



UNITED STATES RACQUETBALL ASSOCIATION, INC.

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2020

ERICKSON, BROWN & KLOSTER, LLC
CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



INDEPENDENT AUDITORS' REPORT

Board of Directors
United States Racquetball Association, Inc.
Colorado Springs, Colorado

We have audited the accompanying financial statements of United States Racquetball Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 opinion.

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INDEPENDENT AUDITORS' REPORT – CONTINUED

Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United States Racquetball Association, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited United States Racquetball Association, Inc.'s 2019 financial statements, and we expressed a qualified audit opinion on those audited financial statements in our report dated November 12, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Erickson, Brown & Kloster LLC

Colorado Springs, Colorado
January 4, 2022

UNITED STATES RACQUETBALL ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
With Comparative Totals for 2019

ASSETS

	2020	2019
Current Assets		
Cash and Cash Equivalents	\$ 393,502	\$ 341,540
Accounts Receivable	14,737	54,820
Promises to Give	5,957	8,000
Prepaid Expenses	7,490	8,490
Total Current Assets	<u>421,686</u>	<u>412,850</u>
Non-Current Assets		
Intangible Assets, Net	-	1,250
Goodwill, Net	20,345	23,251
Total Non-Current Assets	<u>20,345</u>	<u>24,501</u>
Total Assets	<u><u>\$ 442,031</u></u>	<u><u>\$ 437,351</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$ 4,972	\$ 226,089
Accrued Expenses	3,626	3,051
Deferred Revenue	126,543	173,038
Current Portion of Long-Term Debt	17,174	9,600
Refundable Advance - PPP Loan	49,100	-
Total Current Liabilities	<u>201,415</u>	<u>411,778</u>
Non-Current Liabilities		
Deferred Revenue - Non-Current	-	18,176
Long-Term Debt, Net of Current Portion	164,126	7,200
Unamortized Discount	(142)	(890)
Total Non-Current Liabilities	<u>163,984</u>	<u>24,486</u>
Total Liabilities	<u>365,399</u>	<u>436,264</u>
Net Assets		
Without Donor Restrictions	58,855	(21,058)
With Donor Restrictions	17,777	22,145
Total Net Assets	<u>76,632</u>	<u>1,087</u>
Total Liabilities and Net Assets	<u><u>\$ 442,031</u></u>	<u><u>\$ 437,351</u></u>

See Notes to Financial Statements

UNITED STATES RACQUETBALL ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020
With Comparative Totals for 2019

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
Revenue and Support				
USOPC Support	\$ 127,415	\$ -	\$ 127,415	\$ 50,000
Grants and Contributions	166,216	6,632	172,848	56,578
In-Kind Contributions	14,345	-	14,345	18,430
Membership Dues	272,204	-	272,204	348,445
Entry Fees	100,142	-	100,142	315,896
Other Fees	9,293	-	9,293	48,991
Sponsorships	9,500	-	9,500	338,286
National Events	7,302	-	7,302	153,560
Sale of Merchandise, Net	35	-	35	137
Magazine	1,119	-	1,119	6,467
Royalties	83	-	83	151
Other Revenue	6,385	-	6,385	8,349
Interest Income	15	-	15	5
Net Assets Released				
From Restrictions				
Satisfaction of				
Program Restrictions	3,000	(3,000)	-	-
Satisfactions of Time Restrictions	8,000	(8,000)	-	-
Total Revenue and Support	725,054	(4,368)	720,686	1,345,295
Expenses and Loss				
Program Services	537,593	-	537,593	1,236,683
Supporting Services				
General and Administrative	90,543	-	90,543	149,156
Fundraising	17,005	-	17,005	20,994
Total Supporting Services	107,548	-	107,548	170,150
Total Expenses	645,141	-	645,141	1,406,833
Loss on Uncollectable				
Promises to Give	-	-	-	2,500
Total Expenses and Loss	645,141	-	645,141	1,409,333
Change in Net Assets	79,913	(4,368)	75,545	(64,038)
Net Assets at Beginning of Year	(21,058)	22,145	1,087	65,125
Net Assets at End of Year	\$ 58,855	\$ 17,777	\$ 76,632	\$ 1,087

See Notes to Financial Statements

UNITED STATES RACQUETBALL ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020
With Comparative Totals for 2019

