

**UNITED STATES CURLING ASSOCIATION, INC.**  
Stevens Point, Wisconsin

**Audited Financial Statements**  
Years Ended June 30, 2011 and 2010

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### Independent Auditors' Report

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

We have audited the accompanying statement of financial position of the United States Curling Association, Inc. (a nonprofit organization) as of June 30, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information included in the statements of activities has been derived from the Organization's 2010 financial statements and in our report dated May 23, 2011, we expressed an unqualified opinion on those statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United States Curling Association, Inc. as of June 30, 2011 and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The other financial information in the accompanying supplementary schedule is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Reilly, Penner & Benton LLP*

February 7, 2012  
Milwaukee, Wisconsin



**UNITED STATES CURLING ASSOCIATION, INC.**

Stevens Point, Wisconsin

**Statements of Financial Position**

June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and equivalents	\$ 362,176	\$ 259,948
Accounts receivable - net of allowance for uncollectible amounts of \$744 and \$1,200 in 2011 and 2010	16,734	58,787
Grants receivable	600	-
Inventories	69,823	80,549
Prepaid expenses	27,321	24,396
Escrow funds	3,335	2,969
Notes receivable - curling stones program - current portion	74,208	72,583
Note receivable - pass through - current portion	25,000	25,000
<b>Total current assets</b>	<u>579,197</u>	<u>524,232</u>
<b>Property and Equipment - net</b>	133,756	123,333
<b>Other Assets:</b>		
Notes receivable - curling stones program	121,531	175,479
Note receivable - pass through	-	25,000
Curling stones program inventory	76,560	104,400
<b>Total assets</b>	<u>\$ 911,044</u>	<u>\$ 952,444</u>
<b>Liabilities and Net Assets:</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 48,441	\$ 89,635
Accrued vacation	30,749	31,574
Other liabilities	1,479	2,965
Funds held for others	34,734	34,993
Deferred income	144,851	106,605
Note payable - curling stones program - current portion	150,952	115,480
Note payable - pass through - current portion	25,000	25,000
<b>Total current liabilities</b>	<u>436,206</u>	<u>406,252</u>
<b>Long-term Liabilities:</b>		
Note payable - curling stones program	168,928	259,904
Note payable - pass through	-	25,000
<b>Total long-term liabilities</b>	<u>168,928</u>	<u>284,904</u>
<b>Total liabilities</b>	605,134	691,156
<b>Net Assets:</b>		
Unrestricted	295,851	256,288
Temporarily restricted	10,059	5,000
<b>Total net assets</b>	<u>305,910</u>	<u>261,288</u>
<b>Total liabilities and net assets</b>	<u>\$ 911,044</u>	<u>\$ 952,444</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**UNITED STATES CURLING ASSOCIATION, INC.**  
Stevens Point, Wisconsin

**Statement of Activities**

Year Ended June 30, 2011

With Summarized Information for the Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2011</u>	<u>2010</u>
<b>Revenues and Other Support:</b>				
Dues	\$ 436,000	\$ -	\$ 436,000	\$ 356,505
Entry fees	79,229	-	79,229	60,230
Field of play fees	19,020	-	19,020	18,063
Club insurance program	21,639	-	21,639	26,543
Donations/pin program	16,844	-	16,844	18,830
Education program development	4,114	-	4,114	3,963
Advertising	3,786	-	3,786	7,525
Merchandise sales, net of cost	324	-	324	285
Curling News advertising and subscriptions	13,202	-	13,202	6,081
U.S.O.C. marketing grant	85,000	-	85,000	85,000
U.S.O.C. performance grant	327,845	-	327,845	895,613
U.S.O.C. international relations	3,000	-	3,000	8,000
WCF grant	12,000	-	12,000	10,000
In-kind contributions	147,471	-	147,471	101,474
Donations received	17,388	8,333	25,721	33,977
Sponsorship - Chicago Community Trust	25,000	-	25,000	25,000
Sponsorship - AIT	-	-	-	10,000
Sponsorship - Hilton	3,748	-	3,748	1,122
Sponsorship - Laphroig	-	-	-	15,000
Sponsorship - RAM	15,659	-	15,659	-
Sponsorship - Brooms Up	3,500	-	3,500	-
WCF stone loan program	2,354	-	2,354	19,315
Interest earned	700	-	700	556
Gain on sale of asset	1,699	-	1,699	-
Sweepstakes/contests/promotions	968	-	968	16,425
Insurance claims	30,448	-	30,448	-
Miscellaneous	2,558	-	2,558	6,597
Net assets released from restriction	3,274	(3,274)	-	-
<b>Total revenues and other support</b>	<u>1,276,770</u>	<u>5,059</u>	<u>1,281,829</u>	<u>1,726,104</u>
<b>Expenses:</b>				
Programs	995,074	-	995,074	1,501,620
Management and general	242,133	-	242,133	195,317
<b>Total expenses</b>	<u>1,237,207</u>	<u>-</u>	<u>1,237,207</u>	<u>1,696,937</u>
<b>Change in net assets</b>	39,563	5,059	44,622	29,167
<b>Net Assets, Beginning of Year</b>	<u>256,288</u>	<u>5,000</u>	<u>261,288</u>	<u>232,121</u>
<b>Net Assets, End of Year</b>	<u>\$ 295,851</u>	<u>\$ 10,059</u>	<u>\$ 305,910</u>	<u>\$ 261,288</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**UNITED STATES CURLING ASSOCIATION, INC.**

