



US SPEEDSKATING

Financial Statements

For the Years Ended May 31, 2019 and 2018



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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 (a nonprofit Organization), which comprise the statements of financial position as of May 31, 2019 and 2018, 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, 2019 and 2018, 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.

As described in Note 17, the Organization determined it was necessary to restate the May 31, 2018 financial statements.

s/Anderson Bradshaw PLLC
Salt Lake City, Utah
September 18, 2019

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U.S. Speedskating
Statements of Financial Position
May 31, 2019 and 2018

Assets

	5/31/2019	restated 5/31/2018
Current assets:		
Cash	\$ 253,177	\$ 519,897
Receivables, net of allowance for doubtful accounts of \$0 (Note 1)	120,625	217,294
Prepays and other current assets	15,824	316,264
Total current assets	389,626	1,053,455
Property and equipment:		
Timing System	90,010	90,010
Computers	101,736	81,336
Performance Pool Equipment	383,175	383,175
Training center and improvements	20,842	-
Other	106,972	102,995
Total property and equipment	702,735	657,516
Less accumulated depreciation	(569,435)	(533,769)
Net property and equipment	133,300	123,747
Right of Use Asset (Note 3)	1,817,349	-
Less accumulated amortization	(19,163)	-
Net right of use asset	1,798,186	-
Restricted Cash (Note 8)		
Donor restricted cash	6,814	7,083
Total assets	\$ 2,327,926	\$ 1,184,285

See accompanying notes to financial statements.

U.S. Speedskating
Statements of Financial Position
May 31, 2019 and 2018

Liabilities and Net Assets

	5/31/2019	restated 5/31/2018
Current liabilities:		
Accounts payable	\$ 181,553	\$ 426,151
Accrued liabilities	192,509	203,568
Deferred revenue	116,714	81,793
Financing lease - current portion (Note 3)	11,898	-
Total current liabilities	502,674	711,512
Long-term liabilities:		
Financing lease - long-term portion (Note 3)	1,299,647	-
Total liabilities	1,802,321	711,512
Net Assets:		
Net assets without donor restrictions	518,791	465,690
Net assets with donor restrictions	6,814	7,083
Net assets	525,605	472,773
Total liabilities and net assets	\$ 2,327,926	\$ 1,184,285

See accompanying notes to financial statements.

U.S. Speedskating
Statements of Activities
Years ended May 31, 2019 and 2018

	5/31/2019	restated 5/31/2018
Revenues:		
USOC high performance grant	\$ 1,777,472	\$ 2,077,445
USOC Direct Athlete Support	173,800	233,100
UAF Athletic Facility Use	290,000	290,000
Other High Performance Revenue	196,237	131,295
Sports/membership-development events	188,537	199,705
Olympic Trials	-	235,496
Elite events	345,950	662,316
Sponsorship/Marketing/Media	770,216	908,048
Olympic Hospitality	-	249,158
Fundraising	255,982	197,324
USISA earnings	153,500	150,000
Other revenue	210,129	99,257
Total revenues	4,361,823	5,433,144
 Expenses:		
High Performance	2,877,783	3,011,024
Sports/membership-development events	438,060	376,808
Olympic Trials	-	135,848
Elite events	319,872	445,248
Sponsorship/Marketing/Media	168,999	308,245
Olympic Hospitality	-	137,881
Fundraising	99,203	52,904
Other expense	385,048	415,994
Total expenses	4,288,965	4,883,952
Operating income	72,858	549,192
 Other income and expenses:		
Interest income	1,939	1,124
Interest expense	(21,696)	-
Total other income and expenses	(19,757)	1,124
Change in net assets	\$ 53,101	\$ 550,316

See accompanying notes to financial statements.

U.S. Speedskating
Statements of Changes in Net Assets
Years ended May 31, 2019 and 2018

	5/31/2019	restated 5/31/2018
Beginning Balance	\$ 472,773	\$ (78,491)
Additions (reductions) to assets with donor restrictions	(269)	948
Change in net assets	53,101	550,316
Balance, May 31, 2019 and 2018	\$ 525,605	\$ 472,773

See accompanying notes to financial statements.

