



**UNITED STATES ASSOCIATION OF
BLIND ATHLETES, INC.**

**Financial Statements
For the Year Ended December 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United States Association of
Blind Athletes, Inc.
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of United States Association of Blind Athletes, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023, 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 United States Association of Blind Athletes, Inc. as of December 31, 2023, 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.

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 United States Association of Blind Athletes, 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 fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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 United States Association of Blind Athlete, 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 Responsibilities 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 in 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 involve 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 of United States Association of Blind Athlete, 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 United States Association of Blind Athlete, 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 United States Association of Blind Athlete, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 23, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
July 26, 2024

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.

Statement of Financial Position

December 31, 2023

(With Comparative Amounts for 2022)

	<u>ASSETS</u>	
	<u>2023</u>	<u>2022</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 75,126	\$ 452,712
Accounts receivable	72,982	63,223
Contributions receivable	25,000	
Prepaid expenses	10,810	26,478
Deposits	<u>500</u>	<u>500</u>
Total current assets	184,418	542,913
LONG-TERM INVESTMENTS	426,885	382,176
LONG-TERM CONTRIBUTIONS RECEIVABLE	212,500	
PROPERTY AND EQUIPMENT:		
Athlete housing	502,225	502,225
Furniture and equipment	19,176	19,176
Athletic equipment	53,812	53,812
Teraflex floor	33,288	33,288
Less accumulated depreciation	<u>(200,108)</u>	<u>(182,154)</u>
Property and equipment - net	<u>408,393</u>	<u>426,347</u>
TOTAL ASSETS	<u>\$ 1,232,196</u>	<u>\$ 1,351,436</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 112,600	\$ 111,015
Accrued liabilities	75,293	62,506
Current portion of note payable	1,565	
Deferred revenue		20,000
Refundable advances	<u>5,000</u>	<u>5,000</u>
Total current liabilities	194,458	198,521
LONG-TERM NOTE PAYABLE	<u>348,435</u>	<u>350,000</u>
Total liabilities	542,893	548,521
NET ASSETS:		
Without donor restrictions	305,767	688,527
With donor restrictions	<u>383,536</u>	<u>114,388</u>
Total net assets	<u>689,303</u>	<u>802,915</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,232,196</u>	<u>\$ 1,351,436</u>

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2023
(With Comparative Amounts for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Totals	2022 Totals
REVENUE:				
USOPC grants, including paralympic support	\$ 606,000	\$	\$ 606,000	\$ 487,500
Contributions & bequests	92,373	262,500	354,873	568,803
Grants	204,102	75,000	279,102	156,053
Corporate sponsorships	94,750		94,750	133,500
In-kind contributions	43,880		43,880	20,260
Realized & unrealized gains (losses) on investments	40,101		40,101	(76,408)
Event registrations	20,323		20,323	90,009
Membership dues	14,930		14,930	15,980
Interest & dividends	8,563		8,563	4,440
Other income	2,377		2,377	4,957
Merchandise sales, net	(3,033)		(3,033)	1,475
Satisfied program restrictions	<u>68,352</u>	<u>(68,352)</u>		
Total revenue	1,192,718	269,148	1,461,866	1,406,569
EXPENSES:				
Program services:				
HP Goalball	345,710		345,710	291,292
Development	302,647		302,647	136,511
Athlete events	222,220		222,220	338,116
Grants	140,483		140,483	101,025
Marketing	<u>115,419</u>		<u>115,419</u>	<u>167,230</u>
Total program services	1,126,479		1,126,479	1,034,174
Supporting services:				
General & administrative	391,398		391,398	367,686
Fundraising	<u>57,601</u>		<u>57,601</u>	<u>83,453</u>
Total supporting services	<u>448,999</u>		<u>448,999</u>	<u>451,139</u>
Total expenses	<u>1,575,478</u>		<u>1,575,478</u>	<u>1,485,313</u>
CHANGE IN NET ASSETS	(382,760)	269,148	(113,612)	(78,744)
NET ASSETS, beginning of year	<u>688,527</u>	<u>114,388</u>	<u>802,915</u>	<u>881,659</u>
NET ASSETS, end of year	<u>\$ 305,767</u>	<u>\$ 383,536</u>	<u>\$ 689,303</u>	<u>\$ 802,915</u>

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2023
(With Comparative Amounts for 2022)

