## USA BOBSLED/SKELETON, INC. & SUBSIDIARY

**Consolidated Financial Statements & Supplemental Information** 

For the Year Ended June 30, 2022



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#### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USA Bobsled/Skeleton, Inc.
& Subsidiary
Colorado Springs, Colorado

#### Opinion

We have audited the accompanying financial statements of USA Bobsled/Skeleton, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USA Bobsled/Skeleton, Inc. as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of USA Bobsled/Skeleton, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of control relevant to preparation the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Bobsled/Skeleton, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness USA Bobsled/Skeleton, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Bobsled/Skeleton, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### Report on Summarized Comparative Information

We have previously audited USA Bobsled/Skeleton, Inc.'s financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 17, 2021.

In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on consolidated financial statements whole. as a supplemental statements are presented for purposes of additional analysis and are not a required part of the consolidated Such information is the responsibility of financial statements. management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements orto the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the In our opinion, the information is United States of America. stated in all material respects in relation to the financial statements as a whole.

#### Waugh & Goodwin, LLP

Colorado Springs, Colorado October 20, 2022

## USA BOBSLED/SKELETON, INC. & SUBSIDIARY Consolidated Statement of Financial Position June 30, 2022

(With Comparative Amounts for 2021)

#### **ASSETS**

		<u>2022</u>	<u>2021</u>	
CURRENT ASSETS:			h 4 -00 004	
Cash and cash equivalents	\$	1,562,402	\$ 1,502,026	
Accounts receivable, net		126,449	2,756	
Deposits Prepaid insurance		500 67,409	56,253	
Prepaid expenses		4,331	17,271	
Trepara expenses				
Total current assets		1,761,091	1,578,306	
PROPERTY AND EQUIPMENT:				
Property and equipment		4,601,001	4,169,223	
Less accumulated depreciation		(2,816,657)	<u>(2,457,800</u> )	
Property and equipment, net		1,784,344	1,711,423	
LONG-TERM INVESTMENTS		10,291	12,681	
OTHER ASSETS:				
Beneficial interest in Trust		1,285,392	1,601,542	
TOTAL ASSETS	\$	4,841,118	<u>\$ 4,903,952</u>	
LIABILITIES AND NET ASS	SETS	<u> </u>		
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	\$	176,306	\$ 161,421	
Due to United States Olympic &	т	_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	7,	
Paralympic Committee		14,660	125,420	
Refundable advances		10,904	76,844	
Deferred revenue		10,810	23,834	
Short-term note payable			43,308	
Total current liabilities		212,680	430,827	
LONG-TERM LIABILITIES				
Note payable long-term debt			232,100	
Total liabilities		212,680	662,927	
		212,000	002,927	
NET ASSETS:				
Without donor restrictions		3,308,205	2,616,929	
With donor restrictions		1,320,233	1,624,096	
Total net assets		4,628,438	4,241,025	
TOTAL LIABILITIES AND NET ASSETS	\$	4,841,118	<u>\$ 4,903,952</u>	

# USA BOBSLED/SKELETON, INC. & SUBSIDIARY Consolidated Statement of Activities and Changes in Net Assets For the Year Ended June 30, 2022 (With Comparative Totals for 2021)

