

USA Track & Field, Inc.,  
Southern California Association  
(A Nonprofit Organization)

Financial Statements  
and  
Independent Accountant's Review Report

For the Year Ended December 31, 2015

13215 Penn Street, Suite 101  
Whittier, CA 90602-4719  
(562) 698-9891 • Fax (562) 698-0428

2511 Huntington Drive  
San Marino, CA 91108-2603  
(626) 795-9376 • Fax (626) 795-0114



Certified Public Accountants

[www.acpa4u.com](http://www.acpa4u.com)

Richard Scrivanich, CPA  
Debi L. Rhinehart, CPA  
Valerie G. Sullivan, CPA  
Gregg McGinley, CPA

*Retired*  
Michael E. Parmelee, CPA  
Wayne L. Harvey, CPA Inactive  
Genno S. Coppa, CPA Inactive

To the Board of Directors of  
USA Track & Field, Inc., Southern California Association  
Santa Fe Springs, California

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying financial statements of USA Track & Field, Inc. Southern California Association (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – cash basis as of December 31, 2015, and the related statement of revenues, expenses, and other changes in net assets – cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

A handwritten signature in cursive script that reads 'Harvey &amp; Parmelee LLP'.

August 10, 2016  
Whittier, California

USA Track & Field, Inc., Southern California Association (a Nonprofit Organization)  
 Statements of Assets, Liabilities, and Net Assets - Cash Basis  
 December 31, 2014

Assets

Current Assets

Unrestricted cash and cash equivalents	\$ 455,489
Restricted cash and cash equivalents	92,893
Other receivables	1,265
Due from national	<u>19,770</u>
Total Current Assets	<u>569,417</u>

Fixed Assets

Machinery and equipment	14,911
Computer equipment	15,446
Software	<u>2,095</u>
	32,452
Less Depreciation	<u>(30,547)</u>
Total Fixed Assets	<u>1,905</u>

Total Assets	<u><u>\$ 571,322</u></u>
--------------	--------------------------

Liabilities

Current Liabilities

Credit cards payable	\$ 827
Payroll taxes payable	3,120
Due to national	-
Refund of excess deposits	<u>1,928</u>
Total Current Liabilities	<u>5,875</u>

Net Assets

Unrestricted net assets	472,554
Temporarily restricted net assets	<u>92,893</u>
Total Net Assets	<u>565,447</u>

Total Liabilities and Net Assets	<u><u>\$ 571,322</u></u>
----------------------------------	--------------------------

See accompanying notes and independent accountant's review report.

USA Track & Field, Inc., Southern California Association (a Nonprofit Organization)  
 Statements of Revenues, Expenses, and Other Changes in Net Assets - Cash Basis  
 For the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Revenues and gains			
Program income	\$ 193,608	\$ -	\$ 193,608
Membership dues	100,291	-	100,291
Donations	637	-	637
Grant income	-	-	-
Interest income	64	93	157
Total Revenues and Gains	<u>294,600</u>	<u>93</u>	<u>294,693</u>
Net assets released from restrictions	-	-	-
Total Revenues, Gains, and Other Support	<u>294,600</u>	<u>93</u>	<u>294,693</u>
Expenses			
Advertising and marketing	1,600	-	1,600
Awards and grants	14,646	-	14,646
Bank fees	950	-	950
Contract services		-	-
Accounting	3,945	-	3,945
Other	44,666	-	44,666
Facilities and equipment		-	-
Depreciation	2,491	-	2,491
Rent - office	9,000	-	9,000
Other	37,509	-	37,509
Insurance	9,584	-	9,584
Meals and entertainment	15,853	-	15,853
Operational expenses			
Postage	1,138	-	1,138
Printing	4,239	-	4,239
Supplies	10,937	-	10,937
Telephone	6,549	-	6,549
Office expense	2,642	-	2,642
Other	2,286	-	2,286
Payroll expenses			
Salaries & wages	83,362	-	83,362
Payroll taxes	7,113	-	7,113
Payroll processing fees	396	-	396
Repairs and maintenance	612	-	612
Travel and meeting expenses	25,686	-	25,686
Total Expenses	<u>285,204</u>	<u>-</u>	<u>285,204</u>
Increase (Decrease) in Net Assets	<u>9,396</u>	<u>93</u>	<u>9,489</u>
Net Assets at Beginning of Year	<u>463,158</u>	<u>92,800</u>	<u>555,958</u>
Net Assets at End of Year	<u>\$ 472,554</u>	<u>\$ 92,893</u>	<u>\$ 565,447</u>

See accompanying notes and independent accountant's review report.

