

UNITED STATES CURLING ASSOCIATION, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2019



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**UNITED STATES CURLING ASSOCIATION, INC.
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YEAR ENDED JUNE 30, 2019**

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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, 2019, 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, 2019, 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 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 21, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, 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 2019 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 10, 2020

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	2019	(For Comparative Purposes Only) 2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 461,583	\$ 345,499
Accounts Receivable - Net of Allowance for Uncollectible Amounts of \$1,000 and \$1,000 in 2019 and 2018, Respectively	176,698	149,290
Grants Receivable	22,017	24,127
Inventories	329,233	317,773
Prepaid Expenses	40,741	47,088
Escrow Funds	5,670	5,664
Notes Receivable - Curling Stones Program - Current Portion	80,322	115,003
Notes Receivable - Pass-Through - Current Portion	50,000	50,000
Total Current Assets	1,166,264	1,054,444
PROPERTY AND EQUIPMENT, NET	117,405	88,056
OTHER ASSETS		
Notes Receivable - Curling Stones Program	133,144	148,045
Notes Receivable - Pass-Through	525,000	275,000
Total Other Assets	658,144	423,045
Total Assets	\$ 1,941,813	\$ 1,565,545
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 51,200	\$ 27,658
Accrued Vacation	37,620	47,709
Other Liabilities	1,615	1,023
Funds Held for Others	27,196	27,434
Deferred Income	56,056	35,293
Notes Payable - Curling Stones Program - Current Portion	103,683	142,498
Notes Payable - Pass-Through - Current Portion	50,000	50,000
Total Current Liabilities	327,370	331,615
LONG-TERM LIABILITIES		
Notes Payable - Curling Stones Program	204,121	225,903
Notes Payable - Pass-Through	525,000	275,000
Total Long-Term Liabilities	729,121	500,903
Total Liabilities	1,056,491	832,518
NET ASSETS		
Net Assets Without Donor Restrictions	880,322	727,627
Net Assets With Donor Restrictions	5,000	5,400
Total Net Assets	885,322	733,027
Total Liabilities and Net Assets	\$ 1,941,813	\$ 1,565,545

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	2019			(For Comparative Purposes Only)
	Without Donor Restrictions	With Donor Restrictions	Total	2018
REVENUES AND OTHER SUPPORT				
Dues	\$ 780,083	\$ -	\$ 780,083	\$ 618,723
Championships	328,163	-	328,163	364,415
Member Programs	104,279	-	104,279	103,757
Revenue Development	222,902	-	222,902	236,850
Program Support/USOC Grants	1,444,166	2,000	1,446,166	1,503,580
Sponsorships and In-Kind Contributions	181,920	-	181,920	277,488
Gain on Sale of Asset	-	-	-	1,352
Net Assets Released from Restriction	2,400	(2,400)	-	-
Total Revenues and Other Support	<u>3,063,913</u>	<u>(400)</u>	<u>3,063,513</u>	<u>3,106,165</u>
EXPENSES				
Programs	2,636,206	-	2,636,206	2,645,132
Management and General	238,425	-	238,425	404,390
Fundraising	36,587	-	36,587	36,588
Total Expenses	<u>2,911,218</u>	<u>-</u>	<u>2,911,218</u>	<u>3,086,110</u>
CHANGE IN NET ASSETS	152,695	(400)	152,295	20,055
Net Assets - Beginning of Year	<u>727,627</u>	<u>5,400</u>	<u>733,027</u>	<u>712,972</u>
NET ASSETS - END OF YEAR	<u>\$ 880,322</u>	<u>\$ 5,000</u>	<u>\$ 885,322</u>	<u>\$ 733,027</u>

