

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

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022



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**UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
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YEAR ENDED JUNE 30, 2022**

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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, 2022, 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, 2022, 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.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 7, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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 17, 2023

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

ASSETS	2022	2021
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 403,966	\$ 716,920
Accounts Receivable - Net of Allowance for Uncollectible Amounts of \$21,000 and \$1,000 in 2022 and 2021, Respectively	57,724	9,239
Grants Receivable	24,700	-
Pledge Receivable	2,500	5,000
Inventories	6,812	6,803
Prepaid Expenses	20,191	26,040
Escrow Funds	5,673	5,673
Notes Receivable - Curling Stones Program - Current Portion	73,892	107,244
Notes Receivable - Pass-Through - Current Portion	99,407	87,500
Total Current Assets	694,865	964,419
PROPERTY AND EQUIPMENT, NET	87,558	100,069
OTHER ASSETS		
Notes Receivable - Curling Stones Program	112,804	173,949
Notes Receivable - Pass-Through	588,093	662,500
Total Other Assets	700,897	836,449
Total Assets	\$ 1,483,320	\$ 1,900,937
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 370,748	\$ 147,557
Accrued Vacation	-	36,119
Other Liabilities	57,422	697
Funds Held for Others	21,269	21,269
Refundable Advances	30,800	149,790
Deferred Income	236,738	99,461
Note Payable	-	112,997
Notes Payable - Curling Stones Program - Current Portion	92,539	128,261
Notes Payable - Pass-Through - Current Portion	99,407	87,500
Total Current Liabilities	908,923	783,651
LONG-TERM LIABILITIES		
Notes Payable - Curling Stones Program	144,000	226,309
Notes Payable - Pass-Through	588,093	662,500
Total Long-Term Liabilities	732,093	888,809
Total Liabilities	1,641,016	1,672,460
NET ASSETS		
Net Assets Without Donor Restrictions	(162,696)	203,269
Net Assets With Donor Restrictions	5,000	25,208
Total Net Assets	(157,696)	228,477
Total Liabilities and Net Assets	\$ 1,483,320	\$ 1,900,937

See accompanying Notes to Consolidated Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUES AND OTHER SUPPORT				
Dues	\$ 654,367	\$ -	\$ 654,367	\$ 231,723
Championships	468,438	-	468,438	87,024
Member Programs	38,117	-	38,117	81,610
Revenue Development	13,181	-	13,181	45,801
Program Support/USOC Grants	2,084,686	-	2,084,686	1,543,584
Contributions of Nonfinancial Assets	230,226	-	230,226	29,207
Net Assets Released from Restriction	20,208	(20,208)	-	-
Total Revenues and Other Support	3,509,223	(20,208)	3,489,015	2,018,949
EXPENSES				
Programs	3,506,099	-	3,506,099	1,878,712
Management and General	307,768	-	307,768	621,838
Fundraising	61,321	-	61,321	26,793
Total Expenses	3,875,188	-	3,875,188	2,527,343
CHANGE IN NET ASSETS	(365,965)	(20,208)	(386,173)	(508,394)
Net Assets - Beginning of Year	203,269	25,208	228,477	736,871
NET ASSETS - END OF YEAR	<u>\$ (162,696)</u>	<u>\$ 5,000</u>	<u>\$ (157,696)</u>	<u>\$ 228,477</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, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	Program Services			Supporting Services		Total Functional Expenses	2021
	Elite Able- Bodied and Para Programs	Other Program Expenses	Total Program Services	Management and General	Fundraising		
Salaries	\$ -	\$ 709,165	\$ 709,165	\$ 98,133	\$ 49,870	\$ 857,168	\$ 598,977
Payroll Taxes	-	67,549	67,549	9,099	4,592	81,240	51,639
Fringe Benefits	-	84,173	84,173	16,084	6,859	107,116	56,820
Athletes, Teams, Coaches and Support Personnel	734,254	29,836	764,090	-	-	764,090	708,649
Uniforms	223,433	2,464	225,897	-	-	225,897	20,917
Program Equipment and Technology	19,171	-	19,171	-	-	19,171	-
Program Sponsorship Grants	6,097	5,000	11,097	-	-	11,097	28,759
Coaching and Coach Development	-	-	-	-	-	-	2,812
TV and Video Production	-	480,712	480,712	-	-	480,712	11,268
Internet Site Expense	-	33,668	33,668	-	-	33,668	54,565
Broadcast Liability Insurance	-	1,928	1,928	-	-	1,928	2,500
Other Media and Marketing	-	41,394	41,394	-	-	41,394	57,885
Site Selection Expense	-	60,377	60,377	-	-	60,377	127,278
Facility Rental Expense	-	7,241	7,241	-	-	7,241	-
Other Club/Membership Programs	-	4,723	4,723	-	-	4,723	1,250
U.S. Curling News	-	19,597	19,597	-	-	19,597	24,920
Ice Technician Expense	-	16,121	16,121	-	-	16,121	18,547
Field of Play Equipment and Supplies	-	6,418	6,418	-	-	6,418	2,896
Awards	-	23,512	23,512	-	-	23,512	4,327
Credit Card Processing	-	12,306	12,306	-	-	12,306	3,009
Travel	100,280	615,443	715,723	7,497	-	723,220	139,207
Depreciation	-	11,238	11,238	1,273	-	12,511	11,648
Officiating Committee	-	15,939	15,939	-	-	15,939	8,575
Youth Curling Committee	-	4,472	4,472	-	-	4,472	1,924
Meeting Expense	-	-	-	719	-	719	6,456
World Challenge Expense	-	1,459	1,459	-	-	1,459	-
Education Program Development	-	1,092	1,092	-	-	1,092	174

