Maintenance & repair	1,971	8,599	3,335		13,905
Medical expenses		2,377			2,377
Occupancy	4,076	11,913	6,898		22,887
Office activities	6,565	16,875	9,771		33,211
Other expenses	44,936	114,397	17,555	936	177,824
Other professional fees	14,505	20,476	11,854		46,835
Outside services & honoraria	527,499	262,231	81,653	7,729	879,112
Postage & shipping	23,143	17,993	203,384		244,520
Printing	26,992	4,335	26,265	12	57,604
Production costs	3,218		172,404	176,580	352,202
Professional development	19	57	33		109
Promotions & publicity	113,007	215	13,924	29,538	156,684
Recruiting	918	2,683	1,553		5,154
Salaries, benefits & payroll taxes	728,923	1,998,522	861,650		3,589,095
Site costs	1,081,477	11,515	606		1,093,598
State association expense			156,745		156,745
Supplies & equipment	16,631	141,835	28,895		187,361
Trainers	25,805	2,100			27,905
Travel & lodging	2,492,351	1,951,002	110,083	307,307	4,860,743
UWW & international relations	508,403				508,403
Visas & UWW licenses	6,692	68,055	441		75,188
	<u>\$ 6,362,556</u>	<u>\$ 6,158,607</u>	<u>\$ 3,364,073</u>	<u>\$ 589,107</u>	<u>\$ 16,474,343</u>

UNITED STATES OF AMERICA WRESTLING ASSOCIATION
d/b/a USA WRESTLING
Schedule of Supporting Services
For the Year Ended August 31, 2016

	<u>General & Administrative</u>			
	<u>National</u>	<u>Board of</u>	<u>Marketing &</u>	
	<u>Office</u>	<u>Directors &</u>	<u>Fundraising</u>	<u>Total</u>
	\$	\$	\$	\$
Advertising			434	434
Bad debt expense	541		372	913
Bank & credit card fees	6,548		4,962	11,510
Communications	8,179	1,646	8,398	18,223
Depreciation	4,965		3,413	8,378
Dues & subscriptions	247		170	417
Employee recruitment	1,130		777	1,907
Gifts & awards		3,357	279	3,636
Insurance	3,252	5,526	2,236	11,014
Legal & accounting fees	8,621		5,928	14,549
Maintenance & repair	2,426		1,668	4,094
Occupancy	21,668		3,448	25,116
Office activities	7,106		4,885	11,991
Other expenses	8,912	6,700	1,357	16,969
Other professional fees	15,000			15,000
Outside services	5,754		3,956	9,710
Postage & shipping	7,577	55	6,492	14,124
Printing	1,461	564	1,645	3,670
Professional development	24		16	40
Promotions, hospitality & protocol	51,963	10,872	50,018	112,853
Salaries, benefits & payroll taxes	272,740		187,508	460,248
Sponsor and employee relations			44,918	44,918
Supplies	5,016		587	5,603
Travel & lodging	90,136	31,609	39,718	161,463
UWW & international relations	6,292			6,292
	<u>\$ 529,558</u>	<u>\$ 60,329</u>	<u>\$ 373,185</u>	<u>\$ 963,072</u>