

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Independent Auditor's Report

Consolidated Financial Statements – August 31, 2022 and August 31, 2021

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

Opinion

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, 2022 and 2021, 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.

In our opinion, the 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, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 United States Amateur Confederation of Roller Skating and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United States Amateur Confederation of Roller Skating's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated 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 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 consolidated 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 consolidated 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 consolidated 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 United States Amateur Confederation of Roller Skating'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United States Amateur Confederation of Roller Skating'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.

Lincoln, Nebraska
December 22, 2023

Thomas, Kunc and Black, LLP

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Consolidated Statement of Financial Position

August 31, 2022

	<u>ASSETS</u>			
	<u>Confederation</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT ASSETS				
Cash and Temporary Investments (Notes A and G)	\$ 524,068	\$ 42,006	\$ -	\$ 566,074
Receivables (Notes A and B)	10,853	-	-	10,853
Due from Related Party (Note K)	-	342,753	(342,753)	-
Interest Receivable (Note K)	-	39,132	(39,132)	-
Inventories (Notes A and C)	19,615	-	-	19,615
Prepaid Expenses	11,152	-	-	11,152
	<u>565,688</u>	<u>423,891</u>	<u>(381,885)</u>	<u>607,694</u>
PROPERTY AND EQUIPMENT, net (Notes A and D)	<u>218,920</u>	<u>53,571</u>	<u>-</u>	<u>272,491</u>
OTHER ASSETS				
Marketable Securities (Notes A, G, and H)	91,129	1,903,776	-	1,994,905
Other Asset (Note E)	19,889	-	-	19,889
	<u>111,018</u>	<u>1,903,776</u>	<u>-</u>	<u>2,014,794</u>
Total Assets	<u>\$ 895,626</u>	<u>\$ 2,381,238</u>	<u>\$ (381,885)</u>	<u>\$ 2,894,979</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Accounts Payable	\$ 132,911	\$ -	\$ -	\$ 132,911
Line of Credit (Note J)	-	-	-	-
Accrued Liabilities	4,503	-	-	4,503
Payroll Protection Program Note (Note A)	-	-	-	-
Due to Related Party (Note K)	342,753	-	(342,753)	-
Interest Payable (Note K)	39,132	-	(39,132)	-
Unearned Revenue (Note A)	60,013	-	-	60,013
World Funds Held	3,981	-	-	3,981
Performance Bonds	16,000	-	-	16,000
	<u>599,293</u>	<u>-</u>	<u>(381,885)</u>	<u>217,408</u>
NET ASSETS (Note A)				
Without Donor Restrictions (Note M)	205,094	2,366,238	-	2,571,332
With Donor Restrictions (Notes I and N)	91,239	15,000	-	106,239
	<u>296,333</u>	<u>2,381,238</u>	<u>-</u>	<u>2,677,571</u>
Total Liabilities and Net Assets	<u>\$ 895,626</u>	<u>\$ 2,381,238</u>	<u>\$ (381,885)</u>	<u>\$ 2,894,979</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, 2021

	ASSETS			
	Confederation	Foundation	Eliminations	Consolidated
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 K)	-	342,753	(342,753)	-
Interest Receivable (Note K)	-	20,545	(20,545)	-
Inventories (Notes A and C)	19,615	-	-	19,615
Prepaid Expenses	11,218	-	-	11,218
	338,160	431,529	(363,298)	406,391
PROPERTY AND EQUIPMENT, net (Notes A and D)	217,070	64,285	-	281,355
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
	126,963	2,119,307	-	2,246,270
Total Assets	\$ 682,193	\$ 2,615,121	\$ (363,298)	\$ 2,934,016
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 (Note A)	27,500	-	-	27,500
Due to Related Party (Note K)	342,753	-	(342,753)	-
Interest Payable (Note K)	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
	536,252	-	(363,298)	172,954
NET ASSETS (Note A)				
Without Donor Restrictions (Note M)	40,011	2,600,121	-	2,640,132
With Donor Restrictions (Notes I and N)	105,930	15,000	-	120,930
	145,941	2,615,121	-	2,761,062
Total Liabilities and Net Assets	\$ 682,193	\$ 2,615,121	\$ (363,298)	\$ 2,934,016

