

USA DANCE, INC - NATIONAL
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2018

WILLIAM A. JACKSON & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
905 SARNO ROAD
MELBOURNE, FLORIDA 32935
(321) 394-1040

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DECEMBER 31, 2018**

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William A. Jackson & Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of USA Dance, Inc. - National

We have audited the accompanying financial statements of USA Dance, Inc. - National, (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, 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.

Auditor's 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 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 USA Dance, Inc. - National as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

December 12, 2019

A handwritten signature in black ink that reads "William A. Jackson, CPA". The signature is written in a cursive style with a horizontal line through the middle of the name.

William A. Jackson & Company CPA
Melbourne, FL

**USA DANCE, INC. - NATIONAL
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018**

	Total Without Donor Restrictions
Assets	
Cash and cash equivalents	\$ 401,640
Accounts receivable	4,330
Prepaid expenses	62,138
Other current assets	6,019
Fixed assets (in progress), net of depreciation of \$0	7,500
Total Assets	\$ 481,627
 Liabilities and Net Assets	
Current Liabilities	
Accrued expenses	\$ 10,600
Accounts payable	37,078
Payroll liabilities	2,208
Reserve for inactive chapters	4,162
Deferred dues income	180,727
Total Liabilities	234,775
 Net Assets	
Unrestricted	246,852
Total Net Assets	246,852
Total Liabilities and Net Assets	\$ 481,627

See accompanying notes and accountant's report.

**USA DANCE, INC. - NATIONAL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Unrestricted Net Assets	<u>Without Donor Restrictions</u>
Unrestricted Revenues & other support	
Membership Dues	\$ 414,386
Admissions	173,887
Miscellaneous Fees & Revenues	48,841
Contributions	125,461
Camps	14,750
Advertising and subscriptions	5,735
Interest income	<u>262</u>
Total Unrestricted Revenues & other support	<u>\$ 783,322</u>
Expenses	
Program Services	
American Dancer	\$ 54,625
Chapter Support	83,203
College Network/Championship	83,850
National DanceSport Championship	185,729
Academy/Education	79,310
Membership	41,528
Athletes travel, scholarships	85,941
Social Dance & School Age Youth	7,414
Total Program Services	<u>\$ 621,600</u>
Supporting Services	
General and administrative	\$ 160,265
Total Expenses	<u>\$ 781,865</u>
Increase in Net Assets- Current Year	1,457
Net Assets, January 1, 2018	245,395
Net Assets, December 31, 2018	<u>\$ 246,852</u>

See accompanying notes and accountant's report

**USA DANCE, INC. - NATIONAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Total
Cash Flows From Operating Activities	
Change in net assets:	1,457
Adjustments to reconcile excess of revenues over expenses to net cash provided by (used) in operating activities:	
Increase in accounts receivable	(918)
Increase in prepaid expenses	(38,196)
Decrease in other current assets	23,899
Increase in accounts payable	20,661
Increase in accrued expenses	10,600
Decrease in deferred revenue	(31,013)
Increase in payroll liabilities	559
Net cash provided by (used in) operating activities:	(12,951)
Cash Flows From Investing Activities	
Acquisition of property and equipment	(7,500)
Disposal of property and equipment	4,579
Accumulated depreciation	(4,579)
Net cash provided by (used in) investing activities:	(7,500)
Cash Flows From Financing Activities	
Decrease in reserve for inactive chapters	(6,827)
Net increase (decrease) in cash	(27,278)
Cash, January 1, 2018	428,918
Cash, December 31, 2018	401,640

See accompanying notes and accountants' report

**USA DANCE, INC. - NATIONAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 NATURE OF ORGANIZATION

USA Dance, Inc. - National (the Organization) is a non-profit organization, exempt from federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code. The purpose of USA Dance, Inc.- National is to increase the quality and quantity of dance in the United States, and to foster and promote dancing as a healthful, enjoyable, social activity. The Organization serves as the national governing body for Dance Sport in the United States and works to encourage participation of the general public in dancing, sponsors national competitions, and works with amateur and professional as well as national and international dance organizations. The Organization is organized by districts and operates through local chapters which are designated as affiliates of the national organization.

The governing council of USA Dance, Inc. – National sets national membership dues and admission charges for the national dance events it sponsors. The organization issues guidelines for chapter operations, chapter annual financial reporting and dance competition sanctions. The chapters are free to determine local program activities. Chapter community program activities are not included in these financial statements.

NOTE 2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities in accordance with the accounting principals generally accepted in the United States of America.

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. See Note 3 regarding Net Assets.

**USA DANCE, INC. - NATIONAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

Cash and cash equivalents

Cash and cash equivalents consist of demand deposits, money market accounts and all highly liquid investments.

Tax status

The Organization is a not-for-profit organization that is tax exempt under Internal Revenue Code Section 501(c)(3).

Investments

Investments are initially recorded at cost or fair value if donated, and at the balance sheet date are adjusted to fair value with any change recorded as an unrealized gain or loss in the Statement of Activities.

Budgets

Annual appropriated budgets are adopted for the resources without donor restrictions and general operating fund by the leaders of the Organization.

Accounts Receivable

Accounts Receivable are stated at unpaid balances, which is the amount management expects to collect from outstanding balances at year-end. It is the organizations policy to charge off accounts receivable, when management determines the receivables will not be collected. As of December 31, 2018 the accounts receivable balance is deemed to be fully collectable. Accordingly no allowance for doubtful accounts has been recorded.

