



**US** SPEEDSKATING

## **Financial Statements**

**For the Years Ended May 31, 2023 and 2022**



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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To The Board of Directors  
U.S. Speedskating  
Kearns, Utah

### Opinion

We have audited the accompanying financial statements of U.S. Speedskating (a nonprofit Organization), which comprise the statements of financial position as of May 31, 2023 and 2022, and the related statements of activities, changes in net assets and cash flows for the years 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 U.S. Speedskating as of May 31, 2023 and 2022, and the changes in net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

As described in Note 19, the Organization determined it was necessary to restate the May 31, 2022 financial statements.

### 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 U.S. Speedskating 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 aggregate, that raise substantial doubt about U.S. Speedskating's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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## **Auditor's Responsibilities or 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of U.S. Speedskating'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 U.S. Speedskating'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.

*Anderson Bradshaw PLLC*

Anderson Bradshaw PLLC  
Salt Lake City, Utah  
December 20, 2023

**U.S. Speedskating**  
**Statements of Financial Position**  
**May 31, 2023 and 2022**

<b>Assets</b>	5/31/2023	(restated) 5/31/2022
Current assets:		
Cash	\$ 130,233	\$ 327,110
Donor restricted cash (Note 8)	11,662	11,662
Receivables, net of allowance for doubtful accounts of \$0 (Note 1)	150,375	275,048
Prepays and other current assets	80,904	34,100
Total current assets	<u>373,174</u>	<u>647,920</u>
 Property and equipment:		
Total property and equipment (Note 1)	866,005	840,974
Less accumulated depreciation	(714,831)	(673,688)
Net property and equipment	<u>151,174</u>	<u>167,286</u>
 Right of Use Asset (Note 3)	2,094,203	1,817,349
Less accumulated amortization	(178,776)	(134,144)
Net right of use asset	<u>1,915,427</u>	<u>1,683,205</u>
 Total assets	<u>\$ 2,439,775</u>	<u>\$ 2,498,411</u>

See accompanying notes to financial statements.

**U.S. Speedskating**  
**Statements of Financial Position**  
**May 31, 2023 and 2022**

**Liabilities and Net Assets**

	5/31/2023	(restated) 5/30/2022
Current liabilities:		
Accounts payable	\$ 76,561	\$ 188,891
Accrued liabilities	172,258	214,248
Deferred revenue	126,815	328,937
Financing lease - current portion (Note 3)	17,426	16,897
Total current liabilities	393,060	748,973
Long-term liabilities:		
Financing lease - long-term portion (Note 3)	1,517,174	1,257,746
Total liabilities	1,910,234	2,006,719
Net Assets:		
Net assets without donor restrictions	517,879	480,030
Net assets with donor restrictions	11,662	11,662
Net assets	529,541	491,692
Total liabilities and net assets	\$ 2,439,775	\$ 2,498,411

See accompanying notes to financial statements.

**U.S. Speedskating**  
**Statements of Activities**  
**Years ended May 31, 2023 and 2022**

Changes in Net Assets Without Donor Restrictions	(restated)	
<b>Revenues:</b>	5/31/2023	5/31/2022
USOC high performance grant	\$ 1,889,870	\$ 1,879,141
USOC direct athlete support	260,550	257,650
UAF athletic facility use	310,000	385,288
Other high performance revenue	180,113	70,749
Sports/membership-development events	396,064	364,576
Elite events	350,000	852,118
Sponsorship/Marketing/Media	475,667	629,290
Fundraising	238,816	272,576
USISA contributions	327,825	271,875
Value in kind donations	458,287	526,250
Other revenue	114,186	29,117
Total revenues	5,001,378	5,538,630
<b>Expenses:</b>		
High performance	3,306,314	3,450,139
Sports/membership-development events	604,590	580,176
Elite events	363,359	785,072
Sponsorship/Marketing/Media	72,272	173,242
Fundraising	68,085	40,058
Other expense	503,120	465,227
Total expenses	4,917,740	5,493,914
Operating income (loss)	83,638	44,716
<b>Other income and expenses:</b>		
Interest income	1,914	-
Interest expense	(47,703)	(42,292)
Total other income and expenses	(45,789)	(42,292)
Change in Net Assets Without Donor Restrictions	37,849	2,424
<b>Changes in Assets With Donor Restrictions</b>		
Contributions	2,309	8,149
Expenses	(2,309)	(3,905)
Change in net assets	-	4,244
With Donor Restrictions	-	4,244
Change in net assets	\$ 37,849	\$ 6,668

See accompanying notes to financial statements.