Stevens Point, Wisconsin

**Statements of Cash Flows**

Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ 44,622	\$ 29,167
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	23,951	22,795
Loss (gain) on disposal of equipment	(1,699)	-
Changes in Operating Assets and Liabilities:		
Receivables	41,453	(6,972)
Inventory	10,726	(45,253)
Prepaid expenses	(2,925)	8,824
Escrow funds	(366)	24
Accounts payable	(41,194)	18,924
Accrued vacation	(825)	3,455
Other liabilities	(1,486)	(31,161)
Funds held for others	(259)	4,046
Deferred income	38,246	39,250
Net adjustments	<u>65,622</u>	<u>13,932</u>
<b>Net cash provided by operating activities</b>	<b>110,244</b>	<b>43,099</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of equipment	(35,855)	(63,724)
Proceeds on sale of asset	3,180	-
<b>Net cash used by investing activities</b>	<b>(32,675)</b>	<b>(63,724)</b>
<b>Cash Flows from Financing Activities:</b>		
Notes receivable - curling stones program receipts	80,163	56,704
Note receivable - pass-through receipts	25,000	25,000
Note payable - curling stones program payments	(55,504)	(43,144)
Note payable - pass through payments	(25,000)	(25,000)
<b>Net cash provided by financing activities</b>	<b>24,659</b>	<b>13,560</b>
<b>Increase (Decrease) in cash and equivalents</b>	<b>102,228</b>	<b>(7,065)</b>
<b>Cash and Equivalents at Begining of Year</b>	<b>259,948</b>	<b>267,013</b>
<b>Cash and Equivalents at End of Year</b>	<b>\$ <u>362,176</u></b>	<b>\$ <u>259,948</u></b>
<b>Supplementary Disclosures:</b>		
Income taxes paid during year	\$ <u>247</u>	\$ <u>-</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**UNITED STATES CURLING ASSOCIATION, INC.**

Stevens Point, Wisconsin

**Notes to Financial Statements**

June 30, 2011 and 2010

**1. Significant Accounting Policies**

**A. Nature of Operations**

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

**B. Basis of Presentation**

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

**Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations

**Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or the passage of time

**Permanently restricted net assets** - Net assets subject to donor-imposed stipulations that may be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on related investments for general or specific purposes

**C. Inventory**

Inventory is recorded at the lower of cost or market on the first-in, first-out basis.

**D. 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.

**E. 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.

**F. Trade Receivables**

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

**G. Revenue Recognition**

Revenue recognition of contributed support follows the recommendations of the Financial Accounting Standards Board whereby pledges are recorded when made and contributed support is classified as unrestricted or restricted, depending on the existence of donor stipulations that limit the use of the support.

**UNITED STATES CURLING ASSOCIATION, INC.**

Stevens Point, Wisconsin

**Notes to Financial Statements**

June 30, 2011 and 2010

(Continued)

**1. Significant Accounting Policies (Continued)**

**H. 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. The Association also holds certain funds on behalf of the United States Curling Association to be used for the purpose of buying stones and selling them to member clubs.