Contributions       463,833       119,419       583,252       29         Contributions - VIK       347,950       347,950       33         PPP grant       232,100       232,100       21         IBSF distributions       167,773       167,773       2         USOPC media agreement       50,000       50,000       5         Trust distributions       83,040       83,040       7         Miscellaneous income       53,669       53,669       5         Member dues       16,965       16,965       1         Royalty revenue       2,243       2,243         Interest income, net of expense       50       50         Unrealized gain (loss)       50       50	21 als
Corporate sponsorship       712,213       712,213       49         Contributions       463,833       119,419       583,252       29         Contributions - VIK       347,950       347,950       33         PPP grant       232,100       232,100       21         IBSF distributions       167,773       167,773       2         USOPC media agreement       50,000       50,000       5         Trust distributions       83,040       83,040       7         Miscellaneous income       53,669       53,669       5         Member dues       16,965       16,965       1         Royalty revenue       2,243       2,243       2,243         Interest income, net of expense       50       50       50         Unrealized gain (loss)       (2,015)       (2,015)       (2,015)	
Contributions       463,833       119,419       583,252       29         Contributions - VIK       347,950       347,950       33         PPP grant       232,100       232,100       21         IBSF distributions       167,773       167,773       2         USOPC media agreement       50,000       50,000       5         Trust distributions       83,040       83,040       7         Miscellaneous income       53,669       53,669       5         Member dues       16,965       16,965       1         Royalty revenue       2,243       2,243       2,243         Interest income, net of expense       50       50       50         Unrealized gain (loss)       (2,015)       (2,015)       (2,015)	8,064
Contributions - VIK       347,950       347,950       33         PPP grant       232,100       232,100       21         IBSF distributions       167,773       167,773       2         USOPC media agreement       50,000       50,000       5         Trust distributions       83,040       83,040       7         Miscellaneous income       53,669       53,669       5         Member dues       16,965       16,965       1         Royalty revenue       2,243       2,243       2,243         Interest income, net of expense       50       50       50         Unrealized gain (loss)       (2,015)       (2,015)       (2,015)	9,602
PPP grant       232,100       232,100       21         IBSF distributions       167,773       167,773       2         USOPC media agreement       50,000       50,000       5         Trust distributions       83,040       83,040       7         Miscellaneous income       53,669       53,669       5         Member dues       16,965       16,965       1         Royalty revenue       2,243       2,243       2,243         Interest income, net of expense       50       50       50         Unrealized gain (loss)       (2,015)       (2,015)       (2,015)	3,771
PPP grant       232,100       232,100       21         IBSF distributions       167,773       167,773       2         USOPC media agreement       50,000       50,000       5         Trust distributions       83,040       83,040       7         Miscellaneous income       53,669       53,669       5         Member dues       16,965       16,965       1         Royalty revenue       2,243       2,243       2,243         Interest income, net of expense       50       50       50         Unrealized gain (loss)       (2,015)       (2,015)       (2,015)	7,149
USOPC media agreement 50,000 50,000 5 Trust distributions 83,040 83,040 7 Miscellaneous income 53,669 53,669 5 Member dues 16,965 16,965 1 Royalty revenue 2,243 2,243 Interest income, net of expense 50 50 Unrealized gain (loss) (2,015) (2,015)	6,685
Trust distributions 83,040 83,040 7 Miscellaneous income 53,669 53,669 5 Member dues 16,965 16,965 1 Royalty revenue 2,243 2,243 Interest income, net of expense 50 50 Unrealized gain (loss) on investments (2,015) (2,015)	9,021
Miscellaneous income 53,669 53,669 5 Member dues 16,965 16,965 1 Royalty revenue 2,243 2,243 Interest income, net of expense 50 50 Unrealized gain (loss) on investments (2,015) (2,015)	0,000
Member dues       16,965       16,965       1         Royalty revenue       2,243       2,243         Interest income, net of expense       50       50         Unrealized gain (loss)       50       50         on investments       (2,015)       (2,015)	7,184
Member dues       16,965       16,965       1         Royalty revenue       2,243       2,243         Interest income, net of expense       50       50         Unrealized gain (loss)       (2,015)       (2,015)	4,464
Interest income, net of expense 50 50 Unrealized gain (loss) on investments (2,015) (2,015)	5,174
Interest income, net of expense 50 50 Unrealized gain (loss) on investments (2,015) (2,015)	444
Unrealized gain (loss) on investments (2,015) (2,015)	43
on investments (2,015) (2,015)	
	2,811
	5,273
Satisfied program restrictions 107,132 (107,132)	
Total revenue and support 4,729,016 (303,863) 4,425,153 3,91	9,685
EXPENSES:	
Program services:	
	3,769
Athlete expense 721,219 721,219 64	8,114
Women's bobsled 693,181 693,181 46	1,630
Skeleton 612,855 612,855 41	9,413
Development 216,376 216,376 39	7,566
	7,091
Membership expense 59,504 59,504 9	2,009
Recruiting 3,240 3,240 1	7,749
Lake Placid 189 189	53
Total program services 3,253,762 3,253,762 2,58	7,394
Supporting services:	
General & administrative 564,814 564,814 49 Marketing & public	6,307
~ ·	4,162
Total supporting services	0,469
Total expenses <u>4,037,740</u> <u>4,037,740</u> <u>3,23</u>	7,863
CHANGE IN NET ASSETS 691,276 (303,863) 387,413 68	1,822
NET ASSETS, beginning of year 2,616,929 1,624,096 4,241,025 3,55	9,203
NET ASSETS, end of year \$ 3,308,205 \$ 1,320,233 \$ 4,628,438 \$ 4,24	1,025

See Notes to Consolidated Financial Statements

USA BOBSLED/SKELETON, INC. & SUBSIDIARY Consolidated Schedule of Functional Expenses For the Year Ended June 30, 2022 (With Comparative Totals for 2021)

