

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Independent Auditor's Report

Consolidated Financial Statements – August 31, 2021 and August 31, 2020

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

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Thomas, Kunc & Black, LLP

Independent Auditor's Report

To the Board of Directors of
United States Amateur Confederation of Roller Skating

We have audited the accompanying consolidated financial statements of the United States Confederation of Roller Skating (a Nebraska nonprofit corporation), which comprise the consolidated statements of financial position as of August 31, 2021 and 2020 and the related consolidated statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 opinions.

Unmodified Opinion on Consolidated Financial Statements

In our opinion, the August 31, 2021 and 2020 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the United States Confederation of Amateur Roller Skating as of and for the years ended August 31, 2021 and 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.

Thomas, Kunc and Black, LLP

Lincoln, Nebraska
November 9, 2022

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Consolidated Statement of Financial Position

August 31, 2021

ASSETS

| | <u>Confederation</u> | <u>Foundation</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|---|----------------------|---------------------|---------------------|---------------------|
| CURRENT ASSETS | | | | |
| Cash and Temporary Investments (Notes A and G) | \$ 307,327 | \$ 68,231 | \$ - | \$ 375,558 |
| Receivables (Notes A and B) | - | - | - | - |
| Due from Related Party (Note J) | - | 342,753 | (342,753) | - |
| Interest Receivable (Note J) | - | 20,545 | (20,545) | - |
| Inventories (Notes A and C) | 19,615 | - | - | 19,615 |
| Prepaid Expenses | 11,218 | - | - | 11,218 |
| | <u>338,160</u> | <u>431,529</u> | <u>(363,298)</u> | <u>406,391</u> |
| PROPERTY AND EQUIPMENT, net (Notes A and D) | <u>217,070</u> | <u>64,285</u> | <u>-</u> | <u>281,355</u> |
| OTHER ASSETS | | | | |
| Marketable Securities (Notes A, G, and H) | 104,831 | 2,119,307 | - | 2,224,138 |
| Other Asset (Note E) | 22,132 | - | - | 22,132 |
| | <u>126,963</u> | <u>2,119,307</u> | <u>-</u> | <u>2,246,270</u> |
| Total Assets | <u>\$ 682,193</u> | <u>\$ 2,615,121</u> | <u>\$ (363,298)</u> | <u>\$ 2,934,016</u> |

LIABILITIES AND NET ASSETS

| | | | | |
|---|-------------------|---------------------|---------------------|---------------------|
| CURRENT LIABILITIES | | | | |
| Accounts Payable | \$ 17,343 | \$ - | \$ - | \$ 17,343 |
| Line of Credit (Note J) | - | - | - | - |
| Accrued Liabilities | 5,747 | - | - | 5,747 |
| Payroll Protection Program Note | 27,500 | - | - | 27,500 |
| Due to Related Party (Note K) | 342,753 | - | (342,753) | - |
| Interest Payable (Note J) | 20,545 | - | (20,545) | - |
| Unearned Revenue (Note A) | 65,821 | - | - | 65,821 |
| World Funds Held | 40,543 | - | - | 40,543 |
| Performance Bonds | 16,000 | - | - | 16,000 |
| | <u>536,252</u> | <u>-</u> | <u>(363,298)</u> | <u>172,954</u> |
| NET ASSETS (DEFICIT) (Note A) | | | | |
| Without Donor Restrictions (Note L) | 40,011 | 2,600,121 | - | 2,640,132 |
| With Donor Restrictions (Notes I and M) | 105,930 | 15,000 | - | 120,930 |
| | <u>145,941</u> | <u>2,615,121</u> | <u>-</u> | <u>2,761,062</u> |
| Total Liabilities and Net Assets | <u>\$ 682,193</u> | <u>\$ 2,615,121</u> | <u>\$ (363,298)</u> | <u>\$ 2,934,016</u> |

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Consolidated Statement of Financial Position

August 31, 2020

ASSETS

| | <u>Confederation</u> | <u>Foundation</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|---|----------------------|---------------------|---------------------|---------------------|
| CURRENT ASSETS | | | | |
| Cash and Temporary Investments (Notes A and G) | \$ 76,287 | \$ 37,374 | \$ - | \$ 113,661 |
| Receivables (Notes A and B) | 1,893 | - | - | 1,893 |
| Due from Related Party (Note J) | - | 342,753 | (342,753) | - |
| Interest Receivable (Note J) | - | - | - | - |
| Inventories (Notes A and C) | 19,615 | - | - | 19,615 |
| Prepaid Expenses | 29,457 | - | - | 29,457 |
| Total Current Assets | 127,252 | 380,127 | (342,753) | 164,626 |
| PROPERTY AND EQUIPMENT, net (Notes A and D) | 229,908 | 75,000 | - | 304,908 |
| OTHER ASSETS | | | | |
| Marketable Securities (Notes A, G, and H) | 85,579 | 1,876,821 | - | 1,962,400 |
| Other Asset (Note E) | 24,659 | - | - | 24,659 |
| Total Other Assets | 110,238 | 1,876,821 | - | 1,987,059 |
| Total Assets | \$ 467,398 | \$ 2,331,948 | \$ (342,753) | \$ 2,456,593 |

LIABILITIES AND NET ASSETS

| | | | | |
|---|-------------------|---------------------|---------------------|---------------------|
| CURRENT LIABILITIES | | | | |
| Accounts Payable | \$ 37,506 | \$ - | \$ - | \$ 37,506 |
| Line of Credit (Note J) | - | - | - | - |
| Accrued Liabilities | 11,467 | - | - | 11,467 |
| Payroll Protection Program Note | - | - | - | - |
| Due to Related Party (Note K) | 342,753 | - | (342,753) | - |
| Interest Payable (Note J) | 2,856 | - | - | 2,856 |
| Unearned Revenue (Note A) | 145,039 | - | - | 145,039 |
| World Funds Held | - | - | - | - |
| Performance Bonds | 16,000 | - | - | 16,000 |
| Total Current Liabilities | 555,621 | - | (342,753) | 212,868 |
| NET ASSETS (DEFICIT) (Note A) | | | | |
| Without Donor Restrictions (Note L) | (175,551) | 2,316,948 | - | 2,141,397 |
| With Donor Restrictions (Notes I and M) | 87,328 | 15,000 | - | 102,328 |
| Total Net Assets | (88,223) | 2,331,948 | - | 2,243,725 |
| Total Liabilities and Net Assets | \$ 467,398 | \$ 2,331,948 | \$ (342,753) | \$ 2,456,593 |