**U.S. Speedskating**  
**Statements of Changes in Net Assets**  
**Years ended May 31, 2023 and 2022**

	5/31/2023	(restated) 5/31/2022
Beginning balance	\$ 491,692	\$ 485,024
Change in net assets	37,849	6,668
Balance, May 31, 2023 and 2022	<u>\$ 529,541</u>	<u>\$ 491,692</u>

See accompanying notes to financial statements.



**U.S. Speedskating**  
**Statements of Cash Flows**  
**Years ended May 31, 2023 and 2022**

<b>Reconciliation of change in net assets to net cash flows from operating activities:</b>	<u>5/31/2023</u>	<u>(restated) 5/31/2022</u>
Change in net assets	\$ 37,849	\$ 6,668
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	85,775	75,513
Decrease (increase) in:		
Accounts receivable	124,673	(135,565)
Prepaid and other current assets	(46,804)	(13,811)
Increase (decrease) in:		
Accounts payable	(112,330)	(416,683)
Accrued liabilities	(41,990)	(106,484)
Deferred revenue	(202,122)	15,898
	<u>(154,949)</u>	<u>(574,464)</u>
Net cash provided (used) by operating activities		
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(25,031)	(47,335)
Net cash used in investing activities	<u>(25,031)</u>	<u>(47,335)</u>
<b>Cash flows from financing activities:</b>		
Loan proceeds	-	-
Debt payments	(16,897)	(12,708)
Net cash provided by (used in) financing activities	<u>(16,897)</u>	<u>(12,708)</u>
Net increase (decrease) in cash	(196,877)	(634,507)
Cash and cash equivalents at beginning of year	338,772	973,279
Cash and cash equivalents at end of year	<u>\$ 141,895</u>	<u>\$ 338,772</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during year for:		
Interest	<u>\$ 47,703</u>	<u>\$ 42,292</u>

See accompanying notes to financial statements.

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2023 and 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

U.S. Speedskating (the Organization) is a Missouri nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. Its purpose is to act as the national governing body for the sport of speedskating on ice in the United States, to advance amateur athletic competition within the United States, and to act for persons in the United States who are interested in the sport of speedskating. The Organization is a member of the United States Olympic and Paralympic Committee (“USOPC”), from whom it received the majority of its public support.

**Basis of Presentation**

The Organization presents its financial statements in accordance with Accounting Standards Codification (ASC) 958, “*Not-For-Profit Entities*”. ASC 958 requires information regarding financial position and activities to be reported in two classes of net assets; net assets without donor restrictions, and net assets with donor restrictions.

A description of these categories follows:

Net assets without donor restrictions: Includes the net assets that are free of donor-imposed restrictions.

Net assets with donor restrictions: Includes the net assets from contributions or other inflows where the use is limited by donor-imposed restrictions that either expire by the passage of time or can be fulfilled or removed by actions of the Organization. It also includes the net assets from contributions or other inflows where the use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or removed by actions of the Organization.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statements of activities as net assets released from restrictions.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers unrestricted investment instruments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents at May 31, 2023 and 2022 consist of unrestricted cash and restricted cash.

**Use of Accounting Estimates**

The preparation of financial statements in conformity with generally accepted 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. Significant estimates that may change in the near term include fair value of long-lived assets and related impairment, if any.

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2023 and 2022**

**Liquidity and Availability**

The Organization has \$280,608 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$130,233 and accounts receivable of \$150,375. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

**Revenue Recognition**

Support and revenue are recorded on the accrual basis. Amounts pledged to the Organization are recorded as income and a receivable at the time the pledge is made. Sales and winnings income are recorded upon shipment or when a qualified event is won by a qualified athlete. Payments received in advance of when deemed earned are deferred until earned.

**Non-Profit Status**

The Organization has received a determination letter from the Internal Revenue Service dated September 1966, stating that it is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. Tax years ended May 31, 2019 through May 31, 2023 remain subject to examination by major tax jurisdictions.