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	Program Services			Supporting Services		Total Functional Expenses	(For Comparative Purposes Only) 2018
	Elite Able- Bodied and Para Programs	Other Program Expenses	Total Program Services	Management and General	Fundraising		
Salaries	\$ -	\$ 427,084	\$ 427,084	\$ 80,647	\$ 31,820	\$ 539,551	\$ 510,266
Payroll Taxes	-	33,209	33,209	6,379	2,482	42,070	41,387
Fringe Benefits	-	43,124	43,124	5,415	2,285	50,824	36,142
Athletes, Teams, Coaches and Support Personnel	895,265	20,824	916,089	-	-	916,089	778,937
Uniforms	23,254	61,095	84,349	-	-	84,349	109,387
Program Sponsorship Grants	36,747	25,000	61,747	-	-	61,747	62,418
Coaching and Coach Development	-	17,144	17,144	-	-	17,144	66,600
TV and Video Production	-	378,183	378,183	-	-	378,183	320,867
Internet Site Expense	-	67,696	67,696	-	-	67,696	52,335
Broadcast Liability Insurance	-	3,300	3,300	-	-	3,300	3,300
Demographic Survey	-	22,000	22,000	-	-	22,000	-
Other Media and Marketing	-	26,996	26,996	-	-	26,996	78,076
Site Selection Expense	-	26,376	26,376	-	-	26,376	66,478
Facility Rental Expense	-	7,900	7,900	-	-	7,900	17,685
Other Club/Membership Programs	-	36,963	36,963	-	-	36,963	62,366
Event Consultant	-	25,000	25,000	-	-	25,000	25,000
U.S. Curling News	-	67,971	67,971	-	-	67,971	75,383
Ice Technician Expense	-	15,916	15,916	-	-	15,916	16,131
Field of Play Equipment and Supplies	-	10,547	10,547	-	-	10,547	50,475
Awards	-	16,619	16,619	-	-	16,619	22,792
Credit Card Processing	-	3,458	3,458	-	-	3,458	3,365
Travel	84,140	124,304	208,444	17,644	-	226,088	222,968
Depreciation	-	14,170	14,170	718	-	14,888	11,849
Officiating Committee	-	31,352	31,352	-	-	31,352	32,622
Youth Curling Committee	-	4,274	4,274	-	-	4,274	4,756
Meeting Expense	-	-	-	13,205	-	13,205	18,713
World Challenge Expense	-	115	115	-	-	115	-
Education Program Development	-	8,965	8,965	-	-	8,965	12,706

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	Program Services			Supporting Services		Total Functional Expenses	(For Comparative Purposes Only) 2018
	Elite Able- Bodied and Para Programs	Other Program Expenses	Total Program Services	Management and General	Fundraising		
WCF Stone Loan Program	\$ -	\$ 6,893	\$ 6,893	\$ -	\$ -	\$ 6,893	\$ 8,309
Stone Rental Expense	-	15,500	15,500	-	-	15,500	-
Dues and Subscriptions	-	1,000	1,000	2,700	-	3,700	3,700
College Curling Committee	-	3,438	3,438	-	-	3,438	3,517
Amortization	-	2,199	2,199	1,279	-	3,478	3,893
ACF&M Committee	-	23	23	-	-	23	22
Employee Recruitment	-	729	729	-	-	729	964
Insurance - General Liability	-	45,379	45,379	5,841	-	51,220	44,898
Olympic Tickets	-	-	-	-	-	-	42,270
Judicial Committee	-	-	-	-	-	-	61
Other Competitions	-	2,054	2,054	-	-	2,054	-
Rent	-	-	-	47,715	-	47,715	46,078
Website Development	-	-	-	7,412	-	7,412	8,393
Miscellaneous Office	-	-	-	3,233	-	3,233	24,682
Audit Fee	-	-	-	13,577	-	13,577	12,311
Telephone	-	-	-	11,898	-	11,898	10,059
Supplies/Equipment	-	-	-	8,451	-	8,451	7,559
Printing and Copying	-	-	-	2,364	-	2,364	2,233
Postage	-	-	-	1,037	-	1,037	1,717
Legal Fees	-	-	-	-	-	-	106,464
Employee Development	-	-	-	290	-	290	-
Utilities	-	-	-	4,614	-	4,614	4,256
Miscellaneous	-	-	-	-	-	-	405
Property Taxes	-	-	-	1,134	-	1,134	1,315
Bad Debts	-	-	-	2,872	-	2,872	50,000
Total Expenses	<u>\$ 1,039,406</u>	<u>\$ 1,596,800</u>	<u>\$ 2,636,206</u>	<u>\$ 238,425</u>	<u>\$ 36,587</u>	<u>\$ 2,911,218</u>	<u>\$ 3,086,110</u>

See accompanying Notes to Financial Statements.