	Program	Supporting Services		Total	
		General and Administrative	Fundraising	2020	2019
Salaries	\$ 164,607	\$ 22,011	\$ 4,785	\$ 191,403	\$ 187,436
Payroll Taxes and Benefits	41,409	5,537	1,204	48,150	46,642
Total Personnel Costs	206,016	27,548	5,989	239,553	234,078
Insurance	50,003	6,686	1,454	58,143	58,029
Contract Labor	48,461	4,531	-	52,992	111,035
Accounting Fees for Service	29,022	18,381	967	48,370	70,775
Player Premiums	31,299	-	-	31,299	30,256
Miscellaneous	25,338	3,388	737	29,463	53,541
Travel	24,038	-	-	24,038	54,620
Office and Facilities Rent	19,189	2,566	558	22,313	120,415
Technology	14,111	1,887	410	16,408	28,634
Discounts and Rebates	16,334	-	-	16,334	33,001
Bank Charges	-	14,615	-	14,615	27,187
Printing	9,367	1,253	272	10,892	36,404
Awards	9,442	193	-	9,635	99,694
Meals and Lodging	9,094	186	-	9,280	48,581
Utilities	7,535	1,008	219	8,762	8,357
In-Kind Advertising Expense	8,638	-	-	8,638	10,160
Supplies	5,281	706	154	6,141	12,409
Hospitality	5,907	121	-	6,028	52,948
Advertising	-	-	5,973	5,973	5,176
Postage and Shipping	4,898	655	142	5,695	17,962
Dues and Subscriptions	-	5,222	-	5,222	4,789
Amortization	3,574	478	104	4,156	4,575
Donations	3,150	-	-	3,150	19,312
Coach, Trainer, and Athlete Support	2,833	-	-	2,833	10,424
Conferences and Meetings	1,912	39	-	1,951	31,289
WOR Expense	1,297	-	-	1,297	719
Equipment Expenses	778	104	23	905	-
Interest	-	748	-	748	1,304
Bad Debt	-	180	-	180	4,000
Legal Fees for Service	76	48	3	127	2,102
Tournament Support	-	-	-	-	199,076
National Team Expense	-	-	-	-	15,981
Total Expense - 2020	\$ 537,593	\$ 90,543	\$ 17,005	\$ 645,141	
Percent of Total - 2020	83%	14%	3%	100%	
Total Expense - 2019	\$ 1,236,683	\$ 149,156	\$ 20,994		\$ 1,406,833
Percent of Total - 2019	88%	11%	1%		100%

See Notes to Financial Statements

UNITED STATES RACQUETBALL ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020
With Comparative Totals for 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operations		
Change in Net Assets	\$ 75,545	\$ (64,038)
Adjustments to Arrive at Net Cash Used by Operating Activities:		
Amortization	4,156	4,574
Imputed Interest Expense	748	1,304
Bad Debt Expense	-	719
Loss on Uncollectible Promises to Give	-	2,500
Change in:		
Accounts Receivable	40,083	(38,154)
Promises to Give	2,043	(5,500)
Prepaid Expense	1,000	9,983
Other Assets	-	1,600
Accounts Payable	(221,117)	18,027
Accrued Expenses	575	2,137
Deferred Revenue	(64,671)	(14,306)
Net Cash Used by Operating Activities	<u>(161,638)</u>	<u>(81,154)</u>
Cash Flows From Financing Activities		
Principal Payments on Notes Payable	(10,400)	(9,600)
Proceeds From Issuance of Debt	174,900	-
Proceeds From Refundable Advance	49,100	-
Net Cash Provided (Used) by Financing Activities	<u>213,600</u>	<u>(9,600)</u>
Net Change in Cash and Cash Equivalents	51,962	(90,754)
Beginning Cash and Cash Equivalents	<u>341,540</u>	<u>432,294</u>
Ending Cash and Cash Equivalents	<u><u>\$ 393,502</u></u>	<u><u>\$ 341,540</u></u>

See Notes to Financial Statements

UNITED STATES RACQUETBALL ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are described below.

Organization - The United States Racquetball Association, Inc. (Association) is a nonprofit educational organization designed to foster the development of the sport of racquetball in the United States. The Association's sources of revenue and support are predominantly in membership dues, sponsorships, and event entry fees with other support being generated through national events, contributions and grants, and other sources.

Cash and Cash Equivalents - For purposes of the statement of cash flows, all highly liquid investments, with original maturities of three months or less, are considered, with the exception of funds held in investment accounts to facilitate trading activities, to be cash.

Accounts Receivable - Accounts receivable is stated at the amount the Association expects to collect. Management closely monitors outstanding receivables and establishes an allowance for doubtful accounts based on its experience and current knowledge. Management has determined that no allowance was necessary as of December 31, 2020.

Promises to Give – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

The Association uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management analysis of specific promises made.

Property and Equipment – The Association capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Association reclassifies net assets with restrictions to net assets without restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives of the assets.

Net Assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

UNITED STATES RACQUETBALL ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Assets – Continued

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 revenue when the assets are placed in service. The Association reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition – Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Membership Dues - Membership dues consist of one-year, three-year, and lifetime memberships. Lifetime memberships are recognized as revenue upon receipt. One-year and three-year memberships are recognized ratably over the membership period.

