

**UNITED STATES CURLING ASSOCIATION, INC.
AND ITS SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENT OF ACTIVITIES	5
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	6
CONSOLIDATED STATEMENT OF CASH FLOWS	8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
CONSOLIDATED SCHEDULE OF REVENUES AND OTHER SUPPORT	18



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of United States Curling Association, Inc. (a nonprofit organization) and its Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2023, and related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United States Curling Association, Inc. and its Subsidiary as of June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of United States Curling Association, Inc. and its Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United States Curling Association, Inc. and its Subsidiary's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United States Curling Association, Inc. and its Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United States Curling Association, Inc. and its Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

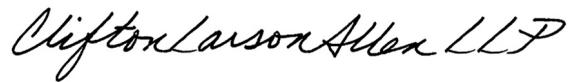
Report on Summarized Comparative Information

We have previously audited United States Curling Association, Inc. and its Subsidiary's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 7, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
United States Curling Association, Inc.
and its Subsidiary

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of revenues and other support is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Stevens Point, Wisconsin
April 12, 2024

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

ASSETS	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 146,806	\$ 403,966
Accounts Receivable - Net of Allowance for Uncollectible Amounts of \$1,000 and \$21,000 in 2023 and 2022, Respectively	63,691	57,724
Grants Receivable	74,750	24,700
Pledge Receivable	-	2,500
Inventories	9,027	6,812
Prepaid Expenses	27,382	20,191
Escrow Funds	5,673	5,673
Notes Receivable - Curling Stones Program - Current Portion	77,910	73,892
Notes Receivable - Pass-Through - Current Portion	138,990	99,407
Total Current Assets	<u>544,229</u>	<u>694,865</u>
PROPERTY AND EQUIPMENT, NET	82,710	87,558
OTHER ASSETS		
Notes Receivable - Curling Stones Program	45,513	112,804
Notes Receivable - Pass-Through	457,436	588,093
Total Other Assets	<u>502,949</u>	<u>700,897</u>
Total Assets	<u><u>\$ 1,129,888</u></u>	<u><u>\$ 1,483,320</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 241,587	\$ 370,748
Other Liabilities	54,993	57,422
Funds Held for Others	21,269	21,269
Refundable Advances	81,632	30,800
Deferred Income	-	236,738
Notes Payable - Curling Stones Program - Current Portion	161,141	92,539
Notes Payable - Pass-Through - Current Portion	163,990	99,407
Total Current Liabilities	<u>724,612</u>	<u>908,923</u>
LONG-TERM LIABILITIES		
Notes Payable - Curling Stones Program	70,232	144,000
Notes Payable - Pass-Through	457,436	588,093
Total Long-Term Liabilities	<u>527,668</u>	<u>732,093</u>
Total Liabilities	1,252,280	1,641,016
NET ASSETS (DEFICIT)		
Without Donor Restrictions	(127,392)	(162,696)
With Donor Restrictions	5,000	5,000
Total Net Assets (Deficit)	<u>(122,392)</u>	<u>(157,696)</u>
Total Liabilities and Net Assets (Deficit)	<u><u>\$ 1,129,888</u></u>	<u><u>\$ 1,483,320</u></u>

See accompanying Notes to Consolidated Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUES AND OTHER SUPPORT				
Dues	\$ 712,570	\$ -	\$ 712,570	\$ 654,367
Championships	438,583	-	438,583	468,438
Member Programs	77,766	-	77,766	38,117
Revenue Development	74,025	-	74,025	13,181
Program Support/USOC Grants	1,982,830	-	1,982,830	2,084,686
Contributions of Nonfinancial Assets	125,000	-	125,000	230,226
Net Assets Released from Restriction	-	-	-	-
Total Revenues and Other Support	<u>3,410,774</u>	<u>-</u>	<u>3,410,774</u>	<u>3,489,015</u>
EXPENSES				
Programs	2,724,328	-	2,724,328	3,506,099
Management and General	576,578	-	576,578	307,768
Fundraising	74,564	-	74,564	61,321
Total Expenses	<u>3,375,470</u>	<u>-</u>	<u>3,375,470</u>	<u>3,875,188</u>
CHANGE IN NET ASSETS	35,304	-	35,304	(386,173)
Net Assets (Deficit) - Beginning of Year	<u>(162,696)</u>	<u>5,000</u>	<u>(157,696)</u>	<u>228,477</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ (127,392)</u>	<u>\$ 5,000</u>	<u>\$ (122,392)</u>	<u>\$ (157,696)</u>

