

**UNITED STATES OF AMERICA RUGBY
FOOTBALL UNION, LTD.
USA RUGBY CHARITABLE FOUNDATION
RUGBY INTERNATIONAL MARKETING, LLC**

**Consolidated Financial Statements &
Supporting Schedules**

For the Year Ended December 31, 2014

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
United States of America Rugby Football Union, Ltd.
Boulder, Colorado

We have audited the accompanying consolidated financial statements of United States of America Rugby Football Union, Ltd. (a non-profit organization), USA Rugby Charitable Foundation (a non-profit organization), and Rugby International Marketing, LLC (a for-profit organization), which comprise the consolidated statement of financial position as of December 31, 2014, and the related consolidated statements of activities and changes in net assets and of 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 consolidated 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 of 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of United States of America Rugby Football Union, Ltd., USA Rugby Charitable Foundation, and Rugby International Marketing, LLC as of December 31, 2014, and the changes in their net assets and their 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 United States of America Rugby Football Union, Ltd. and USA Rugby Charitable Foundation's 2013 consolidated financial statements, and our report dated May 12, 2014, expressed an unmodified opinion on those consolidated audited financial statements. In our opinion, the consolidated summarized comparative information presented herein as of and for the year ended December 31, 2013, 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 schedules of program and supporting services and the consolidating schedule of activities and changes in net assets 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
May 22, 2015

UNITED STATES OF AMERICA RUGBY FOOTBALL UNION, LTD.
USA RUGBY CHARITABLE FOUNDATION
RUGBY INTERNATIONAL MARKETING, LLC
Consolidated Statement of Financial Position
December 31, 2014
(With Comparative Amounts for 2013)

	<u>ASSETS</u>	
	<u>2014</u>	<u>2013</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,574,591	\$ 424,907
Accounts receivable	1,107,309	312,329
Due from affiliated organizations	183,884	
Inventory	7,904	8,204
Prepaid expenses	<u>283,386</u>	<u>643,291</u>
Total current assets	3,157,074	1,388,731
LONG-TERM INVESTMENTS	150,518	150,518
PROPERTY AND EQUIPMENT:		
Furniture and equipment	214,297	183,081
Leasehold improvements	3,200	3,200
Website	45,291	27,871
Software	14,775	64,554
Less accumulated depreciation	<u>(173,847)</u>	<u>(155,838)</u>
Furniture and equipment - net	103,716	122,868
OTHER ASSET:		
Deposits	<u>21,575</u>	<u>21,575</u>
TOTAL ASSETS	<u>\$ 3,432,883</u>	<u>\$ 1,683,692</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,397,794	\$ 361,113
Due to affiliated organizations	32,132	
Accrued liabilities	208,660	163,709
Deferred revenue	<u>2,132,622</u>	<u>1,674,244</u>
Total liabilities	3,771,208	2,199,066
NET ASSETS:		
Unrestricted	(338,325)	(527,526)
Temporarily restricted	<u> </u>	<u>12,152</u>
Total net assets	<u>(338,325)</u>	<u>(515,374)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,432,883</u>	<u>\$ 1,683,692</u>