	<u>Supporting Services</u>							2023 Total Expenses	2022 Total Expenses	
	HP Goalball	Development	Athlete Events	Grants	Marketing	Total Program Services	General & Administrative			Fundraising
Accounting	\$	\$ 25,204	\$	\$	\$	\$ 25,204	\$ 7,300	\$	\$ 32,504	\$ 29,535
Awards			2,555			2,555			2,555	4,704
Bank charges							2,450		2,450	12,869
Consultants/volunteers							112,918		112,918	80,122
Contract labor	60,587	87,317	19,100	18,308	3,678	128,403			128,403	193,550
Database management	923	10,000			6,000	16,000	37,976		53,976	38,191
Depreciation							17,954		17,954	22,585
Dues	7,735				499	499	6,185		6,684	21,465
Employee benefits	2,151	2,088	2,134	5,383	2,360	11,965	1,180	2,836	15,981	22,011
Equipment rental										475
Insurance							21,930		21,930	21,911
Interest							13,943		13,943	
Management fees				1,350		1,350			1,350	5,000
Merchandise							11,577		11,577	6,744
Miscellaneous	8,270	1,413	3,487		1,983	6,883	11,875		18,758	88,811
Officials										
Payroll taxes	6,860	4,191	4,628	4,640	6,347	19,806	3,152	3,620	26,578	31,403
Postage	2,857			730		730	5,845		6,575	8,028
Printing & copying					3,968	3,968	1,535		5,503	4,571
Professional fees		24,000				24,000			24,000	24,000
Rent		3,520	9,804	4,705		18,029	26,818		44,847	26,818
Repairs & maintenance	1,775						23,629		23,629	
Salaries	96,934	59,216	65,397	65,562	89,675	279,850	44,544	51,145	375,539	446,907
Stipends				12,000		12,000			12,000	
Supplies & equipment	4,952	1,494	1,668	13,570	541	17,273	3,827		21,100	35,408
Telephone							1,224		1,224	1,125
Travel	136,093	84,204	113,447	12,593	368	210,612	46,649		257,261	354,396
Uniforms	5,651			1,642		1,642			1,642	1,650
Utilities	10,922						464		464	9,278
Total expenses by natural classification	345,710	302,647	222,220	140,483	115,419	780,769	402,975	57,601	1,241,345	1,492,057
Less: cost of goods sold amount included with revenues in the statement of activities							(11,577)		(11,577)	(6,744)
Total expenses reported in the statement of activities	\$ 345,710	\$ 302,647	\$ 222,220	\$ 140,483	\$ 115,419	\$ 780,769	\$ 391,398	\$ 57,601	\$ 1,229,768	\$ 1,485,313

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.

Statement of Cash Flows

December 31, 2023

(With Comparative Amounts for 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (113,612)	\$ (78,744)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	17,954	22,585
Net realized and unrealized (gains) losses on investments	(40,101)	76,408
Decrease (increase) in assets:		
Accounts receivable	(9,759)	(63,223)
Contributions receivable	(237,500)	
Prepaid expenses	15,668	9,406
Deposits		
Increase (decrease) in liabilities:		
Accounts payable	1,935	96,506
Payable to athletes	(350)	(7,576)
Accrued liabilities	<u>12,787</u>	<u>4,505</u>
Net cash provided (used) by operating activities	(372,978)	59,867
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in long-term investments, net	<u>(4,608)</u>	<u>105,560</u>
Net cash provided (used) by investing activities	(4,608)	105,560
CASH FLOWS FROM FINANCING ACTIVITIES:		
Long-term note payable	<u> </u>	<u>200,741</u>
Net cash provided by financing activities	<u> </u>	<u>200,741</u>
NET INCREASE (DECREASE) IN CASH	(377,586)	366,168
CASH AND CASH EQUIVALENTS, beginning of year	<u>452,712</u>	<u>86,544</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 75,126</u>	<u>\$ 452,712</u>

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.

Notes to Financial Statements

For the Year Ended December 31, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The United States Association of Blind Athletes, Inc. (the Association) was the high-performance management organization for blind athletes. Effective December 30, 2021, the Association became the National Governing Body for blind athletes and the two paralympic team sports of goalball and blind soccer. The Association is responsible for the promotion and development of athletic competitions in the United States.

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.

Income Tax

The Association qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. Accordingly, no income tax provision has been recorded.

The Association'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 filed. Management of the Association believes that it does not have any uncertain tax positions that are material to the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Association's checking and savings accounts. In the unlikely event of a bank failure, the Association could suffer a loss to the extent its deposits exceed the respective bank insurance limits.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Supplemental Cash Flow Disclosures

The Association paid interest of \$15,200 and \$0 during the years ended December 31, 2023 and 2022, respectively. No income taxes were paid during either of the years ended December 31, 2023 and 2022.