**I. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**J. 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. Taxes on these activities for the year ended June 30, 2011 and 2010 were \$2,609 and \$-0-, respectively.

The Association is no longer subject to U.S. federal income tax examinations for years ending before June 30, 2008 and is no longer subject to Wisconsin income tax examinations for years ending before June 30, 2007.

**K. Functional Expenses**

The Association classifies expenses into two functions: Program Services and Supporting Services. The Program Services function includes all expenses directly related to Association's activities and programs for curlers. The Supporting Services function includes management and general expenses not directly associated with activities and program expenses.

**L. Deferred Income**

Deferred income consists of income on contracts that are for multiple years and money not spent on grants. Income is recognized over the contract period or when the money is actually spent.

**M. Donated Services**

A number of unpaid volunteers have made significant contributions of their time in furtherance of the Association's mission. The value of this contributed time is not included in the accompanying statements of activities.

**UNITED STATES CURLING ASSOCIATION, INC.**

Stevens Point, Wisconsin

**Notes to Financial Statements**

June 30, 2011 and 2010

(Continued)

**2. Lease Commitment**

The Association entered into a lease for new office space commencing on January 1, 2009 for the next six years with two five-year extensions. The monthly rent payment will be \$2,666 for the first year and the base rent will go up by 3% every year. Rental expenses for years ended June 30, 2011 and 2010 were \$38,763 and \$36,178 respectively.

Future minimum lease payments are as follows:

<u>For the year ending June 30,</u>		
2012	\$	34,458
2013		35,491
2014		36,556
2015		18,548
Total	\$	<u>125,053</u>

**3. Line of Credit**

The Association has a line of credit with a limit of \$50,000. There were no outstanding balances on the line of credit as of June 30, 2011 and 2010. Bank advances on the line of credit are payable on demand and carry an interest rate of 5.5%. The credit line is secured by substantially all assets of the Organization.

**4. Property and Equipment**

Depreciation expense for the years ended June 30, 2011 and 2010 was \$23,951 and \$22,795, respectively. Property and equipment and related accumulated depreciation consisted of the following:

<b>Property and Equipment</b>	<b>Cost June 30, 2010</b>	<b>Additions</b>	<b>Disposals</b>	<b>Cost June 30, 2011</b>
Time clocks	\$ 5,876	\$ -	\$ -	\$ 5,876
Computer hardware and software	10,077	8,495	(4,624)	13,948
Telephone system	4,741	13,560	(4,147)	14,154
Office equipment	14,317	-	-	14,317
Ice maker's equipment	16,452	-	-	16,452
Leasehold improvements	24,099	-	-	24,099
Website improvements	22,000	-	-	22,000
Scoreboards	7,975	-	-	7,975
Stones	5,440	-	-	5,440
Championship rocks	47,272	-	-	47,272
Member services video	-	7,500	-	7,500
Sensor handles	21,644	6,300	(19,343)	8,601
<b>Total</b>	<b>\$ 179,893</b>	<b>\$ 35,855</b>	<b>\$ (28,114)</b>	<b>\$ 187,634</b>



**UNITED STATES CURLING ASSOCIATION, INC.**  
Stevens Point, Wisconsin

**Notes to Financial Statements**  
June 30, 2011 and 2010  
(Continued)

**4. Property and Equipment (continued)**

<b>Accumulated Depreciation</b>	<b>Balance June 30, 2010</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance June 30, 2011</b>
Time clocks	\$ 1,849	\$ 1,090	\$ -	\$ 2,939
Computer hardware and software	6,777	2,615	(4,624)	4,768
Telephone system	2,370	2,034	(2,666)	1,738
Office equipment	9,195	2,044	-	11,239
Ice maker's equipment	1,175	2,350	-	3,525
Leasehold improvements	6,695	4,016	-	10,711
Website improvements	5,806	3,667	-	9,473
Scoreboards	2,392	1,595	-	3,987
Stones	1,224	272	-	1,496
Championship rocks	518	1,036	-	1,554
Member services video	-	208	-	208
Sensor handles	18,559	3,024	(19,343)	2,240
<b>Total</b>	<b>56,560</b>	<b>\$ 23,951</b>	<b>\$ (26,633)</b>	<b>53,878</b>
<b>Net property and equipment</b>	<b>\$ 123,333</b>			<b>\$ 133,756</b>

