

UNITED STATES CURLING ASSOCIATION, INC.
Stevens Point, Wisconsin

Audited Financial Statements
Year Ended June 30, 2015
(with summarized totals for the year ended June 30, 2014)

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Thomas G. Wieland
David A. Grotkin
Joel A. Joyce
Brian J. Mechenich



Carrie A. Gindt
Patrick G. Hoffert
Jason J. Wrasse

Independent Auditors' Report

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

We have audited the accompanying financial statements of United States Curling Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities 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 Organization'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 Organization'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 as of June 30, 2015, 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.

Other-Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenues and other support on pages 13-14 and the schedule of program, management and general expenses on page 15 are presented for purposes of additional analysis and are 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 financial statements, and in our report dated March 18, 2015, we expressed an unqualified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Reilly, Pennu & Benton LLP

May 5, 2016
Milwaukee, Wisconsin

UNITED STATES CURLING ASSOCIATION, INC.

Stevens Point, Wisconsin

Statements of Financial Position

June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|----------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Assets: | | |
| Current Assets: | | |
| Cash and equivalents | \$ 491,686 | \$ 498,515 |
| Accounts receivable - net of allowance for uncollectible amounts of \$1,000 and \$1,000 in 2015 and 2014 | 134,613 | 52,589 |
| Inventories | 138,722 | 123,299 |
| Prepaid expenses | 37,791 | 43,932 |
| Escrow funds | 4,157 | 4,153 |
| Notes receivable - curling stones program - current portion | <u>113,652</u> | <u>106,310</u> |
| Total current assets | 920,621 | 828,798 |
| Property and Equipment - net | 95,861 | 106,486 |
| Other Assets: | | |
| Note receivable - curling stones program | 199,023 | 271,841 |
| Note receivable - pass-through | <u>400,000</u> | <u>200,000</u> |
| Total assets | \$ <u>1,615,505</u> | \$ <u>1,407,125</u> |
| Liabilities and Net Assets: | | |
| Current Liabilities: | | |
| Accounts payable | \$ 59,764 | \$ 59,445 |
| Accrued vacation | 48,305 | 41,183 |
| Other liabilities | 19,113 | 6,314 |
| Funds held for others | 31,265 | 32,487 |
| Deferred income | 187,401 | 213,105 |
| Note payable - curling stones program - current portion | <u>110,917</u> | <u>116,208</u> |
| Total current liabilities | 456,765 | 468,742 |
| Long-term Liabilities: | | |
| Note payable - curling stones program | 316,534 | 374,224 |
| Note payable - pass-through | <u>400,000</u> | <u>200,000</u> |
| Total long-term liabilities | 716,534 | 574,224 |
| Total liabilities | 1,173,299 | 1,042,966 |
| Net Assets: | | |
| Unrestricted | 405,101 | 346,803 |
| Temporarily restricted | <u>37,105</u> | <u>17,356</u> |
| Total net assets | 442,206 | 364,159 |
| Total liabilities and net assets | \$ <u>1,615,505</u> | \$ <u>1,407,125</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, 2015