Donated Assets, Property, and Equipment, and Services

In September 2020, FASB issued ASU 2020-7, Not-For-Profit Entities (Topic 958): *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. The most significant change is disclosure of Association details related to contributed goods and services. The Association adopted this ASU as of January 1, 2022.

The Association's policy related to donated assets is to utilize the assets given to carry out the mission of the Association. If an asset is provided that does not allow the Association 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. The Association did not sell any donated assets received during the years ending December 31, 2023 and 2022.

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Association.

The Association also receives donated services from other contributors and volunteers that are not measurable, and therefore, are excluded from the financial statements.

Depreciation

Assets are recorded at cost and depreciated using the straight-line method over estimated useful lives of five to 10 years for furniture and equipment, and 30 years for buildings. Depreciation expense amounted to \$22,585 and \$22,028 for the years ended December 31, 2023 and 2022, respectively.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts and Contributions Receivable

During the year ended December 31, 2023, the Association implemented Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU was issued in June 2016 by the Financial Accounting Standards Board (FASB) and revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. On January 1, 2023, the Association adopted the new accounting standard and all of the related amendments.

There was no impact of adoption of ASU 2016-13 on the accompanying financial statements. The Association does not expect ASU 2016-13 to have a significant impact on its financial condition or results of operations on an ongoing basis.

Accounts and contributions receivable are stated at the amount management expects to collect from balances outstanding at year-end and include amounts from contracts with customers, grants, contributions, and other miscellaneous amounts. When necessary, accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible.

The Association considers its accounts and grants receivable to be fully collectible; accordingly, based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that an allowance for credit losses is not necessary at December 31, 2023 and 2022.

Receivables from contracts with customers at the beginning and end of 2023 were \$63,223 and \$72,550, respectively.

Contributions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions - continued

restrictions and reported in the statement of activities as satisfied program restrictions. Contributions and grants with donor restrictions are reported as support and revenue without donor restrictions if the restriction is met in the same year that the gift is received.

Contributions include United States Olympic & Paralympic Committee (USOPC) grants, and Small Business Administration loan forgiveness.

Revenue from Contracts with Customers

Athlete registrations - The Association receives revenue from sales related to various Association sanctioned events and challenges held for members. The revenue is recognized at the time of the event, which recognizes the completion of the Association's performance obligations.

Corporate sponsorships - The Association recognizes revenue from contracts with both sponsors and suppliers of the Association. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Association will recognize revenue over time. The Association 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, corporate sponsorship revenue from contracts with customers will be recognized on a straight-line basis over the term of the agreement.

Membership dues - Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing membership services to its members. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term. Membership dues are nonrefundable.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Association. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Leases

The Association assesses whether an arrangement qualifies as a lease at inception and reassesses its determination only if the terms and conditions of the arrangement are changed.

Under ASU 2016-02, the Association has made an accounting policy election to apply the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with a term of 12 months or less that do not include an option to purchase the underlying asset, are not recorded on the balance sheet as ROU assets or lease liabilities. The Association has elected to expense the cost of the short-term leases on the straight-line basis in the accompanying Statements of Activities.

The Association adopted ASU 2016-02 effective January 1, 2022. Upon adoption the Association had only short-term leases with no effect on the statement of financial position.

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through July 26, 2024, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

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

Financial assets at year-end:

Cash and cash equivalents	\$ 75,126
Accounts receivable	72,982
Contributions receivable	237,500
Long-term investments	212,500
Less amounts with donor restrictions	<u>(219,096)</u>
Total financial assets available within one year	<u>\$ 379,012</u>

Notes to Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

The Association strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements, if any, are invested in certificates of deposit, money market funds, and other short-term investments.

C. FAIR VALUE MEASUREMENTS

The Association 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 a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association 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.

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

Assets at Fair Value as of December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities:				
Mutual funds	\$ 1,049	\$	\$	\$ 1,049
USOPE pooled investments		<u>425,836</u>		<u>425,836</u>
Total	<u>\$ 1,049</u>	<u>\$ 425,836</u>	<u>\$</u>	<u>\$ 426,885</u>

Assets at Fair Value as of December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities:				
Mutual funds	\$ 775	\$	\$	\$ 775
USOPE pooled investments		<u>381,401</u>		<u>381,401</u>
Total	<u>\$ 775</u>	<u>\$ 381,401</u>	<u>\$</u>	<u>\$ 382,176</u>

The Association has placed its investments in a pooled investment fund sponsored and managed by the United States Olympic and Paralympic Endowment (USOPE). The USOPE invests on behalf of the USOPC and various national sports organizations recognized by the USOPC.