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Consolidated Statement of Activities

Year ended August 31, 2021

| | <u>Confederation</u> | <u>Foundation</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|---|----------------------|-------------------|---------------------|---------------------|
| CHANGES IN NET ASSETS | | | | |
| CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS | | | | |
| Revenue and Support | | | | |
| Amateur Memberships | \$ 234,404 | \$ - | \$ - | \$ 234,404 |
| Club Membership Fees | 23,055 | - | - | 23,055 |
| Other Fees | 328 | - | - | 328 |
| Coaches Membership Fees | 44,665 | - | - | 44,665 |
| National Championships (Note O) | | | | |
| Artistic and Speed | 546,869 | - | - | 546,869 |
| Hockey | 19,600 | - | - | 19,600 |
| Derby | 1,700 | - | - | 1,700 |
| Practice Fees | 29,448 | - | - | 29,448 |
| World Championships | - | - | - | - |
| Clinics and Seminar Fees | 850 | - | - | 850 |
| Supplies and Publications | 2,968 | - | - | 2,968 |
| United States Olympic and Paralympic Committee | 120,915 | - | - | 120,915 |
| Amateur Athletic Union | - | - | - | - |
| Rental Income | 15,583 | - | - | 15,583 |
| Grants from Foundation | 40,000 | - | (40,000) | - |
| Other | 25,404 | - | - | 25,404 |
| PPP Loan Forgiveness | - | - | - | - |
| Investment Income | 79 | 61,533 | (20,545) | 41,067 |
| Realized and Unrealized Gains (Losses) on Investments | - | 295,409 | - | 295,409 |
| | <u>1,105,868</u> | <u>356,942</u> | <u>(60,545)</u> | <u>1,402,265</u> |
| Total Revenue and Support | | | | |
| Net Assets Released from Restrictions | | | | |
| Scholarship | - | - | - | - |
| | <u>1,105,868</u> | <u>356,942</u> | <u>(60,545)</u> | <u>1,402,265</u> |
| Total Revenue and Support Without Donor Restrictions | | | | |
| Expenses | | | | |
| Program Services | | | | |
| National Championships | | | | |
| Artistic | 42,740 | - | - | 42,740 |
| Speed | 30,155 | - | - | 30,155 |
| Hockey | 17,927 | - | - | 17,927 |
| Derby | 11,201 | - | - | 11,201 |
| Slalom | 38,843 | - | - | 38,843 |
| World Championships | | | | |
| Artistic | - | - | - | - |
| Speed | - | - | - | - |
| Hockey | 2,194 | - | - | 2,194 |
| Sports Development | | | | |
| International Training and Competitions | 1,200 | - | - | 1,200 |
| U.S. Clinics and Education | 13,154 | - | - | 13,154 |
| Bad Debt Expense | - | - | - | - |
| Athlete Insurance | 76,503 | - | - | 76,503 |
| | <u>233,917</u> | <u>-</u> | <u>-</u> | <u>233,917</u> |
| Total Program Services | | | | |

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Consolidated Statement of Activities - Continued

Year ended August 31, 2021

| | <u>Confederation</u> | <u>Foundation</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|--|----------------------|---------------------|---------------------|---------------------|
| Supporting Expenses | | | | |
| National Office Administration | 437,869 | - | - | 437,869 |
| Occupancy, Equipment and Supplies | 62,764 | - | - | 62,764 |
| Printing, Postage, Telephone, and Utilities | 20,458 | - | - | 20,458 |
| Board Of Directors and Committee Expenses | 77,510 | - | - | 77,510 |
| Professional Services | 49,855 | - | - | 49,855 |
| Grants to USARS | - | 40,000 | (40,000) | - |
| Other | 7,933 | 33,769 | (20,545) | 21,157 |
| | <u>656,389</u> | <u>73,769</u> | <u>(60,545)</u> | <u>669,613</u> |
| Total Supporting Expenses | | | | |
| | <u>890,306</u> | <u>73,769</u> | <u>(60,545)</u> | <u>903,530</u> |
| | | | | |
| Total Expenses | | | | |
| | <u>215,562</u> | <u>283,173</u> | <u>-</u> | <u>498,735</u> |
| Increase (Decrease) in Net Assets Without Donor Restrictions | | | | |
| Net Assets (Deficit) Without Donor Restrictions, Beginning of Year | <u>(175,551)</u> | <u>2,316,948</u> | <u>-</u> | <u>2,141,397</u> |
| Net Assets Without Donor Restrictions, End of Year | <u>\$ 40,011</u> | <u>\$ 2,600,121</u> | <u>\$ -</u> | <u>\$ 2,640,132</u> |
| CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS | | | | |
| Revenue and Support | | | | |
| Donations | 300 | - | - | 300 |
| Investment Income, Net of Investment Expenses | 4,463 | - | - | 4,463 |
| Realized and Unrealized Gains/(Losses) on Investments | 13,839 | - | - | 13,839 |
| Net Assets Released from Restrictions | | | | |
| Scholarship | - | - | - | - |
| | <u>18,602</u> | <u>-</u> | <u>-</u> | <u>18,602</u> |
| Increase (Decrease) in Net Assets With Donor Restrictions | | | | |
| Net Assets With Donor Restrictions, Beginning of Year | <u>87,328</u> | <u>15,000</u> | <u>-</u> | <u>102,328</u> |
| Net Assets With Donor Restrictions, End of Year | <u>\$ 105,930</u> | <u>\$ 15,000</u> | <u>\$ -</u> | <u>\$ 120,930</u> |

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Consolidated Statement of Activities

