

# **U.S. SPEEDSKATING**

## **Financial Statements**

**For the Years Ended May 31, 2017 and 2016**



## Table of Contents

<b>Description</b>	<b>Page</b>
Independent Auditor's Report	1
Statements of Financial Position	2 - 3
Statements of Activities	4
Statements of Changes in Net Assets	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 13



CERTIFIED PUBLIC ACCOUNTANTS

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

### Report on the Financial Statements

We have audited the accompanying financial statements of U.S. Speedskating (Organization), which comprise the statements of financial position as of May 31, 2017 and 2016, and the related statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

### 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of May 31, 2017 and 2016, the results of its activities, 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.

s/Anderson Bradshaw PLLC  
Salt Lake City, Utah  
August 28, 2017

5296 S. Commerce Dr  
Suite 300  
Salt Lake City, Utah  
84107  
USA  
(T) 801.281.4700  
(F) 801.281.4701

abcpas.net

**U.S. Speedskating**  
**Statements of Financial Position**  
**May 31, 2017 and 2016**

**Assets**

Current assets:	5/31/2017	5/31/2016
Cash	\$ 65,511	\$ 43,606
Receivables, net of allowance for doubtful accounts of \$0 (Note 1)	113,372	86,894
Prepays and other current assets	64,566	43,844
Total current assets	243,449	174,344
Property and equipment:		
Timing System	88,892	88,892
Computers	81,336	79,339
Performance Pool Equipment	378,449	365,183
Other	94,247	95,585
Total property and equipment	642,924	628,999
Less accumulated depreciation	(497,141)	(461,343)
Net property and equipment	145,783	167,656
Restricted Cash (Note 9)		
Temporarily restricted cash	2,541	2,541
Permanently restricted cash	4,259	3,624
Total restricted cash	6,800	6,165
Total assets	\$ 396,032	\$ 348,165

See accompanying notes to financial statements.

**U.S. Speedskating**  
**Statements of Financial Position**  
**May 31, 2017 and 2016**

**Liabilities and Net Assets (Deficit)**

Current liabilities:	5/31/2017	5/31/2016
Accounts payable	\$ 54,524	\$ 201,003
Accrued liabilities	177,433	133,339
Deferred revenue	167,566	101,235
Short-term loan	75,000	150,000
Total current liabilities	<u>474,523</u>	<u>585,577</u>
Long-term liabilities:		
Total liabilities	<u>0</u>	<u>0</u>
Total liabilities	<u>474,523</u>	<u>585,577</u>
Net Assets:		
Unrestricted net assets	(85,291)	(243,577)
Temporarily restricted net assets	2,541	2,541
Permanently restricted net assets	4,259	3,624
Net assets (deficit)	<u>(78,491)</u>	<u>(237,412)</u>
Total liabilities and net assets (deficit)	<u>\$ 396,032</u>	<u>\$ 348,165</u>

See accompanying notes to financial statements.

**U.S. Speedskating**  
**Statements of Activities**  
**Years ended May 31, 2017 and 2016**

<b>Revenues:</b>	5/31/2017	5/31/2016
USOC high performance grant	\$ 2,101,000	\$ 2,273,358
USOC Direct Athlete Support	220,100	246,000
UAF Athletic Facility Use	290,000	290,000
Other High Performance Revenue	46,335	125,602
Sports/membership-development events	190,408	204,366
Elite events	34,997	244,600
Sponsorship/Marketing/Media	714,970	426,564
Fundraising	139,149	146,931
USISA earnings	150,000	150,000
Other revenue	185,998	20,819
Total revenues	4,072,957	4,128,240
 <b>Expenses:</b>		
High Performance	2,967,824	2,801,695
Sports/membership-development events	215,896	184,930
Elite events	112,080	317,335
Sponsorship/Marketing/Media	202,941	187,992
Fundraising	76,878	39,003
Other expense	339,537	357,978
Total expenses	3,915,156	3,888,933
Operating income	157,801	239,307
 <b>Other income and expenses:</b>		
Interest income	485	348
Total other income and expenses	485	348
Change in net assets	\$ 158,286	\$ 239,655

See accompanying notes to financial statements.

