

**IDAHO STATE USBC ASSOCIATION, INC.**

Financial Statements

July 31, 2023 and 2022



# IDAHO STATE USBC ASSOCIATION, INC.

## FINANCIAL STATEMENTS

For the Years Ended July 31, 2023 and 2022

### Table of Contents

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	<u>Page</u>
Table of Contents	1
Independent Accountant's Review Report	2 - 3
Statements of Financial Position	4
Statements of Activities and Changes in Net Assets	5
Statement of Functional Expenses	6
Statements of Cash Flows	7
Notes to the Financial Statements	8 - 12
Supplemental Information	13

# *Poulsen VanLeuven & Catmull PA*

**Certified Public Accountants**

*Members of the American Institute of CPA's  
and the Idaho Society of CPA's*

**Jeffrey D. Poulsen, CPA  
Darren B. VanLeuven, CPA  
Jacob H. Catmull, CPA**

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Idaho State USBC Association, Inc.  
Boise, Idaho

We have reviewed the accompanying financial statements of Idaho State USBC Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of July 31, 2023, and 2022, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the statement of functional expenses for the year ended July 31, 2023, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Idaho State USBC Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Opinion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Report on Supplementary Information**

Our review was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Information on Statement of Activities on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the review procedures applied in the review of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used

to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA.

*Poulsen VanLeuven & Catmull*

Poulsen VanLeuven & Catmull, PA

December 9, 2023

# IDAHO STATE USBC ASSOCIATION, INC.

## Statements of Financial Position July 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents:	\$ 184,521	\$ 187,503
Other Assets	<u>1,897</u>	<u>2,845</u>
Total Current Assets	186,418	190,348
Investments		
Board designated - SMART Scholarship funds	<u>456,001</u>	<u>435,394</u>
Total Investments	<u>456,001</u>	<u>435,394</u>
Total Assets	<u><u>\$ 642,419</u></u>	<u><u>\$ 625,742</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Scholarships Payable - Assigned SMART Scholarship funds	<u>\$ 424,737</u>	<u>\$ 394,385</u>
Total liabilities	<u>424,737</u>	<u>394,385</u>
Net Assets without donor restrictions		
Board designated - Unassigned SMART Scholarship funds	31,264	41,009
Other net assets without donor restrictions	<u>186,418</u>	<u>190,348</u>
Total Net Assets without donor restrictions	<u>217,682</u>	<u>231,357</u>
Total Liabilities and Net Assets	<u><u>\$ 642,419</u></u>	<u><u>\$ 625,742</u></u>

# IDAHO STATE USBC ASSOCIATION, INC.

## Statements of Activities and Changes in Net Assets Years ending July 31, 2023 and 2022

	2023	2022
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>REVENUE</b>		
Membership Dues	\$ 17,874	\$ 17,744
Entry fees	222,962	209,577
Less Refunds (See Note 6)	-	(409)
Brackets	11,990	9,978
Interest from savings	4,622	57
Investment Income (net of expenses)	10,861	10,853
Other Income	9,784	5,629
	278,093	253,429
<b>EXPENSES:</b>		
Tournament Expenses:		
Prizes	100,495	85,806
Awards	9,245	9,668
Bowling Fees	63,446	52,234
Administrative expenses	23,268	16,939
Travel	9,333	9,849
	205,787	174,496
Association Expenses:		
National Meeting	2,326	2,466
Annual Meeting	6,959	6,618
Manager's salary	5,508	5,382
Review/Audit/Tax Prep	3,250	2,950
Travel	-	-
Other	5,707	3,442
Scholarship Expense		
Association contributions to scholarships	41,625	37,605
Scholarships awarded out of unassigned funds	20,606	47,486
SMART earnings allocated to scholarships-To Board Designated Funds	10,861	10,853
SMART earnings allocated to scholarships-Transfer out of Undesignated	(10,861)	(10,853)
	85,981	105,949
Total Operating Expenses	291,768	280,445
Increase (Decrease) in Net Assets without donor restrictions	(13,675)	(27,016)
Net Assets without Donor Restrictions, Beginning of Year	231,357	258,373
Net Assets without Donor Restrictions, End of Year	\$ 217,682	\$ 231,357

# IDAHO STATE USBC ASSOCIATION, INC.

Statement of Functional Expenses  
July 31, 2023, with Comparable totals for July 31, 2022

