



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

Financial Statements

For the Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of United States Association of Blind Athletes, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, functional expenses, and of 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.

Auditor's 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 audit opinion.

Opinion

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, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the United States Association of Blind Athletes, Inc.'s 2018 financial statements, and our report dated May 7, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As described in Note A to the financial statements, in 2019, United States Association of Blind Athletes, Inc. adopted Accounting Standards Update (ASU) 2014-09, *(Topic 606): Revenue from Contracts with Customers*, ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, ASU 2016-01, *Financial Instruments - Overall (Subtopic 825-10: Recognition and Measurement of Financial Assets and Financial Liabilities)*, ASU 2018-03, *Technical Corrections and Improvements to Financial Instruments-Overall (Subtopic 825-10)*, and ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*. Our opinion is not modified with respect to these matters.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
May 29, 2020

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.

Statement of Financial Position

December 31, 2019

(With Comparative Amounts for 2018)

	<u>ASSETS</u>	
	<u>2019</u>	<u>2018</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 302,345	\$ 486,754
Accounts receivable	294	9,863
Contributions receivable	157,500	75,000
Prepaid expenses	2,517	2,517
Other assets	<u>1,000</u>	<u>1,000</u>
Total current assets	463,656	575,134
OTHER PREPAID ASSET	740	45,000
LONG-TERM INVESTMENTS	491,439	410,946
PROPERTY AND EQUIPMENT:		
Construction in progress - athlete housing	44,260	
Athlete housing	340,719	340,719
Furniture and equipment	11,998	11,998
Athletic equipment	51,070	51,070
Teraflex floor	33,288	33,288
Less accumulated depreciation	<u>(116,094)</u>	<u>(96,946)</u>
Property and equipment - net	<u>365,241</u>	<u>340,129</u>
TOTAL ASSETS	<u>\$ 1,321,076</u>	<u>\$ 1,371,209</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 90,086	\$ 9,543
Payable to athletes	7,343	92,273
Accrued payroll liabilities	3,749	7,161
Deferred revenue	<u>25,000</u>	<u> </u>
Total liabilities	126,178	108,977
NET ASSETS:		
Without donor restrictions	969,546	1,184,880
With donor restrictions	<u>225,352</u>	<u>77,352</u>
Total net assets	<u>1,194,898</u>	<u>1,262,232</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,321,076</u>	<u>\$ 1,371,209</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, 2019
(With Comparative Totals for 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Totals	2018 Totals
REVENUE:				
USOPC grants, including paralympic support	\$ 348,945	\$	\$ 348,945	\$ 282,500
Grants	204,038	140,000	344,038	588,749
Athlete registrations	137,036		137,036	62,587
Contributions & bequests	123,520		123,520	187,902
Corporate sponsorships	70,250	10,000	80,250	60,498
Realized & unrealized gains (losses) on investments	76,774		76,774	(7,483)
In-kind contributions	66,170		66,170	46,425
Fundraising event contributions & sponsorships	25,990		25,990	29,394
Membership dues	23,549		23,549	33,055
Interest & dividends	5,862		5,862	3,701
Merchandise sales, net of cost of goods sold of \$7,121 & \$17,717	2,908		2,908	6,165
Other income	45		45	
Satisfied program restrictions	<u>2,000</u>	<u>(2,000)</u>		
Total revenue	1,087,087	148,000	1,235,087	1,293,493
EXPENSES:				
Program services:				
Athlete events	473,467		473,467	291,030
Development	366,703		366,703	320,093
Membership	175,308		175,308	173,099
Coaches/referees	<u>15,429</u>		<u>15,429</u>	<u>30,837</u>
Total program services	1,030,907		1,030,907	815,059
Supporting services:				
General & administrative	189,207		189,207	135,013
Fundraising	<u>82,307</u>		<u>82,307</u>	<u>55,347</u>
Total supporting services	<u>271,514</u>		<u>271,514</u>	<u>190,360</u>
Total expenses	<u>1,302,421</u>		<u>1,302,421</u>	<u>1,005,419</u>
CHANGE IN NET ASSETS	(215,334)	148,000	(67,334)	288,074
NET ASSETS, beginning of year	<u>1,184,880</u>	<u>77,352</u>	<u>1,262,232</u>	<u>974,158</u>
NET ASSETS, end of year	<u>\$ 969,546</u>	<u>\$ 225,352</u>	<u>\$1,194,898</u>	<u>\$1,262,232</u>

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2019
(With Comparative Totals for 2018)