See accompanying Notes to Consolidated Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Program Services			Supporting Services		Total Functional Expenses	2022
	Elite Able- Bodied and Para Programs	Other Program Expenses	Total Program Services	Management and General	Fundraising		
Salaries	\$ -	\$ 784,899	\$ 784,899	\$ 205,736	\$ 60,236	\$ 1,050,871	\$ 857,168
Payroll Taxes	-	76,714	76,714	12,818	5,059	94,591	81,240
Fringe Benefits	-	115,179	115,179	25,198	9,269	149,646	107,116
Athletes, Teams, Coaches and Support Personnel	570,007	50,716	620,723	-	-	620,723	764,090
Uniforms	132,193	(429)	131,764	-	-	131,764	225,897
Program Equipment and Technology	33,409	-	33,409	-	-	33,409	19,171
Program Sponsorship Grants	10,000	30,735	40,735	-	-	40,735	11,097
Coaching and Coach Development	-	(3,204)	(3,204)	-	-	(3,204)	-
TV and Video Production	-	67,693	67,693	-	-	67,693	480,712
Internet Site Expense	-	51,710	51,710	-	-	51,710	33,668
Broadcast Liability Insurance	-	2,273	2,273	-	-	2,273	1,928
Other Media and Marketing	-	43,309	43,309	-	-	43,309	41,394
Site Selection Expense	-	253,916	253,916	-	-	253,916	60,377
Facility Rental Expense	-	12,475	12,475	-	-	12,475	7,241
Other Club/Membership Programs	-	4,378	4,378	-	-	4,378	4,723
U.S. Curling News	-	-	-	-	-	-	19,597
Ice Technician Expense	-	11,641	11,641	-	-	11,641	16,121
Field of Play Equipment and Supplies	-	13,564	13,564	-	-	13,564	6,418
Awards	-	18,500	18,500	-	-	18,500	23,512
Credit Card Processing	-	1,713	1,713	-	-	1,713	12,306
Travel	64,494	253,823	318,317	3,140	-	321,457	723,220
Depreciation	-	10,074	10,074	1,274	-	11,348	12,511
Officiating Committee	-	32,722	32,722	-	-	32,722	15,939
Youth Curling Committee	-	10,838	10,838	-	-	10,838	4,472
Meeting Expense	-	-	-	2,887	-	2,887	719
World Challenge Expense	-	-	-	-	-	-	1,459
Education Program Development	-	22,014	22,014	-	-	22,014	1,092

See accompanying Notes to Consolidated Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Program Services			Supporting Services		Total Functional Expenses	2022
	Elite Able- Bodied and Para Programs	Other Program Expenses	Total Program Services	Management and General	Fundraising		
WCF Stone Loan Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 570
Dues and Subscriptions	-	1,288	1,288	4,496	-	5,784	3,700
College Curling Committee	-	1,844	1,844	-	-	1,844	3,351
Amortization	-	-	-	-	-	-	7
Employee Recruitment	-	690	690	-	-	690	1,050
Insurance - General Liability	-	43,706	43,706	6,427	-	50,133	61,839
Olympic Playdown Committee	-	249	249	-	-	249	103,776
Transportation Committee	-	1,195	1,195	-	-	1,195	473
Rent	-	-	-	31,354	-	31,354	10,784
Website Development	-	-	-	29,454	-	29,454	23,771
Outside Services	-	-	-	43,050	-	43,050	41,376
Miscellaneous Office	-	-	-	31,913	-	31,913	7,784
Professional Fees	-	-	-	65,790	-	65,790	23,310
Telephone	-	-	-	3,015	-	3,015	5,625
Supplies/Equipment	-	-	-	33,370	-	33,370	24,337
Printing and Copying	-	-	-	985	-	985	898
Postage	-	-	-	8,850	-	8,850	2,375
Legal Fees	-	-	-	45,650	-	45,650	6,088
Utilities	-	-	-	1,171	-	1,171	117
Property Taxes	-	-	-	-	-	-	769
Bad Debts	-	-	-	20,000	-	20,000	20,000
Total Expenses	\$ 810,103	\$ 1,914,225	\$ 2,724,328	\$ 576,578	\$ 74,564	\$ 3,375,470	\$ 3,875,188