U.S. Speedskating
Statements of Cash Flows
Years ended May 31, 2019 and 2018

Reconciliation of change in net assets to net cash flows from operating activities:	<u>5/31/2019</u>	<u>restated 5/31/2018</u>
Change in net assets	\$ 53,101	\$ 550,316
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	54,829	36,629
Bad debt expense	3,108	45,000
Decrease (increase) in:		
Accounts receivable	93,561	(148,922)
Prepaid and other current assets	440	(251,698)
Increase (decrease) in:		
Accounts payable	(244,598)	371,627
Accrued liabilities	(11,059)	26,799
Deferred revenue	34,921	(85,773)
Net cash provided (used) by operating activities	(15,697)	543,978
Cash flows from investing activities:		
Decrease of restricted funds	-	-
Purchases of right to use asset	(200,000)	-
Purchases of property and equipment	(45,219)	(14,592)
Net cash used in investing activities	(245,219)	(14,592)
Cash flows from financing activities:		
Repayments of short-term loan	-	(75,000)
Debt payments	(5,804)	-
Net cash used in financing activities	(5,804)	(75,000)
Net increase (decrease) in cash	(266,720)	454,386
Cash and cash equivalents at beginning of year	519,897	65,511
Cash and cash equivalents at end of year	<u>\$ 253,177</u>	<u>\$ 519,897</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during year for:		
Interest and monthly bank charges	<u>\$ 36,848</u>	<u>\$ 17,228</u>

See accompanying notes to financial statements.

U.S. Speedskating
Notes to Financial Statements
Years Ended May 31, 2019 and 2018

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 two classes of net assets; net assets without donor restrictions, and net assets with donor restrictions.

A description of these categories follows:

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

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

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

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the 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, 2019 and May 31, 2018 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, 2019 and 2018

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, 2015 through May 31, 2019 remain subject to examination by major tax jurisdictions.

Receivables

Receivables represent reimbursable amounts due from sponsors. The total accounts receivable consists of \$120,625 and \$217,294 net trade receivables as of 5/31/19 and 5/31/18 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 \$3,108 and \$45,000 to bad debt expense during the years ended May 31, 2019 and May 31, 2018 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	3-48 years

Recently Issued Accounting Pronouncements

The Organization has reviewed all recently issued accounting pronouncements for the year ended May 31, 2019, and has determined that none of the recently issued accounting pronouncements will have a material effect on the fair presentation of these financial statements.

NOTE 2 – CASH DEPOSITS

Custodial credit risk is the risk that, in the event of bank failure, the Organization's deposits may not be returned. At May 31, 2019 and 2018, the carrying amount of the Organization's deposits were \$253,177 and \$519,897 respectively and the bank balances were \$268,505 and \$580,182 respectively. Of the bank balance, \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC).

U.S. Speedskating
Notes to Financial Statements
Years Ended May 31, 2019 and 2018

NOTE 3 – RIGHT OF USE ASSET AND FINANCING LEASE PAYABLE

Effective December 1, 2018 the Organization entered into a new long-term lease. The new lease is for office space in the Utah Olympic Oval as well as athletic training space, sports nutrition and commercial kitchen space in the Kearns Athlete Training and Event Center (“KATEC”). There are three automatic extension terms of twelve years each unless the Organization elects not to exercise at least sixty days prior to the expiration of the current term. Rent may be adjusted on or before May 1, 2022, then every four years thereafter on or before May 1 with the written consent of both landlord and the Organization. Current monthly payments are \$4,583.33. The Organization made the determination to early adopt ASC Topic 842, Leases. The new lease qualifies as a financing lease. The Organization used a risk-free discount rate of 3.3% to value the lease.

Future maturities on long-term debt are as follows:

Year ending May 31, 2020	\$11,898	
Year ending May 31, 2021	12,296	Amortization expense for the next five years is
Year ending May 31, 2022	12,708	expected to be \$38,327 per year.
Year ending May 31, 2023	13,134	
Year ending May 31, 2024	13,574	
Thereafter	<u>1,247,935</u>	
	<u>\$1,311,545</u>	

NOTE 4 – RISK MANAGEMENT

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

NOTE 5 - CONCENTRATIONS

A significant portion of the Organization’s revenue is received from one relationship. During the years ended May 31, 2019 and May 31, 2018, approximately 51% and 48%, respectively, of the Organization’s revenues were provided by one entity. As of 5/31/19, accounts receivable from two entities accounted for 69% and 29% of total accounts receivable. As of 5/31/18, accounts receivable from two entities accounted for 69% and 30% of total accounts receivable.

