

UNITED STATES CURLING ASSOCIATION, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021



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**UNITED STATES CURLING ASSOCIATION, INC.
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YEAR ENDED JUNE 30, 2021**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
United States Curling Association, Inc.
Eagan, Minnesota

We have audited the accompanying financial statements of United States Curling Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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.

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 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

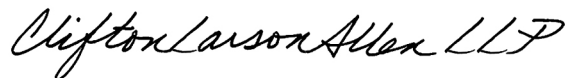
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United States Curling Association, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited United States Curling Association, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 26, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 2021 schedule of revenues and other support is presented for purposes of additional analysis and is 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.



CliftonLarsonAllen LLP

Stevens Point, Wisconsin
April 7, 2022

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	2021	(For Comparative Purposes Only) 2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 716,920	\$ 671,310
Accounts Receivable - Net of Allowance for Uncollectible Amounts of \$1,000 and \$1,000 in 2021 and 2020, Respectively	9,239	120,938
Pledge Receivable	5,000	500
Inventories	6,803	317,758
Prepaid Expenses	26,040	24,516
Escrow Funds	5,673	5,672
Notes Receivable - Curling Stones Program - Current Portion	107,244	109,034
Notes Receivable - Pass-Through - Current Portion	87,500	50,000
Total Current Assets	964,419	1,299,728
PROPERTY AND EQUIPMENT, NET	100,069	100,509
OTHER ASSETS		
Notes Receivable - Curling Stones Program	173,949	237,435
Notes Receivable - Pass-Through	662,500	475,000
Total Other Assets	836,449	712,435
Total Assets	\$ 1,900,937	\$ 2,112,672
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 147,557	\$ 25,927
Accrued Vacation	36,119	22,294
Other Liabilities	697	3
Funds Held for Others	21,269	21,269
Refundable Advances	149,790	178,702
Deferred Income	99,461	76,798
Note Payable	112,997	104,632
Notes Payable - Curling Stones Program - Current Portion	128,261	126,800
Notes Payable - Pass-Through - Current Portion	87,500	50,000
Total Current Liabilities	783,651	606,425
LONG-TERM LIABILITIES		
Notes Payable - Curling Stones Program	226,309	294,376
Notes Payable - Pass-Through	662,500	475,000
Total Long-Term Liabilities	888,809	769,376
Total Liabilities	1,672,460	1,375,801
NET ASSETS		
Net Assets Without Donor Restrictions	203,269	731,871
Net Assets With Donor Restrictions	25,208	5,000
Total Net Assets	228,477	736,871
Total Liabilities and Net Assets	\$ 1,900,937	\$ 2,112,672

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	2021			(For Comparative Purposes Only)
	Without Donor Restrictions	With Donor Restrictions	Total	2020
REVENUES AND OTHER SUPPORT				
Dues	\$ 231,723	\$ -	\$ 231,723	\$ 807,033
Championships	87,024	-	87,024	237,707
Member Programs	81,610	-	81,610	137,360
Revenue Development	45,801	-	45,801	168,419
Program Support/USOC Grants	1,523,376	20,208	1,543,584	1,437,949
In-Kind Contributions	29,207	-	29,207	210,662
Gain on Sale of Asset	-	-	-	5,335
Net Assets Released from Restriction	-	-	-	-
Total Revenues and Other Support	<u>1,998,741</u>	<u>20,208</u>	<u>2,018,949</u>	<u>3,004,465</u>
EXPENSES				
Programs	1,878,712	-	1,878,712	2,786,097
Management and General	621,838	-	621,838	329,428
Fundraising	26,793	-	26,793	37,391
Total Expenses	<u>2,527,343</u>	<u>-</u>	<u>2,527,343</u>	<u>3,152,916</u>
CHANGE IN NET ASSETS	(528,602)	20,208	(508,394)	(148,451)
Net Assets - Beginning of Year	<u>731,871</u>	<u>5,000</u>	<u>736,871</u>	<u>885,322</u>
NET ASSETS - END OF YEAR	<u>\$ 203,269</u>	<u>\$ 25,208</u>	<u>\$ 228,477</u>	<u>\$ 736,871</u>