	Support Services			Total Support Services	Total 2023	Total 2022
	Program Service	Management & General	Fund Raising			
Expenses						
Employee Compensation	-	5,508	-	5,508	5,508	5,382
Tournament Prizes	100,495	-	-	-	100,495	85,806
Tournament Awards	9,245	-	-	-	9,245	9,668
Tournament Bowling Fees	63,446	-	-	-	63,446	52,234
Tournament Administrative expenses	23,268	-	-	-	23,268	16,939
Travel	9,333	-	-	-	9,333	9,849
National Meeting	-	2,326	-	2,326	2,326	2,466
Annual Meeting	-	6,959	-	6,959	6,959	6,618
Review/Audit/Tax Prep	-	3,250	-	3,250	3,250	2,950
Scholarship Expense						
Association contributions to scholarships	-	41,625	-	41,625	41,625	37,605
Scholarships awarded out of unassigned funds	-	20,606	-	20,606	20,606	47,486
SMART earnings allocated to scholarships-To Board Designated Funds	-	10,861	-	10,861	10,861	10,853
SMART earnings allocated to scholarships- Transfer out of Undesignated	-	(10,861)	-	(10,861)	(10,861)	(10,853)
Interest Expense	-	-	-	-	-	-
Miscellaneous	-	5,707	-	5,707	5,707	3,442
<b>Total Functional Expenses</b>	<b>205,787</b>	<b>85,981</b>	<b>-</b>	<b>85,981</b>	<b>291,768</b>	<b>280,445</b>

# IDAHO STATE USBC ASSOCIATION, INC.

## Statements of Cash Flows For the Years Ending July 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (13,675)	\$ (27,016)
Adjustment for Changes in Assets and Liabilities		
Decrease (Increase) in:		
Other Assets	948	(2,845)
Increase (decrease) in:		
Scholarships Payable - Assigned SMART Scholarship funds		
Funds assigned to individuals	84,456	98,740
Funds used or forfeited by scholarship awardees	<u>(54,104)</u>	<u>(26,651)</u>
Total Adjustments	31,300	69,244
Net Cash Flows from Operating Activities	17,625	42,228
Net Cash Flows from Investing Activities		
Purchase of investments - SMART Scholarship funds	(9,746)	(24,604)
Reinvested SMART Scholarship fund income (net of expenses)	<u>(10,861)</u>	<u>(10,853)</u>
Total Cash Flow from Investing Activities	(20,607)	(35,457)
Net Increase(Decrease) in		
Cash and cash equivalents	(2,982)	6,771
Cash and Temporary investments at the beginning of the year	<u>187,503</u>	<u>180,732</u>
Cash and Temporary investments at the end of the year	<u>\$ 184,521</u>	<u>\$ 187,503</u>
Amount paid for IRS penalties and interest	-	-



# IDAHO STATE USBC ASSOCIATION, INC.

Notes to Financial Statements

July 31, 2023 and 2022

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## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Organization

Idaho State USBC Association, Inc. (the Association) is a nonprofit corporation organized under the laws of the State of Idaho. The purpose of the Association is to promote the game of bowling and provide services and programs for amateur bowlers in the State of Idaho. The Association's revenue consists primarily of fees collected for its annual bowling tournaments.

The Association as a national organization mandated that men, women and youth merge into one organization. The prior associations ceased operations on July 31, 2017, and the new merged association commenced on August 1, 2017.

### Basis of Presentation

The financial statements of the Association are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, Not-for-Profit Entities, Presentation of Financial Statements.

### Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Association considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### Concentration of Credit Risk

The Association maintains its cash and cash equivalents in financial institution accounts, which may, at times, exceed the federally insured limit of \$250,000 set by the Federal Deposit Insurance Corporation. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash held in such institutions.

### Investments

The Association follows FASB ASC 958 in accounting for investments in financial assets. Under the standard, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Realized and unrealized gains and losses, interest, and dividends on investments are recorded as net assets without donor restriction unless such amounts are restricted by the donor or by law.

### Equipment

It is the Association's policy to capitalize all equipment at cost if purchased, or fair value if contributed. Equipment would be depreciated using the straight-line method over the estimated useful lives of the assets. There are no capitalized equipment held by the Association for the years ended July 31, 2023 and 2022.