	Men's Bobsled	Athlete Expense	Women's Bobsled	Skeleton	Development	Para Program	Membership Expense	Recruiting	Lake Placid	Total Programs
Athlete funding Athlete incentives Athlete support Bad debts Fank charges & merchant	w	\$ 100,366 50,000	8	w	\$ 29,950	w	v.	w.	\$	\$ 29,950 100,366 50,000
fees Contract labor Depreciation	161,370	34,600 26,381	666,399	26,557 95,094	1,586	28,600				91,343 369,244
Dues & subscriptions Employee benefits Entry fees Equipment Foundation Board	5,810 4,153 31,658	12,994 429 129,448	5,810 2,838 30,857	3,250 5,628 43,692	1,030	11,583 12,244		701		28,894 25,332 260,807
(Gain) loss on currency exchange Goodwill gestures Insurance Interest expense							58,898			58,898
Marketing Meals/lodging	171,574	13,026	121,604	138,444	48,423	35,852		839		529,762
Meetings Membership expense Naming rights		2,870					909			3,476
Office supplies Other Payroll taxes Postage	7,816 8,894	10,079 15,411	22,181 8,894	3,811 13,640	6,110					43,887
Professional development Promotional items Publicity		260								260
Public relations Recruiting		50,301								50,301
Ment-bullding Salaries Salaries Simple IRA expense Sled shipping State unemployment insurance Technology	116,210 1,943 168,935	203,441 2,536 26,449	116,210 1,943 167,363	178,297 1,664 2,255	79,875					694,033 8,086 381,109
Telephone Travel Value in kind – rent	161,699	42,628	129,082	100,523	20,613	18,857		1,474	189	475,065
	\$ 840,062	\$ 721,219	\$ 693,181	\$ 612,855	\$ 216,376	\$ 107,136	\$ 59,504	\$ 3,240	\$ 189	\$ 3,253,762

	General & Administrative	Marketing & Public Relations	2022 Totals	2021 Totals
	4	4	0	
Athlete funding	ᡢ	rv-	\$ 29,950	\$ 8,300
Athlete incentives			100,366	17,100
Athlete support	901.9		56,706	
Bad dehts			1,090	(5,749)
Bank abanded to monahant				•
fore				L
Lees	171,0		T7T'0	800,0
Contract labor		57,284	148,627	123,510
Depreciation	312		369,556	353,191
Dues & subscriptions	7 274		7 274	6 873
Dan Otto Ponofita	-	2 701	1 / 1 / /	0.010
Emproyee Delicates	000114	, ,	0000	0/0,04
Entry fees			25,332	13,617
Equipment		385	261,192	220,148
Foundation Board	1,163		1,163	
(Gain) loss on				
opuedoxo woudanio	(12)		(1)	
	(21)		1 1 1	777
GOOGWIII GESCUIES	30			044
Insurance	40,126		99,024	118,612
Interest expense	1,541		1,541	1,667
Legal & accounting	61,263		61,263	31,941
Warketing		63 458	63 458	14 093
Mon 1 a / 1 od a i a a	0 3 C	) C	00/#100 E30 110	000 400
Mears/roaging		90	911,086 911,086	294,423
Meetings	3,608		3,608	244
Membership expense			3,476	1,901
Naming rights		10,667	10,667	10,667
Office supplies	950		950	1,092
Other	10,343	5,949	60,179	77,511
Pavroll taxes	22.067	23	80.248	88,100
Dostago	177 1	1	1 77.1	177 6
וייי ביייי ביייי	-		#	•
Professional				
development	10,236		10,496	508
Promotional items				
Publicity	551		551	315
Public relations		392	393	1 285
Boorn: +: na			105 07	231,1
Necrations Post to 15			100,00	010,102 100,0
Kent-bullding	7,861		7,861	166,9
Salaries	•	,38	1,103,615	1,156,634
Simple IRA expense	5,112	1,629	14,827	14,478
Sled shipping			381,109	181,903
State unemployment				
יייייייייייייייייייייייייייייייייייייי	7 6 7 6		7 676	0/2/01
ansar ance	-		0 0 7	0 # 0 ° 0 H
recimorogy	1		1	
Telephone	-		8,776	8,462
Travel	1,170	1,890	478,125	187,446
Value in kind - rent				7,318
	\$ 564,814	\$ 219,164	\$ 4,037,740	\$ 3,237,863

See Notes to Consolidated Financial Statements

# USA BOBSLED/SKELETON, INC. & SUBSIDIARY Consolidated Statement of Cash Flows For the Year Ended June 30, 2022 (With Comparative Amounts for 2021)

