



*USA BOCCIA, INC.*  
*FINANCIAL STATEMENTS*  
*WITH*  
*INDEPENDENT AUDITORS' REPORT*  
*OCTOBER 31, 2020*

**OSBORNE, PARSONS & ROSACKER, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
USA Boccia, Inc.  
Bay Shore, New York

We have audited the accompanying financial statements of USA Boccia, Inc. (a nonprofit organization), which comprise the statement of financial position as of October 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 from 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 auditor's 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.

**INDEPENDENT AUDITORS' REPORT – CONTINUED**

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USA Boccia, Inc. as of October 31, 2020, 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.

**Emphasis of Matter**

As discussed in the notes to the financial statements, during fiscal year 2020 USA Boccia, Inc. adopted Financial Accounting Standards Board Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASU 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842). Our opinion is not modified with respect to these matters.

*Osborne, Parsons & Horvath LLP*

Colorado Springs, Colorado  
March 30, 2021

**USA BOCCIA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**OCTOBER 31, 2020**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 103,498
Accounts and Grants Receivable	25,750
Prepaid Expenses	10,357
<b>Total Current Assets</b>	<u>139,605</u>

**NON-CURRENT ASSETS**

Intangible Assets, Net	4,927
Assets Held and Administered by United States Olympic Endowment (USOE)	11,743
<b>Total Non-Current Assets</b>	<u>16,670</u>

<b>Total Assets</b>	<u><u>\$ 156,275</u></u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 7,431
Deferred Revenue	11,226
Accrued Liabilities	3,603
<b>Total Current Liabilities</b>	<u>22,260</u>

**NET ASSETS**

Without Donor Restrictions	98,775
With Donor Restrictions	35,240
<b>Total Net Assets</b>	<u>134,015</u>

<b>Total Liabilities and Net Assets</b>	<u><u>\$ 156,275</u></u>
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See Notes to Financial Statements

**USA BOCCIA, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED OCTOBER 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue and Support</b>			
Membership	\$ 5,539	\$ -	\$ 5,539
Tournament Fees	3,404	-	3,404
Grants and Contributions	646	103,000	103,646
Investment Income	1,085	-	1,085
Miscellaneous Income	592	-	592
Satisfaction of Program Restrictions	97,721	(97,721)	-
<b>Total Revenue and Support</b>	<u>108,987</u>	<u>5,279</u>	<u>114,266</u>
<b>Expense</b>			
Program	<u>15,111</u>	<u>-</u>	<u>15,111</u>
Support Services			
Management and General	69,304	-	69,304
Fundraising	187	-	187
Total Support Services	<u>69,491</u>	<u>-</u>	<u>69,491</u>
<b>Total Expense</b>	<u>84,602</u>	<u>-</u>	<u>84,602</u>
<b>Change in Net Assets</b>	24,385	5,279	29,664
<b>Beginning Net Assets</b>	<u>74,390</u>	<u>29,961</u>	<u>104,351</u>
<b>Ending Net Assets</b>	<u>\$ 98,775</u>	<u>\$ 35,240</u>	<u>\$ 134,015</u>

See Notes to Financial Statements

**USA BOCCIA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED OCTOBER 31, 2020**

	<b>Program</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ -	\$ 39,893	\$ -	\$ 39,893
Payroll Taxes and Benefits	-	3,052	-	3,052
<b>Total Personnel Costs</b>	-	42,945	-	42,945
Professional Fees	4,105	9,580	-	13,685
Insurance	-	11,803	-	11,803
Contract Services	5,386	2,308	-	7,694
Travel	2,540	282	-	2,822
Supplies	2,095	246	123	2,464
Dues and Subscriptions	-	1,245	-	1,245
Miscellaneous	859	161	54	1,074
Amortization	-	573	-	573
Postage and Shipping	126	73	10	209
Bank Charges and Account Fees	-	88	-	88
<b>Total Expense</b>	<b>\$ 15,111</b>	<b>\$ 69,304</b>	<b>\$ 187</b>	<b>\$ 84,602</b>
<b>Percent Total Expense</b>	<b>17.9%</b>	<b>81.9%</b>	<b>0.2%</b>	<b>100.0%</b>