See Notes to Financial Statements

UNITED STATES OF AMERICA RUGBY FOOTBALL UNION, LTD.
USA RUGBY CHARITABLE FOUNDATION
RUGBY INTERNATIONAL MARKETING, LLC
Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2014
(With Comparative Totals for 2013)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Totals</u>	<u>2013 Totals</u>
REVENUE:				
Event revenue	\$ 5,364,238	\$	\$ 5,364,238	\$ 1,927,216
Membership dues	4,483,754		4,483,754	4,336,267
Corporate sponsorship	2,200,203		2,200,203	1,863,371
High performance grants	1,972,974		1,972,974	1,697,002
In-kind contributions	645,700		645,700	517,500
Donations	547,286		547,286	773,744
Rugby development	516,632		516,632	535,905
Licensing	239,575		239,575	366,182
Merchandise sales, net of cost of goods sold of \$408,677 and \$127,201	223,733		223,733	85,129
Fundraising event contributions & revenue, net of direct expenses of \$216,643	84,268		84,268	
Other income	79,003		79,003	59,344
Investment loss				(2,283)
Satisfied program restrictions	12,152	(12,152)		
Total revenue	16,369,518	(12,152)	16,357,366	12,159,377
EXPENSES:				
Program services:				
Events	5,115,109		5,115,109	2,543,955
Men's senior national team	2,972,590		2,972,590	2,222,377
Rugby development	2,164,021		2,164,021	1,735,921
Membership	1,406,203		1,406,203	1,383,789
High performance	1,390,903		1,390,903	1,273,485
Women's senior national team	1,374,309		1,374,309	1,108,020
Total program services	14,423,135		14,423,135	10,267,547
Supporting services:				
National office	1,030,032		1,030,032	991,133
Media & marketing	559,562		559,562	685,226
Fundraising	167,588		167,588	204,061
Total supporting services	1,757,182		1,757,182	1,880,420
Total expenses	16,180,317		16,180,317	12,147,967
CHANGE IN NET ASSETS	189,201	(12,152)	177,049	11,410
NET ASSETS, beginning of year	(527,526)	12,152	(515,374)	(526,784)
NET ASSETS, end of year	<u>\$ (338,325)</u>	<u>\$</u>	<u>\$ (338,325)</u>	<u>\$ (515,374)</u>

See Notes to Financial Statements

UNITED STATES OF AMERICA RUGBY FOOTBALL UNION, LTD.
USA RUGBY CHARITABLE FOUNDATION
RUGBY INTERNATIONAL MARKETING, LLC
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2014
(With Comparative Amounts for 2013)

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 177,049	\$ 11,410
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	58,046	67,097
Changes in assets and liabilities:		
Increase in accounts receivable	(794,980)	360,908
Increase in due from affiliated organizations	(183,884)	
Decrease in inventory	300	(860)
Decrease in prepaid expenses	359,905	(171,933)
Decrease in contributions receivable		15,200
Increase in accounts payable	1,036,681	(175,398)
Increase in due to affiliated organizations	32,132	
Increase in accrued liabilities	44,951	18,257
Increase in deferred revenue	<u>458,378</u>	<u>(105,653)</u>
Total adjustments	<u>1,011,529</u>	<u>7,618</u>
Net cash provided by operating activities	1,188,578	19,028
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property & equipment	(38,894)	(56,560)
Change in investments, net	<u> </u>	<u>(7,389)</u>
Net cash used by investing activities	<u>(38,894)</u>	<u>(63,949)</u>
NET INCREASE (DECREASE) IN CASH	1,149,684	(44,921)
CASH AND CASH EQUIVALENTS, beginning of year	<u>424,907</u>	<u>469,828</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,574,591</u>	<u>\$ 424,907</u>

See Notes to Financial Statements

UNITED STATES OF AMERICA RUGBY FOOTBALL UNION, LTD.
USA RUGBY CHARITABLE FOUNDATION
RUGBY INTERNATIONAL MARKETING, LLC

Notes to Financial Statements

For the Year Ended December 31, 2014

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

USA Rugby Football Union, Ltd. d/b/a USA Rugby (a non-profit organization) is the national governing body for the sport of rugby and is responsible for the promotion and development of the sport in the United States and promotion of U.S. international participation. USA Rugby is an official member of the United States Olympic Committee (USOC) and the International Rugby Board (IRB). The Corporation has approximately 110,000 members and is responsible for the development of the boys, girls, high school, collegiate, club athletic programs, and ultimately the ten national teams representing the U.S. in international competitions. USA Rugby's current structure comprises 1 Territorial Union, 13 Local Geographic Unions, 40 State Rugby Organizations, and 105 college conferences that compete for regional and national championships. USA Rugby's national office is located in Boulder, Colorado.

USA Rugby Foundation (the Foundation) was formed in 2002, as a Pennsylvania non-profit corporation, and is a supporting organization for USA Rugby. The Foundation is organized as a membership organization with the sole member being USA Rugby.