NOTE 6 – RETIREMENT PLAN

The Organization has a SIMPLE IRA plan. Contributions paid for the years ended May 31, 2019 and May 31, 2018 were \$21,514 and \$36,442 respectively. All employees of the Organization who work 1,080 hours per year and are 21 years of age or older are eligible for the plan. To be eligible for matching contributions, the employees must be full time and be making contributions of their own to the plan.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Organization was renting space from the Utah Athletic Foundation, Inc. at the location of the Utah Olympic Oval on a month-to-month basis through November 30, 2018. Monthly rent was \$2,050. Rent expense was \$12,300 and \$24,600 for the years ended May 31, 2019 and 2018, respectively. The Organization now is operating under a financing lease under which the monthly payments are treated as interest expense and principal payments to reduce the financing lease debt obligation.

**U.S. Speedskating
Notes to Financial Statements
Years Ended May 31, 2019 and 2018**

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

As part of the partnership agreement, the Organization contributes annually to a high-performance development, talent I.D/recruitment program and regional high-performance development program based at the PNIC and supported by a partnership between the PNIC, the Organization and 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 2017/2018 season, \$50,000 payable in four quarterly installments beginning on August 20 (this amount has been paid in full).
- For the 2018/2019 season, \$40,000 payable in two equal installments on 9-15-18 and 1-15-19 (this amount has been paid in full).
- For the 2019/2020 season, amount TBD payable in two equal installments 9-15-19 and 1-15-20.
- For the 2020/2021 season, amount TBD payable in two equal installments 9-15-20 and 1-15-21.
- For the 2021/2022 season, amount TBD payable in two equal installments 9-15-21 and 1-15-22.

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 Organization’s strength and conditioning, medical, nutrition and other high performance activities along with locker rooms for the athletes. The total cost of the project was \$12,400,000 and was completed in November of 2018. In conjunction therewith, the Organization’s financial commitment to the project was \$1,000,000. 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. The Organization has paid \$1,000,000 as of 5/31/19. The USOC provided a one-time grant of \$500,000 to the Organization and the Organization paid \$300,000 of its own resources during the year ended 5/31/18. This amount has been recorded in the May 2018 financial statements as a prepaid expense and then became part of the right of use asset in the year ended May 31, 2019. The Organization paid the final \$200,000 commitment during the year ended 5/31/19, which also is part of the right of use asset.

NOTE 8 – RESTRICTED FUNDS

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

	<u>05/31/19</u>	<u>05/31/18</u>
Gold Council Fund	\$ 2,541	\$ 2,541
Less funds used by former Olympians	-	-
	<u>2,541</u>	<u>2,541</u>
 George Howie Award Fund and Athlete Fund	 4,542	 4,259
Adjustments and activity	(269)	283
	<u>4,273</u>	<u>4,542</u>
	<u>\$ 6,814</u>	<u>\$ 7,083</u>

**U.S. Speedskating
Notes to Financial Statements
Years Ended May 31, 2019 and 2018**

NOTE 9 – 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 \$550,000, 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 to enhance sponsor and donor 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) indicate the Organization will continue as a going concern.

NOTE 10 – STATEMENT OF FUNCTIONAL EXPENSES

Below is the Organization’s Statement of Functional Expenses for the years ended May 31, 2019 and 2018 as required by ASC 958 “*Not-for-Profit Entities*”.

	<u>2018/19</u>			
	<u>Total</u>	<u>Program</u>	<u>Mngt/General</u>	<u>Fundraising</u>
Direct athlete funding	\$ 236,265	\$ 236,265	\$ -	\$ -
Competition support	429,513	429,513	-	-
Training	553,299	553,299	-	-
Outside services	570,201	486,357	79,914	3,930
Administrative expenses	1,589,465	1,194,287	354,750	40,428
Legal	10,190	2,690	7,500	-
Apparel program	116,182	110,992	-	5,190
Travel	631,335	544,712	36,967	49,656
Insurance	61,063	26,208	34,855	-
Gifts and awards	14,057	11,780	2,277	-
Other expenses	47,039	36,997	10,042	-
Depreciation and amortization	52,052	45,497	6,555	-
Total expenses	\$ <u>4,310,661</u>	\$ <u>3,678,597</u>	\$ <u>532,860</u>	\$ <u>99,204</u>
	<u>100.0%</u>	<u>85.3%</u>	<u>12.4%</u>	<u>2.3%</u>

