

UNITED STATES CURLING ASSOCIATION, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020



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**UNITED STATES CURLING ASSOCIATION, INC.
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YEAR ENDED JUNE 30, 2020**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
United States Curling Association, Inc.
Stevens Point, Wisconsin

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, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, 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 2020 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
February 26, 2021

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	2020	(For Comparative Purposes Only) 2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 671,310	\$ 461,583
Accounts Receivable - Net of Allowance for Uncollectible Amounts of \$1,000 and \$1,000 in 2020 and 2019, Respectively	120,938	176,698
Grants Receivable	-	22,017
Pledge Receivable	500	-
Inventories	317,758	329,233
Prepaid Expenses	24,516	40,741
Escrow Funds	5,672	5,670
Notes Receivable - Curling Stones Program - Current Portion	109,034	80,322
Notes Receivable - Pass-Through - Current Portion	50,000	50,000
Total Current Assets	1,299,728	1,166,264
PROPERTY AND EQUIPMENT, NET	100,509	117,405
OTHER ASSETS		
Notes Receivable - Curling Stones Program	237,435	133,144
Notes Receivable - Pass-Through	475,000	525,000
Total Other Assets	712,435	658,144
Total Assets	\$ 2,112,672	\$ 1,941,813
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 25,927	\$ 51,200
Accrued Vacation	22,294	37,620
Other Liabilities	3	1,615
Funds Held for Others	21,269	27,196
Refundable Advances	178,702	29,514
Deferred Income	76,798	26,542
Note Payable	104,632	-
Notes Payable - Curling Stones Program - Current Portion	126,800	103,683
Notes Payable - Pass-Through - Current Portion	50,000	50,000
Total Current Liabilities	606,425	327,370
LONG-TERM LIABILITIES		
Notes Payable - Curling Stones Program	294,376	204,121
Notes Payable - Pass-Through	475,000	525,000
Total Long-Term Liabilities	769,376	729,121
Total Liabilities	1,375,801	1,056,491
NET ASSETS		
Net Assets Without Donor Restrictions	731,871	880,322
Net Assets With Donor Restrictions	5,000	5,000
Total Net Assets	736,871	885,322
Total Liabilities and Net Assets	\$ 2,112,672	\$ 1,941,813

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	2020			(For Comparative Purposes Only)
	Without Donor Restrictions	With Donor Restrictions	Total	2019
REVENUES AND OTHER SUPPORT				
Dues	\$ 807,033	\$ -	\$ 807,033	\$ 780,083
Championships	237,707	-	237,707	328,163
Member Programs	137,360	-	137,360	104,279
Revenue Development	168,419	-	168,419	222,902
Program Support/USOC Grants	1,437,949	-	1,437,949	1,446,166
Sponsorships and In-Kind Contributions	210,662	-	210,662	181,920
Gain on Sale of Asset	5,335	-	5,335	-
Net Assets Released from Restriction	-	-	-	-
Total Revenues and Other Support	<u>3,004,465</u>	<u>-</u>	<u>3,004,465</u>	<u>3,063,513</u>
EXPENSES				
Programs	2,786,097	-	2,786,097	2,636,206
Management and General	329,428	-	329,428	238,425
Fundraising	37,391	-	37,391	36,587
Total Expenses	<u>3,152,916</u>	<u>-</u>	<u>3,152,916</u>	<u>2,911,218</u>
CHANGE IN NET ASSETS	(148,451)	-	(148,451)	152,295
Net Assets - Beginning of Year	<u>880,322</u>	<u>5,000</u>	<u>885,322</u>	<u>733,027</u>
NET ASSETS - END OF YEAR	<u>\$ 731,871</u>	<u>\$ 5,000</u>	<u>\$ 736,871</u>	<u>\$ 885,322</u>