**5. In-kind Contributions**

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

	<u>2011</u>	<u>2010</u>
Website development	\$ 73,654	\$ 46,286
Transportation/travel	27,600	10,126
Audiocast	-	5,000
Equipment	7,489	-
Uniforms and training apparel	39,426	25,062
Shipping	-	15,000
Other	6,936	-
<b>Total</b>	<b>\$ 155,105</b>	<b>\$ 101,474</b>

**6. USOC Direct Funding to Athletes**

The Association has acknowledged \$54,500 and \$54,500 of USOC direct payments to athletes for the years ended June 30, 2011 and 2010, respectively. These amounts have not been reflected in these statements.

**UNITED STATES CURLING ASSOCIATION, INC.**

Stevens Point, Wisconsin

**Notes to Financial Statements**

June 30, 2011 and 2010

(Continued)

**7. Concentration of Risk**

The Association maintains cash balances at one financial institution and, at times, balances may exceed federally insured limits. We have never experienced any losses related to these balances. All of our non-interest bearing cash balances were fully insured at June 30, 2011 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts. Beginning 2013, insurance coverage will revert to \$250,000 per depositor, and our non-interest bearing cash balances may again exceed federally insured limits.

The Association receives approximately 34% and 58% of its revenue from one Organization for the years ended June 30, 2011 and 2010, respectively.

**8. Pass-Through Loan**

During the year ended June 30, 2002, the Association acted on behalf of the Potomoc Curling Club of the National Capital Area, Inc. in obtaining a loan from the World Curling Federation (WCF). The amount of the loan is \$200,000, interest free, \$25,000 due annually and is to be paid in full on November 26, 2011. As of June 30, 2011 and 2010, the amount due from the Potomoc Curling Club is \$25,000 and \$50,000, respectively and the amount due to the WCF is \$25,000 and \$50,000, respectively. The Association is liable for the loan if the Potomoc Curling Club defaults on the loan. Potomoc Curling Club has pledged a certificate of deposit greater than the value of the loan as security to guarantee the loan.

**9. Temporarily Restricted Net Assets**

As of June 30, 2011 and 2010, temporarily restricted net assets consisted of the following donor restrictions:

<u>Restriction</u>	<u>2011</u>	<u>2010</u>
"Bricks and mortar" purposes or for curling stones	\$ 5,000	\$ 5,000
Legacie Fund	4,418	-
Sitirin grant	641	-
Total	<u>\$ 10,059</u>	<u>\$ 5,000</u>

**10. Unrestricted Net Assets**

As of June 30, 2011 and 2010, unrestricted net assets consisted of the following:

	<u>2011</u>	<u>2010</u>
Undesignated	\$ 287,006	\$ 248,444
Designated:		
Ann Brown Legacy Fund	6,795	6,894
Katie Beck Memorial Fund	850	150
Support for junior camps	400	-
Stone Pool Fund	800	800
Total	<u>\$ 295,851</u>	<u>\$ 256,288</u>

**UNITED STATES CURLING ASSOCIATION, INC.**  
Stevens Point, Wisconsin

**Notes to Financial Statements**  
June 30, 2011 and 2010  
(Continued)

**11. Prior-Year Summarized Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

**12. Reclassifications**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

**13. WCF Stone Loan Program**

During the fiscal year ended June 30, 2007, the Association acquired 512 refurbished stones and 128 new stones from the World Curling Federation. The stones were free of charge for a two-year term. If the Association retained the stones after October 31, 2008, the cost of these stones amounts to \$260,000 with a five-year payback period interest free with annual payments amounting to \$52,000. All 640 stones have been shipped to various curling clubs that have committed to purchase these stones over a five-year period beginning October 31, 2008.

During the fiscal year ended June 30, 2010, the Association acquired 448 stones and handles from the World Curling Federation. The cost of these stones amounts to \$194,880 with a five-year interest-free payback period with annual payments amounting to \$38,976. 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, 2011, 272 stones have been shipped to various curling clubs that have committed to purchase these stones over a five-year period. The remaining stones are classified as non-current inventory on the statement of financial position.

As of June 30, 2011 and 2010, the amount due from various curling clubs is \$195,739 and \$248,062, respectively and the amount due to the World Curling Federation is \$319,880 and \$375,384, respectively.