Year ended August 31, 2020

| | <u>Confederation</u> | <u>Foundation</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|---|----------------------|-------------------|---------------------|---------------------|
| CHANGES IN NET ASSETS | | | | |
| CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS | | | | |
| Revenue and Support | | | | |
| Amateur Memberships | \$ 312,182 | \$ - | \$ - | \$ 312,182 |
| Club Membership Fees | 30,070 | - | - | 30,070 |
| Other Fees | - | - | - | - |
| Coaches Membership Fees | 51,860 | - | - | 51,860 |
| National Championships (Note O) | | | | |
| Artistic and Speed | 35,890 | - | - | 35,890 |
| Hockey | - | - | - | - |
| Derby | 400 | - | - | 400 |
| Practice Fees | - | - | - | - |
| World Championships | 700 | - | - | 700 |
| Clinics and Seminar Fees | 2,154 | - | - | 2,154 |
| Supplies and Publications | 372 | - | - | 372 |
| United States Olympic and Paralympic Committee | 50,000 | - | - | 50,000 |
| Amateur Athletic Union | 20,000 | - | - | 20,000 |
| Rental Income | 15,464 | - | - | 15,464 |
| Grants from Foundation | 23,568 | - | (23,568) | - |
| Other | 34,138 | 293 | - | 34,431 |
| PPP Loan Forgiveness | 79,800 | - | - | 79,800 |
| Investment Income | 977 | 62,704 | - | 63,681 |
| Realized and Unrealized Gains (Losses) on Investments | - | 61,550 | - | 61,550 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Revenue and Support | 657,575 | 124,547 | (23,568) | 758,554 |
| Net Assets Released from Restrictions | | | | |
| Scholarship | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Revenue and Support Without Donor Restrictions | 657,575 | 124,547 | (23,568) | 758,554 |
| <hr/> | | | | |
| Expenses | | | | |
| Program Services | | | | |
| National Championships | | | | |
| Artistic | 41,513 | - | - | 41,513 |
| Speed | 17,243 | - | - | 17,243 |
| Hockey | 15,301 | - | - | 15,301 |
| Derby | 12,411 | - | - | 12,411 |
| Slalom | - | - | - | - |
| World Championships | | | | |
| Artistic | 4,372 | - | - | 4,372 |
| Speed | 3,621 | - | - | 3,621 |
| Hockey | 13,849 | - | - | 13,849 |
| Sports Development | | | | |
| International Training and Competitions | 90 | - | - | 90 |
| U.S. Clinics and Education | 24,482 | - | - | 24,482 |
| Bad Debt Expense | 11,542 | - | - | 11,542 |
| Athlete Insurance | 101,126 | - | - | 101,126 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Program Services | 245,550 | - | - | 245,550 |

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING.

Consolidated Statement of Activities - Continued

Year ended August 31, 2020

| | Confederation | Foundation | Eliminations | Consolidated |
|--|---------------|--------------|--------------|--------------|
| Supporting Expenses | | | | |
| National Office Administration | 452,992 | - | - | 452,992 |
| Occupancy, Equipment and Supplies | 112,862 | - | - | 112,862 |
| Printing, Postage, Telephone, and Utilities | 23,368 | - | - | 23,368 |
| Board Of Directors and Committee Expenses | 23,715 | - | - | 23,715 |
| Professional Services | 54,152 | - | - | 54,152 |
| Grants to USARS | - | 23,568 | (23,568) | - |
| Other | 52 | 35,235 | - | 35,287 |
| Total Supporting Expenses | 667,141 | 58,803 | (23,568) | 702,376 |
| Total Expenses | 912,691 | 58,803 | (23,568) | 947,926 |
| Increase (Decrease) in Net Assets Without Donor Restrictions | (255,116) | 65,744 | - | (189,372) |
| Net Assets Without Donor Restrictions, Beginning of Year | 79,565 | 2,251,204 | - | 2,330,769 |
| Net Assets (Deficit) Without Donor Restrictions, End of Year | \$ (175,551) | \$ 2,316,948 | \$ - | \$ 2,141,397 |
| CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS | | | | |
| Revenue and Support | | | | |
| Donations | 1,950 | - | - | 1,950 |
| Investment Income, Net of Investment Expenses | 2,930 | - | - | 2,930 |
| Realized and Unrealized Gains/(Losses) on Investments | 3,229 | - | - | 3,229 |
| Net Assets Released from Restrictions | | | | |
| Scholarship | - | - | - | - |
| Increase (Decrease) in Net Assets With Donor Restrictions | 8,109 | - | - | 8,109 |
| Net Assets With Donor Restrictions, Beginning of Year | 79,219 | 15,000 | - | 94,219 |
| Net Assets With Donor Restrictions, End of Year | \$ 87,328 | \$ 15,000 | \$ - | \$ 102,328 |

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Consolidated Statement of Cash Flows

