



**INTERNATIONAL COMMITTEE OF SPORTS  
FOR THE DEAF, INC.**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

**Year Ended December 31, 2014**

**INTERNATIONAL COMMITTEE OF SPORTS  
FOR THE DEAF, INC.  
Financial Statements**

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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

Board of Directors  
International Committee of Sports for the Deaf, Inc.

We have reviewed the accompanying financial statements of International Committee of Sports for the Deaf, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, and cash flows 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 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.

### ***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 accounting principles generally accepted in the United States of America. 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 accounting principles generally accepted in the United States of America.

**INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.**

**Independent Accountants' Review Report**

**December 31, 2014**

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*Supplementary Information*

The supplementary information presented on page 11 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

*DeLeon & Stang*

DeLeon & Stang, CPAs  
Gaithersburg, Maryland  
July 15, 2017

**INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.**  
**Statement of Financial Position**  
**December 31, 2014**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 112,129
Accounts receivable, net	225,329
Prepaid expenses	<u>540</u>

Total current assets 337,998

Property and equipment, net of accumulated depreciation 5,594

**TOTAL ASSETS** \$ 343,592

**LIABILITIES AND NET ASSETS**

Current liabilities:

Accounts payable and accrued expenses	\$ 75,197
Deferred revenue	<u>480</u>

Total current liabilities 75,677

Net assets:

Unrestricted	48,418
Board designated	<u>219,497</u>

Total net assets 267,915

**TOTAL LIABILITIES AND NET ASSETS** \$ 343,592

**INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.**  
**Statement of Activities**  
**For the Year Ended December 31, 2014**

<u>Revenue and support:</u>	
Program fees	\$ 28,125
Membership dues	36,350
Contributions	172,480
In-kind contributions	165,000
Interest	10
Miscellaneous	<u>4,611</u>
 Total revenue and support	 406,576
 <u>Expenses:</u>	
Program services	\$ 164,672
Management and general	<u>168,069</u>
 Total expenses	 <u>332,741</u>
 Change in net assets	 73,835
 Net assets, beginning of year	 <u>194,080</u>
 Net assets, end of year	 <u><u>\$ 267,915</u></u>

**INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2014**

<u>Cash Flows From Operating Activities:</u>	
Change in net assets	\$ 73,835
Reconciliation adjustments:	
Depreciation	1,861
Change in assets and liabilities:	
Accounts receivable	(200,800)
Prepaid expenses	719
Investments	651
Accounts payable and accrued expenses	<u>61,162</u>
Net cash used in operating activities	(62,572)
Net decrease in cash and cash equivalents	(62,572)
Cash and cash equivalents, beginning of year	<u>174,701</u>
Cash and cash equivalents, end of year	<u>\$ 112,129</u>

**INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.**  
**Notes to the Financial Statements**  
**December 31, 2014**

**NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

International Committee of Sports for the Deaf, Inc. (Organization) is a nonprofit organization that was founded to help society to cherish the value of the spirit of Deaflympics where deaf athletes strive to achieve the pinnacle of competition by embracing the motto PER LUDOS AEQUALITAS (Equality through sports) and adhering to the ideals of Olympics. Summer and Winter Deaflympics are held every four years, alternating events biannually.

Accounting Method

The Organization uses the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of contributions with donor-imposed restrictions. The net assets of the Organization are reported in each of the following three classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. Accordingly, net assets are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. Board designated or appropriated amounts are legally unrestricted and therefore reported as part of the unrestricted class.

Temporarily restricted net assets – represent resources that may be utilized only in accordance with the restricted purposes established by the donor. The Organization considers all contributions that are designated to a particular program to be transferred to unrestricted net assets when the terms of the donor's restrictions have been met and reported in the statement of activities as net assets released from restriction.

Permanently restricted net assets – represent resources for which the principal is to be maintained intact and the income may only be spent in accordance with the intent of the donor.

The Organization did not have any temporarily restricted or permanently restricted net assets as of December 31, 2014.



**INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.**

**Notes to Financial Statements (Continued)**

**December 31, 2014**

**NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as temporarily or permanently restricted based upon the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Membership Dues

Membership dues are recognized as revenue during the applicable membership period.

Use of Estimates

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 and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less from the date of acquisition to be cash and cash equivalents.