With Summarized Information for the Year Ended June 30, 2014

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>2015</u> | <u>2014</u> |
|-----------------------------------------|---------------------|-----------------------------------|-------------------|-------------------|
| Revenues and Other Support: | | | | |
| Dues | \$ 550,464 | \$ - | \$ 550,464 | \$ 479,476 |
| Championships | 118,680 | - | 118,680 | 157,963 |
| Member programs | 116,725 | - | 116,725 | 79,525 |
| Revenue development | 140,068 | 27,000 | 167,068 | 159,158 |
| USOC support & grants | 1,015,570 | - | 1,015,570 | 1,131,334 |
| Sponsorships | 178,351 | - | 178,351 | 161,618 |
| Net assets released from restriction | 7,251 | (7,251) | - | - |
| Total revenues and other support | <u>2,127,109</u> | <u>19,749</u> | <u>2,146,858</u> | <u>2,169,074</u> |
| Expenses: | | | | |
| Programs | 1,854,266 | - | 1,854,266 | 1,980,056 |
| Management and general | 214,545 | - | 214,545 | 260,196 |
| Total expenses | <u>2,068,811</u> | <u>-</u> | <u>2,068,811</u> | <u>2,240,252</u> |
| Change in net assets | 58,298 | 19,749 | 78,047 | (71,178) |
| Net Assets, Beginning of Year | <u>346,803</u> | <u>17,356</u> | <u>364,159</u> | <u>435,337</u> |
| Net Assets, End of Year | <u>\$ 405,101</u> | <u>\$ 37,105</u> | <u>\$ 442,206</u> | <u>\$ 364,159</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, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--------------------------------------------------------------------------------------------|-------------------|-------------------|
| Cash Flows from Operating Activities: | | |
| Changes in net assets | \$ 78,047 | \$ (71,178) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation and amortization | 35,045 | 50,572 |
| Gain on disposal of equipment | (1,728) | - |
| Changes in Operating Assets and Liabilities: | | |
| Receivables | (82,024) | (20,570) |
| Inventory | (15,423) | (10,419) |
| Prepaid expenses | 6,141 | 3,045 |
| Escrow funds | (4) | (4) |
| Accounts payable | 319 | 8,093 |
| Accrued vacation | 7,122 | 6,347 |
| Other liabilities | 12,799 | (11,017) |
| Funds held for others | (1,222) | (408) |
| Deferred income | (25,704) | 29,650 |
| Net adjustments | <u>(64,679)</u> | <u>55,289</u> |
| Net cash provided (used) by operating activities | 13,368 | (15,889) |
| Cash Flows from Investing Activities: | | |
| Purchases of equipment | (25,891) | (15,924) |
| Proceeds on sale of asset | 3,200 | - |
| Net cash used by investing activities | <u>(22,691)</u> | <u>(15,924)</u> |
| Cash Flows from Financing Activities: | | |
| Note receivable - curling stones program receipts | 89,356 | 95,114 |
| Note receivable - pass-through receipts | (400,000) | (200,000) |
| Note payable - curling stones program payments | (86,862) | (41,440) |
| Note payable - pass-through receipts | 400,000 | 200,000 |
| Net cash provided by financing activities | <u>2,494</u> | <u>53,674</u> |
| Increase in cash and equivalents | (6,829) | 21,861 |
| Cash and Equivalents at Beginning of Year | <u>498,515</u> | <u>476,654</u> |
| Cash and Equivalents at End of Year | <u>\$ 491,686</u> | <u>\$ 498,515</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, 2015 and 2014

1. Significant Accounting Policies

A. Nature of Operations

The United States Curling Association, Inc. (Association) 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 Association 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, 2015 and 2014
(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 years ended June 30, 2015 and 2014 were \$0 and \$0, respectively.

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.

Generally, for United States Federal income taxes, the Association is only subject to examination for the current year's tax return and the preceding three year's returns. Generally, for Wisconsin income taxes, the Association is only subject to examinations for the current year's tax return and the preceding four year's returns.

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 the 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 statement of activities.

UNITED STATES CURLING ASSOCIATION, INC.
Stevens Point, Wisconsin

Notes to Financial Statements
June 30, 2015 and 2014
(Continued)

1. Significant Accounting Policies (Continued)

N. Advertising Costs

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

2. Lease Commitment

The Association entered into a lease for office space commencing on January 1, 2009 for the next six years. The monthly rent payment was \$2,666 for the first year and the base rent goes up by 3% every year. On June 26, 2014, there was an amendment made to the lease extending it through October 17, 2017. The rent will continue to go up by 3% every year. Rental expenses for years ended June 30, 2015 and 2014 were \$44,377 and \$42,932, respectively.

The Association entered into a lease for IT support commencing on April 30, 2014 and ending in April 2016. The monthly rent payments are \$667. Rental expenses for years ended June 30, 2015 and 2014 were \$8,004 and \$1,334, respectively.