**U.S. Speedskating**  
**Statements of Changes in Net Assets**  
**Years ended May 31, 2017 and 2016**

	<u>5/31/2017</u>	<u>5/31/2016</u>
Beginning Balance	\$ (237,412)	\$ (477,067)
Distributions from temporarily restricted assets	0	0
Additions to permanently restricted assets	635	0
Change in net assets	<u>158,286</u>	<u>239,655</u>
Balance, May 31, 2017 and 2016	<u><u>\$ (78,491)</u></u>	<u><u>\$ (237,412)</u></u>

See accompanying notes to financial statements.

**U.S. Speedskating**  
**Statements of Cash Flows**  
**Years ended May 31, 2017 and 2016**

**Reconciliation of change in net assets**

<b>to net cash flows from operating activities:</b>	<u>5/31/2017</u>	<u>5/31/2016</u>
Change in net assets	\$ 158,286	\$ 239,655
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	35,798	31,544
Bad debt expense	5,250	0
Decrease (increase) in:		
Accounts receivable	(31,728)	(56,191)
Prepaid and other current assets	(20,722)	(20,768)
Increase (decrease) in:		
Accounts payable	(146,479)	(6,058)
Accrued liabilities	44,094	(69,846)
Deferred revenue	66,331	(38,890)
Net cash provided by operating activities	110,830	79,446
<b>Cash flows from investing activities:</b>		
Decrease of restricted funds	0	0
Purchases of property and equipment	(13,925)	(67,498)
Net cash used in investing activities	(13,925)	(67,498)
<b>Cash flows from financing activities:</b>		
Repayments of short-term loan	(150,000)	(225,000)
Proceeds from short-term loan	75,000	150,000
Net cash used in financing activities	(75,000)	(75,000)
Net increase (decrease) in cash	21,905	(63,052)
Cash and cash equivalents at beginning of year	43,606	106,658
Cash and cash equivalents at end of year	<u>\$ 65,511</u>	<u>\$ 43,606</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during year for:		
Interest	<u>\$ 11,990</u>	<u>\$ 14,436</u>

See accompanying notes to financial statements.

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2017 and 2016**

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

**Organization**

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

**Basis of Presentation**

The Organization presents its financial statements in accordance with Accounting Standards Codification (ASC) 958, “*Not-For-Profit Entities*”. ASC 958 requires information regarding financial position and activities to be reported in three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

A description of these categories follows:

Unrestricted Net Assets: Includes the net assets that are free of donor-imposed restrictions and are neither permanently restricted nor temporarily restricted.

Temporarily Restricted Net Assets: Includes the net assets from contributions or other inflows where the use is limited by donor-imposed restrictions that either expire by the passage of time or can be fulfilled or removed by actions of the Organization.

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

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported on the statement of activity as net assets released from restrictions.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers unrestricted investment instruments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents at May 31, 2017 and May 31, 2016 consist of unrestricted cash.

**Use of Accounting Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates that may change in the near term include fair value of long-lived assets and related impairment, if any.

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2017 and 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Revenue Recognition**

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

**Non-Profit Status**

The Organization has received a determination letter from the Internal Revenue Service dated September 1966, stating that it is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. Tax years ended May 31, 2013 through May 31, 2017 remain subject to examination by major tax jurisdictions.

**Receivables**

Receivables represent reimbursable amounts due from sponsors. The total accounts receivable consist of \$113,372 and \$86,894 net trade receivables as of 5/31/17 and 5/31/16 respectively. The receivables are charged to bad debt expense when an amount is determined to be potentially uncollectible based on periodic review of accounts by management. The Organization charged \$5,250 and \$0 to bad debt expense during the years ended May 31, 2017 and May 31, 2016 respectively.