Payments due from various clubs are as follows:

Year ending June 30,		
2012	\$	74,208
2013		65,544
2014		36,164
2015		<u>19,823</u>
Total	\$	<u>195,739</u>

Payments due to the World Curling Federation are as follows:

Year ending June 30,		
2012	\$	150,952
2013		90,976
2014		38,976
2015		<u>38,976</u>
Total	\$	<u>319,880</u>

**UNITED STATES CURLING ASSOCIATION, INC.**

Stevens Point, Wisconsin

**Notes to Financial Statements**

June 30, 2011 and 2010

(Continued)

**14. Prior Period Adjustments**

During the current year, the Association clarified the nature of the Beck Memorial Fund. In previously issued financial statements, these funds had been classified as temporarily restricted net assets. It was determined that amounts in this Fund are designated by the Board of Directors. As a result of this clarification, these funds will be reclassified as unrestricted net assets. Temporarily restricted net assets as of June 30, 2010, previously stated at \$5,150, are now stated at \$5,000. Unrestricted net assets were increased by the same amount.

**15. Related Party Transactions**

The Association paid \$40,261 and \$75,111 in reimbursements to members of its Board of Directors for expenses incurred on behalf of the Association during the years ended June 30, 2011 and 2010, respectively. The Association retains documentation of all reimbursed expenses.

**16. Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (February 7, 2012). There were no subsequent events that required recognition or disclosure.

**UNITED STATES CURLING ASSOCIATION, INC.**  
Stevens Point, Wisconsin

**Schedule of Program, Management and General Expenses**  
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>% of Total</u> <u>Expenses</u>	<u>2010</u>	<u>% of Total</u> <u>Expenses</u>
<b>Program Services:</b>				
Elite program	\$ 169,375		\$ 585,904	
Salaries	280,571		278,180	
Coaching and coach development	57,937		128,125	
World team prep and world travel	80,094		83,177	
Media and marketing	65,195		54,457	
Website development	38,500		31,620	
Transportation	58,998		65,290	
Site selection committee	10,717		9,601	
Club/membership development	19,275		30,421	
U.S. Curling News	40,995		38,479	
Field of play	31,478		33,473	
Championship	19,008		18,653	
Payroll taxes	23,069		22,141	
Travel	14,961		11,420	
Fringe benefits	12,966		14,198	
Depreciation	8,277		7,964	
VP Championship	5,958		6,496	
Officiating committee	4,585		7,575	
Youth curling committee	2,797		4,918	
President expense	2,227		16,996	
World challenge expense	-		1,178	
Athlete advisory council	3,577		1,231	
Education program development	3,511		2,341	
WCF stone loan program	3,479		20,015	
Dues and subscriptions	1,000		1,000	
College curling committee	1,000		1,000	
Amortization	656		448	
ACF&M Committee	42		24	
Olympic committee	-		(4,868)	
Employee recruitment	4,937		-	
Insurance - general liability	29,889		30,163	
<b>Total program expense</b>	<b>\$ 995,074</b>	<b>80.43%</b>	<b>\$ 1,501,620</b>	<b>88.49%</b>
<b>Management and General:</b>				
Salaries	\$ 40,229		\$ 33,985	
Rent	38,763		36,178	
World Curling Federation	22,072		18,095	
President expense	26,042		14,040	
Website development	20,753		6,786	
Miscellaneous office	10,821		4,299	
Outside services	12,177		15,000	
Audit fee	8,700		9,928	
Telephone	8,726		7,617	
Depreciation	7,783		7,148	
Supplies/equipment	5,663		8,014	
Printing and copying	6,572		7,071	
Amortization	7,235		7,235	
Loss due to asset write-off	-		842	
Postage	1,449		3,319	
Legal fees	12,731		-	
Employee development	1,236		3,499	
Utilities	4,395		3,291	
Payroll taxes	3,078		2,600	
Bad debts	-		1,058	
Miscellaneous	1,802		2,143	
Fringe benefits	731		2,035	
Property taxes	297		450	
Travel	878		684	
<b>Total management and general expense</b>	<b>\$ 242,133</b>	<b>19.57%</b>	<b>\$ 195,317</b>	<b>11.51%</b>

See Independent Auditors' Report.