**Receivables**

Receivables represent amounts due from sponsors and the International Skating Union. The total accounts receivable consists of \$150,375 and \$275,048 net trade receivables as of May 31, 2023 and 2022, respectively. The receivables are charged to bad debt expense when an amount is determined to be potentially uncollectible based on periodic review of accounts by management. The Organization charged \$0 and \$0 to bad debt expense during the years ended May 31, 2023 and 2022, respectively.

**Property and Equipment**

Property and equipment is recorded at cost when purchased and depreciated using the straight-line method of depreciation over the estimated useful lives of the assets, as shown below. Donated equipment is recorded at fair value, which is generally determined by a donation agreement. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. Maintenance and repairs, including the replacement of minor items, are expensed as incurred. The Organization does not have a formal capitalization policy.

Property and equipment as of May 31, 2023 and 2022 are summarized as follows:

	<u>5/31/2023</u>	<u>5/31/2022</u>
Timing system	\$ 97,647	\$ 90,010
Performance pool equipment	507,730	507,730
Computers	238,087	220,693
Training center and improvements	<u>22,541</u>	<u>22,541</u>
	866,005	840,974
Accumulated depreciation	<u>(714,831)</u>	<u>(673,688)</u>
Net property and equipment	<u>\$ 151,174</u>	<u>\$ 167,286</u>

The useful lives of property and equipment for purposes of computing depreciation are:

Timing system	3 years
Performance pool equipment	5 years
Computers	3 years
Other	3-48 years

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2023 and 2022**

**Recently Issued Accounting Pronouncements**

The Organization has reviewed all recently issued accounting pronouncements for the year ended May 31, 2023, and has determined that none of the recently issued accounting pronouncements will have a material effect on the fair presentation of these financial statements.

**NOTE 2 – CASH DEPOSITS**

Custodial credit risk is the risk that, in the event of bank failure, the Organization’s deposits may not be returned. At May 31, 2023 and 2022, the carrying amount of the Organization’s deposits were \$141,895 and \$338,772 respectively and the bank balances were \$258,421 and \$438,954 respectively. Of the bank balance, \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC).

**NOTE 3 – RIGHT OF USE ASSET AND FINANCING LEASE PAYABLE**

Effective December 1, 2018 the Organization entered into a long-term lease. The lease is for office space in the Utah Olympic Oval as well as athletic training space, sports nutrition and commercial kitchen space in the Kearns Athlete Training and Event Center (“KATEC”). There are three automatic extension terms of twelve years each unless the Organization elects not to exercise at least sixty days prior to the expiration of the current term. Rent may be adjusted on or before May 1, 2022, then every four years thereafter on or before May 1 with the written consent of both landlord and the Organization. Prior monthly payments were \$4,583. The Organization made the determination to early adopt ASC Topic 842, Leases. The new lease qualifies as a financing lease. The Organization used a risk-free discount rate of 3.3% to value the lease. Effective June 1, 2022, the lease was modified. The new monthly payment became \$5,383 and the risk-free discount rate used was 3.09%. The total remaining due under the lease increased to \$1,551,497. The table below relates to the total balance due after the lease amendment as modified for the new monthly payment.

Future maturities on long-term debt are as follows:

Year ending May 31, 2024	\$ 17,426	
Year ending May 31, 2025	17,972	
Year ending May 31, 2026	18,536	
Year ending May 31, 2027	19,117	
Year ending May 31, 2028	19,716	
Thereafter	<u>1,441,833</u>	
	<u>\$1,534,600</u>	

Amortization expense for the next five years is expected to be \$44,632 per year.

The following table displays the weighted-average term and discount rate for the finance lease outstanding as of May 31, 2023:

Weighted- average term (years)	42.92
Weighted- average discount rate	3.09%

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2023 and 2022**

The following table displays the undiscounted cash flows related to the finance lease as of May 31, 2022, along with a reconciliation to the discounted amount recorded on the May 31, 2022 balance sheet.

Undiscounted cash flows due within:	
Year ending May 31, 2024	\$ 64,600
Year ending May 31, 2025	64,600
Year ending May 31, 2026	64,600
Year ending May 31, 2027	64,600
Year ending May 31, 2028	64,600
Thereafter	<u>2,449,415</u>
	2,772,415
Impact of present value discount and lease modification	<u>(1,237,815)</u>
Amount reported on balance sheet	<u>\$ 1,534,600</u>

**NOTE 4 – RISK MANAGEMENT**

The Organization is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. Various insurance policies have been purchased to cover the risks described above. The insurance policies require minimal deductible amounts which the Organization pays in the event of any loss. The Organization also has purchased a workers' compensation policy.