The manager allocation of the pooled investments held by the USOPE is as follows:

Alternative investments	39.2 %
Domestic equities	35.6
International equities	17.2
Domestic bonds	6.9
Cash and equivalents	<u>1.1</u>
	<u>100.00 %</u>

D. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2023:

	<u>2023</u>	<u>2022</u>
Time restrictions	\$ 376,940	\$ 71,646
US Soccer program	6,244	42,390
Copeland scholarship fund	<u>352</u>	<u>352</u>
	<u>\$ 383,536</u>	<u>\$ 114,388</u>

Notes to Financial Statements

D. NET ASSETS WITH DONOR RESTRICTIONS - Continued

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended December 31, 2023 the following amounts were released from net assets with donor restrictions:

	<u>2023</u>	<u>2022</u>
US Soccer program	\$ 35,939	\$ 16,514
Time restrictions	32,413	86,185
Other programs	<u> </u>	<u>22,000</u>
	<u>\$ 68,352</u>	<u>\$ 124,699</u>

E. RELATED PARTY TRANSACTIONS

The USOPC provided grants to the Association as follows:

	<u>2023</u>	<u>2022</u>
High Performance grants	\$ 315,000	\$ 307,000
Development grant	203,000	93,000
NGB Services grant	<u>88,000</u>	<u>87,500</u>
	<u>\$ 606,000</u>	<u>\$ 487,500</u>

The Association is economically dependent on the funding it receives from the USOPC to maintain its goalball high performance program at the current level.

The USOPC provides the Association with certain office facilities pursuant to a lease discussed in Note G.

F. IN-KIND GOODS AND SERVICES

The fair value of donated goods and services included as contributions in the financial statements and the corresponding expense categories for the years ended December 31, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Services:		
Occupancy-related services	<u>\$ 43,880</u>	<u>\$ 20,260</u>
Total in-kind goods and services	<u>\$ 43,880</u>	<u>\$ 20,260</u>

Notes to Financial Statements

F. IN-KIND GOODS AND SERVICES - Continued

The Association occupies office space in the USOPC Sport Building at a discounted rental rate. Services and common area maintenance are provided in-kind by the USOPC.

Occupancy-related services include utilities, garbage, janitorial services, and plumbing services.

G. LEASES

Beginning September 1, 2016, the Association entered into a lease arrangement with the USOPC for 1,000 square feet of office space and 768 square feet of common space. The term of the lease is one year with annual renewals available.

The base rent is \$547 per month and other services are provided in-kind as described in Note F. The base rent expense for the years ending December 31, 2023 and 2022, was \$6,558 for each year.

The Association also agrees to pay the following operating expenses:

- IT services - \$96 per employee per month
- Copier - by usage at \$0.02 per black and white copy, \$0.09 per color copy
- Other incremental services to be billed at cost

Effective February 6, 2017, the Association entered into a memorandum of understanding with Turnstone Center for Children and Adults with Disabilities, Inc. (Turnstone) and Turnstone Fieldhouse, LLC for priority access to the gymnasium, designated training space, and adjacent storage area. The initial period is five years with an annual payment of \$1.00. The agreement includes an option of renewal for two additional terms of five years.

In this memorandum of understanding, the Association also entered into a land lease with Turnstone Properties, LLC (an Indiana limited liability company and wholly owned subsidiary of Turnstone). The term of the initial lease is five years for an annual rental amount of \$1.00.

The land lease provides for two additional five-year terms to be exercised by providing Turnstone with written notice at least 180 days prior to the expiration of the initial land lease term.

Notes to Financial Statements

G. LEASES - Continued

The leases with Turnstone are at below-market rates and therefore are excluded from the lease standard reporting.

H. REFUNDABLE ADVANCE

The Association receives, from time to time, advance payments on grants from other funding sources for programs to be held in future years. At December 31, 2023 and 2022, the Association had \$5,000 in other refundable advances each years.

I. NOTES PAYABLE

The Association has obtained a loan through the Small Business Association Economic Business Injury Disaster program in the amount of \$150,000. The loan has a maturity of 30 years and an interest rate of 2.75%.

On March 28, 2022, the U.S. Small Business Administration authorized an additional loan of \$200,000. The original note was amended to include this amount. All other terms remain the same and monthly payments of \$1,520 begin in 2023. The payments will be applied first to the outstanding interest. The final balloon payment is due September 21, 2050.

Future minimum payments under this note payable are as follows for years ending December 31:

2024	\$	1,565
2025		8,768
2026		9,013
2027		9,263
2028		9,497
Thereafter		311,894

J. UNCERTAINTIES

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