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	Program Services			Supporting Services		Total Functional Expenses	(For Comparative Purposes Only) 2019
	Elite Able- Bodied and Para Programs	Other Program Expenses	Total Program Services	Management and General	Fundraising		
Salaries	\$ -	\$ 513,808	\$ 513,808	\$ 87,553	\$ 32,468	\$ 633,829	\$ 539,551
Payroll Taxes	-	38,907	38,907	8,106	3,396	50,409	42,070
Fringe Benefits	-	27,709	27,709	4,579	1,527	33,815	50,824
Athletes, Teams, Coaches and Support Personnel	895,501	31,994	927,495	-	-	927,495	916,089
Uniforms	23,098	51,350	74,448	-	-	74,448	84,349
Program Sponsorship Grants	9,938	25,000	34,938	-	-	34,938	61,747
Coaching and Coach Development	-	12,632	12,632	-	-	12,632	17,144
TV and Video Production	-	498,857	498,857	-	-	498,857	378,183
Internet Site Expense	-	37,905	37,905	-	-	37,905	67,696
Broadcast Liability Insurance	-	3,200	3,200	-	-	3,200	3,300
Demographic Survey	-	-	-	-	-	-	22,000
Other Media and Marketing	-	96,763	96,763	-	-	96,763	26,996
Site Selection Expense	-	15,718	15,718	-	-	15,718	26,376
Facility Rental Expense	-	5,100	5,100	-	-	5,100	7,900
Other Club/Membership Programs	-	19,601	19,601	-	-	19,601	36,963
Event Consultant	-	15,000	15,000	-	-	15,000	25,000
U.S. Curling News	-	67,717	67,717	-	-	67,717	67,971
Ice Technician Expense	-	24,646	24,646	-	-	24,646	15,916
Field of Play Equipment and Supplies	-	16,538	16,538	-	-	16,538	10,547
Awards	-	28,841	28,841	-	-	28,841	16,619
Credit Card Processing	-	6,772	6,772	-	-	6,772	3,458
Travel	74,872	91,359	166,231	12,421	-	178,652	226,088
Depreciation	-	14,073	14,073	1,273	-	15,346	14,888
Officiating Committee	-	40,670	40,670	-	-	40,670	31,352
Youth Curling Committee	-	2,891	2,891	-	-	2,891	4,274
Meeting Expense	-	-	-	20,570	-	20,570	13,205
World Challenge Expense	-	2,027	2,027	-	-	2,027	115
Education Program Development	-	7,757	7,757	-	-	7,757	8,965

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	Program Services			Supporting Services		Total Functional Expenses	(For Comparative Purposes Only) 2019
	Elite Able- Bodied and Para Programs	Other Program Expenses	Total Program Services	Management and General	Fundraising		
WCF Stone Loan Program	\$ -	\$ 23,413	\$ 23,413	\$ -	\$ -	\$ 23,413	\$ 6,893
Stone Rental Expense	-	10,902	10,902	-	-	10,902	15,500
Dues and Subscriptions	-	1,000	1,000	2,700	-	3,700	3,700
College Curling Committee	-	2,102	2,102	-	-	2,102	3,438
Amortization	-	1,657	1,657	-	-	1,657	3,478
ACF&M Committee	-	16	16	-	-	16	23
Employee Recruitment	-	995	995	-	-	995	729
Insurance - General Liability	-	45,768	45,768	6,597	-	52,365	51,220
Other Competitions	-	-	-	-	-	-	2,054
Rent	-	-	-	48,759	-	48,759	47,715
Website Development	-	-	-	7,230	-	7,230	7,412
Miscellaneous Office	-	-	-	36,804	-	36,804	3,233
Professional Fees	-	-	-	13,964	-	13,964	13,577
Telephone	-	-	-	8,588	-	8,588	11,898
Supplies/Equipment	-	-	-	9,857	-	9,857	8,451
Printing and Copying	-	-	-	9,845	-	9,845	2,364
Postage	-	-	-	2,861	-	2,861	1,037
Legal Fees	-	-	-	37,072	-	37,072	-
Employee Development	-	-	-	120	-	120	290
Utilities	-	-	-	4,498	-	4,498	4,614
Property Taxes	-	-	-	1,212	-	1,212	1,134
Bad Debts	-	-	-	4,819	-	4,819	2,872
Total Expenses	\$ 1,003,409	\$ 1,782,688	\$ 2,786,097	\$ 329,428	\$ 37,391	\$ 3,152,916	\$ 2,911,218