Contributed Services – The Association generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Association, but these services do not meet the criteria for recognition as contributed services.

Contributions – Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions.

Tax-exempt Status - The Association is a nonprofit corporation determined tax-exempt under Internal Revenue Code Section 501(c)(3). As a result of this determination, the Association may accept tax-deductible charitable contributions and is exempt from income tax on income resulting from activities carried on furthering its exempt purpose, as well as certain other specific types of income.

Management believes that based on evaluation of its tax position, any liability as a result of uncertain tax positions would not be material. Management continually evaluates expiring statutes of limitations, changes in the tax laws, and new authoritative rulings to assist in evaluating its tax position. Accrued interest and penalties associated with uncertain tax positions, if any, would be recognized as part of the income tax position.

UNITED STATES RACQUETBALL ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses – The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Goodwill – The Association acquired goodwill in connection with a note issued for the purchase of intangible assets during 2017. In 2018, the Association adopted the accounting alternative for goodwill available to nonprofit organizations under FASB ASC 350-20. Accordingly, the Association began amortizing goodwill prospectively as of January 1, 2018, on a straight-line basis over 10 years. The Association evaluates goodwill for impairment at the asset level when a triggering event occurs that indicates that the fair value of the asset may be below its carrying amount. When a triggering event occurs, the Association first assesses qualitative factors to determine whether the quantitative impairment test is necessary. If that qualitative assessment indicates that it is more likely than not that goodwill is impaired, the Association performs the quantitative test to compare the asset's fair value with its carrying amount, including goodwill. If the qualitative assessment indicates that it is not more likely than not that goodwill is impaired, further testing is unnecessary. The goodwill impairment loss, if any, represents the excess of the carrying amount of the asset over its fair value.

No triggering events occurred during the year ended December 31, 2020, that required goodwill impairment testing and, accordingly, no impairment loss was recorded in 2020.

Comparative Financial Information – The accompanying 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 (GAAP). Accordingly, such information should be read in conjunction with the Association's audited financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Advertising Costs - All advertising costs are expensed when incurred. Advertising expense for 2020 was \$14,611.

Reclassification - Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. Specifically, deferred revenue has been reclassified into current and non-current on the statement of net position. These reclassifications have no effect on previously reported net income.

UNITED STATES RACQUETBALL ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – AVAILABILITY AND LIQUIDITY

The Association has \$414,196 of financial assets available within one year of the balance sheet date consisting of cash and cash equivalents of \$393,502, accounts receivable of \$14,737, and promises to give of \$5,957. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The promises to give are subject to time restrictions but will be collected within one year. The Association has a goal to maintain financial assets, which consist of cash and cash equivalents on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$160,000. The Association also has a \$25,000 line of credit available to meet cash flow needs.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

Checking Accounts	\$ 388,642
Money Market Accounts	4,860
Total Cash and Cash Equivalents	<u>\$ 393,502</u>

NOTE 3 – INTANGIBLE ASSETS

Intangible assets consist of:

	<u>Assigned Cost</u>	<u>Amortization Period</u>
Database	\$ 5,000	3 Years
Less Accumulated Amortization	(5,000)	
Net Intangible Assets	<u>\$ -</u>	

Amortization expense for 2020 was \$1,250.

NOTE 4 – GOODWILL

Goodwill consists of:

	<u>Assigned Cost</u>	<u>Amortization Period</u>
Goodwill	\$ 29,064	10 Years
Less Accumulated Amortization	(8,719)	
Net Intangible Assets	<u>\$ 20,345</u>	

Amortization expense for 2020 was \$2,906. Amortization of goodwill is expected to be \$2,906 annually for each of the seven succeeding years.

UNITED STATES RACQUETBALL ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – NOTES PAYABLE

Noninterest bearing note payable issued in connection with the purchase of World Outdoor Racquetball, payable in 48 monthly installments of \$800, maturing September 1, 2021. Discount is based on imputed interest rate of 6%. Imputed interest expense was \$748 for 2020.

\$ 6,400

Uncollateralized note payable due in 12 monthly installments of \$1,053 (including interest at 1% per annum), and 12 monthly installments \$1,058 (including interest at 2% per annum). The term of the note is 36 months beginning April 21, 2020, with payments commencing on April 21, 2021.