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	Program Services			Supporting Services		Total Functional Expenses	(For Comparative Purposes Only) 2020
	Elite Able- Bodied and Para Programs	Other Program Expenses	Total Program Services	Management and General	Fundraising		
Salaries	\$ -	\$ 500,388	\$ 500,388	\$ 76,413	\$ 22,176	\$ 598,977	\$ 633,829
Payroll Taxes	-	43,692	43,692	6,194	1,753	51,639	50,409
Fringe Benefits	-	46,958	46,958	6,998	2,864	56,820	33,815
Athletes, Teams, Coaches and Support Personnel	674,960	33,689	708,649	-	-	708,649	927,495
Uniforms	17,713	3,204	20,917	-	-	20,917	74,448
Program Sponsorship Grants	3,759	25,000	28,759	-	-	28,759	34,938
Coaching and Coach Development	-	2,812	2,812	-	-	2,812	12,632
TV and Video Production	-	11,268	11,268	-	-	11,268	498,857
Internet Site Expense	-	54,565	54,565	-	-	54,565	37,905
Broadcast Liability Insurance	-	2,500	2,500	-	-	2,500	3,200
Other Media and Marketing	-	57,885	57,885	-	-	57,885	96,763
Site Selection Expense	-	127,278	127,278	-	-	127,278	15,718
Facility Rental Expense	-	-	-	-	-	-	5,100
Other Club/Membership Programs	-	1,250	1,250	-	-	1,250	19,601
Event Consultant	-	-	-	-	-	-	15,000
U.S. Curling News	-	24,920	24,920	-	-	24,920	67,717
Ice Technician Expense	-	18,547	18,547	-	-	18,547	24,646
Field of Play Equipment and Supplies	-	2,896	2,896	-	-	2,896	16,538
Awards	-	4,327	4,327	-	-	4,327	28,841
Credit Card Processing	-	3,009	3,009	-	-	3,009	6,772
Travel	60,688	77,773	138,461	746	-	139,207	178,652
Depreciation	-	10,213	10,213	1,435	-	11,648	15,346
Officiating Committee	-	8,575	8,575	-	-	8,575	40,670
Youth Curling Committee	-	1,924	1,924	-	-	1,924	2,891
Meeting Expense	-	-	-	6,456	-	6,456	20,570
World Challenge Expense	-	-	-	-	-	-	2,027
Education Program Development	-	174	174	-	-	174	7,757

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	Program Services			Supporting Services		Total Functional Expenses	(For Comparative Purposes Only) 2020
	Elite Able- Bodied and Para Programs	Other Program Expenses	Total Program Services	Management and General	Fundraising		
WCF Stone Loan Program	\$ -	\$ 8,996	\$ 8,996	\$ -	\$ -	\$ 8,996	\$ 23,413
Stone Rental Expense	-	-	-	-	-	-	10,902
Dues and Subscriptions	-	-	-	5,400	-	5,400	3,700
College Curling Committee	-	-	-	-	-	-	2,102
Amortization	-	-	-	-	-	-	1,657
ACF&M Committee	-	-	-	-	-	-	16
Employee Recruitment	-	855	855	-	-	855	995
Insurance - General Liability	-	48,894	48,894	6,629	-	55,523	52,365
Rent	-	-	-	29,850	-	29,850	48,759
Website Development	-	-	-	10,921	-	10,921	7,230
Outside Services	-	-	-	17,080	-	17,080	-
Miscellaneous Office	-	-	-	41,747	-	41,747	36,804
Professional Fees	-	-	-	20,328	-	20,328	13,964
Telephone	-	-	-	7,508	-	7,508	8,588
Supplies/Equipment	-	-	-	12,894	-	12,894	9,857
Printing and Copying	-	-	-	847	-	847	9,845
Postage	-	-	-	1,627	-	1,627	2,861
Legal Fees	-	-	-	-	-	-	37,072
Employee Development	-	-	-	-	-	-	120
Utilities	-	-	-	4,223	-	4,223	4,498
Property Taxes	-	-	-	901	-	901	1,212
NIKE Inventory Donation Made	-	-	-	283,641	-	283,641	-
Bad Debts	-	-	-	80,000	-	80,000	4,819
Total Expenses	\$ 757,120	\$ 1,121,592	\$ 1,878,712	\$ 621,838	\$ 26,793	\$ 2,527,343	\$ 3,152,916