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, 2022

	<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	\$ 316,029	\$ -	\$ -	\$ 316,029
Competitive Assessment Fees	7,920	-	-	7,920
Club Membership Fees	26,110	-	-	26,110
Other Fees	114	-	-	114
Coaches Membership Fees	49,680	-	-	49,680
National Championships (Note P)				
Artistic and Speed	551,799	-	-	551,799
Hockey	13,390	-	-	13,390
Derby	4,500	-	-	4,500
Practice Fees	38,337	-	-	38,337
World Championships	11,465	-	-	11,465
Clinics and Seminar Fees	12,756	-	-	12,756
Supplies and Publications	4,115	-	-	4,115
United States Olympic and Paralympic Committee	91,667	-	-	91,667
Amateur Athletic Union	25,000	-	-	25,000
Rental Income	18,395	-	-	18,395
Grants from Foundation	-	-	-	-
Other	25,061	-	-	25,061
PPP Loan Forgiveness	27,500	-	-	27,500
Investment Income	2,002	73,319	(18,587)	56,734
Realized and Unrealized Gains (Losses) on Investments	-	(253,050)	-	(253,050)
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Total Revenue and Support	1,225,840	(179,731)	(18,587)	1,027,522
Net Assets Released from Restrictions				
Scholarship	-	(20,000)	-	(20,000)
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Total Revenue and Support Without Donor Restrictions	1,225,840	(199,731)	(18,587)	1,007,522
Expenses				
Program Services				
National Championships				
Artistic	213,670	-	-	213,670
Speed	150,767	-	-	150,767
Hockey	73,198	-	-	73,198
Derby	11,749	-	-	11,749
Slalom	-	-	-	-
World Championships				
Artistic	400	-	-	400
Speed	-	-	-	-
Hockey	6,237	-	-	6,237
Sports Development				
International Training and Competitions	73,119	-	-	73,119
U.S. Clinics and Education	12,721	-	-	12,721
Bad Debt Expense	-	-	-	-
Athlete Insurance	68,950	-	-	68,950
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Total Program Services	610,811	-	-	610,811

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, 2022

	Confederation	Foundation	Eliminations	Consolidated
Supporting Expenses				
National Office Administration	325,068	-	-	325,068
Occupancy, Equipment and Supplies	67,799	-	-	67,799
Printing, Postage, Telephone, and Utilities	21,233	-	-	21,233
Board Of Directors and Committee Expenses	3,057	-	-	3,057
Professional Services	32,660	-	-	32,660
Grants to USARS	-	-	-	-
Other	129	34,152	(18,587)	15,694
Total Supporting Expenses	<u>449,946</u>	<u>34,152</u>	<u>(18,587)</u>	<u>465,511</u>
Total Expenses	<u>1,060,757</u>	<u>34,152</u>	<u>(18,587)</u>	<u>1,076,322</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>165,083</u>	<u>(233,883)</u>	<u>-</u>	<u>(68,800)</u>
Net Assets Without Donor Restrictions, Beginning of Year	<u>40,011</u>	<u>2,600,121</u>	<u>-</u>	<u>2,640,132</u>
Net Assets Without Donor Restrictions, End of Year	<u>\$ 205,094</u>	<u>\$ 2,366,238</u>	<u>\$ -</u>	<u>\$ 2,571,332</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Revenue and Support				
Donations	-	-	-	-
Investment Income, Net of Investment Expenses	9,718	-	-	9,718
Realized and Unrealized Gains/(Losses) on Investments	(24,409)	-	-	(24,409)
Net Assets Released from Restrictions				
Scholarship	-	-	-	-
Increase (Decrease) in Net Assets With Donor Restrictions	<u>(14,691)</u>	<u>-</u>	<u>-</u>	<u>(14,691)</u>
Net Assets With Donor Restrictions, Beginning of Year	<u>105,930</u>	<u>15,000</u>	<u>-</u>	<u>120,930</u>
Net Assets With Donor Restrictions, End of Year	<u>\$ 91,239</u>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 106,239</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, 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
Competitive Assessment Fees	-	-	-	-
Club Membership Fees	23,055	-	-	23,055
Other Fees	328	-	-	328
Coaches Membership Fees	44,665	-	-	44,665
National Championships (Note P)				
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
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Total Revenue and Support	1,105,868	356,942	(60,545)	1,402,265
Net Assets Released from Restrictions				
Scholarship	-	-	-	-
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Total Revenue and Support Without Donor Restrictions	1,105,868	356,942	(60,545)	1,402,265
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
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Total Program Services	233,917	-	-	233,917