Future minimum lease payments are as follows:

| <u>For the year ending June 30,</u> | |
|-------------------------------------|------------------|
| 2016 | 45,452 |
| 2017 | 39,946 |
| 2018 | 13,512 |
| Total | \$ <u>98,910</u> |

3. 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, 2015 and 2014. Bank advances on the line of credit are payable on demand and carry an interest rate of 5.0%. The credit line is secured by substantially all assets of the Association.

4. In-kind Contributions

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

| | <u>2015</u> | <u>2014</u> |
|-------------------------------|-------------------|-------------------|
| Website development | \$ 4,000 | \$ 36,000 |
| Transportation/travel | 47,838 | 30,711 |
| Equipment | - | 2,000 |
| Uniforms and training apparel | 63,820 | 57,632 |
| Other | 7,250 | 7,250 |
| Total | \$ <u>122,908</u> | \$ <u>133,593</u> |

UNITED STATES CURLING ASSOCIATION, INC.
Stevens Point, Wisconsin

Notes to Financial Statements
June 30, 2015 and 2014
(Continued)

5. Property and Equipment

Depreciation and amortization expense for the years ended June 30, 2015 and 2014 was \$35,045 and \$50,572, respectively. Property and equipment and related accumulated depreciation and amortization consisted of the following:

| Property and Equipment | Cost June 30, 2014 | Additions | Disposals | Cost June 30, 2015 |
|--------------------------------|-----------------------------------|------------------|--------------------|-----------------------------------|
| Time clocks | \$ 5,876 | \$ - | \$ (4,376) | \$ 1,500 |
| Computer hardware and software | 25,346 | - | (3,004) | 22,342 |
| Telephone system | 14,154 | - | (594) | 13,560 |
| Office equipment | 6,552 | - | (5,913) | 639 |
| Ice making equipment | 21,986 | 19,495 | - | 41,481 |
| Leasehold improvements | 26,599 | 6,396 | - | 32,995 |
| Scoreboards | 13,868 | - | (7,975) | 5,893 |
| Stones | 5,440 | - | (2,560) | 2,880 |
| Championship rocks | 47,272 | - | - | 47,272 |
| Member services video | 7,500 | - | (7,500) | - |
| Sensor handles | 29,148 | - | - | 29,148 |
| Other championship equipment | 4,292 | - | - | 4,292 |
| Officiating jackets | 9,688 | - | - | 9,688 |
| Software | 39,378 | - | - | 39,378 |
| Consult - Revenue Development | 12,000 | - | (12,000) | - |
| Curling News - Development | 4,425 | - | - | 4,425 |
| Total | \$ 273,524 | \$ 25,891 | \$ (43,922) | \$ 255,493 |

| Accumulated Depreciation and Amortization | Balance June 30, 2014 | Additions | Disposals | Balance June 30, 2015 |
|------------------------------------------------------|--------------------------------------|------------------|--------------------|--------------------------------------|
| Time clocks | \$ 5,770 | \$ 107 | \$ (4,376) | \$ 1,501 |
| Computer hardware and software | 19,459 | 3,857 | (3,003) | 20,313 |
| Telephone system | 10,086 | 2,712 | (594) | 12,204 |
| Office equipment | 6,415 | 91 | (5,913) | 593 |
| Ice making equipment | 12,142 | 5,181 | - | 17,323 |
| Leasehold improvements | 23,344 | 3,118 | - | 26,462 |
| Scoreboards | 10,921 | 1,180 | (7,976) | 4,125 |
| Stones | 2,312 | 144 | (1,088) | 1,368 |
| Championship rocks | 4,660 | 1,036 | - | 5,696 |
| Member services video | 7,500 | - | (7,500) | - |
| Sensor handles | 15,834 | 5,830 | - | 21,664 |
| Other championship equipment | 3,101 | 1,493 | - | 4,594 |
| Officiating jackets | 1,478 | 591 | - | 2,069 |
| Software | 29,065 | 8,230 | - | 37,295 |
| Consult - Revenue Development | 12,000 | - | (12,000) | - |
| Curling News - Development | 2,950 | 1,475 | - | 4,425 |
| Total | \$ 167,037 | \$ 35,045 | \$ (42,450) | \$ 159,632 |
| Net property and equipment | \$ 106,487 | | | \$ 95,861 |