See Notes to Financial Statements

**USA BOCCIA, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED OCTOBER 31, 2020**

**Cash Flows from Operations**

Change in Net Assets	\$	29,664
Adjustments to Arrive at Net Cash Provided by Operations:		
Noncash Revenue:		
Unrealized Gain on Assets Held and Administered by United States Olympic Endowment (USOE)		(1,207)
Amortization Expense		573
Changes in:		
Accounts and Grants Receivable		19,097
Prepaid Expenses		(642)
Assets Held and Administered by United States Olympic Endowment (USOE)		519
Accounts Payable		(3,014)
Deferred Revenue		374
Accrued Liabilities		3,603
Net Cash Provided by Operations		48,967

**Cash Flow from Investing Activities**

Purchase of Intangible Assets		(5,500)
Net Cash Used by Investing Activities		(5,500)

**Change in Cash and Cash Equivalents**

43,467

**Beginning Cash and Cash Equivalents**

60,031

**Ending Cash and Cash Equivalents**

\$ 103,498

See Notes to Financial Statements



**USA BOCCIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significance accounting policies of USA Boccia, Inc. (Organization) is presented to assist in understanding the financial statements.

**Nature of Activities** – USA Boccia, Inc. is the nonprofit high-performance maintenance organization for boccia in the United States of America. The Organization supports male and female athletes as they compete in national and international boccia events. The Organization provides athletes with physical disabilities the opportunity to compete and excel in the sport of boccia on the local, regional, national, and international levels. The Organization began operations in February 2015. Members are located throughout the United States.

Boccia is a precision ball sport for wheelchair athletes. The rules governing boccia include a sophisticated classification system that matches athletes based on their level of disability. In 1984 boccia became a Paralympic sport, and by 2008 was being practiced in over fifty countries worldwide. Boccia is governed by the Boccia International Sports Federation, (BISFed) and is one of only three Paralympic sports that have no counterpart in the Olympic program.

**Cash and Cash Equivalents** – For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Accounts and Grants Receivable** – Accounts and grants receivable are stated at the amount the Organization 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 October 31, 2020.

**Intangible Assets** – The Organization capitalizes the costs of developing its website. Intangible assets are being amortized on a straight-line basis over estimated useful lives of four years.

**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.

*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. The Organization 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

**USA BOCCIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

without donor restrictions and reported in the statement 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.

**Contributed Services** – No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization received more than 200 volunteer hours per year.

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

**Income Tax Status** – The Organization is exempt, under Section 501(c)(3) of the Internal Revenue Code, from tax on income derived from donations, income generated by activities carried on in furtherance of its exempt purpose and certain other specified income and, in addition, is qualified to receive tax deductible contributions.

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.

**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.

**Advertising** – Advertising costs are expensed as incurred.

**New Accounting Pronouncements** – In June 2018, the Financial Accounting Standards Board (FASB) Issued ASU 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on

**USA BOCCIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional and, as a result, it enhances the comparability of financial information among not-for-profit entities. The change in accounting principle was adopted on the modified prospective basis. There was no cumulative-effect adjustment to opening net assets with or without donor restrictions.

In June 2020, the FASB issued ASU 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842). This update defers, for one year, the required effective date of ASU 2014-09, Revenue from Contracts with Customers (Topic 606- and ASU 2016-02, Leases (Topic 842). The elective deferrals were adopted and implementation of accounting standards updates for revenue recognition and leases will be deferred one year.

**NOTE 1 – ASSETS HELD AND ADMINISTERED BY USOE**

The Organization receives the beneficial use of assets invested in securities that are held and administered by the United States Olympic Endowment (USOE) under an operating agreement. The Organization recognizes its interest in the net assets of the USOE and the changes therein in a manner similar to the equity method of accounting. The Organization's interest in the USOE's net assets is recognized at fair value in the statement of financial position. Changes in the Organization's interest in the USOE's net assets arising from contributions received, changes in fair value, investment return and other matters are included in the change in net assets.

These funds may be accessed upon request of the chairman of the board of directors, president, or a vice president and by the Organization's CEO, treasurer, or the secretary of the board of directors. As of October 31, 2020, the total of these assets was \$11,743.