Year ended August 31, 2021

| | Confederation | Foundation | Eliminations | Consolidated |
|--|-------------------|--------------------|--------------|-------------------|
| Cash Flows from Operating Activities | | | | |
| Cash Received from Customers | \$ 1,115,423 | \$ 40,988 | \$ (40,000) | \$ 1,116,411 |
| Cash Paid to Suppliers and Employees | (888,435) | (63,054) | 40,000 | (911,489) |
| Dividends and Interest Received | 5,492 | - | - | 5,492 |
| Interest Paid | (18,031) | - | - | (18,031) |
| Net Cash provided (used) by Operating Activities | 214,449 | (22,066) | - | 192,383 |
| Cash Flows from Investing Activities | | | | |
| Proceeds from Sale of Marketable Securities | 5,193 | 384,040 | - | 389,233 |
| Purchase of Marketable Securities and Reinvestment of Earnings | (9,172) | (331,117) | - | (340,289) |
| Realized (Gain) Loss on Sale of Marketable Securities | (1,434) | - | - | (1,434) |
| Purchase of Property and Equipment | (5,496) | - | - | (5,496) |
| Net Cash provided (used) by Investing Activities | (10,909) | 52,923 | - | 42,014 |
| Cash Flows from Financing Activities | | | | |
| Change in loan to Related Party | - | - | - | - |
| Proceeds (Payments) from Line of Credit | - | - | - | - |
| Proceeds from Payroll Protection Program | 27,500 | - | - | 27,500 |
| Net Cash provided (used) by Financing Activities | 27,500 | - | - | 27,500 |
| Increase (Decrease) in Cash and Temporary Investments | 231,040 | 30,857 | - | 261,897 |
| Cash and Temporary Investments at Beginning of Year | 76,287 | 37,374 | - | 113,661 |
| Cash and Temporary Investments at End of Year | \$ 307,327 | \$ 68,231 | \$ - | \$ 375,558 |
| Reconciliation of Increase (Decrease) in Net Assets to Net Cash provided (used) by Operating Activities | | | | |
| Increase (Decrease) in Net Assets | \$ 234,164 | \$ 283,173 | \$ - | \$ 517,337 |
| Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash used by Operating Activities | | | | |
| Depreciation | 20,990 | 10,715 | - | 31,705 |
| Realized and Unrealized (Gains)/Losses on Investments | (13,839) | (295,409) | - | (309,248) |
| Reinvested Interest and Dividends | - | - | - | - |
| (Increase) Decrease in Assets | | | | |
| Receivables | 1,893 | - | - | 1,893 |
| Inventories | - | - | - | - |
| Prepaid Expenses | 18,239 | - | - | 18,239 |
| Other Assets | (129) | (20,545) | 20,545 | (129) |
| Increase (Decrease) In Liabilities | | | | |
| Accounts Payable | (20,163) | - | - | (20,163) |
| Bank Overdraft | - | - | - | - |
| Accrued Liabilities | (8,576) | - | - | (8,576) |
| Accrued Interest | 20,545 | - | (20,545) | - |
| Unearned Revenue | (79,218) | - | - | (79,218) |
| World Funds Held | 40,543 | - | - | 40,543 |
| Performance Bonds | - | - | - | - |
| Total Adjustments to increase (decrease) in Net Assets | (19,715) | (305,239) | - | (324,954) |
| Net cash provided (used) by Operating Activities | \$ 214,449 | \$ (22,066) | \$ - | \$ 192,383 |

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Consolidated Statement of Cash Flows

Year ended August 31, 2020

| | Confederation | Foundation | Eliminations | Consolidated |
|---|---------------|------------|--------------|--------------|
| Cash Flows from Operating Activities | | | | |
| Cash Received from Customers | \$ 801,819 | \$ 45,666 | \$ - | \$ 847,485 |
| Cash Paid to Suppliers and Employees | (922,759) | (58,803) | - | (981,562) |
| Dividends and Interest Received | 977 | 17,331 | (17,331) | 977 |
| Interest Paid | (17,331) | - | 17,331 | - |
| Net Cash provided (used) by Operating Activities | (137,294) | 4,194 | - | (133,100) |
| Cash Flows from Investing Activities | | | | |
| Proceeds from Sale of Marketable Securities | 3,836 | 398,254 | - | 402,090 |
| Purchase of Marketable Securities and Reinvestment of Earnings | (3,259) | (335,567) | - | (338,826) |
| Realized (Gain) Loss on Sale of Marketable Securities | - | - | - | - |
| Proceeds from Disposal of Fixed Assets | - | (75,000) | - | (75,000) |
| Net Cash provided (used) by Investing Activities | 577 | (12,313) | - | (11,736) |
| Cash Flows from Financing Activities | | | | |
| Change in loan to Related Party | (1,872) | 1,872 | - | - |
| Proceeds (Payments) from Line of Credit | - | - | - | - |
| Interest Accrued/(Receivable) | - | - | - | - |
| Net Cash provided (used) by Financing Activities | (1,872) | 1,872 | - | - |
| Increase (Decrease) in Cash and Temporary Investments | (138,589) | (6,247) | - | (144,836) |
| Cash and Temporary Investments at Beginning of Year | 214,876 | 43,621 | - | 258,497 |
| Cash and Temporary Investments at End of Year | \$ 76,287 | \$ 37,374 | \$ - | \$ 113,661 |
| Reconciliation of Increase (Decrease) in Net Assets to Net Cash provided (used) by Operating Activities | | | | |
| Increase (Decrease) in Net Assets | \$ (247,007) | \$ 65,744 | \$ - | \$ (181,263) |
| Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash used by Operating Activities | | | | |
| Depreciation | 22,750 | - | - | 22,750 |
| Realized and Unrealized (Gains)/Losses on Investments | (3,229) | (61,550) | - | (64,779) |
| Reinvested Interest and Dividends | (3,708) | - | - | (3,708) |
| (Increase) Decrease in Assets | | | | |
| Receivables | 13,312 | - | - | 13,312 |
| Inventories | 10,764 | - | - | 10,764 |
| Prepaid Expenses | 15,808 | - | - | 15,808 |
| Other Assets | 2,157 | - | - | 2,157 |
| Increase (Decrease) In Liabilities | | | | |
| Accounts Payable | (65,059) | - | - | (65,059) |
| Bank Overdraft | (25,208) | - | - | (25,208) |
| Accrued Liabilities | 14,323 | - | - | 14,323 |
| Accrued Interest | - | - | - | - |
| Unearned Revenue | 127,803 | - | - | 127,803 |
| World Funds Held | - | - | - | - |
| Performance Bonds | - | - | - | - |
| Total Adjustments to increase (decrease) in Net Assets | 109,713 | (61,550) | - | 48,163 |
| Net cash provided (used) by Operating Activities | \$ (137,294) | \$ 4,194 | \$ - | \$ (133,100) |

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements

August 31, 2021 and 2020

The United States Amateur Confederation of Roller Skating (the Confederation) is a not-for-profit corporation formed for the purpose of fostering national and international amateur roller skating.

The United States Foundation for Amateur Roller Skating (the Foundation) is a not-for-profit corporation formed for the purpose of support and development, including educational programs and research, of the members of the Organization.

NOTE A – SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidating financial statements follows.

Method of Accounting. The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of presentation. Generally accepted accounting principles (GAAP) require the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which represents the expendable resources that are available for operations at management's discretion; and net assets with donor restrictions, which represents resources whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.

Principles of Consolidation. The accompanying consolidating financial statements include the accounts of United States Amateur Confederation of Roller Skating and United States Foundation for Amateur Roller Skating, a controlled not-for-profit corporation (collectively referred to as the Organization). All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Temporary Investments. For purposes of the consolidating statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash and temporary investments.

Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

Fair Value Measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. The Organization utilizes a framework to prioritize 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 unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements (Continued)

August 31, 2021 and 2020

NOTE A – SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements – Continued.

- Level 2 Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in inactive markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Transfers between levels shall occur at the actual date of the event or change in circumstances that caused the transfer. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Receivables. Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables.

Inventories. Inventories are stated at the lower of cost or market; cost is determined using the first-in, first-out method. Inventory consists mainly of medals and supplies.

Property and Equipment and Depreciation. Property and equipment is carried at cost, if purchased, and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives computed primarily on the straight-line method. The estimated lives by asset class are as follows:

| | |
|---|---------------|
| Office furniture, fixtures, and equipment | 5 to 7 years |
| Computer and video equipment | 3 to 5 years |
| Computer software | 3 to 7 years |
| Building | 7 to 40 years |

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed.

Unearned Revenue. Payments received in the current year for amateur cards or club dues for the succeeding fiscal year are recorded as unearned revenue. Entry fees and other receipts for competitions to be held in the succeeding fiscal year are also recorded as unearned revenue. Advances for the National Championships received in the current year for the succeeding fiscal year are recorded as unearned revenue.

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements (Continued)

August 31, 2021 and 2020

NOTE A – SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Income Taxes. The Confederation and Foundation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of their exempt purposes is not subject to income tax. Any income earned through activities not related to their exempt purposes is subject to income tax at normal corporate rates.

The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial position, statements of activities or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at August 31, 2021 and 2020.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes they are no longer subject to income tax examinations for fiscal years ending prior to August 31, 2018.

Net Asset Classification. The Organization reports information regarding its financial position and activities according to two classes of net assets: Net Assets Without Donor Restrictions and Net Assets With Donor Restrictions.

Net Assets Without Donor Restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors (Board) and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board may designate a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the Organizations long-term financial viability.

Net Assets With Donor Restrictions. Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organizations to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

Use of Estimates. The preparation of consolidating financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements (Continued)

August 31, 2021 and 2020

NOTE A – SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Risks and Uncertainties. In March 2020, the United States declared a national emergency related to the coronavirus (COVID-19) pandemic. The Confederation's operations are dependent on hosting national championships. The COVID pandemic did not allow the Confederation to hold the 2020 National Championships which resulted in a significant reduction of the Confederation's revenue. The pandemic may have a continued material adverse impact on economic and market conditions and holding sporting events.

The Confederation received \$100,000 in anticipation of the 2020 National Championships. Prior to the August 31, 2020 year end, the Confederation renegotiated the contract for the National Championships to be held at the same venue in 2021. As part of the renegotiation, the \$100,000 received in the year ended August 31, 2020 was shown as deferred revenue at August 31, 2020. The Confederation requested and received a waiver of monthly loan payments to the Foundation beginning July 1, 2020.

Subsequent to the August 31, 2020 year end, the Confederation decreased its personnel costs by more than 50 percent. The Confederation also accessed \$35,000 of the existing line of credit during February 2021. This amount was repaid in March 2021. The Confederation reduced contractual obligations where possible.

Payroll Protection Program (PPP) loan. The Organization received a PPP loan through Union Bank & Trust for \$79,800 on April 14, 2020. The loan was to be used for payroll, payroll taxes, benefits, and floor storage. The Organization expended \$79,800 for expenses eligible under the PPP by August 31, 2020. The Organization recognized that amount on its Statement of Activities and Changes in Net Assets.

The Organization received a Second Draw PPP Loan through Union Bank & Trust for \$27,500 on March 26, 2021. The Organization expended \$27,500 for expenses eligible under the PPP by August 31, 2021. The Organization received notification of forgiveness of the Second Draw PPP Loan on December 6, 2021.

NOTE B – RECEIVABLES

Consolidated Receivables Consists of the Following:

| | <u>August 31,</u> <u>2021</u> | <u>August 31,</u> <u>2020</u> |
|--------------------------------------|----------------------------------|----------------------------------|
| Member Accounts | \$ - | \$ 17,226 |
| National Museum of Roller Skating | - | - |
| | <hr/> | <hr/> |
| | - | 17,226 |
| Less Allowance for Doubtful Accounts | - | (15,333) |
| | <hr/> | <hr/> |
| | <u>\$ -</u> | <u>\$ 1,893</u> |

NOTE C – INVENTORIES

During the year ended August 31, 2020, the Confederation took a physical inventory and determined that \$18,597 of the inventory listed on the balance sheet had no value. Accordingly, \$18,597 was written off in the year ended August 31, 2020.

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements (Continued)

August 31, 2021 and 2020

NOTE D – PROPERTY AND EQUIPMENT

Property and Equipment Consists of the Following:

| | 2021 | | |
|---|---------------------|-----------------------------|-------------------|
| | Cost | Accumulated Depreciation | Book Value |
| <u>Confederation</u> | | | |
| Office Furniture, Fixtures, and Equipment | \$ 70,744 | \$ 70,738 | \$ 6 |
| Computer and Video Equipment | 330,806 | 321,190 | 9,616 |
| Computer Software | 695 | 695 | - |
| Land and Building | 582,225 | 374,777 | 207,448 |
| | <u>984,470</u> | <u>767,400</u> | <u>217,070</u> |
| <u>Foundation</u> | | | |
| Equipment | 75,000 | 10,715 | 64,285 |
| | <u>\$ 1,059,470</u> | <u>\$ 778,115</u> | <u>\$ 281,355</u> |
| | 2020 | | |
| | Cost | Accumulated Depreciation | Book Value |
| <u>Confederation</u> | | | |
| Office Furniture, Fixtures, and Equipment | \$ 70,744 | \$ 70,738 | \$ 6 |
| Computer and Video Equipment | 325,310 | 315,093 | 10,217 |
| Computer Software | 695 | 579 | 116 |
| Land and Building | 582,225 | 362,656 | 219,569 |
| | <u>978,974</u> | <u>749,066</u> | <u>229,908</u> |
| <u>Foundation</u> | | | |
| Equipment | 75,000 | - | 75,000 |
| | <u>\$ 1,053,974</u> | <u>\$ 749,066</u> | <u>\$ 304,908</u> |

The consolidating financial statements include depreciation expenses related to property and equipment of \$29,049 (2021) and \$20,094 (2020).

