AMERICAN CANOE ASSOCIATION, INC.

Financial Statements

For the Year Ended September 30, 2023

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McMillen & Company, PLLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
American Canoe Association, Inc.
Fredericksburg, Virginia

Opinion

We have audited the accompanying financial statements of American Canoe Association, Inc. (the Association – a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of September 30, 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 the Association, 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 the 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

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aggregate, that raise substantial doubt about the Association'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, including omissions, 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 judgement 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 the Association'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 the Association'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 the Association's financial statements for the year ended September 30, 2022, and expressed an unmodified audit opinion on those audited financial statements in our report dated May 31, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McMillen & Company, PLLC

Colorado Springs, Colorado
March 1, 2024

AMERICAN CANOE ASSOCIATION, INC.

Statement of Financial Position

September 30, 2023

(With Summarized Comparative Amounts for 2022)

ASSETS

	2023	2022
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,221,571	$ 1,246,272
Accounts receivable	2,822	34,151
Inventory	3,641	7,976
Operating lease ROU assets - current portion	30,847	
Prepaid expenses	51,762	53,498
Total current assets	1,310,643	1,341,897
INVESTMENTS	157,763	145,402
PROPERTY AND EQUIPMENT:		
Land	1,659,221	1,659,221
Computer equipment	2,182	17,247
Furniture and equipment	8,024	33,120
Camp assets	5,000	5,000
Less accumulated depreciation	(14,440)	(53,996)
Property and equipment - net	1,659,987	1,660,592
NONCURRENT ASSETS		
Operating leases ROU assets - noncurrent portion	66,745	
TOTAL ASSETS	$ 3,195,138	$ 3,147,891

LIABILITIES AND NET ASSETS

	2023	2022
CURRENT LIABILITIES:		
Accounts payable	$ 19,957	$ 95,327
Accrued liabilities	35,203	32,637
Deferred revenue	64,390	78,978
Operating lease liability - current portion	30,847	
Total current liabilities	150,397	206,942
NONCURRENT LIABILITIES:		
Operating lease liability - noncurrent portion	66,745	
Total Liabilities	217,142	206,942
NET ASSETS:		
Without donor restrictions	2,177,713	2,124,155
Without donor restrictions - Board designated	488,829	477,560
With donor restrictions	311,454	339,234
Total net assets	2,977,996	2,940,949
TOTAL LIABILITIES AND NET ASSETS	$ 3,195,138	$ 3,147,891

See Notes to Financial Statements

AMERICAN CANOE ASSOCIATION, INC.

Statement of Activities and Changes in Net Assets

For the Year Ended September 30, 2023

(With Summarized Comparative Amounts for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Totals	2022 Totals
SUPPORT AND REVENUE:				
Membership, net discounts and refunds of $6,840 and $2,040	$ 886,382	$	$ 886,382	$ 879,549
Program income	457,304		457,304	548,321
Government grants	302,989		302,989	125,000
Grants from the USOPC, excluding value-in-kind	300,741		300,741	302,733
Contributions and other grants	37,797	91,162	128,959	129,877
Insurance income and other fees	42,394		42,394	31,366
In-kind income	23,000		23,000	26,881
Other revenue	13,651		13,651	8,228
Investment income (loss)	11,329	1,092	12,421	(17,760)
Sales of inventory, net direct costs of $14,709 and $8,292	3,858		3,858	7,495
Satisfied program restrictions	120,034	(120,034)		
Total support and revenue	2,199,479	(27,780)	2,171,699	2,041,690
EXPENSES:				
Program services:				
Competition	854,468		854,468	872,833
Membership	655,699		655,699	605,427
Safety education & instruction	415,055		415,055	221,357
Total program services	1,925,222		1,925,222	1,699,617
Supporting services:				
General and administrative	209,430		209,430	176,791
Total supporting services	209,430		209,430	176,791
Total expenses	2,134,652		2,134,652	1,876,408
CHANGE IN NET ASSETS	64,827	(27,780)	37,047	165,282
NET ASSETS, beginning of year	2,601,715	339,234	2,940,949	2,775,667
NET ASSETS, end of year	$ 2,666,542	$ 311,454	$ 2,977,996	$ 2,940,949

See Notes to Financial Statements

AMERICAN CANOE ASSOCIATION, INC.
Statement of Functional Expenses
For the Year Ended September 30, 2023
(With Summarized Comparative Amounts for 2022)