**Property and Equipment**

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

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

Timing system	3 years
Performance pool equipment	5 years
Computers	3 years
Other	3-20 years

**Recently Issued Accounting Pronouncements**

The Organization has reviewed all recently issued accounting pronouncements for the year ended May 31, 2017, and has determined that none of the recently issued accounting pronouncements will have a material effect on the fair presentation of these financial statements.

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2017 and 2016**

**NOTE 2 – CASH DEPOSITS**

Custodial credit risk is the risk that, in the event of bank failure, the Organization's deposits may not be returned. At May 31, 2017 and 2016, the carrying amount of the Organization's deposits were \$68,052 and \$43,606 respectively and the bank balances were \$95,145 and \$79,045 respectively. Of the bank balance, \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC).

**NOTE 3 – RISK MANAGEMENT**

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

**NOTE 4 - CONCENTRATIONS**

A significant portion of the Organization's revenue is received from one relationship. During the years ended May 31, 2017 and May 31, 2016, approximately 64% and 68%, respectively, of the Organization's revenues were provided by one entity. The Organization's accounts receivable balance as of 5/31/16 was comprised of one entity of 59% of total receivables. As of 5/31/17, accounts receivable from three entities accounted for 47%, 23% and 18% of total accounts receivable.

**NOTE 5 – RETIREMENT PLAN**

The Organization has a SIMPLE IRA plan. Contributions paid for the years ended May 31, 2017 and May 31, 2016 were \$28,736 and \$30,144 respectively. All employees of the Organization who work 1,080 hours per year and are 21 years of age or older are eligible for the plan. To be eligible for matching contributions, the employees must be full time and be making contributions of their own to the plan.

**NOTE 6 – SHORT-TERM NOTE PAYABLE**

The Organization received a short-term advance from the U.S.I.S.A. Charitable Fund in the amount of \$75,000 and \$150,000 during the years ended 5/31/17 and 5/31/16 respectively. The unpaid principal balance shall bear interest at a fixed rate of zero percent (0.0%) per annum. From and after the maturity date, the unpaid balance shall bear interest at a fixed rate of ten percent (10.0%) per annum. The entire principal balance, together with all accrued interest and any other amounts payable, shall be due and payable in full on or before November 30, 2017 and November 30, 2016 respectively, which are the maturity dates.

**NOTE 7 – RECLASSIFICATIONS**

As of May 31, 2017, the Organization has added a new revenue item on its statement of activities, Other High Performance Revenue. The statement of activities for May 31, 2016 has been reclassified to conform to the 2017 presentation by reducing previously reported Other revenue by \$125,602.

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2017 and 2016**

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

The Organization is renting space from the Utah Athletic Foundation, Inc. at the location of the Utah Olympic Oval on a month-to-month basis. Monthly rent is \$2,050. Rent expense was \$24,600 for the years ended May 31, 2017 and May 31, 2016 respectively.

On December 20, 2013, the Organization entered into a partnership agreement with Pettit National Ice Center Inc. (“PNIC”) to help grow and promote the sport of speedskating. The partnership agreement terminates on April 30, 2018, unless either party wishes to terminate the agreement and then a one year notification period must be given, in writing, regarding the intent to terminate.

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

- For the 2013/2014 season, \$110,000 payable in four quarterly installments beginning on July 15<sup>th</sup> (this amount has been paid in full).
- For the 2014/2015 season, \$90,000 payable in four quarterly installments beginning on August 20 (this amount has been paid in full).
- For the 2015/2016 season, \$75,000 payable in four quarterly installments beginning on August 20<sup>th</sup> : The Organization committed to maintain the 2015/16 season at \$90,000 under the same payment terms with no obligation to alter future payments under the agreement. Later, the PNIC agreed to reduce the current payment to \$80,000 due to positive cost management which was paid in full.
- For the 2016/2017 season, \$60,000 payable in four quarterly installments beginning on August 20 (this amount has been paid in full.)
- For the 2017/2018 season, \$50,000 payable in four quarterly installments beginning on August 20<sup>th</sup>