**NOTE 5 – CONCENTRATIONS**

A significant portion of the Organization's revenue is received from one relationship. During the years ended May 31, 2023 and 2022, approximately 47% and 45%, respectively, of the Organization's revenues were provided by one entity. As of May 31, 2023, accounts receivable from two entities accounted for 71% and 26% of total accounts receivable. As of May 31, 2022, accounts receivable from three entities accounted for 33%, 29% and 26% of total accounts receivable.

**NOTE 6 – RETIREMENT PLAN**

The Organization has a SIMPLE IRA plan. Contributions paid for the years ended May 31, 2023 and 2022 were \$31,735 and \$29,797, respectively. All employees of the Organization who work 1,080 hours per year and are 21 years of age or older are eligible for the plan. To be eligible for matching contributions, the employees must be full time and be making contributions of their own to the plan.

**NOTE 7 – COMMITMENTS AND CONTINGENCIES**

On December 20, 2013, the Organization entered into a partnership agreement with Pettit National Ice Center Inc. ("PNIC") to help grow and promote the sport of speedskating. The partnership agreement expired on April 30, 2018. A new agreement was entered into which expired May 31, 2022.

As part of the partnership agreement, the Organization contributes annually to a high-performance development, talent I.D./recruitment program and regional high-performance development program based at the PNIC and supported by a partnership between the PNIC, the Organization and USOPC known as the Academy for Skating Excellence (ASE). In support of the ASE, the Organization shall allocate on a yearly basis and make available to the PNIC the following payments:

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2023 and 2022**

- For the 2021/2022 season, amount TBD payable in two equal installments 9-15-2021 and 1-15-2022. The commitment for the 2021/2022 season was made in the amount of \$35,000 to be paid in two equal installments of \$17,500 each. \$67,500 was paid during the year as well as another \$56,369 to make up a deficit incurred by PNIC at an event.
- For the 2022/2023 season, there was no contract. \$17,500 was paid to PNIC.

The Organization has committed \$25,000 to partially fund a museum that will be installed in the Speed Factory building and estimates the total cost of the project to be \$40,000 to \$80,000. The Organization expects to use fundraising to pay for the balance of the project. The \$25,000 commitment is part of accrued expenses at May 31, 2023 and 2022. The Organization also committed to make a \$250,000 donation to its charitable foundation (U.S.I.S.A. Charitable Fund). The \$250,000 was included in accounts payable at May 31, 2021. The commitment was paid during the fiscal year ended May 31, 2022.

**NOTE 8 – RESTRICTED FUNDS**

The Organization has funds available with certain donor-imposed restrictions. The balances are as follows:

	<u>5/31/2023</u>	<u>5/31/2022</u>
Gold Council Fund	\$ 2,541	\$ 2,541
Less funds used by former Olympians	<u>-</u>	<u>-</u>
	<u>2,541</u>	<u>2,541</u>
George Howie Award Fund and Athlete Fund	9,121	4,877
Adjustments and activity	<u>-</u>	<u>4,244</u>
	<u>9,121</u>	<u>9,121</u>
	<u>\$ 11,662</u>	<u>\$ 11,662</u>

**NOTE 9 – GOING CONCERN CONSIDERATIONS**

Management has evaluated the Organization’s ability to continue as a going concern.

Continued support from the United States Olympic Committee, the International Skating Union and the Organization’s charitable foundation (U.S.I.S.A. Charitable Fund) indicate the Organization will continue as a going concern.

**NOTE 10 – PAYABLE TO USOPC**

Due to the continuing pandemic which resulted in fewer events being held, the Organization received excess funds from the USOPC in the amount of \$149,929 for the year ended May 31, 2021. The Organization received approval to carryforward \$85,950 of the funds to be used for Direct Athlete Support in the fiscal year ended May 31, 2022 and was allowed to use the remaining \$63,979 for other specific grant projects in the fiscal year ended May 31, 2022.