NOTE E – OTHER ASSETS

Other assets consists of assets related to a rental house owned by the Confederation:

| | 2021 | 2020 |
|---|------------------|---------------|
| Rental house | | |
| Cost | \$ 104,040 | 104,040 |
| Accumulated depreciation | (83,554) | (80,898) |
| Cost basis | <u>20,486</u> | <u>23,142</u> |
| Cash on account at real estate management company | 1,517 | 1,517 |
| Property tax credit receivable | <u>129</u> | <u>0</u> |
| Total other assets | <u>\$ 22,132</u> | <u>24,659</u> |

The consolidating financial statements include depreciation expenses related to other assets of \$2,656 (2021) and \$2,656 (2020).

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements (Continued)

August 31, 2021 and 2020

NOTE F – FOUNDATION ASSETS

In prior years, the Confederation's Board of Directors had designated investments such that only the earnings from those assets could be used for sports development. In February 1995, the Confederation authorized a transfer of \$1,426,717 of its investments to the United States Foundation for Amateur Roller Skating (the Foundation), a separate not-for-profit corporation. The transfer was made on June 30, 1995. All of the investment income and up to five percent of the investments may be distributed annually for athlete scholarships by the Foundation's Board of Trustees at its sole discretion. Additional investments may be distributed annually by a three-fourth's vote of the Board of Trustees.

The foundation is a controlled not-for-profit corporation of the Confederation in that its Board of Trustees are elected by the Confederation. The Foundation's activities are included in these consolidating financial statements.

NOTE G – CASH, TEMPORARY INVESTMENTS AND MARKETABLE SECURITIES

| | Confederation | | Foundation | | Consolidated | |
|--------------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| | Cost | Market | Cost | Market | Cost | Market |
| Cash and Temporary Investments | \$ 307,327 | \$ 307,327 | \$ 68,231 | \$ 68,231 | \$ 375,558 | \$ 375,558 |
| Money Market Fund | 5,038 | 5,038 | - | - | 5,038 | 5,038 |
| Mutual Funds | 81,509 | 99,793 | 907,897 | 985,059 | 989,406 | 1,084,852 |
| Common Stock | - | - | 403,409 | 852,878 | 403,409 | 852,878 |
| Exchange Traded Funds | - | - | 101,494 | 155,510 | 101,494 | 155,510 |
| Limited Partnership | - | - | 85,000 | 125,860 | 85,000 | 125,860 |
| | <u>86,547</u> | <u>104,831</u> | <u>1,497,800</u> | <u>2,119,307</u> | <u>1,584,347</u> | <u>2,224,138</u> |
| | <u>\$ 393,874</u> | <u>\$ 412,158</u> | <u>\$ 1,566,031</u> | <u>\$ 2,187,538</u> | <u>\$ 1,959,905</u> | <u>\$ 2,599,696</u> |
| Unrealized Gain | | <u>\$ 18,284</u> | | <u>\$ 621,507</u> | | <u>\$ 639,791</u> |
| | | | 2020 | | | |
| | Confederation | | Foundation | | Consolidated | |
| | Cost | Market | Cost | Market | Cost | Market |
| Cash and Temporary Investments | \$ 76,287 | \$ 76,287 | \$ 37,374 | \$ 37,374 | \$ 113,661 | \$ 113,661 |
| Money Market Fund | 3,944 | 3,944 | - | - | 3,944 | 3,944 |
| Mutual Funds | 77,190 | 81,635 | 805,445 | 838,497 | 882,635 | 920,132 |
| Common Stock | - | - | 453,579 | 769,390 | 453,579 | 769,390 |
| Exchange Traded Funds | - | - | 124,421 | 167,541 | 124,421 | 167,541 |
| Limited Partnership | - | - | 85,000 | 101,393 | 85,000 | 101,393 |
| | <u>81,134</u> | <u>85,579</u> | <u>1,468,445</u> | <u>1,876,821</u> | <u>1,549,579</u> | <u>1,962,400</u> |
| | <u>\$ 157,421</u> | <u>\$ 161,866</u> | <u>\$ 1,505,819</u> | <u>\$ 1,914,195</u> | <u>\$ 1,663,240</u> | <u>\$ 2,076,061</u> |
| Unrealized Gain | | <u>\$ 4,445</u> | | <u>\$ 408,376</u> | | <u>\$ 412,821</u> |

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements (Continued)

August 31, 2021 and 2020

NOTE H – FAIR MARKET VALUE

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the years ended August 31, 2021 and 2020.

Mutual Funds: Valued at the observable net asset value (NAV) of shares held by the Organization at year end.

Preferred Stock: Valued at the observable net asset value (NAV) of shares held by the Organization at year end.

Common Stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate Bonds: Valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Government Agency Bonds: Valued using independent pricing models.

Government Securities: Valued using independent pricing models.

Exchange Traded Funds: Valued at the observable net asset value (NAV) of shares held by the Organization at year end.