UNITED STATES CURLING ASSOCIATION, INC.
Stevens Point, Wisconsin

Notes to Financial Statements
June 30, 2015 and 2014
(Continued)

6. USOC Direct Funding to Athletes

The Association has acknowledged \$48,125 and \$40,000 of USOC direct payments to athletes for the years ended June 30, 2015 and 2014, respectively. These amounts have not been reflected in these statements.

7. Concentration of Risk

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 45% and 49% of its revenue from one organization for the years ended June 30, 2015 and 2014, respectively.

8. Temporarily Restricted Net Assets

As of June 30, 2015 and 2014, temporarily restricted net assets consisted of the following donor restrictions:

| <u>Restriction</u> | <u>2015</u> | <u>2014</u> |
|----------------------------------------------------|------------------|------------------|
| "Bricks and mortar" purposes or for curling stones | \$ 5,000 | \$ 5,000 |
| Junior camps | 400 | 400 |
| Wheelchair athletes | 11,956 | 11,956 |
| Wheelchair support | 18,773 | - |
| Vik overpayment | 976 | - |
| Total | <u>\$ 37,105</u> | <u>\$ 17,356</u> |

9. Unrestricted Net Assets

As of June 30, 2015 and 2014, unrestricted net assets consisted of the following:

| | <u>2015</u> | <u>2014</u> |
|--------------------------|-------------------|-------------------|
| Undesignated | \$ 386,589 | \$ 327,990 |
| Designated: | | |
| Ann Brown Legacy Fund | 6,405 | 6,493 |
| Katie Beck Memorial Fund | 1,350 | 1,350 |
| Chris Moore Legacy Fund | 9,957 | 10,170 |
| Stone Pool Fund | 800 | 800 |
| Total | <u>\$ 405,101</u> | <u>\$ 346,803</u> |

UNITED STATES CURLING ASSOCIATION, INC.
Stevens Point, Wisconsin

Notes to Financial Statements
June 30, 2015 and 2014
(Continued)

10. 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, 2014, from which the summarized information was derived.

11. Reclassification

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.

12. WCF Stone Loan Program

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 seven-year interest-free payback period with annual payments amounting to \$27,840. 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, 2015, all 448 stones have been shipped to various curling clubs that have committed to purchase these stones over a seven-year period.

During the fiscal year ended June 30, 2013, the Association acquired 98 stones and 96 handles from the World Curling Federation. The cost of these stones amounts to \$54,310 with a five-year interest-free payback period with annual payments amounting to \$10,862. 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, 2015, all 98 stones have been shipped to the curling club that has committed to purchase these stones over a five-year period beginning August 2012.

During the fiscal year ended June 30, 2014, the Association acquired 288 new stones, 96 refurbished stones, and 384 handles from the World Curling Federation. The cost of these stones amounts to \$190,464 with a five-year interest-free payback period with annual payments amounting to \$38,093. 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, 2015, all 768 stones and handles have been shipped to various curling clubs that have committed to purchase these stones over a five-year period.

During the fiscal year ended June 30, 2014, the Association acquired 130 new stones from the World Curling Federation. The cost of these stones amounts to \$68,900 with a five-year interest-free payback period with annual payments amounting to \$13,780. 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, 2015, all 130 stones have been shipped to various curling clubs that have committed to purchase these stones over a five-year period.

During the fiscal year ended June 30, 2014, the Association acquired 64 new stones complete with handles from the World Curling Federation. The cost of these stones amounts to \$37,988 with a five-year interest-free payback period with annual payments amounting to \$7,598. 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, 2015, all 64 stones have been shipped to the curling club that has committed to purchase these stones over a five-year period.