UNITED STATES CURLING ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	2019	(For Comparative Purposes Only) 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 152,295	\$ 20,055
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	18,366	15,741
Gain on Disposal of Equipment	-	(1,352)
Contributed Property and Equipment Capitalized	-	(7,668)
Changes in Operating Assets and Liabilities:		
Receivables	(25,298)	75,461
Inventory	(11,460)	(93,205)
Prepaid Expenses	6,347	(12,397)
Escrow Funds	(6)	(1,222)
Accounts Payable	23,542	(52,794)
Accrued Vacation	(10,089)	(2,042)
Other Liabilities	592	(2,243)
Funds Held for Others	(238)	(632)
Deferred Income	20,763	(47,191)
Net Cash Provided (Used) by Operating Activities	174,814	(109,489)
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	112,003	138,182
Purchases of Property and Equipment	(30,579)	(7,055)
Proceeds on Sale of Asset	-	8,000
Net Cash Provided (Used) by Investing Activities	(168,576)	189,127
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Pass-Through Notes Payable	300,000	-
Payments on Pass-Through Notes Payable	(50,000)	(50,000)
Note Payable - Curling Stones Program Payments	(140,154)	(148,885)
Net Cash Provided (Used) by Financing Activities	109,846	(198,885)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	116,084	(119,247)
Cash and Cash Equivalents - Beginning of Year	345,499	464,746
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 461,583	\$ 345,499
NONCASH INVESTING AND FINANCING TRANSACTION		
Borrowings under Curling Stones Program Notes Payable and Receivable	\$ 62,421	\$ 114,308
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, 2019

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.

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.

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, 2019

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.

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.

Revenue Recognition

Revenue recognition of contributed support follows the recommendations of the Financial Accounting Standards Board (FASB) whereby pledges are recorded when made and contributed support is classified as without donor restrictions or with donor restrictions, depending on the existence of donor stipulations that limit the use of the support. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

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.

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, 2019.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status (Continued)

The Association has implemented accounting for uncertainty in income taxes in accordance with accounting principles generally accepted in the United States of America. This standard describes a recognition threshold and measurement attribute for 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 statements of activities and by natural classification in the statements 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.

Accounting Standards Update

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Association adopted this standard in 2019. Accordingly, the required presentation and disclosure changes have been retrospectively applied to the prior period presented as if the policy had been used in that year.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Update (Continued)

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, 2020; however, early application is permitted. The Association is currently evaluating the impact this guidance will have on its financial statements.

In June 2018, FASB issued ASU 2018-08 related to the accounting for contributions received and contributions made. This update applies to both resource recipients and resource providers and assists in evaluating whether a transfer of assets is an exchange transaction or a contribution and also assists with distinguishing between conditional and unconditional contributions. Distinguishing between contributions and exchange transactions determines which guidance should be applied. For contributions, the guidance in Subtopic 958-605 should be followed and for exchange transactions, Topic 606 should be followed. The ASU is effective for the Association for the year ended June 30, 2020. The Association is currently evaluating the impact this guidance will have on its financial statements.

Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed, February 10, 2020.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's presentation. These reclassifications had no impact on previously reported changes in net assets.

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, 2018, from which the summarized, information was derived.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019, 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.

As of June 30, 2019, the amount due from various curling clubs was \$213,466 and the amount due to the World Curling Federation was \$307,804.

Payments due from various clubs are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 80,322
2021	67,581
2022	42,369
2023	12,484
2024	10,710
Total	<u>\$ 213,466</u>

Payments due to the World Curling Federation are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 103,683
2021	83,388
2022	62,618
2023	38,775
2024	15,913
Thereafter	3,427
Total	<u>\$ 307,804</u>

NOTE 5 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 \$575,000 as of June 30, 2019. Three loans require annual payments of \$25,000 through their maturity dates in 2024, 2025 and 2029, respectively. One loan requires annual payments starting in fiscal year 2022 for \$12,500 through its maturity date in 2029.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 PROPERTY AND EQUIPMENT

Depreciation and amortization expense for the year ended June 30, 2019 was \$18,366. Property and equipment and related accumulated depreciation and amortization consisted of the following:

	Cost July 1, 2018	Additions	Disposals	Cost June 30, 2019
Property and Equipment:				
Leasehold Improvements	\$ 8,896	\$ -	\$ (2,500)	\$ 6,396
Equipment	156,367	47,715	(40,320)	163,762
Software	7,134	-	-	7,134
Total Property and Equipment	<u>172,397</u>	<u>47,715</u>	<u>(42,820)</u>	<u>177,292</u>
Accumulated Depreciation and Amortization:				
Leasehold Improvements	7,617	1,279	(2,500)	6,396
Equipment	73,447	14,888	(40,320)	48,015
Software	3,277	2,199	-	5,476
Total	<u>84,341</u>	<u>\$ 18,366</u>	<u>\$ (42,820)</u>	<u>59,887</u>
Net Property and Equipment	<u>\$ 88,056</u>			<u>\$ 117,405</u>