		<u>2022</u>		<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$	387,413	\$	681,822
Adjustments to reconcile change in net assets to net cash provided				
by operating activities:				
Depreciation		369,556		353,191
Unrealized (gain) loss on investments		2,015		(2,811)
Gain on disposal of assets		•		, , ,
PPP loan proceeds				232,100
Forgiveness of PPP loan		(232,100)		
In-kind donation of property				
Changes in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable, net		(123,693)		20,870
Due from United States Olympic &				10.000
Paralympic Committee		(500)		10,000
Deposit		(500)		(5.055)
Prepaid insurance		(11,156)		(5,877)
Prepaid expenses Increase (decrease) in liabilities:		12,940		23,015
Accounts payable and accrued liabilities		14,885		(81,703)
Due to United States Olympic &		14,005		(01,703)
Paralympic Committee		(110,760)		(115,133)
Refundable advances		(65,940)		76,844
Deferred revenue		(13,024)		17,334
Total adjustments		(157,777)		527,830
Net cash provided by				
operating activities		229,636	1	,209,652
CASH FLOWS FROM INVESTING ACTIVITIES:		•		
Acquisition of property and equipment		(442,477)		(336,193)
		(442,477)		(330,193)
Net cash used by				
investing activities		(442,477)		(336,193)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Long term investment		375		375
Proceeds from note payable				
Payments on note payable		(43,308)		(203,436)
Beneficial interest in Trust		316,150		<u>(295,273</u> )
Net cash provided (used) by				
financing activities		273,217		(498,334)
NET INCREASE IN CASH		60,376		375,125
CASH AND CASH EQUIVALENTS,		•		-
beginning of year		1,502,026	1	,126,901
Degining of Year		1,302,020		,,120,,001
CASH AND CASH EQUIVALENTS,				
end of year	<u>\$</u>	1,562,402	<u>\$ 1</u>	,502,026

See Notes to Consolidated Financial Statements

## USA BOBSLED/SKELETON, INC. & SUBSIDIARY Notes to Consolidated Financial Statements For the Year Ended June 30, 2022

#### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

United States Bobsled and Skeleton Federation, Inc. (the Corporation) was organized in the State of New York on November 18, 1977, to promote and improve amateur bobsledding, and develop interest and participation in amateur bobsledding throughout the United States. U.S. Bobsled and Skeleton Foundation, LLC, a single-member limited liability company, was created to support the activities of the Corporation.

During the year ended June 30, 2015, the Corporation legally changed their name from United States Bobsled and Skeleton Federation, Inc. to USA Bobsled/Skeleton, Inc.

#### Consolidation

The accompanying consolidated financial statements for the year ended June 30, 2022, include the assets, liabilities, net assets, and financial activities of the Corporation and its subsidiary, U.S. Bobsled and Skeleton Foundation, LLC (Foundation), a single-member limited liability company formed in February, 2013.

#### Prior-Year Comparisons

financial statements include certain prior summarized comparative information in total but not by functional expense or net asset class. Such information sufficient not include detail to constitute presentation principles in conformity with accounting the United States of generally accepted in America. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Certain amounts have been reclassified to conform to the current year presentation.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of the Corporation and Foundation's checking and savings accounts. The Corporation

#### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Cash and Cash Equivalents - continued

and Foundation maintain their cash and cash equivalents at commercial banks. In the unlikely event of a bank failure the Corporation and Foundation might only be able to recover the amounts insured.

#### Supplemental Cash Flow Disclosures

During the years ended June 30, 2022 and 2021, the Corporation paid interest costs of \$1,541 and \$1,667, respectively. The Corporation paid no income taxes either year.

The Corporation had noncash financing transactions for insurance premiums of \$0 and \$40,308 during the years ended June 30, 2022 and 2021, respectively.

#### Accounts Receivable

Accounts receivable recorded by the Corporation include amounts from contracts with customers. Receivables from contracts with customers at the beginning and end of the period were \$2,756 and \$29,087, respectively.

Accounts receivable are stated at the amount the Corporation expects to collect from balances outstanding at year-end. Based on management's assessment of the outstanding balances, it has concluded that an allowance for doubtful accounts was not necessary at June 30, 2022 and 2021. Unrecorded conditional grants receivable were \$107,076 as of June 30, 2022. The Corporation has grants from the Department of Veterans Affairs and the United States Olympic Paralympic Committee (USOPC) that are for special purposes with specific expenditure requirements.

#### Property and Equipment

Property and equipment are recorded at cost as of the date of acquisition or fair value as of the date of receipt in the case of donations. Depreciation is recorded using the straight-line method over estimated useful lives of three to 10 years.

#### Deferred Revenue

Deferred revenue, a contract liability, recognized by the Corporation represents amounts from contracts with customers. This revenue is deferred as of year-end because

#### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Deferred Revenue - continued

the performance obligations relating to this revenue have not yet been completed by the entities. Deferred revenue from contracts with customers at the beginning and end of the period were \$10,810 and \$23,834, respectively.

#### Refundable Advances

In accordance with FASB ASU 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08), the Corporation classified conditional promises to give subject to donor-imposed conditions received in prior years as refundable advances at June 30, 2022. As the Corporation satisfies the barriers and conditions set forth in the grant contract, revenue will be recognized accordingly. Refundable advances are \$10,904 at June 30, 2022.