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	2021	(For Comparative Purposes Only) 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (508,394)	\$ (148,451)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Paycheck Protection Program Loan Forgiveness	(104,632)	-
Depreciation and Amortization	11,648	17,004
Gain on Disposal of Equipment	-	(5,335)
Disposal of Donated NIKE Inventory	283,641	-
Changes in Operating Assets and Liabilities:		
Receivables	107,199	77,277
Inventory	27,314	11,475
Prepaid Expenses	(1,524)	16,225
Escrow Funds	(1)	(2)
Accounts Payable	121,630	(25,273)
Accrued Vacation	13,825	(15,326)
Other Liabilities	694	(1,612)
Funds Held for Others	-	(5,927)
Refundable Advances	(28,912)	149,188
Deferred Income	22,663	50,256
Net Cash Provided (Used) by Operating Activities	(54,849)	119,499
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances on Notes Receivable - Pass-Through	(250,000)	-
Proceeds from Collections on Notes Receivable - Pass-Through	25,000	50,000
Note Receivable - Curling Stones Program Receipts	117,043	101,191
Purchases of Property and Equipment	(11,208)	(11,035)
Proceeds on Sale of Asset	-	16,262
Net Cash Provided (Used) by Investing Activities	(119,165)	156,418
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck Protection Program Loan Proceeds	112,997	104,632
Proceeds from Pass-Through Notes Payable	250,000	-
Payments on Pass-Through Notes Payable	(25,000)	(50,000)
Note Payable - Curling Stones Program Payments	(118,373)	(120,822)
Net Cash Provided (Used) by Financing Activities	219,624	(66,190)
NET INCREASE IN CASH AND CASH EQUIVALENTS	45,610	209,727
Cash and Cash Equivalents - Beginning of Year	671,310	461,583
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 716,920	\$ 671,310
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Unrelated Business Income Taxes	\$ 6,013	\$ -
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING TRANSACTION		
Borrowings under Curling Stones Program Notes Payable and Receivable	\$ 51,767	\$ 234,194

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 NATURE OF OPERATIONS

Nature of Operations

The United States Curling Association, Inc. (the Association) represents curling nationally and facilitates the growth of the sport through a network of member state and regional associations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Designated net assets are those assets set aside for specific purposes by the board of directors (the board).

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restriction when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Equivalents

The Association considers demand deposits, certificates of deposit with an original maturity of three months or less and not held in trust, and money market savings accounts to be cash equivalents for the purpose of the statements of cash flows.

Accounts Receivable

Accounts receivable are recorded on the accrual basis of accounting. The allowance for doubtful accounts receivable is estimated based on historical losses and management's knowledge of individual financial circumstances. Accounts receivable that are deemed uncollectible by management are written off in the year they are determined to be uncollectible.

Inventory

Inventory is recorded at the lower of cost or net realizable value, with cost determined on the first-in, first-out basis. Donated inventory is recorded at fair value on the date of donation.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

All acquisitions of property and equipment in excess of \$2,500 are recorded at cost when purchased or at the fair market value when donated. Depreciation on property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Expenditures for repairs and maintenance are expensed.

Funds Held for Others

The American Curling Foundation and Museum transferred all of its assets and liabilities to the Association. The funds, while in the possession of the Association, can only be spent by and for the American Curling Foundation and Museum.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Sponsorships are recognized when the associated performance obligation is satisfied in accordance with the contract terms. Unearned sponsorship fees, which totaled \$90,000 at June 30, 2021, are reflected as deferred revenue on the statement of financial position. Revenue recognized from sponsorships totaled \$150,000 as of June 30, 2021.

Membership dues are based on the period August 1st through July 31st and are due by January 31st annually. Membership dues are recognized ratably over the membership period since there are no distinct performance obligations that are delivered to members throughout the membership period. Revenue recognized from membership fees over time during the year ended June 30, 2021 totaled \$231,723.

Championship revenue related to curling event fees. Revenue is recognized after the event has been held. Revenue from championships totaled \$87,024 during the year ended June 30, 2021.