**USA DANCE, INC. - NATIONAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, buildings and equipment, net

It is the Organization's policy to capitalize property and equipment over \$2,500. Lesser amounts are expensed. All expenditures for repairs, maintenance and betterments that materially prolong the useful lives of assets are capitalized. Property, buildings and equipment, are recorded at cost or estimated fair value if donated. Property and equipment are depreciated using the straight line method over the estimated useful life of the assets.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are recorded as donor restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions on the donated or acquired assets when those are placed in service as instructed by the donor. The Organization reclassifies those donor restricted assets to unrestricted net assets at that time. The Organization's assets consist of a \$7,500 in website upgrade which was a work in progress as of December 31, 2018. Therefore no depreciation was recorded for 2018. The project was completed in early 2019.

Contributed services

The Organization receives a substantial amount of services donated by its members in carrying out the Organization's mission. The majority of the services have not been reflected in the financial statements for those services since they do not meet the criteria for recognition under ASC Topic 958, "Accounting for Contributions Received and Contributions Made".

**USA DANCE, INC. - NATIONAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 NET ASSETS

Net Asset Accounting

The Organization classifies revenues and contributions, expenses, gains and losses based upon the existence of donor restrictions.

Net Assets without Donor Restrictions

Net assets without donor restrictions are those resources available for current operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of operations.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of resources, which have been restricted by donors for a particular purpose or particular future period. Some donor imposed restrictions are temporary in nature and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restrictions have been satisfied, either by the use of the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from the net assets with donor restrictions to the net assets without donor restrictions. The Organization had no donor restricted net assets.

NOTE 4 LIQUIDITY AND AVAILABILITY

Liquidity and Availability:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2018 are:

Financial Assets

Cash and Cash Equivalents:	\$ 401,640
Amounts available for general expenditure within one year :	\$ 401,640

See accountant's report

**USA DANCE, INC. - NATIONAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances at several financial institutions located in the United State. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per the financial institutions. During the course of the year, the bank accounts of the Organization were in excess of FDIC limits. Management believes it is not exposed to any significant credit risk on its cash balances.

NOTE 6 COMMITMENTS AND CONTINGENCIES

The Organization is exposed to various risks of loss such theft of or damage to, and destruction of assets; errors and omissions and natural disasters for which the Organization carries commercial insurance. Workers compensation insurance is also provided through a commercial carrier under their payroll service provider. There has been no change in insurance coverage from the prior year and the Organization has not been required to pay any settlements in excess of insurance coverage during the past year.

NOTE 7 SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 12, 2019, the date which the financial statements were available for issue. There were no subsequent events that require recognition in the financial statements or disclosure in the notes to financial statements.

SUPPLEMENTARY INFORMATION

**USA DANCE, INC. - NATIONAL
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Expenses:	American Dancer	Chapter Support	Collegiate National Championship	National DanceSport Championship	World DanceSport Federation Academy / Education	Membership	Athlete Travel, Dance Sport Training	Social Dance Events & School age youth	Total Program	General & Administrative	Total
Advertising Expense	\$ 33,837	\$ 38,746	\$ 245	\$ 995	\$ 29,656	\$ -	\$ -	\$ -	\$ 103,479	\$ -	\$ 103,479
Bank / Merchant Fees	-	155	-	3,397	368	12,796	72	-	16,788	1,171	17,959
Legal and Professional	-	-	-	550	-	-	-	1,400	1,950	13,833	15,783
Executive Support	-	-	-	-	-	-	-	-	-	25,795	25,795
Scholarships	-	-	14,505	10,325	-	-	59,475	3,650	87,955	-	87,955
Software and IT	-	-	-	-	-	4,885	1,156	-	6,041	995	7,036
Postage, Mail Service	757	-	94	164	-	6,720	103	206	8,044	5,162	13,206
Copying	-	-	-	439	-	-	-	-	439	44	483
Supplies	-	-	770	3,867	-	144	-	31	4,812	6,161	10,973
Telephone	-	-	-	13	-	-	-	-	13	3,189	3,202
Insurance	-	35,161	-	-	2,863	-	-	-	38,024	10,000	48,024
Payroll & Payroll tax	-	-	-	-	-	12,173	-	-	12,173	81,783	93,956
Chapter Assistance	-	1,000	10	-	-	4,810	-	-	5,820	-	5,820
Dance Events	-	-	45,636	101,036	6,755	-	1,500	-	154,927	253	155,180
Donations	-	100	700	4,076	-	-	-	-	4,876	-	4,876
License/ Registration	-	1,441	-	-	9,356	-	-	-	10,797	-	10,797
Music	-	6,600	-	-	-	-	-	-	6,600	-	6,600
Officials, Judges	-	-	18,974	46,512	3,327	-	23,076	-	91,889	-	91,889
Program Miscellaneous	-	-	-	2,267	416	-	-	275	2,958	-	2,958
Professional Printing	20,031	-	-	8,097	-	-	-	-	28,128	-	28,128
Voting	-	-	-	-	3,936	-	-	-	3,936	-	3,936
Temporary Help	-	-	-	1,398	-	-	-	-	1,398	500	1,898
Travel and Meetings	-	-	2,916	2,593	22,633	-	559	1,852	30,553	11,379	41,932
Total Expense	\$ 54,625	\$ 83,203	\$ 83,850	\$ 185,729	\$ 79,310	\$ 41,528	\$ 85,941	\$ 7,414	\$ 621,600	\$ 160,265	\$ 781,865