USA Track & Field, Inc., Southern California Association (a Nonprofit Organization)  
Notes to Financial Statements  
For the Year Ended December 31, 2015

1. Nature of Activities and Significant Accounting Policies

Nature of Activities:

USA Track & Field, Inc., Southern California Association is a California nonprofit corporation with tax exempt status as a 501 (c)(3) organization. The Association's mission is to promote amateur athletics in the Southern California area which it fulfills by promoting, sanctioning, insuring and officiating running and track events in its region.

Basis of Accounting:

The financial statements of the Association have been prepared on the cash basis of accounting. The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Association has recorded their obligation to their affiliated national association, USA Track & Field, Inc. (National), to the best of their ability as National is now collecting monies on behalf of the Association online, and remitting the Association's share back to the Association. National is now providing online reporting to allow the Association to track these activities with some timing differences between payments received and the actual remit date to the Association which corresponds with the Association's receivable account, Due from National.

Financial Statement Presentation:

Unrestricted net assets include all resources which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the Association to utilize funds in furtherance of its mission. All net assets are unrestricted except those which are classified as restricted.

Temporarily restricted net assets carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds. The only temporarily restricted assets of the Association are the Restricted cash and cash equivalents.

Income Taxes:

The Association is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and therefore is exempt from federal and state income taxes. These statements are subject to any change that may result from an income tax audit by the Internal Revenue Service or the State of California, Franchise Tax Board. In the event of such audits, no change that would materially affect the financial position of the Company is anticipated. For federal income tax purposes, the years ending December 31, 2012 through December 31, 2015 remain open for examination by the Internal Revenue Service. For California franchise tax purposes, fiscal years ending December 31, 2011 through December 31, 2015 remain open for examination by the California Franchise Tax Board.

Property and Equipment:

Property and equipment are carried at cost. Depreciation is computed using the 200% declining balance method over the useful lives of the assets, which generally is 5 years for the Association's equipment. Equipment under \$2,500 per item is expensed as incurred.

USA Track & Field, Inc., Southern California Association (a Nonprofit Organization)  
Notes to Financial Statements  
For the Year Ended December 31, 2015

2. Temporarily Restricted Funds

Restricted net assets, consisting of cash and cash equivalents, are available for the following purposes as of December 31, 2015:

Officials	\$ 0
Youth – Facilities	<u>92,893</u>
Total Restricted Funds	<u>\$ 92,893</u>

3. Leasing Obligations

During the year ending December 31, 2015, the Association did not have any capital or operating leases; and was on month-to-month terms for its office location. On February 23, 2016, the Association signed a two-year lease for the period April 1, 2016 – March 31, 2018. Monthly rent is \$769 base rent plus 2.34% of the operating expense. Future minimum obligations are as follows:

2016	\$ 6,921
2017	9,228
2018	<u>2,307</u>
Total Minimum Obligations	<u>\$ 18,456</u>

4. Retirement Plan

The Association does not maintain a retirement plan for employees; however the board voted in 2009 to approve paying for the Medicare supplemental insurance premium for a retired employee until revoked by further vote of the board which has not occurred as of December 31, 2015.

5. Concentrations of Credit Risk

The Association holds its cash in accounts which are insured by the Federal Deposit Insurance Corporation up to \$250,000. For the year ending December 31, 2015, the cash balance in excess of applicable FDIC insurance limits was \$117,048.

6. Related Party Transactions

Related party transactions are limited to paying board members nominal fees for their services for managing events thereby saving the association significant amounts over the equivalent services obtained through open market bids.

7. Subsequent Events

Subsequent events have been evaluated through August 10, 2016, which is the date the financial statements were available to be issued.