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, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	Program Services			Supporting Services		Total Functional Expenses	2021
	Elite Able- Bodied and Para Programs	Other Program Expenses	Total Program Services	Management and General	Fundraising		
WCF Stone Loan Program	\$ -	\$ 570	\$ 570	\$ -	\$ -	\$ 570	\$ 8,996
Dues and Subscriptions	-	1,000	1,000	2,700	-	3,700	5,400
College Curling Committee	-	3,351	3,351	-	-	3,351	-
Amortization	-	7	7	-	-	7	-
Employee Recruitment	-	1,050	1,050	-	-	1,050	855
Insurance - General Liability	-	56,810	56,810	5,029	-	61,839	55,523
Olympic Playdown Committee	-	103,776	103,776	-	-	103,776	-
Transportation Committee	-	473	473	-	-	473	-
Rent	-	-	-	10,784	-	10,784	29,850
Website Development	-	-	-	23,771	-	23,771	10,921
Outside Services	-	-	-	41,376	-	41,376	17,080
Miscellaneous Office	-	-	-	7,784	-	7,784	41,747
Professional Fees	-	-	-	23,310	-	23,310	20,328
Telephone	-	-	-	5,625	-	5,625	7,508
Supplies/Equipment	-	-	-	24,337	-	24,337	12,894
Printing and Copying	-	-	-	898	-	898	847
Postage	-	-	-	2,375	-	2,375	1,627
Legal Fees	-	-	-	6,088	-	6,088	-
Utilities	-	-	-	117	-	117	4,223
Property Taxes	-	-	-	769	-	769	901
NIKE Inventory Donation Made	-	-	-	-	-	-	283,641
Bad Debts	-	-	-	20,000	-	20,000	80,000
Total Expenses	\$ 1,083,235	\$ 2,422,864	\$ 3,506,099	\$ 307,768	\$ 61,321	\$ 3,875,188	\$ 2,527,343