	Membership	Safety Education & Instruction	Competition	Total Program Services	General & Administrative	2023 Total Expenses	2022 Total Expenses
Salaries	$ 235,743	$ 113,117	$ 117,223	$ 466,083	$ 104,649	$ 570,732	$ 519,262
Travel	4,445	275	376,194	380,914	1,204	382,118	268,026
Other direct event costs	6,260	3,512	177,367	187,139	597	187,736	260,791
Outside contract services	13,344	63,180	70,034	146,558	14,993	161,551	84,149
Advertising & promotion	1,620	154,250		155,870	58	155,928	71,737
Insurance	112,599	143	10,224	122,966		122,966	126,332
Camp Sebago expense	70,396			70,396		70,396	79,931
IT/web expenses	30,071	5,030	3,666	38,767	15,071	53,838	43,518
Equipment rental & maintenance	5,182		39,495	44,677	7,376	52,053	119,172
Payroll tax	19,232	9,602	9,591	38,425	7,891	46,316	46,988
Credit card processing fees	26,832		16,394	43,226		43,226	28,600
DEI initiatives	42,635			42,635		42,635	21,853
Safety and education	2,196	36,388		38,584		38,584	21,974
Employee benefits	5,385	12,619	10,823	28,827	(460)	28,367	24,175
Rent	12,195		210	12,405	13,908	26,313	23,566
Office expenses	11,677	10,394	379	22,450	1,900	24,350	30,481
Accounting fees					21,663	21,663	10,450
Real estate & personal prop tax	11,487			11,487	6,652	18,139	389
Grants expenses	13,006	4,600		17,606		17,606	15,436
Supplies	9,790	246	45	10,081	2,868	12,949	16,685
Legal fees			12,041	12,041		12,041	5,835
Sugar Island improvements	9,774			9,774		9,774	14,910
Memberships & dues	6,000		2,967	8,967		8,967	8,072
Cost of goods sold	8,292			8,292		8,292	14,709
Telephone	2,963	101		3,064	2,779	5,843	5,012
Utilities	(19)			(19)	4,852	4,833	4,856
Staff development	1,784	1,598		3,382	1,407	4,789	11,758
Bank/finance charge			2,337	2,337	738	3,075	7,736
Sponsorship			2,550	2,550		2,550	6,200
Medical testing			2,200	2,200		2,200	
Bad debts	755		728	1,483		1,483	
Janitorial services					660	660	1,430
Depreciation					605	605	2,041
Miscellaneous	347			347	(16)	331	(1,484)
Business registration fees					35	35	127
Interest - general							(3,600)
	663,991	415,055	854,468	1,933,514	209,430	2,142,944	1,891,117
Less: cost of goods sold	(8,292)			(8,292)		(8,292)	(14,709)
Total expenses as reported on the statement of activities	$ 655,699	$ 415,055	$ 854,468	$ 1,925,222	$ 209,430	$ 2,134,652	$ 1,876,408

See Notes to Financial Statements

AMERICAN CANOE ASSOCIATION, INC.

Statement of Cash Flows

For the Year Ended September 30, 2023

(With Summarized Comparative Amounts for 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 37,047	$ 165,282
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	605	2,041
Realized and unrealized (gains) losses	(10,504)	19,745
(Increase) decrease in operating assets:		
Accounts receivable	31,329	(27,242)
Grant receivable		21,874
Inventory	4,335	10,023
Prepaid expenses	1,736	(14,327)
ROU asset	22,735	
Increase (decrease) in operating liabilities:		
Accounts payable	(75,370)	86,858
Accrued liabilities	2,566	(20,498)
Deferred revenue	(14,588)	4,588
Lease liability	(22,735)	
Total adjustments	(59,891)	83,062
Net cash provided (used) by operating activities	(22,844)	248,344
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in investments, net	(1,857)	(1,470)
Net cash provided (used) by investing activities	(1,857)	(1,470)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on note payable		(23,441)
Net cash provided (used) by financing activities		(23,441)
NET INCREASE (DECREASE) IN CASH	(24,701)	223,433
CASH AND CASH EQUIVALENTS, beginning of year	1,246,272	1,022,839
CASH AND CASH EQUIVALENTS, end of year	$ 1,221,571	$ 1,246,272

See Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

American Canoe Association, Inc. (the Association) is the national governing body for paddle sports, making it responsible for the promotion and development of all styles of this sport in the United States of America. The Association serves the broader paddling public by providing education related to all aspects of paddling, stewardship support to help protect paddling environments, and sanctioning of programs and events to promote paddle-sport competition, exploration, and recreation. The Association was founded in 1880 and incorporated in 1927, in the State of New York. In 2017, it acquired recognition as the national governing body for the sport of paddling with the United States Olympic & Paralympic Committee (USOPC).

New Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2020-05, *Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

The Association elected to adopt these ASUs effective October 1, 2022, and utilized all of the available practical expedients. The adoption had a material impact on the Association's statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. The Association had no finance leases. Adoption of the standard required the Association to restate amounts as of October 1, 2022, resulting in an increase in operating lease ROU assets of $57,157 and an increase in operating lease liabilities of $57,157.

Basis of Presentation

The financial statement presentation follows the recommendations of accounting principles generally accepted in the United States of America (GAAP). The Association held controlling financial interests in two dormant/defunct entities described in Note E. However, since these entities had no financial activity during the years ended September 30, 2023 and 2022, the Association has not presented these financial statements on a consolidated basis.

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 that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association.

- Net assets with donor restrictions: net assets subject to stipulations imposed by donors, and grantors. Some donor 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 restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Association's checking and savings accounts.

Accounts Receivable

Accounts receivable are stated at the amount the Association expects to collect from balances outstanding at year-end. Based on the Association's experience with individuals and entities having outstanding balances, Management has determined that an allowance for doubtful accounts is not necessary.

Inventory

The Association states its inventories, using the average cost method for inventory valuation, at the lower of cost or net realizable value. Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Property and Equipment

The Association capitalizes property and equipment acquisitions with an initial cost of $1,000 or more. Assets are recorded at cost, or fair market value if donated, and depreciated using the straight-line method over estimated useful lives.

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.

Revenue Recognition

The Association has analyzed the provisions of the FASB's ASC Topic 606, *Revenue from Contracts with Customers.* The Association's revenue recognition policies are as follows:

- Grant revenue - The Association receives grants from the USOPC and the United States Coast Guard to support its High-Performance program and other initiatives related to the Association's exempt purpose. The Association assesses grants to determine if an exchange transaction exists. If so, revenue is recognized upon substantially satisfying the performance obligations under such exchange transactions. Grants that are considered non-exchange transactions without donor-imposed restrictions are reported as increases in net assets without donor restrictions as the associated barriers are overcome, which generally is as allowable expenditures under such agreements are incurred. The Association has elected a policy to report awards where the condition and restriction are met in the same reporting period within net assets without donor restrictions.

- Membership registrations – Membership registration revenue is recognized in an amount that reflects the consideration that the Association is entitled to in exchange for renewing memberships. Registrations are recognized as revenue upon a member's registration or renewal. Amounts collected on members' registrations are not refundable.

- Program income – Program income, including income from Camp Sebago, contains a specific delivery element, and revenue is recognized at a single point in time when ownership, risks, and rewards transfer. Revenue is recognized when events are successfully conducted.

- Merchandise sales – Merchandise sales income contains a single delivery element, and revenue is recognized at a single point in time when ownership, risks, and rewards transfer. Revenue is recognized when sales occur.

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. However, restricted contributions are reported as an increase in net assets without donor restrictions if the restriction is satisfied in the same reporting period in which the support is recognized. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions - temporary in nature, are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfied program restrictions. Conditional promises to give, including government grants, are recognized when the conditions are substantially satisfied.

Donated Services

The Association receives in-kind sponsorships and donations from various supporters, including affiliated organizations (Note H).

The Association's policy related to gifts-in-kind 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 other method depending on the type of asset.

Many volunteers have donated significant amounts of their time to the Association; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services under generally accepted accounting principles.

Leases

The Association assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position; also, smaller leases with less than material impact to the statement of financial position, both individually and in aggregate, as determined by Management, are also not recorded as assets and liabilities. Lease expense is recognized for these leases on a straight-line basis over the lease term.

The lease discount rates are determined using the implicit rate within the lease noted from the escalation of lease payments. If that rate is unknown, the Association uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. When an incremental borrowing rate is unavailable, the Association, for certain leases, has adopted the provisions of ASU 2021-09 and has made an election to use the risk-free rate of return as a discount rate for those certain leases where other rates are not available (Note J).

Functional Allocations of Expenses

The costs of providing various programs and other activities have been presented on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel expenses are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services made by the Association's management.

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

Supplemental Cash Flow Information

During the year ended September 30, 2023, the Association did not pay any income taxes; the Association paid $0 and $394 of interest during the years ended September 30, 2023 and 2022, respectively.

Prior-Year Comparisons

The financial statements include certain prior-year summarized comparative information in total but not by net asset activity nor by natural classification of expenses. 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 for the year ended September 30, 2022, from which the summarized information was derived.