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2023 and 2022**

**NOTE 11 – STATEMENT OF FUNCTIONAL EXPENSES**

Below is the Organization’s Statement of Functional Expenses for the years ended May 31, 2023 and 2022 as required by ASC 958 “*Not-for-Profit Entities*”.

	<b><u>2022/2023</u></b>			
	<b><u>Total</u></b>	<b><u>Program</u></b>	<b><u>Mngt/General</u></b>	<b><u>Fundraising</u></b>
Direct Athlete Funding	\$ 400,976	\$ 400,976	\$ -	\$ -
Competition Support	496,723	454,149	42,574	-
Training	485,656	485,656	-	-
Outside services	604,844	603,849	995	-
Administrative expenses	1,652,615	1,173,802	432,736	46,077
Legal	84,135	30,066	54,069	-
Apparel program	75,874	75,874	-	-
Travel	703,031	554,218	142,301	6,512
Insurance	100,236	33,078	67,158	-
Gifts and awards	1,224	-	1,224	-
Interest and other	274,354	202,259	17,888	54,207
Depreciation and amortization	85,775	65,017	20,758	-
	<u>\$ 4,965,443</u>	<u>\$ 4,078,944</u>	<u>\$ 779,703</u>	<u>\$ 106,796</u>
	100%	82.15%	15.70%	2.15%
	<b><u>2021/2022</u></b>			
	<b><u>Total</u></b>	<b><u>Program</u></b>	<b><u>Mngt/General</u></b>	<b><u>Fundraising</u></b>
Direct Athlete Funding	\$ 394,451	\$ 394,451	\$ -	\$ -
Competition Support	908,420	876,828	31,592	-
Training	562,077	562,077	-	-
Outside services	673,783	672,512	1,271	-
Administrative expenses	1,700,919	1,287,226	341,604	72,089
Legal	107,594	26,036	81,558	-
Apparel program	130,396	130,396	-	-
Travel	696,763	540,244	148,035	8,484
Insurance	80,808	26,223	54,585	-
Gifts and awards	7,095	166	6,929	-
Interest and other	198,388	134,304	37,757	26,327
Depreciation and amortization	75,512	65,395	10,117	-
	<u>\$ 5,536,206</u>	<u>\$ 4,715,858</u>	<u>\$ 713,448</u>	<u>\$ 106,900</u>
	100.0%	85.0%	13.0%	2.0%

Functional expenses for FYE May 31, 2023 and 2022 includes \$47,703 and \$42,292 of interest expense shown in the other income and expenses section on the statement of activities. 91% of interest expense is allocated to program expense on the interest and other line of the functional expense table. 91% of the square footage of the new lease relates to program facilities.

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2023 and 2022**

**NOTE 12 – SUBSEQUENT EVENTS**

ASC 855-16-50-4 establishes accounting and disclosure requirements for subsequent events. ASC 855 details the period after the balance sheet date during which we should evaluate events or transactions that occur for potential recognition or disclosure in the financial statements, the circumstances under which we should recognize events or transactions occurring after the balance sheet date in our financial statements and the required disclosures for such events. We have evaluated all subsequent events through December 20, 2023, the date these financial statements were available to be issued and no subsequent events occurred that required disclosure.

**NOTE 13- DIRECT ATHLETE SUPPORT – USOPC FUNDING**

The Organization has included in income and in expense in exactly the same, offsetting amounts, funds dedicated to directly supporting elite athletes in the amount of \$260,550 and \$257,650 respectively for the years ended May 31, 2023 and 2022. This strategy of providing Direct Athlete Support, which is the name of the program, is an important strategy of the Organization and is supported by the USOPC. The athletes and amounts paid to each athlete are based on a very detailed criteria established by the Organization and approved by the USOPC.

**NOTE 14- UAF ATHLETIC FACILITY USE**

The Organization has included in income and in expense in exactly the same, offsetting amounts, the value of services and facility usage provided by the Utah Athletic Foundation (“UAF”) as determined by a 3-way agreement between the USOPC, the Organization and the UAF. The value of such services and facility usage as determined by the 3-way agreement for the years ended May 31, 2023 and 2022 was \$310,000 and \$345,000 respectively.