UNITED STATES CURLING ASSOCIATION, INC.
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Notes to Financial Statements
June 30, 2015 and 2014
(Continued)

12. WCF Stone Loan Program (continued)

During the fiscal year ended June 30, 2014, the Association acquired ice scraping equipment from the World Curling Federation. The cost of this equipment amounts to \$11,718 with a five-year interest-free payback period with annual payments amounting to \$2,344. Under the terms of the contract, ownership of the equipment stays with the seller until all payments are made in full. As of June 30, 2015, the equipment has been shipped to the curling club that has committed to purchase this equipment over a five-year period.

During the fiscal year ended June 30, 2015, the Association acquired 32 new stones from the World Curling Federation. The cost of these stones amounts to \$15,666 with a five-year interest-free payback period with annual payments amounting to \$3,133. 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, 2015, the stones have been shipped to the curling club that has committed to purchase this equipment over a five-year period.

During the fiscal year ended June 30, 2015, the Association acquired 16 new stones complete with handles from the World Curling Federation. The cost of these stones amounts to \$8,215 with a five-year interest-free payback period with annual payments amounting to \$1,643. 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, 2015, the stones have been shipped to the curling club that has committed to purchase this equipment over a five-year period.

As of June 30, 2015 and 2014, the amount due from various curling clubs is \$312,675 and \$378,151, respectively and the amount due to the World Curling Federation is \$427,451 and \$490,432, respectively.

Payments due from various clubs are as follows:

| Year ending June 30, | |
|----------------------|-------------------|
| 2016 | \$ 113,652 |
| 2017 | 86,346 |
| 2018 | 69,167 |
| 2019 | 42,617 |
| 2020 | 893 |
| Total | \$ <u>312,675</u> |

Payments due to the World Curling Federation are as follows:

| Year ending June 30, | |
|----------------------|-------------------|
| 2016 | \$ 110,917 |
| 2017 | 105,292 |
| 2018 | 105,292 |
| 2019 | 77,452 |
| 2020 | 28,498 |
| Total | \$ <u>427,451</u> |

UNITED STATES CURLING ASSOCIATION, INC.
Stevens Point, Wisconsin

Notes to Financial Statements
June 30, 2015 and 2014
(Continued)

13. Related Party Transactions

The Association paid \$17,167 and \$33,748 in reimbursements to members of its Board of Directors for expenses incurred on behalf of the Association during the years ended June 30, 2015 and 2014, respectively. The Association retains documentation of all reimbursed expenses.

14. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed, May 5, 2016. There were no subsequent events that required recognition or disclosure.