Revenue for member programs relates to educational programming, club insurance programming, and the stone loan program. Fees for the educational programming are recognized when the educational program is held. Fees for the club insurance program are recognized ratably over the covered period. Fees for the stone loan program are recognized when the Association ships curling stones to member clubs after establishing a stone loan. Unearned program fees, which totaled \$9,461 at June 30, 2021, for the club insurance program, are reflected as deferred revenue on the statement of financial position. Revenue from the club insurance program fees is recognized over time and totaled \$46,297 during the year ended June 30, 2021. Revenue from educational programming is recognized when the event is held and totaled \$12,798 as of June 30, 2021. Revenue from the stone loan program totaled \$22,515 as of June 30, 2021.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Revenue development fees relate to a digital media marketing agreement with the United States Olympic and Paralympic Committee (the U.S.O.P.C.). The agreement is for the U.S.O.P.C. to host and manage the Association's website. Revenue is considered recognized when a set number of unique visitors view the Association's website for each contract year. Revenue from the digital media marketing agreement totaled \$37,500 as of June 30, 2021.

Grants

A portion of the Association's revenue is derived from cost-reimbursable government grants and other grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Association has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Association received cost-reimbursable grants of \$37,280 that have not been recognized at June 30, 2021, because qualifying expenditures have not yet been incurred, with advance payments of \$149,790 recognized in the statement of financial position as refundable advances.

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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Association is generally exempt from income taxes under Internal Revenue Code Section 501(c)(3). Income from certain publishing and advertising activities is considered unrelated business income and is subject to taxation.

The Association has implemented accounting for uncertainty in income taxes in accordance with accounting principles generally accepted in the United States of America. This standard describes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as derecognizing, interest, penalties and disclosure required. Management of the Association evaluates the uncertain tax positions taken regarding unrelated business income taxes, if any, and consults with outside counsel as deemed necessary. The Association recognizes interest and penalties, if any, related to unrecognized tax liabilities in income tax expense.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional expense basis in the statement of activities and by natural classification in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on the best estimates of management for the related activities. Salaries and benefits are allocated on the estimated percentage of time and effort.

In-Kind Contributions and Contributed Services

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as without donor restrictions support unless explicit donor stipulations specify how donated assets must be used.

The Association recognizes the fair value of contributed services received if such services: a) create or enhance nonfinancial assets; or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Association receives services from a large number of volunteers who give significant amounts of their time to the Association's programs and activities but which do not meet the criteria for financial statement recognition.

Advertising Costs

The Association uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred.

Adoption of Accounting Principles

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity and understandability of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Association's financial statements reflect the application of ASC 606 guidance using the full retrospective method beginning in fiscal year ending June 30, 2021. No cumulative-effect adjustment in net assets was recorded because the adoption of ASU 2014-09 did not significantly impact the Association's reported historical revenue.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Update

In February 2016, FASB issued ASU 2016-02, *Leases*, which is a comprehensive lease accounting standard that requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. The standard is effective for annual periods beginning after December 15, 2021, with early adoption permitted. Management has not yet determined what impact the adoption of this new standard will have on the Association's financial position or results of operations.

NOTE 3 PRIOR-YEAR SUMMARIZED INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2020, from which the summarized information was derived. Certain 2020 amounts have been reclassified from where they were previously presented. These reclassifications had no impact on the previously reported net income.

NOTE 4 WCF STONE LOAN PROGRAM

The Association acquires curling-related supplies and equipment and finances the sale of those items to curling clubs. Under the terms of the contract, ownership of the stones stays with the seller until all payments are made in full. As of June 30, 2021, all equipment has been shipped to the various clubs that have committed to purchase these stones over a five to seven-year period.

As of June 30, 2021, the amount due from various curling clubs was \$281,193 and the amount due to the World Curling Federation was \$354,570.