**NOTE 15 – HEALTH INSURANCE BENEFITS**

For many years, the Organization has also established criteria for elite athletes to receive Elite Athlete Health Insurance which is a program funded and operated by the USOPC. It provides important health insurance benefits to athletes and allows them to not have to obtain health insurance in the individual marketplace. Because this program is self-funded by the USOPC, the value of this benefit is not readily discernible. This benefit is available to the athletes only through the relationship between the Organization and the USOPC.

**NOTE 16 – VALUE IN KIND**

The Organization has included in income and in expense in approximately the same offsetting amounts, the value of services received in the following areas: medical, tuition, airfare, automobile use, training equipment and supplies, uniforms and other professional services. The values of approximately \$458,000 and \$526,000 are estimates of these value in kind services for the fiscal years ended May 31, 2023 and 2022.



**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2023 and 2022**

**NOTE 17- CASH FLOW RECONCILIATION**

	<u>5/31/2023</u>	<u>5/31/2022</u>
Cash and cash equivalents	\$ 130,233	\$ 327,110
Restricted cash	<u>11,662</u>	<u>11,662</u>
Total cash, cash equivalents, and unrestricted cash shown in the statements of cash flows	<u>\$ 141,895</u>	<u>\$ 338,772</u>

**NOTE 18- RECLASSIFICATIONS**

Certain line items on the statement of activities for the year ended May 31, 2022 have been reclassified to conform with the 2023 presentation. The reclassifications related to adding an additional line item in the statement of activities entitled value in kind donations.

**NOTE 19-RESTATEMENT OF FINANCIAL STATEMENTS**

The Organization failed to adopt on June 1, 2019 ASU 2014-09, Revenue from contracts with Customers and all subsequent amendments to the ASU (collectively, “ASC 606”), which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The Company’s services that fall within the scope of ASC 606 are presented within revenues earned and are recognized as revenue as the Company satisfies its obligation to the customer. Refer to Note 1 Revenue Recognition for further discussion on the Company’s accounting policies for revenue sources within the scope of ASC 606. The Organization adopted ASC 606 when it discovered the error.

The Company adopted ASC 606 using the modified retrospective method applied to all contracts not completed as of May 31, 2019. Results for reporting periods beginning after June 1, 2019 are presented under ASC 606 while prior period amounts continue to be reported in accordance with legacy GAAP. The Company recorded a net change in beginning retained earnings of \$81,667 as of June 1, 2019 due to the cumulative effect of adopting ASC 606. The adoption of ASC 606 was required by the issuance of the standard.

The adoption of ASC 606 resulted in a restatement of the financial statements as of and for the year ended May 31, 2022 to correct the errors. As a result of the restatement, deferred revenue increased by \$33,417 with a corresponding reduction in the Sponsorship/Marketing/Media line item of the statement of activities. Total liabilities increased by \$101,250, and net assets without donor restrictions decreased by \$101,250 as of May 31, 2022 compared to the previously issued statement of activities. Total revenue decreased by \$33,417 and change in net assets without donor restrictions decreased by \$33,417 for the year ended May 31, 2022 compared to the previously issued statement of activities.

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2023 and 2022**

The following table incorporates the reclassifications mentioned in Note 18 as well as the changes discussed in this note.

Impact of the Restatement:

	As of May 31, 2022		
	As Previously Reported	Adjustment	As Restated
<b>Statement of Financial Position Data:</b>			
Total current liabilities	\$ 647,723	\$ 101,250	\$ 748,973
Net assets without donor restrictions	581,280	(101,250)	480,030
	Year Ended May 31, 2022		
	As Previously Reported	Adjustment	As Restated
<b>Statement of Activities Data:</b>			
Sponsorship/Marketing/Media	\$1,043,957	\$(381,250) ( 33,417)	\$629,290
Value in kind donations	-	526,250	526,250
Other revenue	174,117	(145,000)	29,117
Total revenues	5,572,047	(33,417)	5,538,630
Change in net assets			
Without Donor Restrictions	35,841	(33,417)	2,424
Change in net assets	40,085	(33,417)	6,668
<b>Statement of Changes in Net Assets Data:</b>			
Change in net assets	40,085	(33,417)	6,668
Balance	592,942	(101,250)	491,692
<b>Statement of Cash Flows Data:</b>			
Change in net assets	40,085	(33,417)	6,668
Deferred revenue	(17,519)	33,417	15,898