	Program Services				Total Program Services
	Athlete Events	Development	Membership	Coaches/ Referees	
Accounting	\$	\$	\$	\$	\$
Awards			2,000		2,000
Bank charges					
Consultants/volunteers	31,038		1,400		32,438
Database management	78				78
Depreciation		19,148			19,148
Dues	500		1,969		2,469
Equipment rental					
Insurance		5,702	18,869		24,571
Meals & lodging	47,164	51,398	9,579		108,141
Merchandise					
Miscellaneous	3,175	568			3,743
Officials	9,820			15,250	25,070
Payroll taxes	6,254	5,293	4,642		16,189
Postage	3,685	288	991		4,964
Printing & copying	6,462		2,383		8,845
Promotions & advertising					
Registration & entry fees	167,497	40,134	19,227		226,858
Rent		1,900			1,900
Repairs & maintenance		1,953			1,953
Retirement plan					
Salaries	81,756	60,620	85,451		227,827
Seminars	710				710
Stipends		17,466			17,466
Supplies & equipment	83,654	20,931	7,266		111,851
Telephone					
Travel	31,177	117,696	21,531	179	170,583
Uniforms	497	15,738			16,235
Utilities		7,868			7,868
	473,467	366,703	175,308	15,429	1,030,907
Less: cost of goods sold amount included with revenues in the statement of activities					
Total expenses reported in the statement of activities	<u>\$ 473,467</u>	<u>\$ 366,703</u>	<u>\$ 175,308</u>	<u>\$ 15,429</u>	<u>\$ 1,030,907</u>

	<u>Supporting Services</u>		2019	2018
	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>	<u>Total Expenses</u>
Accounting	\$ 12,450	\$	\$ 12,450	\$ 10,320
Awards	133		2,133	7,179
Bank charges	2,313		2,313	3,401
Consultants/volunteers	3,648	100	36,186	20,830
Database management			78	10,078
Depreciation			19,148	19,148
Dues			2,469	3,585
Equipment rental				14,039
Insurance	27,027		51,598	44,201
Meals & lodging	1,065	7,903	117,109	66,299
Merchandise	7,121		7,121	17,717
Miscellaneous	3,657		7,400	5,202
Officials			25,070	26,270
Payroll taxes	6,865	6,472	29,526	26,180
Postage	327	719	6,010	6,414
Printing & copying	323	6,606	15,774	7,026
Promotions & advertising				447
Registration & entry fees	13,589	1,876	242,323	89,357
Rent	24,056		25,956	8,230
Repairs & maintenance			1,953	
Retirement plan	3,784		3,784	5,382
Salaries	81,637	56,100	365,564	339,957
Seminars			710	20,666
Stipends			17,466	8,146
Supplies & equipment	3,820	2,014	117,685	123,619
Telephone	4,376		4,376	6,174
Travel	137	517	171,237	112,488
Uniforms			16,235	10,809
Utilities			7,868	9,972
	<u>196,328</u>	<u>82,307</u>	<u>1,309,542</u>	<u>1,023,136</u>
Less: cost of goods sold amount included with revenues in the statement of activities	<u>(7,121)</u>		<u>(7,121)</u>	<u>(17,717)</u>
Total expenses reported in the statement of activities	<u>\$ 189,207</u>	<u>\$ 82,307</u>	<u>\$ 1,302,421</u>	<u>\$ 1,005,419</u>

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.
Statement of Cash Flows
December 31, 2019
(With Comparative Amounts for 2018)

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (67,334)	\$ 288,074
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	19,148	19,148
Net realized and unrealized (gains) losses on investments	(76,774)	7,483
Decrease (increase) in assets:		
Accounts receivable	9,569	(9,724)
Contributions receivable	(82,500)	(75,000)
Prepaid expenses		2,012
Other assets		(1,000)
Other prepaid expenses	44,260	(45,000)
Increase (decrease) in liabilities:		
Accounts payable	80,543	(29,866)
Payable to athletes	(84,930)	(80,338)
Accrued payroll liabilities	(3,412)	2,802
Deferred revenue	25,000	—
Total adjustments	<u>(69,096)</u>	<u>(209,483)</u>
Net cash provided (used) by operating activities	(136,430)	78,591
CASH FLOWS FROM INVESTING ACTIVITIES:		
Construction in progress - athlete housing	(44,260)	
Change in long-term investments, net	<u>(3,719)</u>	<u>(14,625)</u>
Net cash used by investing activities	<u>(47,979)</u>	<u>(14,625)</u>
NET INCREASE (DECREASE) IN CASH	(184,409)	63,966
CASH AND CASH EQUIVALENTS, beginning of year	<u>486,754</u>	<u>422,788</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 302,345</u>	<u>\$ 486,754</u>

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.