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	2020	(For Comparative Purposes Only) 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (148,451)	\$ 152,295
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	17,004	18,366
Gain on Disposal of Equipment	(5,335)	-
Changes in Operating Assets and Liabilities:		
Receivables	77,277	(25,298)
Inventory	11,475	(11,460)
Prepaid Expenses	16,225	6,347
Escrow Funds	(2)	(6)
Accounts Payable	(25,273)	23,542
Accrued Vacation	(15,326)	(10,089)
Other Liabilities	(1,612)	592
Funds Held for Others	(5,927)	(238)
Refundable Advances	149,188	16,938
Deferred Income	50,256	3,825
Net Cash Provided by Operating Activities	119,499	174,814
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances on Notes Receivable - Pass-Through	-	(300,000)
Proceeds from Collections on Notes Receivable - Pass-Through	50,000	50,000
Note Receivable - Curling Stones Program Receipts	101,191	112,003
Purchases of Property and Equipment	(11,035)	(30,579)
Proceeds on Sale of Asset	16,262	-
Net Cash Provided (Used) by Investing Activities	156,418	(168,576)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Note Payable	104,632	-
Proceeds from Pass-Through Notes Payable	-	300,000
Payments on Pass-Through Notes Payable	(50,000)	(50,000)
Note Payable - Curling Stones Program Payments	(120,822)	(140,154)
Net Cash Provided (Used) by Financing Activities	(66,190)	109,846
NET INCREASE IN CASH AND CASH EQUIVALENTS	209,727	116,084
Cash and Cash Equivalents - Beginning of Year	461,583	345,499
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 671,310	\$ 461,583
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING TRANSACTION		
Borrowings under Curling Stones Program Notes Payable and Receivable	\$ 234,194	\$ 62,421
Property and Equipment Financed Through Notes Payable - Curling Stones Program	\$ -	\$ 17,136

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

All acquisitions of property and equipment in excess of \$1,500 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.

Program revenues are recorded when the program begins. The unearned program revenues are recorded as deferred revenue on the statement of financial position.

Membership dues are recognized as revenue when received.

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 \$67,502 that have not been recognized at June 30, 2020, because qualifying expenditures have not yet been incurred, with advance payments of \$178,702 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 (U.S. 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. There were no taxes on these activities for the year ended June 30, 2020.

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.

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.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Accounting Principles

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as an exchange (reciprocal) transaction subject to other guidance and (2) determining whether a contribution is conditional.

The financial statements reflect the application of ASU 2018-08 beginning July 1, 2019. The new guidance does not require prior period results to be restated. The implementation of this standard did not significantly impact the Association's financial statements.

Accounting Standards Update

In May 2014, the FASB issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services 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 guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the Association for the year ended June 30, 2021; however, early application is permitted. The Association is currently evaluating the impact this guidance will have on its financial statements.

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.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2019, from which the summarized information was derived. Certain 2019 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, 2020, all equipment has been shipped to the various clubs that have committed to purchase these stones over a five to seven-year period.

In December 2018, the Association entered into an interest-free agreement with World Curling Federation for new stones complete with handles for use at USCA championships. The Association agrees to pay \$17,136 over a period not exceeding five years in installments of \$3,427 per year with the first payment due by December 31, 2020. The final installment will be due by December 31, 2024. This loan was paid in full in March 2020.

As of June 30, 2020, the amount due from various curling clubs was \$346,469 and the amount due to the World Curling Federation was \$421,176.

Payments due from various clubs are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 109,034
2022	84,803
2023	59,326
2024	55,637
2025	30,771
Thereafter	6,898
Total	<u>\$ 346,469</u>

Payments due to the World Curling Federation are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 126,800
2022	106,030
2023	82,187
2024	59,323
2025	46,836
Total	<u>\$ 421,176</u>

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 NOTES RECEIVABLE AND NOTES PAYABLE – PASS-THROUGH

The Association has four 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 \$525,000 as of June 30, 2020. Three loans require annual payments of \$25,000 through their maturity dates in 2024, 2025 and 2029. One loan requires annual payments starting in fiscal year 2022 for \$12,500 through its maturity date in 2029.

NOTE 6 PROPERTY AND EQUIPMENT

Depreciation and amortization expense for the year ended June 30, 2020, was \$17,004. Property and equipment and related accumulated depreciation and amortization consisted of the following:

	<u>Cost</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Cost</u> <u>June 30, 2020</u>
Property and Equipment:				
Leasehold Improvements	\$ 6,396	\$ -	\$ (6,396)	\$ -
Equipment	163,762	11,035	(30,611)	144,186
Software	7,134	-	-	7,134
Total Property and Equipment	<u>177,292</u>	<u>11,035</u>	<u>(37,007)</u>	<u>151,320</u>
Accumulated Depreciation and Amortization:				
Leasehold Improvements	6,396	-	(6,396)	-
Equipment	48,015	15,346	(19,684)	43,677
Software	5,476	1,658	-	7,134
Total	<u>59,887</u>	<u>\$ 17,004</u>	<u>\$ (26,080)</u>	<u>50,811</u>
Net Property and Equipment	<u>\$ 117,405</u>			<u>\$ 100,509</u>

NOTE 7 LEASE COMMITMENT

The Association leases office space under an operating lease agreement that expires December 31, 2020. Effective January 1, 2021, the lease was extended on a month to month basis. Rental expenses for year ended June 30, 2020, were \$48,759.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 21,052

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 NOTE PAYABLE

On April 8, 2020, the Association received a loan from JPMorgan Chase Bank, N.A. in the amount of \$104,632 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for 6 months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of 2 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 April 8, 2020 to September 21, 2020, is the time that an organization has to spend their PPP Loan funds. The Association has classified the loan as current in accordance with the terms of the law.