UNITED STATES CURLING ASSOCIATION, INC.
Stevens Point, Wisconsin

Schedule of Revenues and Other Support
Year Ended June 30, 2015

| | <u>Dues</u> | <u>Championships</u> | <u>Member Programs</u> | <u>Revenue Development</u> | <u>Program Support/USOC Grants</u> | <u>Sponsorships and In-Kind Contributions</u> | <u>Total</u> |
|--------------------------------------------|-------------------|----------------------|------------------------|----------------------------|------------------------------------|-----------------------------------------------|---------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Dues | 550,464 | - | - | - | - | - | 550,464 |
| Entry fees | - | 118,680 | - | - | - | - | 118,680 |
| Field of play fees | - | - | - | - | - | - | - |
| Club insurance program | - | - | 46,109 | - | - | - | 46,109 |
| Annual appeal/pin program | - | - | - | 24,980 | - | - | 24,980 |
| Education program development | - | - | 57,539 | - | - | - | 57,539 |
| Championship event income | - | - | - | - | - | - | - |
| Advertising | - | - | - | 17,830 | - | - | 17,830 |
| Merchandise sales, net of cost | - | - | - | 1,751 | - | - | 1,751 |
| Curling News advertising and subscriptions | - | - | - | 12,644 | - | - | 12,644 |
| U.S.O.C. marketing agreement | - | - | - | 75,000 | - | - | 75,000 |
| U.S.O.C. performance grant | - | - | - | - | 676,526 | - | 676,526 |
| U.S.O.C. licensing royalties | - | - | - | 4,231 | - | - | 4,231 |
| U.S.O.C. olympic support | - | - | - | - | 175,617 | - | 175,617 |
| WCF grant | - | - | - | - | 53,150 | - | 53,150 |
| In-kind contributions | - | - | - | - | - | 150,757 | 150,757 |
| Donations received | - | - | - | - | 43,652 | - | 43,652 |
| Chicago Community Trust grant | - | - | - | - | 66,625 | - | 66,625 |
| Sponsorship - Hilton | - | - | - | - | - | 10,126 | 10,126 |
| Sponsorship - RAM | - | - | - | - | - | 15,468 | 15,468 |
| Sponsorship - Brooms Up | - | - | - | - | - | 2,000 | 2,000 |
| WCF stone loan program | - | - | 13,077 | - | - | - | 13,077 |
| Interest earned | - | - | - | 525 | - | - | 525 |
| Gain on sale of asset | - | - | - | 1,728 | - | - | 1,728 |
| Sweepstakes/contests/promotions | - | - | - | 25,000 | - | - | 25,000 |
| Miscellaneous | - | - | - | 3,379 | - | - | 3,379 |
| Total revenues and other support | \$ 550,464 | \$ 118,680 | \$ 116,725 | \$ 167,068 | \$ 1,015,570 | \$ 178,351 | \$ 2,146,858 |

See Independent Auditors' Report.

UNITED STATES CURLING ASSOCIATION, INC.
Stevens Point, Wisconsin

Schedule of Revenues and Other Support
Year Ended June 30, 2014

| | <u>Dues</u> | <u>Championships</u> | <u>Member Programs</u> | <u>Revenue Development</u> | <u>Program Support/USOC Grants</u> | <u>Sponsorships and In-Kind Contributions</u> | <u>Total</u> |
|--------------------------------------------|-------------------|----------------------|------------------------|----------------------------|------------------------------------|-----------------------------------------------|---------------------|
| Dues | \$ 479,476 | \$ - | \$ - | \$ - | \$ - | \$ - | 479,476 |
| Entry fees | - | 100,585 | - | - | - | - | 100,585 |
| Field of play fees | - | 21,895 | - | - | - | - | 21,895 |
| Club insurance program | - | - | 44,695 | - | - | - | 44,695 |
| Annual appeal/pin program | - | - | - | 22,797 | - | - | 22,797 |
| Education program development | - | - | 23,252 | - | - | - | 23,252 |
| Championship event income | - | 35,483 | - | - | - | - | 35,483 |
| Advertising | - | - | - | 4,750 | - | - | 4,750 |
| Merchandise sales, net of cost | - | - | - | 687 | - | - | 687 |
| Curling News advertising and subscriptions | - | - | - | 14,803 | - | - | 14,803 |
| U.S.O.C. marketing agreement | - | - | - | 50,000 | - | - | 50,000 |
| U.S.O.C. performance grant | - | - | - | 17,336 | 667,400 | - | 667,400 |
| U.S.O.C. licensing royalties | - | - | - | - | 338,024 | - | 338,024 |
| U.S.O.C. olympic support | - | - | - | - | 12,000 | - | 12,000 |
| WCF grant | - | - | - | - | - | 133,593 | 133,593 |
| In-kind contributions | - | - | - | - | - | - | - |
| Donations received | - | - | - | - | 63,910 | - | 63,910 |
| Chicago Community Trust grant | - | - | - | - | 50,000 | - | 50,000 |
| Sponsorship - Hilton | - | - | - | - | - | 6,820 | 6,820 |
| Sponsorship - RAM | - | - | - | - | - | 17,205 | 17,205 |
| Sponsorship - Brooms Up | - | - | - | - | - | 4,000 | 4,000 |
| WCF stone loan program | - | - | 11,578 | - | - | - | 11,578 |
| Interest earned | - | - | - | 510 | - | - | 510 |
| Sweepstakes/contests/promotions | - | - | - | 41,865 | - | - | 41,865 |
| Miscellaneous | - | - | - | 6,410 | - | - | 6,410 |
| Total revenues and other support | \$ 479,476 | \$ 157,963 | \$ 79,525 | \$ 159,158 | \$ 1,131,334 | \$ 161,618 | \$ 2,169,074 |

See Independent Auditors' Report.