Accounts receivable

Receivables are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and provides an allowance for uncollectible accounts based upon management's assessment of the collectability of existing accounts. As of December 31, 2014, the allowance for uncollectible accounts was \$16,300. Bad debt expense for the year ended December 31, 2014 was \$0.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair market value upon receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (3 to 7 years). The Organization capitalizes substantial expenditures for property and equipment having a useful life of three or more years. Purchases with a useful life of less than three years are expensed in the year of acquisition.

**INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.**

**Notes to Financial Statements (Continued)**

**December 31, 2014**

**NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Deferred Revenue

Membership dues collected in advance have been included in deferred revenue in the accompanying statement of the financial position. Deferred revenue is substantially recognizable within one year.

Tax Exempt Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the year ended December 31, 2014, there was no unrelated business income.

Income Taxes

The Organization complies with the provisions of the Financial Accounting Standards Board Codification topic, *Accounting for Uncertainty in Income Taxes*. For the year ended December 31, 2014, no unrecognized tax provision or benefit exists.

The Organization's federal Informational Returns (Form 990) for the years 2011 through 2013 are subject to examination by the IRS, generally for three years after they were filed.

As of our report date, the information returns for 2014 and 2015 have not been filed. The effect of the late filings has not been determined in the financial statements.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized in the accompanying schedule of functional expenses. Costs which cannot be specifically identified with a particular function and which benefit more than one functional category are allocated to the different functional areas based on management's estimate of time involved. Management believes that this method accurately reflects the cost of administering the Organization's programs.

**INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.**

**Notes to Financial Statements (Continued)**

**December 31, 2014**

**NOTE 2 CONCENTRATIONS**

Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk include cash deposits with commercial banks. The Organization's cash management policies limit its exposure to concentrations of credit risk by maintaining cash accounts at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Cash deposits may, however, exceed the FDIC insurable limits at times throughout the year. Management does not consider this a significant concentration of credit risk.

Sources of Revenue

The Organization received approximately 42% of its income from the International Olympic Committee for the year ended December 31, 2014. As of December 31, 2014, approximately 71% of the Organization's accounts receivable balance is due from the International Olympic Committee.

**NOTE 3 PROPERTY AND EQUIPMENT**

The components of property and equipment as of December 31, 2014 are as follows:

Computer Equipment	\$	9,304
Less: accumulated depreciation		<u>(3,710)</u>
Net property and equipment	\$	<u>5,594</u>

Depreciation expense for the year ended December 31, 2014 was \$1,861.

**NOTE 4 NET ASSETS**

Board-designated net assets as of December 31, 2014 were \$219,497. The Board designated the funds until such time as they are certain there are no donor restrictions on the gift.

**INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.**

**Notes to Financial Statements (Continued)**

**December 31, 2014**

**NOTE 5 IN-KIND CONTRIBUTIONS**

The Organization benefits from in-kind management, accounting, and legal services provided by staff members. In accordance with the FASB Accounting Standards Codification topic, Accounting for Contributions Received and Contributions Made, the value of these professional services can be recognized for services that require specialized skills. Accordingly, the value of contributed services related to management services for the year ended December 31, 2014 totaled \$165,000.

**NOTE 6 LEGAL EXPENSES**

In 2014, the Organization was sued by two former contractors whose services were terminated in December 2013. In 2014, the Organization reached a settlement in both suits totaling \$148,247. As of December 31, 2014, \$75,197 remains payable and is included in accounts payable on the accompanying statement of financial position.

**NOTE 7 SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events for potential required disclosure through July 15, 2017 which is the date financial statements were available to be issued.

**INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.**  
**Schedule of Functional Expenses**  
**For the Year Ended December 31, 2014**

	<b>Program Services</b>	<b>Management and general</b>	<b>Total</b>
Accounting	\$ -	\$ 15,010	\$ 15,010
Contractors	2,050	451	2,501
Management Services	-	60,000	60,000
Legal and professional	149,973	90,000	239,973
Insurance	589	129	718
Memberships	2,775	609	3,384
Postage	32	7	39
Telephone	1,160	255	1,415
Bank fees	288	63	351
Travel	6,141	1,348	7,489
Depreciation	1,664	197	1,861
	<u>164,672</u>	<u>168,069</u>	<u>332,741</u>
Total	<u>\$ 164,672</u>	<u>\$ 168,069</u>	<u>\$ 332,741</u>