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 Cash Flows

Year ended August 31, 2022

	<u>Confederation</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 1,214,489	\$ 54,732	\$ (18,587)	\$ 1,250,634
Cash Paid to Suppliers and Employees	(935,317)	(43,438)	-	(978,755)
Dividends and Interest Received	12,709	-	-	12,709
Interest Paid	(18,587)	-	18,587	-
Payroll Protection Program Loan Forgiveness	(27,500)	-	-	(27,500)
Net Cash provided (used) by Operating Activities	245,794	11,294	-	257,088
Cash Flows from Investing Activities				
Proceeds from Sale of Marketable Securities	1,907	22,581	-	24,488
Purchase of Marketable Securities and Reinvestment of Earnings	(12,615)	(60,100)	-	(72,715)
Realized (Gain) Loss on Sale of Marketable Securities	-	-	-	-
Purchase of Property and Equipment	(18,345)	-	-	(18,345)
Net Cash provided (used) by Investing Activities	(29,053)	(37,519)	-	(66,572)
Cash Flows from Financing Activities				
Change in loan to Related Party	-	-	-	-
Proceeds (Payments) from Line of Credit	-	-	-	-
Proceeds from Payroll Protection Program	-	-	-	-
Net Cash provided (used) by Financing Activities	-	-	-	-
Increase (Decrease) in Cash and Temporary Investments	216,741	(26,225)	-	190,516
Cash and Temporary Investments at Beginning of Year	307,327	68,231	-	375,558
Cash and Temporary Investments at End of Year	\$ 524,068	\$ 42,006	\$ -	\$ 566,074
Reconciliation of Increase (Decrease) in Net Assets to Net Cash provided (used) by Operating Activities				
Increase (Decrease) in Net Assets	\$ 150,392	\$ (233,883)	\$ -	\$ (83,491)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash used by Operating Activities				
Depreciation	19,152	10,714	-	29,866
Payroll Protection Program Loan Forgiveness	(27,500)	-	-	(27,500)
Realized and Unrealized (Gains)/Losses on Investments	24,409	253,050	-	277,459
(Increase) Decrease in Assets				
Receivables	(10,853)	-	-	(10,853)
Inventories	-	-	-	-
Prepaid Expenses	66	-	-	66
Other Assets	(413)	(18,587)	18,587	(413)
Increase (Decrease) In Liabilities				
Accounts Payable	115,568	-	-	115,568
Bank Overdraft	-	-	-	-
Accrued Liabilities	(1,244)	-	-	(1,244)
Accrued Interest	18,587	-	(18,587)	-
Unearned Revenue	(5,808)	-	-	(5,808)
World Funds Held	(36,562)	-	-	(36,562)
Performance Bonds	-	-	-	-
Total Adjustments to increase (decrease) in Net Assets	95,402	245,177	-	340,579
Net cash provided (used) by Operating Activities	\$ 245,794	\$ 11,294	\$ -	\$ 257,088

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)
Payroll Protection Program Loan Forgiveness	-	-	-	-
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
Payroll Protection Program Loan Forgiveness	-	-	-	-
Realized and Unrealized (Gains)/Losses on Investments	(13,839)	(295,409)	-	(309,248)
(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

Notes to Consolidated Financial Statements

August 31, 2022 and 2021

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 consolidated statements of financial position. Unrealized gains and losses are included in the consolidated statements 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, 2022 and 2021

NOTE A – SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements – Continued.

Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none">• 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, 2022 and 2021

NOTE A – SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Revenue Recognition. The Confederation's predominant revenue is from memberships and participant fees in the National Championships. These memberships and participant fees are principally awarded to the Confederation for the benefit of the public rather than as a fee for service transaction. As such, for this revenue the Confederation typically follows the guidance for revenue recognition of the Not-for-Profit section of the Financial Accounting Standards Board's Account Standards Codification (the Codification).

Certain other revenues of the Confederation consist predominantly of other contributions, investment revenue, and rental revenue. The rental revenue is considered a reciprocal transaction and therefore, the Confederation relies upon the guidance of Topic 606 of the Codification. The Confederation holds formal contracts for rental income (as described in Note L). The Confederation's performance obligation is to provide the specified property to the tenant on an ongoing basis. The Confederation fulfills the performance obligation and records the related revenue monthly due to the continuing utilization of asset by the lessee. This revenue recognition pattern matches the anticipated receipt of the ongoing monthly rental payments specified in the contract. Therefore, absent timing differences for delayed or prepaid contractual monthly payments, there are no identifiable contract assets or liabilities related to the revenue. As of August 31, 2022 and 2021, there were no significant contract assets or liabilities.

See Note L for a description of the anticipated performance obligation and timing of receipts under these contracts. The Confederation does not incur significant costs to obtain the rental revenue contracts, it does not have any significant financing components to the contract, and it does not have any anticipated impairment losses, therefore, the Confederation has not adjusted its revenue recognition methodology for these elements.

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, 2022 and 2021.

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, 2019.

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.

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, 2022 and 2021

NOTE A – SUMMARY OF ACCOUNTING POLICIES – CONTINUED

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 certain reported amounts. Accordingly, actual results could differ from those estimates.

Risks and Uncertainties.

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 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>2022</u>	<u>August 31,</u> <u>2021</u>
Member Accounts	\$ 26,186	\$ -
Less Allowance for Doubtful Accounts	<u>(15,333)</u>	<u>-</u>
	<u>\$ 10,853</u>	<u>\$ -</u>

NOTE C – INVENTORIES

Inventories are made up of medals and supplies. The Confederation last took a physical inventory at 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, 2022 and 2021

NOTE D – PROPERTY AND EQUIPMENT

Property and Equipment Consists of the Following:

	2022		
	Cost	Accumulated Depreciation	Book Value
<u>Confederation</u>			
Office Furniture, Fixtures, and Equipment	\$ 70,744	\$ 70,738	\$ 6
Computer and Video Equipment	349,151	325,564	23,587
Computer Software	695	695	-
Land and Building	582,225	386,898	195,327
	<u>1,002,815</u>	<u>783,895</u>	<u>218,920</u>
<u>Foundation</u>			
Equipment	75,000	21,429	53,571
	<u>\$ 1,077,815</u>	<u>\$ 805,324</u>	<u>\$ 272,491</u>
	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>

The consolidating financial statements include depreciation expenses related to property and equipment of \$16,496 (2022) and \$29,049 (2021).

