



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

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

Years Ended December 31, 2016 and 2015

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

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of International Committee of Sports for the Deaf, Inc. (a non profit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the 2016 financial statements.

The 2016 and 2015 supplementary information contained on page 10 and 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The 2016 supplementary information was subject to our compilation engagement. We have not audited or reviewed the 2016 supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information. The 2015 supplementary information was reviewed and, based on our review, we were 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 did not audit the information and, accordingly, did not express an opinion on such information.

The accompanying 2015 financial statements of International Committee of Sports for the Deaf, Inc. were previously reviewed by us, and we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America in our report dated July 15, 2017, but we have not performed any procedures in connection with that review engagement since that date.

DeLeon & Stang
DeLeon & Stang, CPAs
Frederick, Maryland
June 6, 2018

INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.
Statements of Financial Position
December 31, 2016 and 2015

ASSETS	(Compiled) 2016	(Reviewed) 2015
	<u> </u>	<u> </u>
<u>Current assets:</u>		
Cash and cash equivalents	\$ 364,728	\$ 383,585
Accounts receivable, net	<u>72,662</u>	<u>46,024</u>
 Total current assets	 437,390	 429,609
 Property and equipment, net of accumulated depreciation	 <u>4,907</u>	 <u>5,135</u>
 TOTAL ASSETS	 <u>\$ 442,297</u>	 <u>\$ 434,744</u>
 LIABILITIES AND NET ASSETS		
<u>Current liabilities:</u>		
Accounts payable and accrued expenses	\$ -	\$ 38,085
Deferred revenue	<u>-</u>	<u>480</u>
 Total current liabilities	 -	 38,565
<u>Net assets:</u>		
Unrestricted	222,800	176,682
Board designated	<u>219,497</u>	<u>219,497</u>
 Total net assets	 <u>442,297</u>	 <u>396,179</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 442,297</u>	 <u>\$ 434,744</u>

INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.
Statements of Activities
For the Years Ended December 31, 2016 and 2015

	(Compiled)	(Reviewed)
	2016	2015
<u>Revenue and support:</u>		
Program fees	\$ 111,510	\$ 95,315
Membership dues	41,400	38,250
Contributions	172,480	172,480
In-kind contributions	-	67,250
Interest	32	431
Miscellaneous	<u>3,282</u>	<u>30</u>
 Total revenue and support	 328,704	 373,756
 <u>Expenses:</u>		
Program services	\$ 195,714	\$ 177,937
Management and general	<u>86,872</u>	<u>67,555</u>
 Total expenses	 <u>282,586</u>	 <u>245,492</u>
 Change in net assets	 46,118	 128,264
 Net assets, beginning of year	 <u>396,179</u>	 <u>267,915</u>
 Net assets, end of year	 <u>\$ 442,297</u>	 <u>\$ 396,179</u>

INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.
Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	(Compiled) 2016	(Reviewed) 2015
<u>Cash Flows From Operating Activities:</u>		
Increase in net assets	\$ 46,118	\$ 128,264
Reconciliation adjustments:		
Depreciation	1,183	223
Loss on disposal of property and equipment	-	5,595
Change in assets and liabilities:		
Accounts receivable	(26,638)	179,305
Prepaid expenses	-	540
Accounts payable and accrued expenses	(38,085)	(37,112)
Deferred revenue	(480)	-
Net cash provided by (used in) operating activities	(17,902)	276,815
<u>Cash Flows From Investing Activities:</u>		
Purchases of fixed assets	(955)	(5,359)
Net cash used in investing activities	(955)	(5,359)
Net increase (decrease) in cash and cash equivalents	(18,857)	271,456
Cash and cash equivalents, beginning of year	383,585	112,129
Cash and cash equivalents, end of year	\$ 364,728	\$ 383,585

INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.

Notes to the Financial Statements

December 31, 2016 and 2015

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, 2016 and 2015.

INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.

Notes to Financial Statements

December 31, 2016 and 2015

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 Statements of Activities as net assets released from restrictions.

Membership Dues

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

Program Fees

Program fees are recognized as revenue when earned during the applicable program event.

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, 2016 and 2015, the allowance for uncollectible accounts was \$16,400 and \$16,300, respectively. There was no bad debt expense for the years ended December 31, 2016 and 2015.

INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.

Notes to Financial Statements

December 31, 2016 and 2015

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 years ended December 31, 2016 and 2015, 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 years ended December 31, 2016 and 2015, no unrecognized tax provision or benefit exists.

The Organization's federal Informational Returns (Form 990) for the years 2013 through 2015 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, 2015, and 2016 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

December 31, 2016 and 2015

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 52% and 46% of its income from the International Olympic Committee for the years ended December 31, 2016 and 2015, respectively.

NOTE 3 PROPERTY AND EQUIPMENT

The components of property and equipment as of December 31, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Computer equipment	\$ 6,313	\$ 5,358
Less: accumulated depreciation	<u>(1,406)</u>	<u>(223)</u>
Net property and equipment	<u>\$ 4,907</u>	<u>\$ 5,135</u>

Depreciation expense for the years ended December 31, 2016 and 2015 was \$1,183 and \$223, respectively.

NOTE 4 NET ASSETS

Board-designated net assets as of December 31, 2016 and 2015 were \$219,497. The Board designated the funds until such time as they are certain there are no donor restrictions on the gift.

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, 2016 and 2015 totaled \$0 and \$67,250, respectively.

INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.

Notes to Financial Statements

December 31, 2016 and 2015

NOTE 6 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events for potential required disclosure through June 6, 2018 which is the date financial statements were available to be issued. There were no subsequent events identified requiring disclosure or recognition in the financial statements.

INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.
Schedule of Functional Expenses
For the Year Ended December 31, 2016

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Accounting	\$ 4,075	\$ -	\$ 4,075
Contractors	76,834	16,866	93,700
Interpreting service	8,174	1,794	9,968
Legal and professional	36,983	8,118	45,101
Office manager	-	47,000	47,000
Memberships	6,121	1,344	7,465
Postage	14	3	17
Office rent	9,594	2,106	11,700
Telephone	284	62	346
Supplies	747	164	911
Bank fees	1,497	329	1,826
Lodging	9,057	1,988	11,045
Meals and refreshments	1,973	433	2,406
Per diem	3,042	668	3,710
Travel	26,349	5,784	32,133
Contributions	10,000	-	10,000
Depreciation	<u>970</u>	<u>213</u>	<u>1,183</u>
 Total	 <u>\$ 195,714</u>	 <u>\$ 86,872</u>	 <u>\$ 282,586</u>

INTERNATIONAL COMMITTEE OF SPORTS FOR THE DEAF, INC.
Schedule of Functional Expenses
For the Year Ended December 31, 2015

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Total</u>
Accounting	\$ 12,725	\$ 2,793	\$ 15,518
Contractors	45,960	10,088	56,048
Interpreting service	1,230	270	1,500
Management services	-	28,500	28,500
Legal and professional	63,253	13,885	77,138
Insurance	451	97	548
Memberships	46	10	56
Postage	92	20	112
Office rent	11,609	2,548	14,157
Telephone	275	60	335
Supplies	3,159	693	3,852
Bank fees	459	101	560
Lodging	6,340	1,392	7,732
Meals and refreshments	393	86	479
Parking	17	4	21
Per diem	7,339	1,611	8,950
Travel	19,818	4,350	24,168
Loss of disposal of property and equipment	4,588	1,007	5,595
Depreciation	<u>183</u>	<u>40</u>	<u>223</u>
 Total	 <u>\$ 177,937</u>	 <u>\$ 67,555</u>	 <u>\$ 245,492</u>