Payments due from various clubs are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 107,244
2023	69,680
2024	65,991
2025	38,278
Total	<u>\$ 281,193</u>

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 WCF STONE LOAN PROGRAM (CONTINUED)

Payments due to the World Curling Federation are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 128,261
2023	92,539
2024	69,676
2025	57,192
2026	6,902
Total	<u>\$ 354,570</u>

NOTE 5 NOTES RECEIVABLE AND NOTES PAYABLE – PASS-THROUGH

The Association has six pass-through ten-year notes with curling clubs. The World Curling Federation has agreed to provide these clubs interest-free loans towards the acquisition and construction of curling facilities. These loans are run through the Association. The receivable and payable associated with these loans was \$750,000 as of June 30, 2021. Two loans require annual payments of \$25,000 through their maturity dates in 2024 and 2029. One loan requires one payment of \$25,000 in 2022 and annual payments of \$33,333 through the maturity date of 2025. Two loans require annual payments of \$12,500 through their maturity dates in 2029 and 2031. One loan requires annual payments of \$18,750 through its maturity date in 2031.

NOTE 6 PROPERTY AND EQUIPMENT

Depreciation and amortization expense for the year ended June 30, 2021, was \$11,648. Property and equipment and related accumulated depreciation and amortization consisted of the following:

	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>
	<u>July 1, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2021</u>
Property and Equipment:				
Equipment	\$ 144,186	\$ 11,208	\$ -	\$ 155,394
Software	7,134	-	-	7,134
Total Property and Equipment	<u>151,320</u>	<u>11,208</u>	<u>-</u>	<u>162,528</u>
Accumulated Depreciation and Amortization:				
Equipment	43,677	11,648	-	55,325
Software	7,134	-	-	7,134
Total	<u>50,811</u>	<u>\$ 11,648</u>	<u>\$ -</u>	<u>62,459</u>
Net Property and Equipment	<u>\$ 100,509</u>			<u>\$ 100,069</u>

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 LEASE COMMITMENT

The Association leases office space with MV Ventures Management, LLC, on May 1, 2021, that is set to expire on April 1, 2022. The Association entered into a commercial lease for storage with Intellirent, LLC, starting April 9, 2021 and is set to expire on April 30, 2024. Rental expenses for year ended June 30, 2021, were \$29,850.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 20,854
2023	11,180
2024	9,548
Total	\$ 41,582

NOTE 8 NOTE PAYABLE

On April 8, 2020, the Association received a loan from the JPMorgan Chase Bank, N.A. totaling \$104,632 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is secured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted by the SBA to the lender or, if the Association fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts are subject to forgiveness based on compliance with program requirements and approval by the SBA. The covered period from April 8, 2020 through September 21, 2020, is the time that the Association had to spend their PPP Loan funds.

The Association is following ASC 470, Debt, to account for the initial receipts related to the PPP Loan. On April 23, 2021, the SBA processed the Association's PPP Loan forgiveness application and notified the JPMorgan Chase Bank, N.A. the PPP Loan qualified for full forgiveness. Loan proceeds were received by the bank from the SBA on this date. Therefore, the Association was legally released from the debt and the loan forgiveness has been recorded as a contribution, which is included in program support and grants during the year ended June 30, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Association's financial position.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 NOTE PAYABLE (CONTINUED)

On January 22, 2021, the Association received a loan from JPMorgan Chase Bank, N.A in the amount of \$112,997 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of five years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Association fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The covered period from January 22, 2021 to July 9, 2021, is the time that a business has to spend their PPP Loan funds.

The Association has classified the loan as current. On December 6, 2021, the SBA formally forgave all of the Association's obligation under this PPP loan.

NOTE 9 LINE OF CREDIT

The Association has a line of credit with a limit of \$100,000. There were no outstanding balances on the line of credit as of June 30, 2021. Bank advances on the line of credit are payable on demand and carry an interest rate of prime plus 1.75% (5.25% at June 30, 2021). The credit line is secured by substantially all assets of the Association.

NOTE 10 NET ASSETS

As of June 30, 2021, net assets without donor restrictions consisted of the following:

Undesignated	\$ 156,882
Designated:	
Ann Brown Legacy Fund	5,645
Katie Beck Memorial Fund	528
Chris Moore Legacy Fund	22,184
Scheels Official Fund	5,050
Bev Schroeder Memorial Fund	12,980
Total	<u>\$ 203,269</u>

As of June 30, 2021, net assets with donor restrictions consisted of the following:

Subject to Expenditure for Specific Purpose:	
"Bricks and Mortar" Purposes or for Curling Stones	\$ 5,000
High Performance Programs	20,208
Total	<u>\$ 25,208</u>

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 IN-KIND CONTRIBUTIONS

The following is a summary of in-kind contributions received for the year ended June 30, 2021:

Transportation/Travel	\$ 28,232
Other	<u>975</u>
Total	<u><u>\$ 29,207</u></u>

NOTE 12 USOC DIRECT FUNDING TO ATHLETES

The Association has acknowledged \$184,100 of USOC direct payments to athletes for the year ended June 30, 2021. These amounts have not been reflected in these statements.