25,000

Note payable due in 348 monthly installments of \$641 (including interest at 2.75% per annum). The term of the note is 360 months beginning August 1, 2020, with payments commencing on August 1, 2021, and interest accrual beginning when funds are disbursed. Collateralized by a all tangible and intangible personal property held by the

149,900

Unamortized Discount on Note

(142)

Total Notes Payable - Less Unamortized Discount on Note

181,158

Less Current Portion

(17,174)

\$ 163,984

Principal payments for years subsequent to December 31, 2020, are:

<u>December 31,</u>	
2021	\$ 17,173
2022	16,085
2023	6,830
2024	3,768
2025	3,872
Thereafter	133,572
Unamortized Discount on Note	(142)
	<u>\$ 181,158</u>

UNITED STATES RACQUETBALL ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets consist of:

	Beginning Balance	Additions	Released	Ending Balance
Scholarship Fund	\$ 14,145	\$ 675	\$ (3,000)	\$ 11,820
Time Restrictions	8,000	5,957	(8,000)	5,957
	<u>\$ 22,145</u>	<u>\$ 6,632</u>	<u>\$ (11,000)</u>	<u>\$ 17,777</u>

NOTE 7 – RELATED PARTY TRANSACTIONS

In 2007, the Association entered into a content license agreement with the United States Olympic and Paralympic Committee (USOPC). The Association received \$50,000 under this agreement for 2020. During 2020, the Association also received various grants from the USOPC for payroll, software, and other projects in support of COVID-19 relief, totaling \$77,415.

Board members contributed \$12,064 to the Association during 2020.

During 2020, the Association paid \$49,450 to two vendors which were owned by board members and \$4,436 to an individual board member for contract services.

NOTE 8 – LINE OF CREDIT AGREEMENT

The Association has a \$25,000 line of credit agreement with a commercial bank that will renew annually. The line of credit bears interest at 2.0% over prime with a minimum rate of 5.25% and is unsecured. This line of credit did not have an outstanding balance at December 31, 2020, and no cash was paid for interest on this line of credit during 2020.

NOTE 9 – RETIREMENT PLAN

The Association sponsors a tax-sheltered annuity pension plan (the Plan). To be eligible to participate, an employee must have two years of continuous employment. The only participant in the Plan left the Association in 2017, and no other employees were eligible or chose to participate during 2020. As a result, the Association did not incur any pension expense for 2020.

NOTE 10 – LEASES

In January 2019, the Association entered into a thirty-six-month lease for office and storage space from January 1, 2019 through December 31, 2021. The lease provides for monthly rent payments of \$571 and includes \$8,271 of donated rent expenses for each year of the agreement.

The Association rents storage space on a month-to-month basis for \$365.

UNITED STATES RACQUETBALL ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – LEASES - Continued

Rent expenses under the above leases totaled \$16,507 for the year ended December 31, 2020. The Association rents other equipment for events under short term agreements. Facility rentals for 2020 were \$11,654.

Future minimum lease payments for the years subsequent to December 31, 2020, are as follows:

<u>December 31,</u> 2021	<u>\$</u> <u>6,849</u>
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NOTE 11 – CONCENTRATIONS OF CREDIT RISK

Cash deposits at a financial institution regularly exceed the federally insured limit of \$250,000. The Association has not experienced any losses on such accounts and does not believe it is exposed to any significant credit risks. As of December 31, 2020, there was an uninsured balance of \$108,091.

NOTE 12 – CONCENTRATIONS OF REVENUE

During 2020, membership dues accounted for 38%, grants and contributions accounted for 24%, and USOPC support accounted for 18% of total revenue and support.

NOTE 13 – DONATED PROFESSIONAL SERVICES

The Association received donated professional services for internet advertising that totaled \$8,638 during the year ended December 31, 2020, all of which is allocated to program expense.

The Association also rents office space below fair market, value the difference of which is recognized as a donated service (See Note 10).

NOTE 14 – ALLOCATION OF FUNCTIONAL EXPENSES

The financial statements report certain categories of expense that are attributable to one or more program or supporting functions of the Association. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and benefits, and contract labor which are allocated on the basis of estimates of time and effort, as well as office and facilities rent, insurance, depreciation and amortization, and professional services which are allocated on the basis of actual utilization.

NOTE 15 – INFORMATIONAL TAX RETURNS

The Association's informational tax returns are subject to examination by taxing authorities for a period of three years from the date filed. As of December 31, 2020, the informational tax returns for the three prior years are considered open for Internal Revenue Service examination.

UNITED STATES RACQUETBALL ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 16 – RISKS AND UNCERTAINTIES

Coronavirus (COVID-19) Pandemic

In December 2019, an outbreak of a novel strain of Coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic, and multiple jurisdictions in the U.S. have declared a state of emergency. During 2020, the Association's ability to hold events and serve members was impacted by the pandemic and related restrictions. The full extent of the impact of COVID-19 on the Association's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on our staff, and contributors, none of which can be reasonably predicted. At this point, the extent to which COVID-19 may impact the Association's financial condition or results of operations is uncertain.

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 4, 2022, the date on which the financial statements were available to be issued.