See accompanying Notes to Consolidated Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 35,304	\$ (386,173)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Paycheck Protection Program Loan Forgiveness	-	(112,997)
Depreciation and Amortization	11,348	12,511
Bad Debt Expense	20,000	20,000
Changes in Operating Assets and Liabilities:		
Receivables	(73,517)	(90,685)
Inventory	(2,215)	(9)
Prepaid Expenses	(7,191)	5,849
Accounts Payable	(129,161)	223,191
Accrued Vacation	-	(36,119)
Other Liabilities	(2,429)	56,725
Refundable Advances	50,832	(118,990)
Deferred Income	(236,738)	137,277
Net Cash Used by Operating Activities	(333,767)	(289,420)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Collections on Notes Receivable - Pass-Through Note Receivable - Curling Stones Program Receipts	91,074	62,500
Purchases of Property and Equipment	(6,500)	-
Net Cash Provided by Investing Activities	147,847	167,229
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Pass-Through Notes Payable	(66,075)	(62,500)
Note Payable - Curling Stones Program Payments	(5,165)	(128,263)
Net Cash Used by Financing Activities	(71,240)	(190,763)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(257,160)	(312,954)
Cash and Cash Equivalents - Beginning of Year	403,966	716,920
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 146,806	\$ 403,966
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING TRANSACTION		
Borrowings under Curling Stones Program Notes Payable and Receivable	\$ -	\$ 10,232

See accompanying Notes to Consolidated Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

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.

The USA Curling Foundation, LLC, (the Foundation) a wholly owned subsidiary, was organized on May 11, 2022, in the state of Minnesota under Ch. 322C of the Minnesota Statutes for the purpose of providing fundraising, development, communication, education and marketing support and expertise for the Association as well as to further the mission of the Association.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of United States Curling Association, Inc. and USA Curling Foundation, LLC, its consolidated subsidiary. Intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting. In accordance with accounting principles generally accepted in the United States of America (GAAP), net asset and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets 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 consolidated statements of cash flows.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 \$-0- at June 30, 2023, are reflected as deferred revenue on the consolidated statement of financial position. Revenue recognized from sponsorships totaled \$295,000 as of June 30, 2023.

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, 2023 totaled \$712,570.

Championship revenue related to curling event fees. Revenue is recognized after the event has been held. Revenue from championships totaled \$438,583 during the year ended June 30, 2023.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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. Revenue from educational programming is recognized when the event is held and totaled \$72,766 as of June 30, 2023. Revenue from the stone loan program totaled \$5,000 as of June 30, 2023.

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 consolidated statement of financial position. The Association received cost-reimbursable grants of \$94,581 that have not been recognized at June 30, 2023, because qualifying expenditures have not yet been incurred, with advance payments of \$81,632 recognized in the consolidated statement of financial position as refundable advances.

As of June 30, 2023, the Association complied with the conditions of the Employee Retention Credit (ERC), in the amount of \$40,463 in compliance with the program. Grants related to this program are classified as grant income. The Association recognized \$40,463 of grant income related to performance requirements being met and costs being incurred in compliance with the program during the year ended June 30, 2023.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP 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 consolidated 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 Foundation is a disregarded entity for tax purposes with its income reported by the Association.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status (Continued)

The Association has implemented accounting for uncertainty in income taxes in accordance with GAAP. This standard describes a recognition threshold and measurement attribute for consolidated 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.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional expense basis in the consolidated statement of activities and by natural classification in the consolidated 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.