In March 2017, the Organization entered into an agreement with Salt Lake County, the State of Utah, Kearns Recreational Center and the Utah Olympic Legacy Foundation to build a new, state-of-the-art training center for the purpose of housing the Organizations’s strength and conditioning, medical, nutrition and other high performance activities along with locker rooms for the athletes. The total cost of the project is expected to be \$12,400,000 and is scheduled to be completed in or around June of 2018. In conjunction therewith, the Organization’s financial commitment to the project is \$1,000,000 to be paid no later than November 1, 2017. The Organization is in the process of executing an agreement with the USOC whereby the USOC will pay the Organization’s total commitment of \$1,000,000 while simultaneously executing a non-interest bearing note for \$500,000 to be paid back in equal installments of \$125,000 per year starting April 30, 2018. The Organization currently has a good faith agreement with the principals of the USOC and is awaiting an executed agreement. The Organization is responsible for the furniture, fixtures and equipment for their attributed portion of the new building and expects to get a predominant portion of such through value in kind contributions and sponsorships.

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2017 and 2016**

**NOTE 9 – TEMPORARILY AND PERMANENTLY RESTRICTED FUNDS**

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

Temporarily restricted	<u>05/31/17</u>	<u>05/31/16</u>
Gold Council Fund	\$ 2,541	\$ 2,541
Less funds used by former Olympians	0	0
Total Temporarily Restricted	<u>\$ 2,541</u>	<u>\$ 2,541</u>
Permanently restricted	<u>05/31/17</u>	<u>05/31/16</u>
George Howie Award Fund – Where interest earned is used for awards	\$ 3,624	\$ 3,624
Adjustment	560	0
Total George Howie	4,184	3,624
Athlete Fund	75	0
Total permanently restricted	<u>\$ 4,259</u>	<u>\$ 3,624</u>

**NOTE 10 – GOING CONCERN CONSIDERATIONS**

Management has evaluated the Organization’s ability to continue as a going concern. During the year ended 5/31/14 and since, the Organization continues to implement good business policies and procedures including the following change strategies which created a more effective and efficient operational and business environment, net surpluses ranging from \$80,000 to \$225,000, and opportunities for the future.

New Bylaws created, for the first time, a Board of Directors lead, staff-driven organization. The Board of Directors now consists of a small group of highly experienced endemic and independent sport/business leaders who put in place new, professional staff leadership.

Staff has developed both short term (1 year) and long term (5 year) strategic plans, implemented a detailed monthly forecasting process, established athletic/business accountability by department and implemented internal controls to ensure the safekeeping of Organizational assets.

A first-ever private donor development plan has been established to augment existing revenue streams. New “sponsor” events have been created (Olympic Trials; Apolo Ohno Invitational) to enhance sponsor opportunities.

These changes coupled with continued support from the United States Olympic Committee and the Organization’s charitable foundation (U.S.I.S.A. Charitable Fund) ensure the Organization continuing as a going concern.

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2017 and 2016**

**NOTE 11 – STATEMENT OF FUNCTIONAL EXPENSES**

Below is the Organization’s Statement of Functional Expenses for the years ended May 31, 2017 and 2016 as required by ASC 958 “*Not-for-Profit Entities*”.