NOTE E – OTHER ASSETS

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

	<u>2022</u>	<u>2021</u>
Rental house		
Cost	\$ 104,040	\$ 104,040
Accumulated depreciation	(86,210)	(83,554)
Cost basis	<u>17,830</u>	<u>20,486</u>
Cash on account at real estate management company	1,517	1,517
Property tax credit receivable	<u>542</u>	<u>129</u>
Total other assets	<u>\$ 19,889</u>	<u>\$ 22,132</u>

The consolidating financial statements include depreciation expenses related to other assets of \$2,656 (2022) and \$2,656 (2021).

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, 2022 and 2021

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

Cash, Temporary Investments, and Marketable Securities consist of:

	2022					
	Confederation		Foundation		Consolidated	
	Cost	Market	Cost	Market	Cost	Market
Cash and Temporary Investments	\$ 524,068	\$ 524,068	\$ 42,006	\$ 42,006	\$ 566,074	\$ 566,074
Money Market Fund	5,046	5,046	-	-	5,046	5,046
Mutual Funds	87,419	86,083	944,195	900,332	1,031,614	986,415
Common Stock	-	-	414,139	741,695	414,139	741,695
Exchange Traded Funds	-	-	101,494	124,554	101,494	124,554
Limited Partnership	-	-	85,000	137,195	85,000	137,195
	<u>92,465</u>	<u>91,129</u>	<u>1,544,828</u>	<u>1,903,776</u>	<u>1,637,293</u>	<u>1,994,905</u>
	<u>\$ 616,533</u>	<u>\$ 615,197</u>	<u>\$ 1,586,834</u>	<u>\$ 1,945,782</u>	<u>\$ 2,203,367</u>	<u>\$ 2,560,979</u>
Unrealized Gain (Loss)		<u>\$ (1,336)</u>		<u>\$ 358,948</u>		<u>\$ 357,612</u>
	2021					
	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 (Loss)		<u>\$ 18,284</u>		<u>\$ 621,507</u>		<u>\$ 639,791</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, 2022 and 2021

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, 2022 and 2021.

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, 2022 and 2021

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, 2022.

	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	\$ 900,332	\$ 900,332	\$ -	\$ -
Balanced Fund (Confederation)	91,129	91,129	-	-
Common Stock				
Large Cap Domestic	741,695	741,695	-	-
Exchange Traded Funds				
Large Cap Domestic	124,554	124,554	-	-
Limited Partnership	137,195	-	-	137,195
	<u>\$ 1,994,905</u>	<u>\$ 1,857,710</u>	<u>\$ -</u>	<u>\$ 137,195</u>

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 a summary of changes in the fair value of the Organization's level 3 assets for the years ended August 31, 2022 and 2021.

	Limited Partnership	
	<u>2022</u>	<u>2021</u>
Beginning Balance	\$ 125,860	\$ 101,393
Change in Unrealized Gains (Losses) Included In Earnings	11,335	24,467
Ending Balance	<u>\$ 137,195</u>	<u>\$ 125,860</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, 2022 and 2021

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, 2022 and 2021

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, 2022.

	Earnings Without Donor Restrictions	Principal With Donor Restrictions	Total
Donor-restricted Endowment Funds	\$ 24,687	\$ 81,552	\$ 106,239

Changes in Endowment Net Assets for the year ended August 31, 2022.

	Earnings Without Donor Restrictions	Principal With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ 40,812	\$ 81,552	\$ 122,364
Investment Return:			
Investment Income	9,274	-	9,274
Investment Fee	(990)	-	(990)
Net Realized and Unrealized Gain/(Loss)	(24,409)	-	(24,409)
Total Investment Return	(16,125)	-	(16,125)
Contributions	-	-	-
Appropriation of Endowment Assets for Expenditure	-	-	-
Expenditure of Endowment Assets	-	-	-
Endowment Net Assets, End of Year	\$ 24,687	\$ 81,552	\$ 106,239

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	\$ 21,076	\$ 81,252	\$ 102,328

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

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, 2022 and 2021

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 at an interest rate of 4.75 percent. The line of credit was renewed on March 15, 2021 at an interest rate of 7 percent. In addition, the line of credit was renewed at July 31, 2023 with an interest rate of 10 percent.