UNITED STATES CURLING ASSOCIATION, INC.

Stevens Point, Wisconsin

Schedule of Program, Management and General Expenses
Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>% of Total Expenses</u> | <u>2014</u> | <u>% of Total Expenses</u> |
|---------------------------------------------|---------------------|--------------------------------|---------------------|--------------------------------|
| Program Services: | | | | |
| Elite program | \$ 683,341 | | \$ 752,760 | |
| Salaries | 344,962 | | 307,615 | |
| Coaching and coach development | 56,483 | | 32,869 | |
| World team prep and world travel | 92,581 | | 192,504 | |
| Media and marketing | 266,621 | | 259,012 | |
| Website development | - | | 10,000 | |
| Site selection committee | 10,951 | | 39,102 | |
| Club/membership development | 59,642 | | 26,106 | |
| U.S. Curling News | 68,105 | | 73,104 | |
| Field of play | 26,179 | | 44,256 | |
| Championship | 15,645 | | 20,008 | |
| Payroll taxes | 28,269 | | 25,077 | |
| Travel | 30,833 | | 22,770 | |
| Fringe benefits | 24,701 | | 22,651 | |
| Depreciation | 15,454 | | 14,264 | |
| VP Championship | 9,632 | | 6,767 | |
| Officiating committee | 9,425 | | 16,347 | |
| Youth curling committee | 1,357 | | 992 | |
| President expense | 22,504 | | 19,206 | |
| World challenge expense | 2,369 | | - | |
| Athlete advisory council | 3,779 | | 3,762 | |
| Education program development | 15,873 | | 15,040 | |
| WCF stone loan program | 10,973 | | 20,537 | |
| Dues and subscriptions | 1,000 | | 1,000 | |
| College curling committee | 4,573 | | 2,736 | |
| Amortization | 1,680 | | 4,270 | |
| ACF&M Committee | 8 | | 27 | |
| Grant refunds | 2,000 | | - | |
| Olympic committee | 350 | | 3,187 | |
| Employee recruitment | 783 | | 1,294 | |
| Insurance - general liability | 44,193 | | 42,793 | |
| Total program expense | <u>\$ 1,854,266</u> | <u>89.63%</u> | <u>\$ 1,980,056</u> | <u>88.39%</u> |
| Management and General: | | | | |
| Salaries | \$ 44,988 | | \$ 47,624 | |
| Rent | 44,377 | | 42,932 | |
| World Curling Federation | 8,312 | | 7,888 | |
| President expense | 49,942 | | 15,023 | |
| Website development | - | | 28,387 | |
| Miscellaneous office | 8,550 | | 11,547 | |
| Outside services | 1,020 | | - | |
| Audit fee | 11,300 | | 12,000 | |
| Telephone | 5,998 | | 7,433 | |
| Depreciation | 6,768 | | 10,148 | |
| Supplies/equipment | 5,311 | | 7,341 | |
| Printing and copying | 1,455 | | 3,728 | |
| Amortization | 11,143 | | 21,889 | |
| Postage | 1,301 | | 1,496 | |
| Legal fees | 2,107 | | 19,987 | |
| Employee development | 625 | | 4,173 | |
| Utilities | 5,014 | | 5,385 | |
| Payroll taxes | 3,442 | | 3,643 | |
| Bad debts | 700 | | - | |
| Miscellaneous | 5 | | 6,709 | |
| Fringe benefits | 1,887 | | 2,504 | |
| Property taxes | 300 | | 359 | |
| Total management and general expense | <u>\$ 214,545</u> | <u>10.37%</u> | <u>\$ 260,196</u> | <u>11.61%</u> |

See Independent Auditors' Report.