Rugby International Marketing, LLC (a for-profit organization) was formed in 2014 as a Delaware limited liability company. Rugby International Marketing, LLC (RIM) is responsible for promoting the sport of rugby through alternative channels. As of December 31, 2014, RIM was a single-member LLC, with the sole member being USA Rugby.

Basis of Presentation

The financial statements of USA Rugby (the Corporation) are being presented on a consolidated basis with the Foundation and RIM, collectively the Organizations, in accordance with generally accepted accounting principles in the United States of America. The accounting standards require consolidation when a non-profit organization has a controlling interest in other entities. All inter-organizational accounts have been eliminated in the accompanying financial statements.

Notes to Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Supplemental Cash Flow Disclosure

Cash and cash equivalents consist of the Organizations' checking and savings accounts. Cash flows from operating activities reflect interest paid of \$9,436 and \$2,350 and no income taxes paid for the years ended December 31, 2014 and 2013, respectively.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial. Therefore, no allowance for doubtful accounts is considered necessary.

Depreciation

Assets are recorded at cost and depreciated using the straight-line method over estimated useful lives of three to five years. Depreciation expense amounted to \$58,046 and \$67,097 for the years ended December 31, 2014 and 2013, respectively.

Use of Estimates in 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.

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. However, restricted contributions are reported as an increase in unrestricted net assets if the restriction is satisfied in the same reporting period in which the support is recognized. 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.

Notes to Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Donated Services

The Corporation receives a substantial amount of donated services in carrying out their programs. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under current accounting principles.

Income Tax

The Corporation and Foundation qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and, accordingly, are not subject to federal income tax. Accordingly, no income tax provision has been recorded.

The Corporation's and Foundation's forms 990, Return of Organization Exempt from Income Tax, are subject to examination by various taxing authorities, generally for three years after the date they were filed.

RIM, being a single-member LLC as of December 31, 2014, is considered a disregarded entity for income tax reporting purposes. Accordingly, its activity is reported under USA Rugby's tax return. Profits that are generated from activity unrelated to USA Rugby's exempt purpose could be subject to income tax.

Management of the Organizations believe that they do not have any uncertain tax positions that are material to the financial statements.

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 State of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2013, 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.

Notes to Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Date of Management's Review

In preparing the financial statements, the Corporation and Foundation have evaluated events and transactions for potential recognition or disclosure through May 22, 2015, the date that the financial statements were available to be issued.

B. FAIR VALUE MEASUREMENT

The Organizations apply 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 Organizations have 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.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Notes to Financial Statements

B. FAIR VALUE MEASUREMENT - Continued

The following tables present assets that are measured at fair value on a recurring basis at December 31, 2014 and 2013:

Assets at Fair Value as of December 31, 2014

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income	\$ 79,487	\$	\$	\$ 79,487
Cash	59,433			59,433
Mutual funds	<u>11,598</u>			<u>11,598</u>
	<u>\$ 150,518</u>	<u>\$</u>	<u>\$</u>	<u>\$ 150,518</u>

Assets at Fair Value as of December 31, 2013

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income	\$ 104,231	\$	\$	\$ 104,231
Cash	29,249			29,249
Equities	10,237			10,237
Mutual funds	<u>6,801</u>			<u>6,801</u>
	<u>\$ 150,518</u>	<u>\$</u>	<u>\$</u>	<u>\$ 150,518</u>

Investment loss in the accompanying statement of activities consists of the following for the year ended December 31, 2013:

	<u>2013</u>
Interest and dividends	\$ 975
Unrealized loss	<u>(3,258)</u>
Investment income	<u>\$ (2,283)</u>

C. LINES OF CREDIT

The Corporation had two lines of credit available from commercial banks. The first is a \$200,000 line that carries interest at lender's prime rate plus 2.990% and matures September 5, 2015. The second was a \$500,000 line that was secured by all business assets and carried interest at LIBOR plus 10.005% and matured on December 15, 2014. As of December 31, 2014 and 2013, there were no outstanding borrowings on either of the lines of credit.