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 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 (\$15,000) and an organ (\$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, 2022 and 2021

NOTE L – RENTAL REVENUES

The organization received rental revenue on one lease it has from its rental house. The rental revenue totaled \$18,395 and \$15,583 for the years ended August 31, 2022 and 2021, respectively. The lease on the rental property has been extended through August 31, 2024 with a new monthly rental payment of \$1,580 that commences September 1, 2023.

The lease provides for minimum rent, which includes trash removal and a pet fee. The tenant paid a monthly rental payments of \$1,415 and \$1,302 for the years ended August 31, 2022 and 2021, respectively.

Future minimum rental revenue from the rental house is as follows:

<u>Year</u>	<u>2022</u>	<u>2021</u>
2022	\$ -	\$ 16,980
2023	16,980	16,980
2024	18,960	18,960
2025	-	-
2026 and after	-	-
	<u>\$ 35,940</u>	<u>\$ 52,920</u>

NOTE M – 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Net Assets		
Confederation		
Without Donor Restrictions	\$ 205,094	\$ 40,011
Foundation		
Without Donor Restrictions	2,366,238	2,600,121
	<u>\$ 2,571,332</u>	<u>\$ 2,640,132</u>

NOTE N – 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
World Team Endowment Fund—Confederation		
Principal	\$ 64,302	\$ 64,302
Investment earnings	26,937	41,628
	<u>91,239</u>	<u>105,930</u>
Wojnarowsky Memorial Scholarship Fund—Foundation		
Principal	15,000	15,000
Investment earnings	-	-
	<u>15,000</u>	<u>15,000</u>
Total net assets with donor restrictions	<u>\$ 106,239</u>	<u>\$ 120,930</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, 2022 and 2021

NOTE O – 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>2022</u>	<u>2021</u>
Cash and Temporary Investments	\$ 566,074	\$ 375,558
Receivables	10,853	-
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>\$ 576,927</u>	<u>\$ 375,558</u>

NOTE P – 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, 2022 and 2021 include revenue from national championships.

Revenue consists of the following:

	<u>2022</u>	<u>2021</u>
Entry Fees	\$ 303,549	\$ 282,918
Practice Fees	38,337	29,448
Ticket Sales	39,995	44,426
Booths and Sponsorship	217,825	233,005
Program Sales and Advertising	8,320	6,520
Other	<u>-</u>	<u>1,300</u>
	<u>\$ 608,026</u>	<u>\$ 597,617</u>

NOTE Q – EXPENSE REIMBURSEMENTS

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

Year ended August 31, 2022:

2021 National Outdoor/Banked Tracked Speed Skating Championships (Team USA Trials)
 2022 America's Cup Figure Skating Championship
 2022 National Speed Skating Championship
 2022 National Figure Skating Championship
 2022 National Rink Hockey Championship
 2022 National Derby Championship

Year ended August 31, 2021:

None held

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, 2022 and 2021

NOTE R – 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, 2022 and 2021 are as follows:

<u>Year</u>	<u>2022</u>	<u>2021</u>
2022	\$ -	\$ 7,248
2023	7,248	7,248
2024	7,248	7,248
2025	7,248	7,248
2026 and after	3,624	3,624
	<u>\$ 25,368</u>	<u>\$ 32,616</u>

The financial statements include rental expense of \$10,533 and \$17,177 as of August 31, 2022 and 2021, respectively.

NOTE S – 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 \$1,585 (2022) and \$6,163 (2021).

NOTE T – 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, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Insured - Cash and Temporary Investments	\$ 104,921	\$ 116,886
Uninsured - STFIT	<u>491,947</u>	<u>190,014</u>
Total	<u>\$ 596,868</u>	<u>\$ 306,900</u>

NOTE U – 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 V – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 22, 2023, the date the financials were available to be 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.