Notes to Financial Statements

For the Year Ended December 31, 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The United States Association of Blind Athletes, Inc. (Association) is the high-performance management organization for blind athletes, making it responsible for the promotion and development of athletic competitions in the United States.

Accounting Standards Update

On January 1, 2019, the Association adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU 2014-09), *Revenue from Contracts with Customers (Topic 606)*, (ASU 2014-09) and 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). These two ASUs were adopted together as of January 1, 2019, because they both establish standards for characterizing grants and similar contracts with resource providers as either exchange transactions or conditional contributions. Adopting one ASU without the other would leave the accounting for some ongoing grants and contracts unresolved. ASU 2014-09 was adopted retrospectively for all periods presented. Accordingly, there is no effect on net assets in connection with implementation of the two ASUs.

On January 1, 2019, the Association also adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-01, *Financial Instruments - Overall (Subtopic 825-10: Recognition and Measurement of Financial Assets and Financial Liabilities)*, and subsequently issued related ASU 2018-03, *Technical Corrections and Improvements to Financial Instruments-Overall (Subtopic 825-10)*, and elected early adoption for ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*. These standards amend certain aspects of accounting and disclosure requirements for financial instruments, including the requirement that equity investments with readily determinable fair values are to be measured at fair value with any changes in fair value recognized in the statement of changes in net assets. The standards were adopted using the modified retrospective method and there is no effect on net assets with the implementation of the three ASUs.

Notes to 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.

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.

Supplemental Cash Flow Disclosures

The Association paid no interest or income taxes during the years ended December 31, 2019 and 2018.

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 \$19,148 for each of the years ended December 31, 2019 and 2018.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 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 USOPC grants.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. 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 doubtful accounts at December 31, 2019 and 2018, is not necessary. At December 31, 2019 and 2018 there were no accounts receivable from contracts with customers.

Deferred Revenue

At December 31, 2019, the Association has recorded a contract liability of \$25,000 which represents deferred revenue from a contract with a customer. This deferred revenue represents the estimated fair market value of the services provided to a customer as part of a larger contribution agreement. The revenue will be recognized once the Association fulfills their contracted performance obligations. There were no contract liabilities as of the beginning of the year.

Revenue from Contracts with Customers

Athlete registrations

The Association receives revenue from sales related to various USABA 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.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Corporate sponsorships - The Association recognizes revenue from contracts with both sponsors and suppliers of United States Association of Blind Athletes, Inc. 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.

Donated Services

The Association recognizes donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation.

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.

Prior-year Comparisons

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Prior-year Comparisons - continued

for the year ended December 31, 2018, from which the summarized information was derived.

In addition, certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through May 29, 2020, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Association has \$951,578 of liquid financial assets available at December 31, 2019. These assets consist of cash of \$302,345, long term investments of \$491,439, contributions receivable of \$157,500 and trade accounts receivable of \$294. Amounts not available to be used include amounts subject to various time and program-service related donor restrictions of \$225,352 (Note D). The Association has \$726,226 of financial assets available for general use within one year.

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).

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

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. The Association records transfers between funds at the end of the reporting period.

The following tables present assets that are measured at fair value on a recurring basis at December 31, 2019 and 2018:

Assets at Fair Value as of December 31, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
USOE pooled investments	\$ _____	\$ 491,439	\$ _____	\$ 491,439
Total	<u>\$ _____</u>	<u>\$ 491,439</u>	<u>\$ _____</u>	<u>\$ 491,439</u>

Assets at Fair Value as of December 31, 2018

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
USOE pooled investments	\$ _____	\$ 410,946	\$ _____	\$ 410,946
Total	<u>\$ _____</u>	<u>\$ 410,946</u>	<u>\$ _____</u>	<u>\$ 410,946</u>

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

The USOE Investment consists of units in a pooled portfolio managed by the United States Olympic Endowment (USOE). At December 31, 2019, the USOE portfolio consisted of the following types of securities:

Alternative investments	37.08 %
Domestic equities	31.46
International equities	19.16
Domestic bonds	6.77
International bonds	2.54
Cash and equivalents	<u>2.99</u>
	<u>100.00 %</u>

D. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
National fitness challenge	\$ 140,000	\$
Resident program	75,000	75,000
Time restrictions	10,000	
Copeland scholarship fund	<u>352</u>	<u>2,352</u>
	<u>\$ 225,352</u>	<u>\$ 77,352</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended December 31, 2019 and 2018, the following amounts were released from net assets with donor restrictions:

	<u>2019</u>	<u>2018</u>
Copeland scholarship fund	<u>\$ 2,000</u>	<u>\$ 500</u>

Notes to Financial Statements

E. RELATED PARTY TRANSACTIONS

The United States Olympic & Paralympic Committee (USOPC) provided grants to the Association as follows:

	<u>2019</u>	<u>2018</u>
High Performance grants	\$ 313,960	\$ 253,000
Emerging stars grant	17,000	
Paralympic support grants	11,985	29,500
Legal resources support special grant	<u>6,000</u>	<u> </u>
	<u>\$ 348,945</u>	<u>\$ 282,500</u>

In addition to the amounts listed above, the USOPC also provided value-in-kind air travel assistance in the amount of \$19,787 during the year ended December 31, 2019.