Limited Partnership: Valued based on the value of the underlying assets.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements (Continued)

August 31, 2021 and 2020

NOTE H – FAIR MARKET VALUE – CONTINUED

The following table sets forth the balances of assets measured at fair value on a recurring basis as of August 31, 2021.

| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|-------------------------------|---------------------|---|--|---|
| Mutual Funds | | | | |
| Fixed Income | \$ 985,059 | \$ 985,059 | \$ - | \$ - |
| Balanced Fund (Confederation) | 104,831 | 104,831 | - | - |
| Common Stock | | | | |
| Large Cap Domestic | 852,878 | 852,878 | - | - |
| Exchange Traded Funds | | | | |
| Large Cap Domestic | 155,510 | 155,510 | - | - |
| Limited Partnership | 125,860 | - | - | 125,860 |
| | <u>\$ 2,224,138</u> | <u>\$ 2,098,278</u> | <u>\$ -</u> | <u>\$ 125,860</u> |

The following table sets forth the balances of assets measured at fair value on a recurring basis as of August 31, 2020.

| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|-------------------------------|---------------------|---|--|---|
| Mutual Funds | | | | |
| Fixed Income | \$ 838,498 | \$ 838,498 | \$ - | \$ - |
| Balanced Fund (Confederation) | 85,578 | 85,578 | - | - |
| Common Stock | | | | |
| Large Cap Domestic | 769,390 | 769,390 | - | - |
| Exchange Traded Funds | | | | |
| Large Cap Domestic | 167,541 | 167,541 | - | - |
| Limited Partnership | 101,393 | - | - | 101,393 |
| | <u>\$ 1,962,400</u> | <u>\$ 1,861,007</u> | <u>\$ -</u> | <u>\$ 101,393</u> |

The following table sets forth a summary of changes in the fair value of the Organization's level 3 assets for the years ended August 31, 2021 and 2020.

| | Limited Partnership | |
|--|------------------------|-------------------|
| | 2021 | 2020 |
| Beginning Balance | \$ 101,393 | \$ 108,744 |
| Change in Unrealized Gains (Losses) Included In Earnings | 24,467 | (7,351) |
| Ending Balance | <u>\$ 125,860</u> | <u>\$ 101,393</u> |

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements (Continued)

August 31, 2021 and 2020

NOTE I – ENDOWMENTS

In August 2008, the Financial Accounting Standards Board issued guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). Disclosures about an organization's endowment funds, whether the organization is subject to UPMIFA, were also improved.

The State of Nebraska adopted UPMIFA effective September 1, 2007. The Organization adopted the Financial Accounting Standard Board's guidance and required disclosures for the year ended December 31, 2008.

The Organization has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift absent explicit donor stipulations to the contrary. Certain funds have been received from a donor which include a stipulation that assets provided be maintained permanently while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. The original gift is classified as net assets with donor restrictions.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation or deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

An endowment fund, known as the World Team Endowment fund, was established in 2005 for the international travel of USA Roller Sports athletes to which donors may contribute funds at any time. Only earnings from the investment of the funds may be used to fund the travel of World Team athletes.

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements (Continued)

August 31, 2021 and 2020

NOTE I – ENDOWMENTS – CONTINUED

An endowment fund, known as the Wojnarowky Memorial Scholarship Fund, was established in 2000 with a bequest of \$15,000 and requires the principal gift to be preserved in perpetuity with the income to be used as a scholarship for the National Champion in Junior World Class Figure Skating.

Endowment Net Asset Composition by Type of Fund as of August 31, 2021.

| | Earnings Without Donor Restrictions | Principal With Donor Restrictions | Total |
|----------------------------------|---|---|------------|
| Donor-restricted Endowment Funds | \$ 40,812 | \$ 81,552 | \$ 122,364 |

Changes in Endowment Net Assets for the year ended August 31, 2021.

| | Earnings Without Donor Restrictions | Principal With Donor Restrictions | Total |
|---|---|---|------------|
| Endowment Net Assets, Beginning of Year | \$ 21,076 | \$ 81,252 | \$ 102,328 |
| Investment Return: | | | |
| Investment Income | 5,413 | - | 5,413 |
| Investment Fee | (950) | - | (950) |
| Net Realized and Unrealized Gain/(Loss) | 15,273 | - | 15,273 |
| Total Investment Return | 19,736 | - | 19,736 |
| Contributions | - | 300 | 300 |
| Appropriation of Endowment Assets for Expenditure | - | - | - |
| Expenditure of Endowment Assets | - | - | - |
| Endowment Net Assets, End of Year | \$ 40,812 | \$ 81,552 | \$ 122,364 |

Endowment Net Asset Composition by Type of Fund as of August 31, 2020.

| | Earnings Without Donor Restrictions | Principal With Donor Restrictions | Total |
|----------------------------------|---|---|------------|
| Donor-restricted Endowment Funds | \$ 21,076 | \$ 81,252 | \$ 102,328 |

Changes in Endowment Net Assets for the year ended August 31, 2020.

| | Earnings Without Donor Restrictions | Principal With Donor Restrictions | Total |
|---|---|---|------------|
| Endowment Net Assets, Beginning of Year | \$ 14,917 | \$ 79,302 | \$ 94,219 |
| Investment Return: | | | |
| Investment Income | 3,707 | - | 3,707 |
| Investment Fee | (777) | - | (777) |
| Net Realized and Unrealized Gain/(Loss) | 3,229 | - | 3,229 |
| Total Investment Return | 6,159 | - | 6,159 |
| Contributions | - | 1,950 | 1,950 |
| Appropriation of Endowment Assets for Expenditure | - | - | - |
| Expenditure of Endowment Assets | - | - | - |
| Endowment Net Assets, End of Year | \$ 21,076 | \$ 81,252 | \$ 102,328 |

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements (Continued)

August 31, 2021 and 2020

NOTE J – LINE OF CREDIT

The Confederation has an operating line-of-credit of \$200,000 with a community bank to be drawn down as needed for operating cash flow. The line of credit was renewed on September 15, 2019 and again on March 15, 2021. The interest rate was 4.75 percent. The balance on the line of credit was \$0 (2021) and \$0 (2020).

NOTE K – RELATED-PARTY TRANSACTIONS

On December 19, 2013, the Foundation loaned the Confederation \$200,000 at an interest rate of 2.75%. The entire principal balance outstanding, together with any accrued and unpaid interest thereon, was payable in a single lump sum on December 19, 2014.

On December 19, 2014, a second revision to the promissory note was signed. The entire principal balance outstanding along with any accrued interest thereon, was payable in a single lump sum on December 31, 2015.

On July 1, 2015, the Foundation signed a third revision to the promissory note. The note was for the principal sum of \$400,000.00. The entire principal balance outstanding was payable on or before December 31, 2018, but on demand on or after December 31, 2017. Interest was to be paid monthly on the first day of each month at an interest rate equal to the applicable rate charged to the Foundation by the United Bank of Switzerland on the loan from UBS. The note is secured by the two pieces of property owned by the Confederation (2025 S. 48th Street and 4730 South Street).