	<b><u>2016/17</u></b>			
	<b><u>Total</u></b>	<b><u>Program</u></b>	<b><u>Mngt/General</u></b>	<b><u>Fundraising</u></b>
Direct athlete funding	\$ 238,751	\$ 238,751	\$ -	\$ -
Competition support	202,611	202,611	-	-
Training	523,303	523,303	-	-
Outside services	453,491	393,361	53,718	6,412
Administrative expenses	1,486,279	1,114,724	341,896	29,659
Legal	56,626	17,802	38,824	-
Apparel program	141,377	104,074	8,381	28,922
Travel	648,256	619,923	16,965	11,368
Insurance	71,866	37,341	34,525	-
Gifts and awards	23,327	14,521	8,288	518
Other expenses	33,471	24,665	8,806	-
Depreciation	35,798	32,272	3,526	-
Total expenses	<u>\$ 3,915,156</u>	<u>\$ 3,323,348</u>	<u>\$ 514,929</u>	<u>\$ 76,879</u>
	<u>100.0%</u>	<u>84.9%</u>	<u>13.1%</u>	<u>2.0%</u>

	<b><u>2015/16</u></b>			
	<b><u>Total</u></b>	<b><u>Program</u></b>	<b><u>Mngt/General</u></b>	<b><u>Fundraising</u></b>
Direct Athlete Funding	\$ 337,316	\$ 337,316	\$ -	\$ -
Competition Support	199,872	199,872	-	-
Training	493,238	493,238	-	-
Outside services	364,773	336,061	24,622	4,090
Administrative expenses	1,526,314	1,132,935	363,868	29,511
Legal	22,992	9,149	13,843	-
Apparel program	113,751	95,496	18,255	-
Travel	655,224	612,989	38,054	4,181
Insurance	81,389	40,716	40,673	-
Gifts and awards	30,872	26,872	2,780	1,220
Other expenses	31,649	29,226	2,423	-
Depreciation	31,543	27,508	4,035	-
	<u>\$ 3,888,933</u>	<u>\$ 3,341,378</u>	<u>\$ 508,553</u>	<u>\$ 39,002</u>
	<u>100.0%</u>	<u>85.9%</u>	<u>13.1%</u>	<u>1.0%</u>

**U.S. Speedskating**  
**Notes to Financial Statements**  
**Years Ended May 31, 2017 and 2016**

**NOTE 12 – SUBSEQUENT EVENTS**

ASC 855-16-50-4 establishes accounting and disclosure requirements for subsequent events. ASC 855 details the period after the balance sheet date during which we should evaluate events or transactions that occur for potential recognition or disclosure in the financial statements, the circumstances under which we should recognize events or transactions occurring after the balance sheet date in our financial statements and the required disclosures for such events. We have evaluated all subsequent events through August 28, 2017, the date these financial statements were available to be issued and no subsequent events occurred that required disclosure.

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

Beginning with the fiscal year ended 5/31/15, the Organization has included in income and in expense in exactly the same, offsetting amounts, funds dedicated to directly supporting elite athletes in the amount of \$220,100 and \$246,000 respectively for the years ended 5/31/17 and 5/31/16. This strategy of providing Direct Athlete Support, which is the name of the program, is an important strategy of the Organization and is supported by the USOC. The athletes and amounts paid to each athlete are based on a very detailed criteria established by the Organization and approved by the USOC.

**NOTE 14- UAF ATHLETIC FACILITY USE**

Beginning with the fiscal year ended 5/31/15, the Organization has included in income and in expense in exactly the same, offsetting amounts, the value of services and facility usage provided by the Utah Athletic Foundation (“UAF”) as determined by a 3-way agreement between the USOC, the Organization and the UAF. The value of such services and facility usage as determined by the 3-way agreement for the years ended 5/31/17 and 5/31/16 was \$290,000.

**NOTE 15 – HEALTH INSURANCE BENEFITS**

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

**NOTE 16 – MEDICAL VALUE IN KIND**

Beginning with the fiscal year ended 5/31/16, the Organization has included in income and in expense in exactly the same offsetting amounts, the value of services provided by the Organization’s medical director on a volunteer basis which would need to be replaced if not available in this manner. The value of \$85,000 is an estimate of this value in kind service for the fiscal years ended 5/31/17 and 5/31/16.