Notes to Financial Statements

D. DEFERRED REVENUE

Deferred revenue consists of the following at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Membership revenue	\$ 1,858,337	\$ 1,657,720
Grants	176,809	
Corporate sponsorship	53,975	
Miscellaneous	<u>43,501</u>	<u>16,524</u>
	<u>\$ 2,132,622</u>	<u>\$ 1,674,224</u>

The Corporation uses a membership year of September 1 to August 31. At December 31, 2014 and 2013, eight months of membership revenue is deferred to the subsequent year.

E. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2013, consist of contributions received for the following purposes:

	<u>2013</u>
Don Morrison Referee Fund	<u>\$ 12,152</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the year ended December 31, 2014, net assets were released from restrictions by satisfying the following restricted purposes:

	<u>2014</u>
Don Morrison Referee Fund	<u>\$ 12,152</u>

F. AFFILIATED ORGANIZATIONS

The United States Olympic Committee (USOC) provides grants to the Corporation for sports development, international competition, and team preparation. Total grants from the USOC for the years ended December 31, 2014 and 2013 consist of the following project categories:

	<u>2014</u>	<u>2013</u>
High performance grant	\$ 559,300	\$ 559,300
Value-in-kind	35,700	35,165
International relations grant	<u>20,000</u>	<u>25,000</u>
	<u>\$ 615,000</u>	<u>\$ 619,465</u>

Notes to Financial Statements

F. AFFILIATED ORGANIZATIONS - Continued

For the year ended December 31, 2014, the USOC also provided \$200,000 in direct athlete support, which is not recorded in the consolidated statement of activities.

The International Rugby Board (IRB) also provides grants to the Corporation for sports development, international competition, and team preparation. Total grants from the IRB for the years ended December 31, 2014 and 2013 consist of the following project categories:

	<u>2014</u>	<u>2013</u>
High performance grant	\$ 1,280,189	\$ 1,102,537
Rugby development grants	315,446	282,090
Rugby World Cup participation	133,485	
Other grants	<u> </u>	<u>45,000</u>
	<u>\$ 1,729,120</u>	<u>\$ 1,429,627</u>

G. IN-KIND CONTRIBUTIONS

The Corporation received in-kind donations from various sponsors and supporters, including affiliated organizations. In-kind donations recorded in the Organizations' financial statements are \$645,700 and \$517,500 for the years ended December 31, 2014 and 2013, respectively.

H. PENSION PLAN

The Corporation adopted a 401(k) plan (the Plan) covering all employees who are at least 21 years old and who work at least 1,000 hours per year. Plan participants may make pre-tax deferrals subject to limitations imposed by the Internal Revenue Code. The Corporation matches a portion of the employee's deferral, subject to limits set by the Plan. During the years ended December 31, 2014 and 2013, the Corporation made matching contributions to the Plan totaling \$11,229 and \$11,785, respectively.

I. CONTINGENCIES

During the year ended December, 31, 2014, a former employee filed legal action against the Corporation for payment of commissions earned on future sponsorships negotiated in advance by the former employee. The Corporation and the former employee settled the issue in March, 2015. The settlement agreement provides for additional commissions to be paid in two installments in 2015 and 2016 in the amounts of \$60,000 and \$15,000, respectively. The commissions were not accrued as of December 31, 2014, as these additional commissions were

Notes to Financial Statements

I. CONTINGENCIES - Continued

considered commissions that would have been payable on sponsorship revenues realized subsequent to December 31, 2014. In 2015, the Corporation received \$35,000 in insurance claim proceeds to abate a portion of the settlement costs.

J. INTERCOMPANY TRANSACTIONS

The Corporation receives grants and occasionally transacts business with the Foundation. And, the Corporation occasionally receives contributions intended for the Foundation, which are owed back to the Foundation. During the year ended December 31, 2014, the Corporation also paid certain expenses on behalf of RIM, which created amounts owed to the Corporation. These intercompany transactions and the amounts owed to/from the organizations have been eliminated in the consolidated financial statements.