**NOTE 2 – AVAILABILITY AND LIQUIDITY**

The Organization has \$129,248 of financial assets available within one year of the statement of financial position date consisting of cash of \$103,498 and accounts and grants receivable of \$25,750. Of the financial assets, \$35,240 in cash is subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The receivables are subject to time restrictions but will be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash on hand, to meet 60 days of normal operating expenses, which are, on average, approximately \$30,000. The Organization has credit cards available to draw on as additional liquidity, if needed.

**USA BOCCIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of:

Checking Accounts	\$ 15,098
Savings Accounts	88,163
PayPal Cash Accounts	237
Total	<u>\$ 103,498</u>

**NOTE 4 – DEFERRED REVENUE**

Deferred revenue consists of:

Deferred Memberships	\$ 4,084
Reimbursement Grants	7,142
Total	<u>\$ 11,226</u>

**NOTE 5 – INTANGIBLE ASSETS**

		<b>Amortizable</b>
		<b>Lives</b>
Website	\$ 5,500	4-years
Less Accumulated Amorization	(573)	
Total	<u>\$ 4,927</u>	

**NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS**

	<u>Beginning Balance</u>	<u>Additions/ Change</u>	<u>Released</u>	<u>Ending Balance</u>
Purpose Restricted	\$ 29,961	\$ 103,000	\$ (97,721)	\$ 35,240

**NOTE 7 – FAIR VALUE MEASUREMENTS**

The Organization follows FASB ASC 820-10-35 as it relates to financial assets or financial liabilities recognized or disclosed on a recurring basis. The purpose of FASB ASC 820-10-35 is to define fair value, establish a framework for measuring fair value, and enhance disclosures about fair value measurements. In accordance with FASB ASC 820-10-35, fair value measurements are classified under the following hierarchy:

*Level 1 Inputs:* Quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.

**USA BOCCIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – FAIR VALUE MEASUREMENTS - Continued**

*Level 2 Inputs:* Other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted market prices of similar assets or liabilities in an active market, or quoted market prices for identical or similar assets or liabilities in markets that are not active).

*Level 3 Inputs:* Are unobservable (e.g., an organization’s own data) and should be used to measure fair value to the extent observable inputs are not available.

Investments in equity securities and money market accounts are priced at quoted prices in active markets. Certificates of deposit with maturity dates ranging from one year or less to ten years from the original purchase date are carried at cost, which approximates fair value.

The following is the major category of assets measured at fair value on a recurring basis as of October 31, 2020:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets Held and Administered By USOE	\$ -	\$ -	\$ 11,743	\$ 11,743

**NOTE 7 – FAIR VALUE MEASUREMENTS - Continued**

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statement of financial position using significant unobservable level 3 inputs (See Note 1):

<u>Assets Held and Administred by the USOE</u>	
Balance, November 1, 2019	\$ 11,055
Interest and Dividend Income Included in Earnings	84
Realized Gains Included in Earnings	1,013
Unrealized Losses Included in Earnings	(409)
Balance, October 31, 2020	<u>\$ 11,743</u>

**NOTE 8 – CONCENTRATIONS**

During the year ended October 31, 2020, approximately 90% of the Organization’s total support and revenue were received from the United States Olympic and Paralympic Committee.

**NOTE 9 – 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 Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include program expenses for tournaments and coach and referee educational clinics (rental space, travel, accommodations, equipment, staff stipends), administrative expenses for compliance with the USOPC and BISFed requirements, and

**USA BOCCIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – ALLOCATION OF FUNCTIONAL EXPENSES - Continued**

fundraising communication and grant application and administrative expenses. The Organization is primarily directed and operated by volunteers, allowing the vast majority of funds to be applied to supporting our member athletes training and competition activities. Expenses were allocated based on the estimated time and effort of the volunteers and athletes.

**NOTE 10– INFORMATION AND INCOME TAX RETURNS**

The Organization’s information returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of October 31, 2020, the returns for the three prior years are considered open for examination by major tax jurisdictions.

**NOTE 11 – 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.

The extent of the impact of COVID-19 on the Organization’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on our grantors and employees, none of which can be reasonably predicted. At this point, COVID-19 has impacted the performance and activities of the Organization. However, the extent to which COVID-19 may impact the Organization’s financial condition or results of operations is uncertain.

**NOTE 12 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 30, 2021, the date on which the financial statements were available to be issued.