#### Contributions

Contributions are recorded when received as without donor restrictions, with donor restrictions - temporary in nature, or with donor restrictions - perpetual in nature, depending on the existence or nature of any donor restrictions. donor restriction is met, net assets with donor restrictions - temporary in nature are reclassified to net assets without donor restrictions and reported in the activities satisfaction of as of program statement Contributions whose restrictions are met in restrictions. the same reporting period are recorded as unrestricted and International Bobsleigh USOPC grants Skeleton Federation (IBSF) distributions are considered contributions. However, if the Corporation is only entitled to the gift if it has overcome a barrier (such as raising funds or achieving particular matching a outcome), contribution revenue is recognized when that barrier is overcome as an increase in net assets without restrictions, because the restriction on the gift is satisfied as the barrier is overcome; thus, there essentially is no separate restriction that needs to be tracked for those gifts. Contributions and grants with donor restrictions reported as support and revenue without donor restrictions if the restriction is met in the same year that the gift is received.

#### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### In-kind Contributions

During the year ended June 30, 2022, the Corporation adopted Accounting Standards Update (ASU) 2020-07, Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets.

The Corporation may record various types of in-kind contributions when received. Contributed services are recognized if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

The Corporation received the following gifts-in-kind during the years ended June 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Housing	\$ 92,534	\$
Apparel	88,044	57,500
Equipment and supplies	78,703	141,686
Vehicle rentals	42,720	43,689
Equipment transportation	40,949	79,189
Services	5,000	2,400
Facility rent		 12,685
	\$ 347,950	\$ 337,149

The Corporation's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Corporation. If an asset is provided that does not allow the Corporation to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

#### Revenue from Contracts with Customers

<u>Member Dues</u> - Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing membership to its members. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term.

#### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

<u>Corporate Sponsorship</u> - The Corporation recognizes revenue from contracts with both sponsors and suppliers of the Corporation. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Corporation will recognize revenue over time. The Corporation has concluded that the performance obligations within these contracts are substantially the same in each year and are satisfied ratably over the term of the agreement.

Therefore, sponsorship revenue from contracts with customers will be recognized on a straight-line basis over the term of the agreement.

<u>Royalties</u> - The Corporation receives royalties from sponsors. The revenue is variable based on the terms of the agreement and related sales. The revenue is recognized upon receipt of the royalty.

<u>USOPC Digital Media</u> - The Corporation also recognizes revenue from contracts with the USOPC. As previously mentioned, USOPC grants are considered contributions by the Corporation. The USOPC media agreement is considered revenue from contracts with customers. See Note K for more information regarding this revenue stream.

#### Tax Exempt Status

The Corporation is generally exempt from the payment of federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation is, however, liable for income tax on unrelated trade or business income, which includes advertising income or any other business income that is not substantially related to its exempt purpose. The Foundation is a disregarded entity for tax purposes and as such, is included in the Corporation's tax return.

The Corporation's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date it was filed. Management of the Corporation believes that it does not have any uncertain tax positions that are material to the financial statements.

#### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Use of Estimates in Preparation of Financial Statements

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, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

#### Date of Management's Review

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through October 20, 2022, the date that the financial statements were available to be issued.

#### B. AVAILABLE RESOURCES AND LIQUIDITY

The Corporation has grant funding commitments to meet most expenses. The Corporation seeks sponsorships, donations, and other contributions to cover other general expenditures.

The Corporation regularly monitors liquidity necessary to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Corporation has cash and cash equivalents as a current source of liquidity at its disposal.

The Corporation's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents Accounts receivable, net	\$ 1,562,402 126,449	\$ 1,502,026 2,756
	1,688,851	1,504,782
Less assets with donor restrictions: Donor restrictions - temporary	24,662	12,375
Financial assets available within one year	<u>\$ 1,664,189</u>	<u>\$ 1,492,407</u>

#### B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

As described in Note H to the financial statements, the Corporation has two lines of credit available to be used for general expenditures. As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The primary investment objectives of the Corporation are to preserve and protect the Corporation's assets and to provide liquidity for operations.

#### C. FAIR VALUE MEASUREMENTS

Corporation applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities measurements) (Level and the lowest priority involving significant unobservable measurements The three levels of fair value (Level 3 measurements). hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

#### C. FAIR VALUE MEASUREMENTS - Continued

The following tables present assets that are measured at fair value on a recurring basis at June 30, 2022 and 2021:

Assets at Fair Value as of June 30, 20	Assets	at Fai	r Value	as of	June	30,	2022
--	--------	--------	---------	-------	------	-----	------

	 Level 1	 Level 2	Level 3	Total
Beneficial interest in trust Adirondack Foundation	\$ 1,285,392	\$	\$	\$ 1,285,392
pooled funds	 	 10,291		 10,291
	\$ 1,285,392	\$ 10,291	\$	\$ 1,295,683

#### Assets at Fair Value as of June 30, 2021

	Level 1	Level 2	Level 3	 Total
Beneficial interest in trust Adirondack Foundation	\$ 1,601,542	\$	\$	\$ 1,601,542
pooled funds	 	 12,681		 12,681
	\$ 1,601,542	\$ 12,681	\$	\$ 1,614,223

Some investments are exposed to various risks that may cause their reported fair values to fluctuate from period to period and could materially affect the recorded amounts of investments in the Corporation's financial statements.