K. OPERATING LEASE AGREEMENTS

The Corporation leases an office and warehouse in Boulder, Colorado and a postage meter and copier. The extended term for the office lease is July 1, 2014, through January 31, 2016, with a rate of \$5,936 per month. The warehouse is leased on a month-to-month basis at a rate of \$2,400 per month. The postage meter lease requires quarterly payments of \$508 and expires on January 31, 2016. The copier lease runs from May 1, 2012, to May 1, 2016, at a monthly rate of \$289. The future minimum lease payments for the years ended December 31 are as follows:

2015	\$ 76,733
2016	7,311

UNITED STATES OF AMERICA RUGBY FOOTBALL UNION, LTD.
USA RUGBY CHARITABLE FOUNDATION
RUGBY INTERNATIONAL MARKETING, LLC
Consolidated Schedule of Program Services
For the Year Ended December 31, 2014

	Events	Men's Senior National Team	Rugby Development	Membership	High Performance	Women's Senior National Team	Total
Advertising	\$ 1,224,453		\$ 5,227				\$ 1,229,680
Apparel	22,660	3,893	33,449	19	27,481	1,690	89,192
Awards & gifts	20,293	667	803		637	597	22,997
Background checks		410		90,448			90,858
Bank charges	(299)	16		70,338		25	70,080
Branding & signage	37,430	157	495				38,082
Clinic host reimbursements			30,890				30,890
Conferences	1,436		1,353				2,789
Contract labor	58,113	548,841	162,080	16,000	97,800	290,112	1,172,946
Depreciation		12,888	3,240	6,996	2,568	4,188	29,880
Dues & subscriptions	1,310	3,548	3,014	2,340	28,611	9,150	47,973
Employee benefits	16,623	39,651	68,662	18,926	21,693	17,390	182,945
Equipment rental & maintenance	65,724	57,022		1,152	34,804	29,191	187,893
Facilities rental	18,408	33,630			24,271	4,540	80,849
Grants			336,011				336,011
Graphic design fees	2,606		1,454	40,263	43		44,366
Hosting				34,457			34,457
Insurance	31,000	229,024		996,725	11,371	95,621	1,363,741
Legal	24,055	13,700					37,755
Laundry	2,769						2,769
Medical fees	15,956	21,919	1,891		2,455	8,407	50,628
Miscellaneous	(392)	3,153	2,019		4,609	533	9,922
Match fees	1,230,816		4,950				1,235,766
Payroll taxes	11,948	29,571	53,553	8,301	7,617	15,233	126,223
Player per diem		313,945				12,525	326,470
Postage	47,748	24,427	8,201	45	73,048	8,778	162,247
Printing	22,421	154	34,194		574	1,049	58,392
Rent - office					28,800		28,800
Stadiums	891,035		13,182				904,217
Supplies			59,364		1,547		60,911
Telephone	1,478	5,271	7,838	249	6,747	2,903	24,486
Travel, lodging, meals, & transportation	826,513	886,566	629,077	1,388	726,823	478,678	3,549,045
TV & broadcasting	369,417	23	30,005		16		399,461
Utilities		163			599		762
Uniforms		375,000			85,000	150,000	610,000
Video			575				575
Wages	171,588	368,951	648,991	118,556	203,789	243,699	1,755,574
Website			23,503				23,503
	<u>\$ 5,115,109</u>	<u>\$ 2,972,590</u>	<u>\$ 2,164,021</u>	<u>\$ 1,406,203</u>	<u>\$ 1,390,903</u>	<u>\$ 1,374,309</u>	<u>\$ 14,423,135</u>

UNITED STATES OF AMERICA RUGBY FOOTBALL UNION, LTD.
USA RUGBY CHARITABLE FOUNDATION
RUGBY INTERNATIONAL MARKETING, LLC
Consolidated Schedule of Supporting Services
For the Year Ended December 31, 2014