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 1, 2024, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Association regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Association has cash and cash equivalents as a current source of liquidity at its disposal.

The Association operates under an approved budget and anticipates collecting sufficient revenue in the future to cover general expenditures over the next 12 months not covered by donor-restricted resources or by planned liquidation of investments.

As of September 30, 2023 and 2022, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	2023	2022
Cash and Cash equivalents	$ 1,221,571	$ 1,246,272
Accounts Receivable	2,821	34,151
Total	$ 1,224,392	$ 1,280,423

As of September 30, 2023 and 2022, the Association also has investments of $157,763 and $145,402, respectively. Of these amounts, the Board has designated $143,829 and $132,560 for certain purposes (Note F) as of September 30, 2023 and 2022, respectively. Also, the Association had restricted net assets of $311,454 and $339,234 that were temporarily restricted as of September 30, 2023 and 2022, respectively (Note G). Although the Association does not intend to liquidate the investments in the next 12 months, the remaining funds are available, at the Board's discretion, if necessary.

C. FAIR MARKET VALUE

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 have 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's investment in the United States Olympic Endowment (USOE) portfolio is valued at fair value using the net asset value of the portfolio provided by the USOE. The Association's investment in this portfolio is classified as Level 2.

The Association may request partial withdrawals (including allocation gains and interest once allocations are approved) following a 30-day notification period. The Association may request full liquidation of its investments with the USOE effective at the end of any calendar month upon the giving of at least 90-days written notice or upon shorter notice acceptable to the USOE if the USOE determines that adequate liquidity exists in the portfolio to permit early termination.

The USOE portfolio contains certain alternative investments. The Endowment's alternative investments, including investments held solely as agent, for the Association, consist of hedge equity funds, limited partnerships, real estate funds, private equity funds, bond fund trusts, and fund of funds. Collectively, the managers of alternative investments invest in a variety of securities including, but not limited to, foreign and domestic publicly traded equity and debt securities, foreign and domestic fixed income investments, domestic commercial and residential real estate, options, warrants, derivatives, and contracts. When available, fair value is based on the last sale price for securities listed on national exchanges. For securities not listed on national exchanges, fair value is determined at the last bid or asking price depending on the long or short position of the security. Investments for which quotations are not available are valued at an estimated fair value by the fund managers using various models, comparisons, and assumptions. Consideration is given to several factors, including the type of investment, risks, marketability, restrictions on disposition, quotations from other market participants and values of similar investments.

There was no significant change to the valuation methodologies used during the year.

The following table presents assets that are measured at fair value on a recurring basis at September 30, 2023 and 2022:

Assets at Fair Value as of September 30, 2023

	Level 1	Level 2	Level 3	Total
USOE pooled funds	$	$ 157,763	$	$ 157,763

Assets at Fair Value as of September 30, 2022

	Level 1	Level 2	Level 3	Total
USOE pooled funds	$	$ 145,402	$	$ 145,402

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the recorded amount of investments in the Association's financial statements. Allocation of the USOE investment pool to the Association consisted of the following at September 30, 2023:

Alternative investments	40.90%
Domestic equities	33.80
International equities	16.90
Domestic bonds	7.00
Cash & cash equivalents	1.40
	100.00%

D. SUGAR ISLAND - LAND AND BUILDING

In 1901, the Association was granted possession of eight islands located in the St. Lawrence river in Canada. In 2009, a Canadian court concluded that the Association was the sole and absolute owner in fee simple of these islands. Upon receiving that court's conclusion, the Association recognized this land based on the value assessed by the Canadian authorities, $1,300,000.

Additionally, the Association received a donation of land located in Fredericksburg, Virginia, several years ago. The land was recorded at fair market value of $345,000 when received. Any decisions related to the use or disposal of this land require two-thirds of the Board members' vote.

E. RELATED PARTIES

The USOPC provided grant revenue of $300,741 to the Association for the year ended September 30, 2023. As of September 30, 2023 and 2022, $17,254 and $34,551, respectively, of the USOPC grants were deferred for future recognition. The Association also received $23,000 and $26,881 of lodging credits (Note H) during the years ended September 30, 2023 and 2022, respectively. The Association is economically dependent on support from the USOPC to sustain its operations at current levels.

The Association was an 83.3% shareholder of Paddlesport Publishing, Inc. (PPI), a separate for-profit corporation. This corporation is dormant and is no longer active in business. All investments and amounts advanced to PPI by the Association have been written-off, and PPI does not have any realizable assets at this time. No accounts payables or other liabilities of PPI are reflected on these financial statements, as they are not expected to be paid.