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, 2020. Bank advances on the line of credit are payable on demand and carry an interest rate of prime plus 1.75% (5.00% at June 30, 2020). The credit line is secured by substantially all assets of the Association.

NOTE 10 NET ASSETS

As of June 30, 2020, net assets without donor restrictions consisted of the following:

Undesignated	\$ 684,143
Designated:	
Ann Brown Legacy Fund	5,805
Katie Beck Memorial Fund	528
Chris Moore Legacy Fund	21,537
Scheels Official Fund	7,049
Bev Schroeder Memorial Fund	12,809
Total	<u>\$ 731,871</u>

As of June 30, 2020, 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.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 IN-KIND CONTRIBUTIONS

The following is a summary of in-kind contributions received for the year ended June 30, 2020:

Transportation/Travel	\$ 79,975
Other	<u>130,687</u>
Total	<u><u>\$ 210,662</u></u>

NOTE 12 USOC DIRECT FUNDING TO ATHLETES

The Association has acknowledged \$173,100 of USOC direct payments to athletes for the year ended June 30, 2020. 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 never experienced any losses related to these balances.

The Association received approximately 30% of its revenue from one organization for the year ended June 30, 2020.

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 2021 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 \$15,556 in reimbursements to members of its board of directors for expenses incurred on behalf of the Association during the year ended June 30, 2020. 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, 2020.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020.

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, 2020:

Cash and Cash Equivalents	\$ 671,310
Receivables	120,938
Current Portion of Notes Receivable	<u>159,034</u>
Subtotal	951,282
Less: Donor Restricted Net Assets	<u>(5,000)</u>
Total Financial Available for General Expenditure	<u><u>\$ 946,282</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

Subsequent to year-end, the Association made an operational decision to contribute its remaining donated Nike apparel inventory of approximately \$283,000 to local charities due to the office lease expiration which included the warehouse space where the apparel was stored.

In January 2021, approval was given on one WCF Stone loan and one pass-through note to delay the current payment due of \$36,880 by one year due to the COVID-19 pandemic.

In February 2021, the Association received a second PPP loan in the amount of \$112,997 to fund payroll (including benefits), rent, utilities, worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier costs and expenses for operations. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

Management has evaluated subsequent events for possible recognition or disclosure through February 26, 2021, 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, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Dues	Championships	Member Programs	Revenue Development	Program Support/ USOC Grants	Sponsorships and In-Kind Contributions	Total
Dues	\$ 807,033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 807,033
Entry Fees	-	137,707	-	-	-	-	137,707
Club Insurance Program	-	-	72,459	-	-	-	72,459
Annual Appeal/Pin Program	-	-	-	36,946	-	-	36,946
Education Program Development	-	-	30,354	-	-	-	30,354
Championship Event Income	-	100,000	-	-	-	-	100,000
Advertising	-	-	-	2,050	-	-	2,050
Merchandise Sales, Net of Cost	-	-	-	633	-	-	633
Curling News Advertising and Subscriptions	-	-	-	5,602	-	-	5,602
U.S.O.C. Marketing Agreement	-	-	-	75,000	-	-	75,000
U.S.O.C. Performance Grant	-	-	-	-	935,122	-	935,122
U.S.O.C. Licensing Royalties	-	-	-	11,498	-	-	11,498
U.S.O.C. Olympic Support and Other Grants	-	-	-	-	132,239	-	132,239
WCF Grant	-	-	-	-	86,950	-	86,950
In-Kind Contributions	-	-	-	-	-	210,662	210,662
Donations	-	-	-	-	233,638	-	233,638
Chicago Community Trust grant	-	-	-	-	50,000	-	50,000
WCF Stone Loan Program	-	-	34,547	-	-	-	34,547
Interest Earned	-	-	-	353	-	-	353
Gain on Sale of Asset	-	-	-	5,335	-	-	5,335
Sweepstakes/Contests/Promotions	-	-	-	25,000	-	-	25,000
Miscellaneous	-	-	-	11,337	-	-	11,337
Total Revenues and Other Support	\$ 807,033	\$ 237,707	\$ 137,360	\$ 173,754	\$ 1,437,949	\$ 210,662	\$ 3,004,465