NOTE 7 LEASE COMMITMENT

The Association leases office space under an operating lease agreement that expires December 31, 2020. Rental expenses for year ended June 30, 2019 were \$47,715.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	<u>\$ 42,378</u>
2021	<u>21,502</u>
Total	<u>\$ 63,880</u>

NOTE 8 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, 2019. Bank advances on the line of credit are payable on demand and carry an interest rate of prime plus 1.75% (7.25% at June 30, 2019). The credit line is secured by substantially all assets of the Association.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 NET ASSETS

As of June 30, 2019, net assets without donor restrictions consisted of the following:

Undesignated	\$ 839,401
Designated:	
Ann Brown Legacy Fund	5,925
Katie Beck Memorial Fund	339
Chris Moore Legacy Fund	21,388
Stone Pool Fund	800
Bev Schroeder Memorial Fund	12,469
Total	<u>\$ 880,322</u>

As of June 30, 2019, net assets with donor restrictions consisted of the following:

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

NOTE 10 IN-KIND CONTRIBUTIONS

The following is a summary of in-kind contributions received for the year ended June 30, 2019:

Transportation/Travel	\$ 95,637
Uniforms and Training Apparel	70,165
Other	8,468
Total	<u>\$ 174,270</u>

NOTE 11 USOC DIRECT FUNDING TO ATHLETES

The Association has acknowledged \$194,600 of USOC direct payments to athletes for the year ended June 30, 2019. These amounts have not been reflected in these statements.

NOTE 12 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 36% of its revenue from one organization for the year ended June 30, 2019.

UNITED STATES CURLING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 RELATED PARTY TRANSACTIONS

The Association paid \$12,458 in reimbursements to members of its board of directors for expenses incurred on behalf of the Association during the year ended June 30, 2019. The Association retains documentation of all reimbursed expenses.

NOTE 14 INFORMATION REGARDING LIQUIDITY AND AVAILABILITY

The Association strives to maintain liquid financial assets sufficient to cover their 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, 2019:

Cash and Cash Equivalents	\$ 461,583
Receivables	198,715
Current Portion of Notes Receivable	<u>130,322</u>
Subtotal	790,620
Less: Donor Restricted Net Assets	<u>(5,000)</u>
Total Financial Available for General Expenditure	<u><u>\$ 785,620</u></u>

As more fully described in Note 8, the Association has a line of credit which it could draw upon in the event of an unanticipated liquidity need.

UNITED STATES CURLING ASSOCIATION, INC.
SCHEDULE OF REVENUES AND OTHER SUPPORT
YEAR ENDED JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	Dues	Championships	Member Programs	Revenue Development	Program Support/ USOC Grants	Sponsorships and In-Kind Contributions	Total
Dues	\$ 780,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 780,083
Entry Fees	-	141,428	-	-	-	-	141,428
Club Insurance Program	-	-	60,415	-	-	-	60,415
Annual Appeal/Pin Program	-	-	-	7,273	-	-	7,273
Education Program Development	-	-	34,677	-	-	-	34,677
Championship Event Income	-	186,735	-	-	-	-	186,735
Advertising	-	-	-	2,500	-	-	2,500
Merchandise Sales, Net of Cost	-	-	-	6,653	-	-	6,653
Curling News Advertising and Subscriptions	-	-	-	15,380	-	-	15,380
U.S.O.C. Marketing Agreement	-	-	-	150,000	-	-	150,000
U.S.O.C. Performance Grant	-	-	-	-	944,568	-	944,568
U.S.O.C. Licensing Royalties	-	-	-	12,873	-	-	12,873
U.S.O.C. Olympic Support and Other Grants	-	-	-	-	149,947	-	149,947
WCF Grant	-	-	-	-	87,000	-	87,000
In-Kind Contributions	-	-	-	-	-	174,270	174,270
Donations	-	-	-	-	214,651	-	214,651
Chicago Community Trust grant	-	-	-	-	50,000	-	50,000
Sponsorship - RAM	-	-	-	-	-	7,650	7,650
WCF Stone Loan Program	-	-	9,187	-	-	-	9,187
Interest Earned	-	-	-	487	-	-	487
Sweepstakes/Contests/Promotions	-	-	-	25,000	-	-	25,000
Miscellaneous	-	-	-	2,736	-	-	2,736
Total Revenues and Other Support	\$ 780,083	\$ 328,163	\$ 104,279	\$ 222,902	\$ 1,446,166	\$ 181,920	\$ 3,063,513