Investments in equity securities fluctuate in value in response to many factors, such as the activities and financial condition of individual companies, business and industry market conditions and the state or perceived direction of the economy. The values of debt securities fluctuate in response to changing interest rates, credit worthiness of issuers, and overall economic policies that impact market conditions. The values of certain investments, such as hedge funds, can fluctuate in response to direct market conditions and other factors that may or may not have a high correlation to overall market direction. Though the market values of investments are subject to fluctuation, management believes that the investment policy is prudent for the long-term welfare of the Corporation.

#### D. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost, if purchased, or at market value at the date received as a gift. Property and equipment consists of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Sleds	\$ 3,747,357	
Furniture and equipment Runners	402,544 351,495	281,783 303,381
Leasehold improvements Restricted assets	68,398 25,000	68,398 25,000
Trailer	6,207	6,207
Less accumulated depreciation	(2,816,657)	(2,457,800)
Property and equipment, net	\$ 1,784,344	<u>\$ 1,711,424</u>

Depreciation expense amounted to \$369,556 and \$353,191 for the years ended June 30, 2022 and 2021, respectively.

#### E. BENEFICIAL INTEREST IN TRUST

The United States Bobsled and Skeleton Corporation Trust (the Trust) was established by the Corporation to administer unrestricted funds distributed by the USOPC, from the profits of the 1984 Olympic Summer Games in Los Angeles, to the National Governing Body of these Olympic Sports.

In accordance with FASB ASC 958, Not-for-Profit Entities, the Corporation has recorded a beneficial interest in the net assets of the Trust. Changes in the net assets of the are recorded in the accompanying statement Trust As of June 30, 2022 and 2021, the Trust had activities. total assets of \$1,285,392 and \$1,601,542, respectively. is with amount included in net donor assets restrictions - perpetual in nature.

The Trust is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It has also been determined not to be a private foundation.

#### E. BENEFICIAL INTEREST IN TRUST - Continued

At June 30, 2022 and 2021, the Trust's net assets consisted of the following:

	2022	<u>2021</u>
Exchange-traded and closed		
end funds	\$ 953,618	\$ 1,205,204
Mutual funds	317,985	383,999
Cash and cash equivalents	 13,789	 12,339
	\$ 1,285,392	\$ 1,601,542

#### F. ENDOWMENT FUNDS

In accordance with generally accepted accounting principles, net assets associated with endowment funds are classified between net assets with donor restriction - perpetual and temporary in nature and reported based on the existence of donor-imposed restrictions.

#### <u>Interpretation of Relevant Law</u>

The Corporation's Board of Directors has interpreted the Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restriction except for explicit donor-stipulations to the contrary. As a result of this interpretation, perpetually restricted assets include the original value of the gift and any required accumulations for inflation stipulated by the donor.

	With Donor Restrictions				
	<u>Temporary</u>	<u>Perpetual</u>		<u>Total</u>	
Endowment net assets, July 1, 2020	\$	\$	10,179	\$	10,179
Investment income Expenditures					
Endowment net assets, June 30, 2021	\$	\$	10,179	\$	10,179
Investment income Expenditures					
Endowment net assets, June 30, 2022	\$	<u>\$</u>	10,179	\$	10,179

#### F. ENDOWMENT FUNDS - Continued

These funds are held and invested in a pooled fund at the Adirondack Foundation, an unrelated not-for-profit organization. Any deficits in the fund will be made up with general assets of the Corporation to maintain the donor contribution balance of the endowment fund.

#### G. SHORT-TERM NOTES PAYABLE

During the years ended June 30, 2022 and 2021, the Corporation signed short-term notes payable to finance premiums for its insurance policies. The note payable signed in June 2021, requires 10 monthly payments of \$3,473, including interest at 8.50%. The note matured in July 2022, and was secured by the insurance policies. At June 30, 2022 and 2021, the balance of the notes payable is \$0 and \$43,308, respectively.

#### H. LINE OF CREDIT AGREEMENTS

The Corporation has a \$75,000 line of credit agreement and a \$50,000 line of credit agreement with two commercial banks.