Contributed Nonfinancial Assets and Contributed Services

Contributed nonfinancial assets 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 consolidated financial statement recognition.

Advertising Costs

The Association uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising costs totaled approximately \$61,032 as of June 30, 2023.

Leases

The Association determines if an arrangement is a lease at inception. The Association has elected to recognize payments for short-term leases with a lease term of 12 months or less as an expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Update

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Association adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption. The Association has elected to adopt the package of practical expedients available in the year of adoption. The Association has not elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Association's ROU assets.

The Association has one long-term lease that would require the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position; however, the lease was deemed to be immaterial to the overall financial statements, so no ROU asset or lease liability has been recorded. Therefore, the standard has no impact on the statements of financial position, activities, or cash flows.

NOTE 3 PRIOR YEAR SUMMARIZED INFORMATION

The consolidated 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 GAAP. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

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, 2023, all equipment has been shipped to the various clubs that have committed to purchase these stones over a five to seven-year period.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 WCF STONE LOAN PROGRAM (CONTINUED)

As of June 30, 2023, the amount due from various curling clubs was \$123,423 and the amount due to the World Curling Federation was \$231,373.

Payments due from various clubs are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 77,910
2025	40,323
2026	2,046
2027	2,046
2028	1,098
Total	<u>\$ 123,423</u>

Payments due to the World Curling Federation are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 161,141
2025	59,238
2026	8,948
2027	2,046
Total	<u>\$ 231,373</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 associated with these loans was \$596,426 as of June 30, 2023. The payable associated with these loans was \$621,426 as of June 30, 2023. One loan requires annual payments of \$25,000 through the maturity date in 2024. One loan requires annual payments of \$28,571 through its maturity date in 2029. One loan requires 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.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 PROPERTY AND EQUIPMENT

Depreciation and amortization expense for the year ended June 30, 2023 was \$11,347. Property and equipment and related accumulated depreciation and amortization consisted of the following:

	Cost July 1, 2022	Additions	Disposals	Cost June 30, 2023
Property and Equipment:				
Equipment	\$ 151,603	\$ 6,500	\$ -	\$ 158,103
Total Property and Equipment	<u>151,603</u>	<u>6,500</u>	<u>-</u>	<u>158,103</u>
Accumulated Depreciation and Amortization:				
Equipment	64,046	11,347		75,393
Total	<u>64,046</u>	<u>\$ 11,347</u>	<u>\$ -</u>	<u>75,393</u>
Net Property and Equipment	<u>\$ 87,557</u>			<u>\$ 82,710</u>

NOTE 7 LINE OF CREDIT

The Association has a line of credit with a limit of \$100,000. There were no outstanding balance on the line of credit as of June 30, 2023. Bank advances on the line of credit are payable on demand and carry an interest rate of prime plus 1.75% (8.25% at June 30, 2023). The credit line is secured by substantially all assets of the Association.

NOTE 8 NET ASSETS (DEFICIT)

As of June 30, 2023, net assets (deficit) without donor restrictions consisted of the following:

Undesignated	\$ (179,938)
Designated:	
Ann Brown Legacy Fund	5,645
Katie Beck Memorial Fund	755
Chris Moore Legacy Fund	19,215
Scheels Official Fund	12,731
Bev Schroeder Memorial Fund	14,200
Total	<u>\$ (127,392)</u>

As of June 30, 2023, net assets with donor restrictions consisted of the following:

Subject to Expenditure for Specific Purpose:	
"Bricks and Mortar" Purposes or for Curling Stones	<u>\$ 5,000</u>

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 CONTRIBUTED NONFINANCIAL ASSETS

The following is a summary of contributed nonfinancial assets received for the year ended June 30, 2023:

Uniforms and Training Apparel	<u>\$ 125,000</u>
-------------------------------	-------------------

All contributed nonfinancial assets were utilized by the Association's program services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. In valuing these nonfinancial assets, the Association used information received by the individual donors that reported market rates that would be charged for similar items-.