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

F. IN-KIND CONTRIBUTIONS

The Association occupies office in the USOPC Sport Building at a discounted rental rate.

In-kind revenue and expense of \$21,313 and \$19,188 has been recorded for the years ended December 31, 2019 and 2018, respectively, in order to properly reflect the value of this support in the financial statements. The USOPC also provides value-in-kind support in the form of air travel (see Note E). In addition, the Association receives in-kind donations from several sponsors. These donations, which include printing, promotions, meals, lodging, and the use of interns, have been recorded as revenue and expenses in the accompanying financial statements. During the years ended December 31, 2019 and 2018, \$25,070 and \$27,237, respectively, were recorded for donated goalball coaching and referee services.

G. RESIDENT ATHLETE PROGRAM & CONSTRUCTION IN PROGRESS

The United States Association of Blind Athletes is developing a Goalball Center of Excellence in Ft. Wayne, Indiana. The Association purchased, through the support of grants and donations, two homes that will allow United States Association of Blind Athletes, Inc. to offer a limited number of elite and pre-elite Goalball athletes a full-time residency program that

Notes to Financial Statements

G. RESIDENT ATHLETE PROGRAM & CONSTRUCTION IN PROGRESS - Continued

will support high performance goalball training, while integrating college education or employment opportunities. The Association will partner with Turnstone, a non-profit organization in Ft. Wayne, whose mission is to provide therapeutic, educational, wellness and recreation programs which empower people with disabilities. Through the Association's funding efforts and its relationship with Turnstone, it plans to develop a long-term United States Association of Blind Athletes Goalball Center of Excellence which invests in sustaining a training program for future Paralympic goalball athletes.

The Association is renovating the basements of these residences in support of this program. During the year ended December 31, 2018, \$75,000 in contributions were made by third parties to support this program. The Association committed \$45,000 of the total project cost during 2018, and these funds are held by another non-profit. This amount was recorded as an other prepaid asset, and as the initial funds are spent from this deposit, they are reclassified to the construction in process - athlete housing asset. The contributions of \$75,000 are held by another non-profit for the benefit of the Association's project. This amount is recorded as a contribution receivable as of year-end.

During the year ended December 31, 2019, \$44,260 in expenses were incurred in conjunction with this project. The Association reduced the other prepaid expenses asset and recorded this amount in construction in progress - athlete housing as of December 31, 2019.

H. 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 lease rate is \$6.50 per square foot per year with annual increases not to exceed the regional consumer price index. Also, an allocated cost of \$3.25 per square foot per year for a percentage of common space is stated in the lease. The USOPC will waive the common space obligation, but it will recognize the expense obligation as a grant to the Association.

Notes to Financial Statements

H. LEASES - Continued

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.

Future minimum lease payments under these leases are as follows for years ending December 31:

2020	8,998
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I. SUBSEQUENT EVENT

In March 2020, the outbreak of COVID-19 (coronavirus) was recognized as a pandemic by the World Health Organization, and the outbreak has become increasingly widespread in the United States. The COVID-19 (coronavirus) outbreak has had a notable impact on general economic conditions, including but not limited to the temporary closures of many businesses, "shelter in place" and other governmental regulations and job losses. The extent to which the COVID-19 (coronavirus) outbreak will affect the operations or financial results of the Association is uncertain.

Notes to Financial Statements

I. SUBSEQUENT EVENT - Continued

Significant events scheduled in 2020, such as the USABA Northeast Regional Goalball Tournament and the USABA Southeast Regional Goalball Tournament have been postponed or cancelled. The Association has maintained all staff on payroll as of the report date.

The Association has obtained a loan through the Small Business Association Payroll Protection Program in the amount of \$84,662. A portion or all of this loan may be forgiven by the Small Business Administration if certain payroll criteria are met and funds are used for payroll, rent, mortgage interest, or utilities. Any portion of the loan that is not forgiven has a maturity of a minimum of two years and an interest rate of 1%. Loan payments are deferred for ten months.