NOTE 13 RISKS AND UNCERTAINTIES

The Association maintains cash balances at one financial institution and, at times, balances may exceed federally insured limits. The Association has not experienced any losses related to these balances.

The Association received approximately 58% of its revenue from one organization for the year ended June 30, 2021.

The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Association, COVID-19 may impact various parts of its 2022 operations and financial results. Management believes the Association is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

NOTE 14 RELATED PARTY TRANSACTIONS

The Association paid \$593 in reimbursements to members of its board of directors for expenses incurred on behalf of the Association during the year ended June 30, 2021. The Association retains documentation of all reimbursed expenses.

NOTE 15 EMPLOYEE BENEFIT PLANS

The Association currently offers all regular full-time employees working at least 30 hours per week a Cafeteria Plan benefit program. The Cafeteria Plan allows employees to purchase certain benefits with pre-tax dollars. Employees can choose to use their pre-tax dollars on a Flexible Spending Account (FSA). There were no employer contributions made for the year ended June 30, 2021.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 EMPLOYEE BENEFIT PLANS (CONTINUED)

The Association has a 401(k) pension plan. All employees are eligible to participate. The Association may make a discretionary contribution up to \$750 per employee. The Association contributed \$4,500 for the year ended June 30, 2021.

NOTE 16 INFORMATION REGARDING LIQUIDITY AND AVAILABILITY

The Association strives to maintain liquid financial assets sufficient to cover its daily operating expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2021:

Cash and Cash Equivalents	\$ 716,920
Receivables	9,239
Current Portion of Notes Receivable	<u>194,744</u>
Subtotal	920,903
Less: Donor Restricted Net Assets	<u>(25,208)</u>
Total Financial Available for General Expenditure	<u><u>\$ 895,695</u></u>

As more fully described in Note 9, the Association has a line of credit which it could draw upon in the event of an unanticipated liquidity need.

NOTE 17 SUBSEQUENT EVENTS

Management has evaluated subsequent events for possible recognition or disclosure through April 7, 2022, the date the financial statements were available to be distributed.

UNITED STATES CURLING ASSOCIATION, INC.
SCHEDULE OF REVENUES AND OTHER SUPPORT
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Dues	Championships	Member Programs	Revenue Development	Program Support/ USOC Grants	In-Kind Contributions	Total
Dues	\$ 231,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231,723
Entry Fees	-	58,514	-	-	-	-	58,514
Club Insurance Program	-	-	46,297	-	-	-	46,297
Education Program Development	-	-	12,798	-	-	-	12,798
Championship Event Income	-	28,510	-	-	-	-	28,510
Merchandise Sales, Net of Cost	-	-	-	3,127	-	-	3,127
Curling News Advertising and Subscriptions	-	-	-	41	-	-	41
U.S.O.C. Marketing Agreement	-	-	-	37,500	-	-	37,500
U.S.O.C. Performance Grant	-	-	-	-	1,054,417	-	1,054,417
U.S.O.C. Licensing Royalties	-	-	-	4,986	-	-	4,986
U.S.O.C. Olympic Support and Other Grants	-	-	-	-	112,434	-	112,434
In-Kind Contributions	-	-	-	-	-	29,207	29,207
Donations and Sponsorships	-	-	-	-	222,101	-	222,101
Chicago Community Trust Grant	-	-	-	-	50,000	-	50,000
WCF Stone Loan Program	-	-	22,515	-	-	-	22,515
Government Grants	-	-	-	-	104,632	-	104,632
Interest Earned	-	-	-	147	-	-	147
Total Revenues and Other Support	\$ 231,723	\$ 87,024	\$ 81,610	\$ 45,801	\$ 1,543,584	\$ 29,207	\$ 2,018,949