The \$75,000 line of credit bears interest at a rate of .75% over Wall Street Journal prime. The \$50,000 line of credit bears interest at a rate of 6.75% over the bank's prime rate. At June 30, 2022 and 2021, there were no outstanding borrowings under either line of credit agreement.

#### I. NET ASSETS WITH DONOR RESTRICTION - TEMPORARY IN NATURE

Net assets with donor restrictions - temporary in nature at June 30, 2022 and 2021, consist of the following:

	2022	<u>2021</u>
Parasport support Holcomb memorial fund for athletes	\$ 16,837 7,325	\$ 4,550 7,325
Medical support	 500	 500
	\$ 24,662	\$ 12,375

## I. NET ASSETS WITH DONOR RESTRICTION - TEMPORARY IN NATURE - Continued

Net assets are released from donor restriction by incurring expenses that satisfy the restricted purpose. During the years ended June 30, 2022 and 2021, net assets were released from restrictions as follows:

	<u> 2022</u>	<u>2021</u>
Parasport support	\$ 107,132	\$ 313
USOPC grants		2,064,226
Athlete support	 	 8,519
	\$ 107,132	\$ 2,073,058

#### J. LEASES

The Corporation leased office space owned by the El Pomar Foundation through December 31, 2021. The Corporation does not pay rent for the office space, but it does reimburse El Pomar for its share of utilities and maintenance expenses at a rate of \$488 through December 31, 2021. During the year ended June 30, 2021, El Pomar waived 12 months of utilities and maintenance expenses which is included in in-kind revenue and expense. In-kind revenue and expense of \$0 and \$12,685 has been recorded for the years ended June 30, 2022 and 2021, respectively.

Beginning September 1, 2021, the Corporation leases office facilities from the USOPC pursuant to a lease that will expire August 31, 2022, with automatic annual renewals unless either party informs the other in writing no less than 60 days prior to the end of the then current lease term year. The monthly rent is \$66.

During the year ended June 30, 2016, the Corporation entered into an operating lease for garage storage space through December 31, 2022, for \$1,000 annually.

Additionally, the Corporation is on a month to month lease with the USOPC for \$200 a month for office space in Lake Placid. Future minimum payments for these leases are as follows:

Total rent expense amounted to \$2,861 and \$6,991 for the years ended June 30, 2022 and 2021, respectively.

#### K. RELATED PARTY TRANSACTIONS

IBSF, the international bobsled and skeleton organization, distributed \$167,773 and \$29,021 to the Corporation during the years ended June 30, 2022 and 2021, respectively. Of these amounts, \$153,407 and \$27,014, respectively, was for athlete incentives.

The USOPC provides grants to the Corporation for sports development, international competition, and team preparation. Grants provided during the years ended June 30, 2022 and 2021, consisted of the following project categories:

	<u>2022</u>	<u>2021</u>
NGB Funding	\$ 2,265,552	\$ 1,981,656
Special grants	141,362	35,708
Value in-kind	92,534	
Athlete development	 87,148	 30,700
	\$ 2,586,596	\$ 2,048,064

In addition to the above grants, the Corporation received \$50,000 from the USOPC for its media agreement for both years ended June 30, 2022 and 2021. The media agreement was effective through December 31, 2016. The funding is based on the total number of unique visitors to the digital platform. This funding has continued under the same terms upon the expiration of the agreement.

As discussed in Note J, the USOPC provides the Corporation with office facilities in Lake Placid for \$200 a month and office space in Colorado Springs for \$66 a month.

Rental expense for the years ended June 30, 2022 and 2021, amounted to \$3,060 and \$2,400, respectively.

The Corporation is economically dependent on grants from the USOPC in order to sustain its operations at current levels.

#### L. RETIREMENT PLAN

The Corporation has established a Simple IRA retirement program. Employees are eligible to participate after working for the Corporation for two years. During the years ended June 30, 2022 and 2021, the Corporation made matching contributions for eligible employees of \$14,827 and \$14,478, respectively.

#### M. COMMITMENT AND CONTINGENCIES

The Corporation has a multi-year employment contract with an employee. In the event this employee is terminated for cause (as defined in the contracts), the Corporation is not obligated to pay any severance compensation. In the event this employee is terminated without cause and without prior notice, then the Corporation is obligated to pay severance in the amount of three to 12 months salary in regular installments on the Corporation's normal payroll dates commencing on the date of termination.

In accordance with the Corporation's garage facility agreement, the Corporation has agreed to pay event sponsorship fees as follows:

2023 \$ 11,410

#### N. PAYCHECK PROTECTION PROGRAM GRANTS

On January 30, 2021, the Corporation was approved for a second PPP loan in the amount of \$232,100 from Community Bank. The Corporation received full forgiveness of the loan and as a result, the proceeds from the loan have been included in the statement of activities as PPP grant income.