See accompanying Notes to Consolidated Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (386,173)	\$ (508,394)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Paycheck Protection Program Loan Forgiveness	(112,997)	(104,632)
Depreciation and Amortization	12,511	11,648
Disposal of Donated NIKE Inventory	-	283,641
Bad Debt Expense	20,000	-
Changes in Operating Assets and Liabilities:		
Receivables	(90,685)	107,199
Inventory	(9)	27,314
Prepaid Expenses	5,849	(1,524)
Escrow Funds	-	(1)
Accounts Payable	223,191	121,630
Accrued Vacation	(36,119)	13,825
Other Liabilities	56,725	694
Refundable Advances	(118,990)	(28,912)
Deferred Income	137,277	22,663
Net Cash Used by Operating Activities	(289,420)	(54,849)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances on Notes Receivable - Pass-Through	-	(250,000)
Proceeds from Collections on Notes Receivable - Pass-Through	62,500	25,000
Note Receivable - Curling Stones Program Receipts	104,729	117,043
Purchases of Property and Equipment	-	(11,208)
Net Cash Provided (Used) by Investing Activities	167,229	(119,165)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck Protection Program Loan Proceeds	-	112,997
Proceeds from Pass-Through Notes Payable	-	250,000
Payments on Pass-Through Notes Payable	(62,500)	(25,000)
Note Payable - Curling Stones Program Payments	(128,263)	(118,373)
Net Cash Provided (Used) by Financing Activities	(190,763)	219,624
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(312,954)	45,610
Cash and Cash Equivalents - Beginning of Year	716,920	671,310
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 403,966	\$ 716,920
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	\$ 10,232	\$ 51,767

See accompanying Notes to Consolidated Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

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, 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, 2022

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 \$225,000 at June 30, 2022, are reflected as deferred revenue on the consolidated statement of financial position. Revenue recognized from sponsorships totaled \$380,000 as of June 30, 2022.

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, 2022 totaled \$654,367.

Championship revenue related to curling event fees. Revenue is recognized after the event has been held. Revenue from championships totaled \$468,438 during the year ended June 30, 2022.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

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. There were no unearned program fees at June 30, 2022, for the club insurance program, resulting in no impact to deferred revenue on the consolidated statement of financial position. Revenue from the club insurance program fees is recognized over time and totaled \$9,922 during the year ended June 30, 2022. Revenue from educational programming is recognized when the event is held and totaled \$26,916 as of June 30, 2022. Revenue from the stone loan program totaled \$1,279 as of June 30, 2022.

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 \$50,500 that have not been recognized at June 30, 2022, because qualifying expenditures have not yet been incurred, with advance payments of \$30,459 recognized in the consolidated statement of financial position as refundable advances.

Use of Estimates

The preparation of the consolidated 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 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, 2022

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 accounting principles generally accepted in the United States of America. 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 \$457,000 as of June 30, 2022.

Accounting Standards Update

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, *Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new standard increases transparency and comparability among organizations through enhancements to presentation and disclosure requirements for contributed nonfinancial assets. The adoption of this standard did not have any significant impact on the accompanying consolidated financial statements or disclosures.

**UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Update (Continued)

In February 2016, FASB issued ASU No. 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 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 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, 2021, 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, 2022, 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, 2022, the amount due from various curling clubs was \$186,696 and the amount due to the World Curling Federation was \$236,539.

Payments due from various clubs are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 73,892
2024	68,044
2025	40,322
2026	2,046
2027	2,046
Thereafter	346
Total	<u>\$ 186,696</u>

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

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>
2023	\$ 92,539
2024	71,722
2025	59,238
2026	8,948
2027	2,046
Thereafter	2,046
Total	<u>\$ 236,539</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 \$687,500 as of June 30, 2022. 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.

NOTE 6 PROPERTY AND EQUIPMENT

Depreciation and amortization expense for the year ended June 30, 2022, was \$12,511. 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, 2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2022</u>
Property and Equipment:				
Equipment	\$ 155,394	\$ -	\$ (3,791)	\$ 151,603
Software	7,134	-	(7,134)	-
Total Property and Equipment	<u>162,528</u>	<u>-</u>	<u>(10,925)</u>	<u>151,603</u>
Accumulated Depreciation and Amortization:				
Equipment	55,325	12,511	(3,791)	64,045
Software	7,134	-	(7,134)	-
Total	<u>62,459</u>	<u>\$ 12,511</u>	<u>\$ (10,925)</u>	<u>64,045</u>
Net Property and Equipment	<u>\$ 100,069</u>			<u>\$ 87,558</u>

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
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JUNE 30, 2022

NOTE 7 LEASE COMMITMENT

The Association leased office space with MV Ventures Management, LLC, on May 1, 2021, that expires on August 31, 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. The Association entered into a commercial lease for office space with MV Ventures Management, LLC, starting September 1, 2022 and is set to expire on August 31, 2023. Rental expenses for year ended June 30, 2022, were \$10,784.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 28,570
2024	10,081
Total	<u>\$ 38,651</u>

NOTE 8 NOTE PAYABLE

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 is following Accounting Standards Codification 470, Debt, to account for the initial receipts related to the PPP Loan. On December 6, 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, 2022.