# IDAHO STATE USBC ASSOCIATION, INC.

Notes to Financial Statements

July 31, 2023 and 2022

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## **Income Tax Status**

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Association is subject to federal income taxes on any unrelated business taxable income. The Association evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts. No uncertain tax positions were identified by the Association as of July 31, 2023 and 2022.

The Association's policy is to classify income tax penalties and interest as interest expense in its financial statements. During the year ended July 31, 2019 the Association incurred penalty and interest of \$5,418. No penalty or interest were incurred in the year ended July 31, 2023. The Association's Federal Return of Organizations Exempt from Income Tax (Form 990) for the years ended July 31, 2020, 2021, and 2022 are subject to examination by the IRS, generally for the three years after they were filed. As of the date of this report, the Association's July 31, 2023 return has not been filed.

## **Use of Estimates**

The preparation of financial statements in conformity with the generally accepting accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **Revenue Recognition**

The Association recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Association records the following exchange transaction revenue in its statements of activities and changes in net assets for the years ended July 31, 2023 and 2022.

*Tournament Entry Fees and Brackets*-- The Association holds various men, women, and youth bowling tournaments throughout the State of Idaho. The performance obligation is the participation of the participant in the tournament. The entry fees are set by the Association and the Association recognizes revenue as the participant pays the entry fee. No tournament fees are collected for a tournament in a subsequent year therefore no liability for probable customer returns are considered necessary as of July 31, 2023 and 2022.

*Other Income*--Other income consists primarily of merchandise such as towels, patches, pins, etc. The performance obligation is the delivery of the good to the customer. The transaction price is established by the Association based on retail prices suggested by the suppliers. As each item is individually priced, no allocation of the transaction price is necessary. The Association recognizes revenue as the customer pays and takes possession of the merchandise. No liability for probable customer returns is considered necessary as of July 31, 2023 and 2022.

*Membership Dues*--Participants pay membership fees to the National USBC and the National USBC then remits \$2 of that fee to the Association for each member in Idaho. Revenue is recognized monthly as the fee is remitted.

# IDAHO STATE USBC ASSOCIATION, INC.

Notes to Financial Statements

July 31, 2023 and 2022

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## Fair Value Measurement

The FASB established a framework for measuring fair value and disclosing fair value measurements to financial statement users. Fair value is the price that would be received to sell an asset or paid to transfer a liability (referred to as the "exit price") in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for specific assets or liabilities at the measurement dates. The fair value should be based on assumptions that market participants would use, including consideration of nonperformance risk.

In determining fair value, the Association uses various valuation approaches. The FASB established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Association. Unobservable inputs are inputs that reflect the Association's assumptions about assumptions market participants would use in pricing the assets or liabilities developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets to which the Association has access.

**Level 2** - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of asset or liability, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Association in determining fair value is greatest for instruments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an organization-specific measure. Therefore, even when market assumptions are not readily available, the Association's own assumptions are set to reflect those that the Association believes market participants would use in pricing the asset or liability at the measurement date.

# IDAHO STATE USBC ASSOCIATION, INC.

Notes to Financial Statements

July 31, 2023 and 2022

## NOTE 2: LIQUIDITY AND AVAILABILITY OF FUNDS

The Association's financial assets available for general expenditure, that is without donor or other

	2023	2022
Cash	\$ 184,521	\$ 187,503
Total financial assets available to meet general expenditures within the next 12 months.	\$ 184,521	\$ 187,503

## NOTE 3: INVESTMENTS

Investments consist of funds designated for scholarships held within the USBC's SMART Program. USBC effectively acts as an agent for the Idaho State USBC in holding these scholarship awards granted to recipients until the recipient claims the funds for college tuition. Investments with the SMART Program are valued at cost, as the program agreement states the funds placed with the SMART Program are to be claimed by scholarship recipients or returned to the Association. Income in excess of administrative expenses, if any, is returned to the Association's SMART Program account. The organization was only provided with the net allocation of income and allocated fees and not the component parts.

	2023	2022
Investment balances as of July 31		
SMART Program funds	\$ 456,001	\$ 435,394
Total Investments	\$ 456,001	\$ 435,394

Investment income on the Association's investments at July 31 consisted of the following:

	2023	2022
Income allocated, net of expenses	\$ 10,861	\$ 10,853
	\$ 10,861	\$ 10,853

## NOTE 4: FAIR VALUE MEASUREMENTS

The USBC financial statements are audited separately with a fiscal year end of December 31, and contain a Fair Value disclosure. The SMART Program Investments per December 31, 2022 and 2021 audited financial statements were made up of Level 1, Level 2, and Level 3 inputs. The Association does not have access to Fair Value disclosure information as of July 31, 2023 and 2022.