#### O. UNCERTAINTIES

An outbreak of a novel strain of coronavirus (COVID-19) has recognized as a pandemic by the World COVID-19 Organization, and the outbreak has become increasingly widespread in the United States. The COVID-19 outbreak has had a notable impact on general economic conditions, including but not limited to the uncertainty in financial markets, temporary closures global of businesses, suspension or cancelation of events, "shelter in place" and other governmental regulations, and job losses. The extent to which the COVID-19 outbreak will affect the operations, collections, or financial results of Corporation is uncertain.

With the rising cost of inflation and potential recession, it is uncertain what affect these factors may have on operations of the Corporation in the coming year.

#### USA BOBSLED/SKELETON, INC.

#### U.S. BOBSLED AND SKELETON FOUNDATION, LLC

### Supplemental Consolidating Statement of Financial Position ${\tt June~30,~2022}$

#### **ASSETS**

	USABS	USBS Foundation	Eliminating Entries	Total		
CURRENT ASSETS:  Cash and cash equivalents Accounts receivable, net Deposits Due from USBS Foundation Prepaid expenses	\$ 1,448,981 105,199 500 350 71,740	\$ 113,421 21,250	\$ (350)	\$ 1,562,402 126,449 500 71,740		
Total current assets	1,626,770	134,671	(350)	1,761,091		
PROPERTY & EQUIPMENT: Property and equipment Less accumulated depreciation	4,601,001 (2,816,657)			4,601,001 (2,816,657)		
Property & equipment, net	1,784,344			1,784,344		
LONG-TERM INVESTMENTS	10,291			10,291		
OTHER ASSETS:						
Investment in USBS Foundation Beneficial interest in Trust	134,321 1,285,392		(134,321)	1,285,392		
Total other assets	1,419,713		(134,321)	1,285,392		
TOTAL ASSETS	\$ 4,841,118	\$ 134,671	\$ (134,671)	\$ 4,841,118		
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:  Accounts payable and accrued liabilities  Due to USA Bobsled/Skeleton, Inc.  Refundable advances  Deferred revenue	190,966 10,904 10,810	350	\$ (350)	\$ 190,966 10,904 10,810		
Total liabilities	212,680	350	(350)	212,680		
NET ASSETS:						
Without donor restrictions With donor restrictions	3,308,205 1,320,233	134,321	(134,321)	3,308,205		
Total net assets	4,628,438	134,321	(134,321)	4,628,438		
TOTAL LIABILITIES AND NET ASSETS	\$ 4,841,118	\$ 134,671	<u>\$ (134,671</u> )	\$ 4,841,118		

#### USA BOBSLED/SKELETON, INC.

#### U.S. BOBSLED AND SKELETON FOUNDATION, LLC

### Supplemental Consolidating Statement of Activities and Changes in Net Assets For the Year Ended June 30, 2022

	USABS	USBS Foundation	Eliminating Entries	Total
REVENUE AND SUPPORT:				
USOPC grants	\$ 2,426,905	\$	\$	\$ 2,426,905
Corporate sponsorship	712,213			712,213
Contributions	467,294	240,958	(125,000)	583,252
Contributions - VIK	347,950			347,950
PPP grant	232,100			232,100
IBSF distributions	167,773			167,773
USOPC marketing agreement	117,158			117,158
Trust distribution	83,040			83,040
Miscellaneous income	53,669			53,669
Member dues	16,965			16,965
Royalty revenue	2,243			2,243
Interest income	48	2		50
Unrealized gain on investments Change in beneficial	(2,015)			(2,015)
interest in Trust	(316,150)			(316,150)
Change in USBS Foundation	20,757		(20,757)	
Total revenue and support	4,329,950	240,960	(145,757)	4,425,153
EXPENSES:				
Program services:				
Men's bobsled	840,062	125,000	(125,000)	840,062
Athlete expense	721,219			721,219
Women's bobsled	693,181			693,181
Skeleton	612,855			612,855
Development	216,376			216,376
Para program	107,136			107,136
Membership expense	59,504			59,504
Recruiting	3,240			3,240
Lake Placid	189			189
Total program services	3,253,762	125,000	(125,000)	3,253,762
Supporting services: General &				
administrative Marketing & public	558,043	6,771		564,814
relations	130,732	88,432		219,164
Total supporting services	688,775	95,203		783,978
Total expenses	3,942,537	220,203	(125,000)	4,037,740
CHANGE IN NET ASSETS	387,413	20,757	(20,757)	387,413
NET ASSETS, beginning of year	4,241,025	113,564	(113,564)	4,241,025
NET ASSETS, end of year	<u>\$ 4,628,438</u>	<u>\$ 134,321</u>	<u>\$ (134,321</u> )	\$ 4,628,438