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. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022. Bank advances on the line of credit are payable on demand and carry an interest rate of prime plus 1.75% (6.50% at June 30, 2022). The credit line is secured by substantially all assets of the Association.

NOTE 10 NET ASSETS

As of June 30, 2022, net assets without donor restrictions consisted of the following:

Undesignated	\$ (209,118)
Designated:	
Ann Brown Legacy Fund	5,645
Katie Beck Memorial Fund	558
Chris Moore Legacy Fund	22,289
Scheels Official Fund	5,050
Bev Schroeder Memorial Fund	12,880
Total	<u>\$ (162,696)</u>

As of June 30, 2022, 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>

NOTE 11 CONTRIBUTED NONFINANCIAL ASSETS

The following is a summary of contributed nonfinancial assets received for the year ended June 30, 2022:

Transportation/Travel	\$ 34,863
Uniforms and Training Apparel	195,000
Other	363
Total	<u>\$ 230,226</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.

NOTE 12 USOC DIRECT FUNDING TO ATHLETES

The Association has acknowledged \$203,500 of USOC direct payments to athletes for the year ended June 30, 2022. These amounts have not been reflected in these consolidated statements.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

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 42% of its revenue from one organization for the year ended June 30, 2022.

NOTE 14 RELATED PARTY TRANSACTIONS

The Association paid \$720 in reimbursements to members of its board of directors for expenses incurred on behalf of the Association during the year ended June 30, 2022. 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, 2022.

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 \$4,294 for the year ended June 30, 2022.

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 consolidated statement of financial position date, comprise the following at June 30, 2022:

Cash and Cash Equivalents	\$ 403,966
Receivables	84,924
Current Portion of Notes Receivable	173,299
Subtotal	<u>662,189</u>
Less: Donor Restricted Net Assets	(5,000)
Total Financial Available for General Expenditure	<u><u>\$ 657,189</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.

UNITED STATES CURLING ASSOCIATION, INC. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 17 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, 2021	\$ 9,239
Accounts Receivable from Contracts - June 30, 2022	57,724
Contract Liabilities - July 1, 2021	99,461
Contract Liabilities - June 30, 2022	236,738

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 18 SUBSEQUENT EVENTS

Management has evaluated subsequent events for possible recognition or disclosure through April 17, 2023, 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, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Dues	Championships	Member Programs	Revenue Development	Program Support/ USOC Grants	Contributions of Nonfinancial Assets	Total
Dues	\$ 654,367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 654,367
Entry Fees	-	156,041	-	-	-	-	156,041
Club Insurance Program	-	-	9,922	-	-	-	9,922
Education Program Development	-	-	26,916	-	-	-	26,916
Championship Event Income	-	312,397	-	-	-	-	312,397
Merchandise Sales, Net of Cost	-	-	-	(959)	-	-	(959)
U.S.O.P.C. Performance Grants	-	-	-	-	1,140,638	-	1,140,638
U.S.O.P.C. Licensing Royalties	-	-	-	14,083	-	-	14,083
U.S.O.P.C. Olympic Support and Other Grants	-	-	-	-	241,897	-	241,897
WCF Grant	-	-	-	-	5,980	-	5,980
Contributions of Nonfinancial Assets	-	-	-	-	-	230,226	230,226
Donations and Sponsorships	-	-	-	-	533,174	-	533,174
Chicago Community Trust Grant	-	-	-	-	50,000	-	50,000
WCF Stone Loan Program	-	-	1,279	-	-	-	1,279
Government Grants	-	-	-	-	112,997	-	112,997
Interest Earned	-	-	-	57	-	-	57
Total Revenues and Other Support	\$ 654,367	\$ 468,438	\$ 38,117	\$ 13,181	\$ 2,084,686	\$ 230,226	\$ 3,489,015



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