	National Office	Media & Marketing	Fundraising	Total
Accounting fees	\$ 9,900	\$	\$ 2,950	\$ 12,850
Advertising		23,334		23,334
Apparel	470	6,355		6,825
Awards & gifts	8,619	108	4,786	13,513
Background checks	1,360			1,360
Bank charges	18,305	20	6,084	24,409
Bad debt	13,234			13,234
Branding & signage		4,994		4,994
Conferences	6,119			6,119
Contract labor	18,787	43,258	11,161	73,206
Database maintenance			3,598	3,598
Depreciation expense	17,602	9,960	604	28,166
Dues & subscriptions	19,402	7,947	6,835	34,184
Employee benefits	36,600	20,752	11,017	68,369
Entertainment			2,700	2,700
Equipment rental & maintenance	53,961	32,989	1,787	88,737
Facility & equipment rental			2,067	2,067
Graphic design fees			49	49
Grants		3,000		3,000
Hosting	6,754			6,754
Insurance	84,477		1,470	85,947
Interest expense	9,436			9,436
Legal fees	59,694	24,056		83,750
Miscellaneous		9,970	1,088	11,058
Payroll taxes	24,884	17,905	7,599	50,388
Postage	5,459	9,750	1,277	16,486
Printing	3,717	3,498	620	7,835
Rent	80,326			80,326
Telephone	21,316	1,558	1,253	24,127
Travel, lodging, meals, & transportation	43,957	85,911	11,069	140,937
Utilities	77,734			77,734
TV & video		18,054		18,054
Wages	407,919	236,143	89,574	733,636
	<u>\$ 1,030,032</u>	<u>\$ 559,562</u>	<u>\$ 167,588</u>	<u>\$ 1,757,182</u>

UNITED STATES OF AMERICA RUGBY FOOTBALL UNION, LTD.
USA RUGBY CHARITABLE FOUNDATION
RUGBY INTERNATIONAL MARKETING, LLC
Consolidating Schedule of Activities and Changes in Net Assets
For the Year Ended December 31, 2014

	<u>USA Rugby</u>	<u>USA Rugby Charitable Foundation</u>	<u>Rugby International Marketing</u>	<u>Eliminating Entries</u>	<u>Total</u>
REVENUE:					
Event revenue	\$ 5,364,238	\$	\$	\$	\$ 5,364,238
Membership dues	4,483,754				4,483,754
Corporate sponsorship	2,200,203				2,200,203
High performance grants	1,972,974				1,972,974
In-kind contributions	645,700				645,700
Donations	481,670	525,686		(460,070)	547,286
Rugby development	516,632				516,632
Licensing	239,575				239,575
Merchandise sales, net of cost of goods sold of \$408,677	223,733				223,733
Fundraising event contributions & revenue, net of direct expenses of \$216,643		111,768		(27,500)	84,268
Other income	<u>79,003</u>				<u>79,003</u>
Total revenue	16,207,482	637,454		(487,570)	16,357,366
EXPENSES:					
Program services:					
Events	5,093,767		48,842	(27,500)	5,115,109
Men's senior national team	2,972,590				2,972,590
Rugby development	2,154,225	469,866		(460,070)	2,164,021
Membership	1,406,203				1,406,203
High performance	1,390,903				1,390,903
Women's senior national team	<u>1,374,309</u>				<u>1,374,309</u>
Total program services	14,391,997	469,866	48,842	(487,570)	14,423,135
Supporting services:					
National office	1,030,032				1,030,032
Media & marketing	510,718		48,844		559,562
Fundraising		<u>167,588</u>			<u>167,588</u>
Total supporting services	<u>1,540,750</u>	<u>167,588</u>	<u>48,844</u>		<u>1,757,182</u>
Total expenses	<u>15,932,747</u>	<u>637,454</u>	<u>97,686</u>	<u>(487,570)</u>	<u>16,180,317</u>
CHANGE IN NET ASSETS	274,735		(97,686)		177,049
NET ASSETS,					
beginning of year	<u>(503,858)</u>	<u>(11,516)</u>			<u>(515,374)</u>
NET ASSETS, end of year	<u>\$ (229,123)</u>	<u>\$ (11,516)</u>	<u>\$ (97,686)</u>	<u>\$</u>	<u>\$ (338,325)</u>