The following table sets forth by level, within the fair value hierarch, the SMART Program assets at fair value using the December 31, 2022 and 2021 allocations on the July 31, 2023 and 2022 account balances respectively.

	2023				
	Level 1	Level 2	Level 3	NAV	Total
Assets held in SMART Program	\$ 291,543	\$ -	\$ -	\$ 162,193	\$ 453,736
SMART assets not valued under Fair Value (Interest-Bearing Cash)					2,265
Total SMART Assets					\$ 456,001

# IDAHO STATE USBC ASSOCIATION, INC.

Notes to Financial Statements

July 31, 2023 and 2022

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	2022				
	Level 1	Level 2	Level 3	NAV	Total
Assets held in SMART Program	\$ 303,269	\$ 132,125	\$ -	\$ -	\$ 435,394

*NAV assets include Hedge Fund and Limited Partnership assets measured at Net Asset Value. For breakout of specific investments see the respective United States Bowling Congress, Inc. December 31, 2022 and 2021 financial statements.*

**NOTE 5: BOARD DESIGNATED FUNDS**

The Board of Directors considers the investments located in the SMART Program as board designated scholarship funds. Money from specific fundraising activities has been directed to this fund totaling \$41,625 and \$37,605 in the years ended July 31, 2023 and 2022 respectively. The SMART Program held \$31,264 and \$41,009 of funds on July 31, 2023 and 2022 respectively designated for scholarships available to be assigned to specific individuals.

**NOTE 6: SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 9, 2023, the date of the auditor's report, which is the date the financial statements were available to be issued. There are no subsequent events that require disclosure as of the date above.

## IDAHO STATE USBC ASSOCIATION, INC.

Supplemental Information on Statement of Activities  
For the Year Ended July 31, 2023

	General	Open	Women	Youth	Total
<b>REVENUE</b>					
Membership Dues	\$ 17,634	\$ -	\$ -	\$ 240	\$ 17,874
Entry fees	-	74,634	65,728	82,600	222,962
Less Refunds	-	-	-	-	-
Brackets	-	5,155	5,158	1,677	11,990
Interest from savings	4,622	-	-	-	4,622
Investment Income (net of expenses)	-	135	84	10,642	10,861
Other Income	3,510	-	2,274	4,000	9,784
<b>Total Revenue</b>	<b>25,766</b>	<b>79,924</b>	<b>73,244</b>	<b>99,159</b>	<b>278,093</b>
<b>EXPENSES:</b>					
<b>Tournament Expenses:</b>					
Prizes	-	48,597	48,873	3,025	100,495
Awards	-	539	647	8,059	9,245
Bowling Fees	-	21,296	19,620	22,530	63,446
Administrative expenses	-	6,487	5,243	11,538	23,268
Travel	-	343	1,141	7,849	9,333
<b>Total Tournament Expenses</b>	<b>-</b>	<b>77,262</b>	<b>75,524</b>	<b>53,001</b>	<b>205,787</b>
<b>Association Expenses:</b>					
National Meeting	2,326	-	-	-	2,326
Annual Meeting	6,959	-	-	-	6,959
Manager's salary	5,508	-	-	-	5,508
Review/Audit/Tax Prep	3,250	-	-	-	3,250
Other	3,707	-	-	2,000	5,707
<b>Scholarship Expense</b>					
Association contributions to scholarships	-	2,550	2,912	36,163	41,625
Scholarships awarded out of unassigned funds				20,606	20,606
SMART earnings allocated to scholarships-To Board Designated Funds	-	135	84	10,642	10,861
SMART earnings allocated to scholarships-Transfer out of Undesignated	-	(135)	(84)	(10,642)	(10,861)
<b>Total Association Expenses</b>	<b>21,750</b>	<b>2,550</b>	<b>2,912</b>	<b>58,769</b>	<b>85,981</b>
<b>Total Operating Expenses</b>	<b>21,750</b>	<b>79,812</b>	<b>78,436</b>	<b>111,770</b>	<b>291,768</b>
Increase (Decrease) in Net Assets without donor restrictions	\$ 4,016	\$ 112	\$ (5,192)	\$(12,611)	\$ (13,675)