NOTE 10 USOC DIRECT FUNDING TO ATHLETES

The Association has acknowledged \$154,750 of USOC direct payments to athletes for the year ended June 30, 2023. These amounts have not been reflected in these consolidated statements.

NOTE 11 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 41% of its revenue from one organization for the year ended June 30, 2023.

NOTE 12 RELATED PARTY TRANSACTIONS

The Association paid \$2,417 in reimbursements to members of its board of directors for expenses incurred on behalf of the Association during the year ended June 30, 2023. The Association retains documentation of all reimbursed expenses.

NOTE 13 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, 2023.

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 \$6,153 for the year ended June 30, 2023.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 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 consolidated statement of financial position date, comprise the following at June 30, 2023:

Cash and Cash Equivalents	\$ 146,806
Receivables	138,441
Current Portion of Notes Receivable	<u>216,900</u>
Subtotal	502,147
Less: Donor Restricted Net Assets	<u>(5,000)</u>
Total Financial Available for General Expenditure	<u><u>\$ 497,147</u></u>

As more fully described in Note 7, the Association has a line of credit which it could draw upon in the event of an unanticipated liquidity need.

NOTE 15 ACCOUNTS RECEIVABLE AND CONTRACT BALANCES

Open and closing balances for accounts receivable and contract liabilities arising from contracts with customers include:

Accounts Receivable from Contracts - July 1, 2022	\$ 57,724
Accounts Receivable from Contracts - June 30, 2023	63,691
Contract Liabilities - July 1, 2022	236,738
Contract Liabilities - June 30, 2023	-

Contract assets arise when the Association transfers goods or services to a customer in advance of receiving consideration and the right to consideration is conditioned on something other than the passage of time. Contract assets are transferred to receivables when the right to receive consideration becomes unconditional and the Association is able to invoice the customer. Contract liabilities represent the Association's obligation to transfer goods or services to a customer when consideration has already been received from the customer. When the transfer of control of the related good or service occurs, contract liabilities are reclassified, and revenue is recognized.

NOTE 16 SUBSEQUENT EVENTS

Management has evaluated subsequent events for possible recognition or disclosure through April 12, 2024, the date the consolidated financial statements were available to be distributed.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
CONSOLIDATED SCHEDULE OF REVENUES AND OTHER SUPPORT
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Dues	Championships	Member Programs	Revenue Development	Program Support/ USOC Grants	Contributions of Nonfinancial Assets	Total
Dues	\$ 712,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 712,570
Entry Fees	-	250,608	-	-	-	-	250,608
Education Program Development	-	-	72,766	-	-	-	72,766
Championship Event Income	-	187,975	-	-	-	-	187,975
Advertising	-	-	-	6,000	-	-	6,000
Merchandise Sales, Net of Cost	-	-	-	65,647	-	-	65,647
U.S.O.P.C. Performance Grants	-	-	-	-	1,233,268	-	1,233,268
U.S.O.P.C. Licensing Royalties	-	-	-	1,353	-	-	1,353
U.S.O.P.C. Olympic Support and Other Grants	-	-	-	-	150,725	-	150,725
Contributions of Nonfinancial Assets	-	-	-	-	-	125,000	125,000
Donations and Sponsorships	-	-	-	-	508,374	-	508,374
Chicago Community Trust Grant	-	-	-	-	50,000	-	50,000
WCF Stone Loan Program	-	-	5,000	-	-	-	5,000
Government Grants	-	-	-	-	40,463	-	40,463
Interest Earned	-	-	-	25	-	-	25
Miscellaneous	-	-	-	1,000	-	-	1,000
Total Revenues and Other Support	<u>\$ 712,570</u>	<u>\$ 438,583</u>	<u>\$ 77,766</u>	<u>\$ 74,025</u>	<u>\$ 1,982,830</u>	<u>\$ 125,000</u>	<u>\$ 3,410,774</u>



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.