During the year ended September 30, 2015, the Association entered into an operating agreement to form Outdoor Surety Services, LLC (OSS), along with its former CEO who owned 1% of the entity. The Association owned the other 99% of OSS. This entity was dormant/defunct as of September 30, 2017, and had no reportable financial activity during the years ended September 30, 2023 and 2022.

F. NET ASSETS WITHOUT DONOR RESTRICTIONS: BOARD DESIGNATED

The Association's Board of Directors has identified certain purposes for designated funds. Board designated net assets are available for the following areas:

	2023	2022
ACA Olympic Fund	$ 143,829	$ 132,560
Fredericksburg land	345,000	345,000
Total	$ 488,829	$ 477,560

G. NET ASSETS WITH DONOR RESTRICTIONS: TEMPORARY IN NATURE

Temporarily restricted net assets are available for the following purpose as of September 30, 2023 and 2022:

	2023	2022
Club Development Program	$ 150,000	$ 150,000
Slalom programs	65,000	75,000
Other programs	82,520	56,352
Leadership programs	13,934	12,842
Canoe Polo		41,090
Special grant		3,950
Total	$ 311,454	$ 339,234

During the years ended September 30, 2023 and 2022, temporary restrictions were released for the following purposes:

	2023	2022
Canoe Polo	$ 41,090	$ 1,210
Other programs	20,567	48,478
Slalom programs	10,000	18,595
USOPC special grant	3,950	3,402
Leadership programs		3,866
Canoe Polo		
Total	$ 75,607	$ 75,551

H. DONATED GOODS AND SERVICES

The amounts reflected in the accompanying financial statements as in-kind contributions are offset by equal amounts included in expenses. During the years ended September 30, 2023 and

2022, the Association recognized revenue and related expense of $23,000 and $26,881, respectively, for contributed goods and services. For the years ended September 30, 2023 and 2022, these amounts represented lodging credits provided by the USOPC (Note E). The Association measured the lodging credits received at the market rates shared by the USOPC.

I. NOTE PAYABLE

The Association entered into a Promissory Note Agreement with a commercial bank in August 2008, for a line of credit with a ceiling of $350,000. The Association initially borrowed approximately $240,000. In July 2011, the note was restructured under a Forbearance Agreement, whereby the Association would make monthly principal and interest payments totaling $2,200. Interest accrued on the outstanding balance at a rate of 4.25% per annum.

The forbearance agreement terminated May 1, 2013. However, the Association continued to make principal and interest payments under the same terms; the debt was paid off during the year ended September 30, 2022.

J. LEASE COMMITMENT

The Association previously leased office space under an agreement through November 30, 2021. The Association's most recent agreement for that previous office space required payments of $1,500 per month from December 1, 2020, through November 30, 2021. As of November 30, 2021, the Association was paying the lease on a month-to-month basis for the previous office space.

The Association entered into a new lease for office space in February 2023, for a 12-month term, expiring March 31, 2024, requiring payments of $1,735 per month.

The Association also leases certain camp areas, namely Camp Sebago, on a 10-year lease and certain office equipment.

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of September 30:

Operating Leases	2023
Operating lease ROU assets - currrent portion	$ 30,847
Operating lease ROU assets - noncurrent portion	66,745
Total operating lease ROU assets	$ 97,592
Operating lease liabilities - current portion	$ 30,847
Operating lease liabilities - noncurrent portion	66,745
Total operating lease liabilities	$ 97,592

The following summarizes the line items in the statements of activities which include the components of lease expense for the years ended September 30:

Leases	Expense Classification	2023	2022
Operating*	General & administrative	$ 13,908	$ 4,713
	Program	12,405	18,853
Net lease cost		$ 26,313	$ 23,566

* Excludes short-term and small lease costs of $14,881 and $13,838 for 2023 and 2022, respectively.

The following summarizes cash flow information related to leases for the year ended September 30:

	2023
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 22,298

The following summarizes the weighted average remaining lease term and discount rate as of September 30:

Operating	2023	2022
Weighted average remaining lease term (years)	3.32	4.32
Weighted average discount rate	2.80%	2.80%

The maturities of lease liabilities as of September 30 were as follows:

Operating

2024	$ 33,282
2025	33,918
2026	23,196
2027	12,150
Total lease payments	$ 102,546
Less: interest	(4,953)
Present value of lease liabilities:	$ 97,593

K. PENSION PLAN

The Association sponsors a 401(k) plan (the Plan) for the benefit of its employees. Employees may defer a portion of their salary into the Plan, up to the statutory limit. The Association currently does not match or contribute to the Plan.