On May 24, 2017, the Confederation and the Foundation signed an amendment to the third revision of the promissory note. The principal balance outstanding at that date was \$372,613. Under the terms of the third revision, interest shall be fixed at 5% per annum effective May 1, 2017. Monthly payments of \$1,600 per month were to be paid, to be applied first to interest, then to principal. The balloon date is extended to December 31, 2025; however, the promissory note shall remain a demand note. The Foundation may adjust the interest rate unilaterally.

Effective July 1, 2020, the Foundation agreed that interest would continue to accrue, however, payments were suspended until further notice.

The Foundation awarded the Confederation \$23,568 in grant funds for the year ended August 31, 2020 to be used to complete repairs to the basement of the Confederation building.

The Confederation is a member of the United States Olympic & Paralympic Committee (USOPC). The Confederation receives grants from the USOPC to promote the sport of roller skating.

The Foundation awarded the Confederation \$40,000 in grant funds in July 2021 to be used for video feed and organ (\$15,000) and (\$25,000).

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements (Continued)

August 31, 2021 and 2020

NOTE L – DESCRIPTION OF NET ASSETS WITHOUT DONOR RESTRICTIONS.

The Organizations' net assets without donor restrictions is comprised of undesignated and Board designated amounts at August 31, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|----------------------------|---------------------|------------------|
| Net Assets (Deficit) | | |
| Confederation | | |
| Without Donor Restrictions | \$ 40,011 | (175,551) |
| Foundation | | |
| Without Donor Restrictions | 2,600,121 | 2,316,948 |
| | <u>\$ 2,640,132</u> | <u>2,141,397</u> |

NOTE M – DESCRIPTION OF NET ASSETS WITH DONOR RESTRICTIONS.

The Organizations' net assets with donor restrictions is comprised of the amounts for the following purposes at August 31, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|----------------|
| World Team Endowment Fund—Confederation | | |
| Principal | \$ 64,302 | 64,302 |
| Investment earnings | <u>41,628</u> | <u>23,026</u> |
| | 105,930 | 87,328 |
| Wojnarowsky Memorial Scholarship Fund—Foundation | | |
| Principal | 15,000 | 15,000 |
| Investment earnings | <u>-</u> | <u>-</u> |
| | 15,000 | 15,000 |
| Total net assets with donor restrictions | <u>\$ 120,930</u> | <u>102,328</u> |

NOTE N – LIQUIDITY AND AVAILABILITY RESOURCES REVENUE

The Organizations' financial assets available within one year of the statements of financial position date for general expenditure are as follows:

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|----------------|
| Cash and Temporary Investments | \$ 375,558 | 113,661 |
| Receivables | - | 1,893 |
| Due from Related Party | - | - |
| Less those unavailable for general expenditures within one year, due to: | | |
| Net Assets With Donor Restrictions | <u>-</u> | <u>-</u> |
| Total financial assets available to management for general expenditure within one year | <u>\$ 375,558</u> | <u>115,554</u> |

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements (Continued)

August 31, 2021 and 2020

NOTE O – NATIONAL CHAMPIONSHIPS REVENUE

As the national governing body for amateur roller skating competition, the Organization annually conducts national championships for amateur skaters. The years ended August 31, 2021 and 2020 include revenue from four national championships. No national championships were held in the year ended August 31, 2020.

Revenue consists of the following:

| | <u>2021</u> | <u>2020</u> |
|-------------------------------|-------------------|------------------|
| Entry Fees | \$ 282,918 | \$ 35,190 |
| Practice Fees | 29,448 | - |
| Ticket Sales | 44,426 | - |
| Booths and Sponsorship | 258,005 | 1,100 |
| Program Sales and Advertising | 6,520 | - |
| Other | 1,300 | - |
| | <u>\$ 622,617</u> | <u>\$ 36,290</u> |

NOTE P – EXPENSE REIMBURSEMENTS

Expenses were incurred for training and education programs as well as the following world championships and international competitions:

Year ended August 31, 2021:

None held

Year ended August 31, 2020:

2020 America's Cup Figure Skating Championships

NOTE Q – OPERATING LEASE

The Confederation entered into a copier lease agreement on March 1, 2021 with 60 monthly payments of \$604.

Future minimum non-cancelable lease payments for the years ended August 31, 2021 and 2020 are as follows:

| <u>Year</u> | <u>2021</u> | <u>2020</u> |
|----------------|------------------|------------------|
| 2021 | \$ - | \$ 17,954 |
| 2022 | 7,248 | - |
| 2023 | 7,248 | - |
| 2024 | 7,248 | - |
| 2025 and after | 10,872 | - |
| | <u>\$ 32,616</u> | <u>\$ 17,954</u> |

The financial statements include rental expense of \$17,177 and \$26,978 as of August 31, 2021 and 2020, respectively.

See accompanying notes to financial statements and independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidated Financial Statements (Continued)

August 31, 2021 and 2020

NOTE R – RETIREMENT PLAN

The Confederation maintains a 401(k) retirement plan. After completing one month of service, the Confederation contributes a match of \$1 for every dollar contributed by the employee, not to exceed \$2,000 per year. The financial statements include retirement contribution expense of \$6,163 (2021) and \$7,360 (2020).

NOTE S – CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of checking accounts at financial institutions. The accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization carries one deposit with Union Bank and Trust Company that is a Short Term Federal Investment Trust (STFIT) which is not insured by FDIC. The Organization's FDIC coverage for the years ended August 31, 2021 and 2020 is as follows:

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|----------------|
| Insured - Cash and Temporary Investments | \$ 116,886 | 90,007 |
| Uninsured - STFIT | <u>190,014</u> | <u>30,004</u> |
| Total | <u>\$ 306,900</u> | <u>120,011</u> |

NOTE T – RECLASSIFICATION

Certain amounts related to the prior year have been reclassified to conform to the current year presentation with no effect on previously reported net income.

NOTE U – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 9, 2022, the date the financials were issued. There were no subsequent events that require disclosure and/or adjustment in these financial statements.

See accompanying notes to financial statements and independent auditor's report.