**U.S. Speedskating
Notes to Financial Statements
Years Ended May 31, 2019 and 2018**

	<u>2017/2018 Restated</u>			
	<u>Total</u>	<u>Program</u>	<u>Mngt/General</u>	<u>Fundraising</u>
Direct Athlete Funding	\$ 314,844	\$ 314,844	\$ -	\$ -
Competition Support	628,023	628,023	-	-
Training	563,286	563,286	-	-
Outside services	539,708	480,637	57,821	1,250
Administrative expenses	1,711,826	1,164,294	390,464	157,068
Legal	13,020	4,464	8,556	-
Apparel program	118,639	103,057	7,279	8,303
Travel	789,977	641,495	62,099	86,383
Insurance	60,422	26,997	33,425	-
Gifts and awards	33,923	22,373	8,956	2,594
Other expenses	73,655	19,736	53,919	-
Depreciation	36,629	33,762	2,867	-
	<u>\$ 4,883,952</u>	<u>\$ 4,002,968</u>	<u>\$ 625,386</u>	<u>\$ 255,598</u>
	100.0%	82.0%	12.8%	5.2%

Functional expenses for FYE 5/31/19 includes \$21,696 of interest expense shown in the other income and expenses section on the statement of activities. 91% of interest expense is allocated to program expense on the other expenses line of the functional expense table. 91% of the square footage of the new lease relates to program facilities.

The Organization undertook a new fundraising program in 2018, the year of the Olympics. 15 donors made their way to Korea where, upon arrival, the Organization provided transportation, lodging, Olympic tickets and other hospitality activities. It was a very successful fundraising program. The Organization anticipates replicating this activity for future World Championships and Olympics.

NOTE 11 – 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 September 18, 2019, the date these financial statements were available to be issued and no subsequent events occurred that required disclosure.

NOTE 12- 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 \$173,800 and \$233,100 respectively for the years ended 5/31/19 and 5/31/18. 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.

**U.S. Speedskating
Notes to Financial Statements
Years Ended May 31, 2019 and 2018**

NOTE 13- 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 5/31/19 and 5/31/18 was \$290,000.

NOTE 14 – 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 15 – 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 and other entities and a physician pool on a volunteer basis which would need to be replaced if not available in this manner. The value of \$160,000 is an estimate of this value in kind service for the fiscal years ended 5/31/19 and 5/31/18.

NOTE 16 – RECLASSIFICATIONS

Certain items of revenue and expense for the year ended May 31, 2018 have been reclassified into line items that correspond with the May 31, 2019 presentation. The reclassifications resulted in an additional \$75,000 of revenue offset by an additional \$75,000 of expense for the year ended May 31, 2018. The revenue accounts affected were other high-performance revenue and other revenue. In addition, \$174,455 in expenses related to development and junior athletes were in prior years included in High Performance. They are now reported in sports/membership-development events.

NOTE 17 – RESTATEMENT OF FINANCIAL STATEMENTS

The Organization made the decision to early adopt ASC Topic 842, Leases. As a result, a \$300,000 payment made to help construct the new training facility as discussed in Note 3 was treated as a prepaid expense until the new lease was entered into, at which point the \$300,000 became part of the right of use asset. As a result, prepaid expense increased by \$300,000 as of May 31, 2018 and high-performance expense decreased by \$300,000. Current assets, total assets and net assets all increased by \$300,000 as of May 31, 2018 compared to the previously issued statement of financial position. Total expenses decreased by \$300,000 and operating income and change in net assets increased by \$300,000 for the year ended May 31, 2018 compared to the previously issued statement of activities. The following table incorporates the reclassifications mentioned in Note 16 as well as the changes discussed in this note.

Impact of the Restatement- May 31, 2018:

U.S. Speedskating
Notes to Financial Statements
Years Ended May 31, 2019 and 2018

As of May 31, 2018

	As Previously Reported	Adjustment	As Restated
Statement of Financial Position Data:			
Prepays and other current assets	\$ 16,264	\$ 300,000	\$ 316,264
Total current assets	753,455	300,000	1,053,455
Total assets	884,285	300,000	1,184,285
Unrestricted net assets	165,690	300,000	465,690
Net assets	172,773	300,000	472,773
Total liabilities and net assets	884,285	300,000	1,184,285

Year Ended May 31, 2018

	As Previously Reported	Adjustment	As Restated
Statement of Activities Data:			
Other High Performance Revenue	\$ 57,525	\$ 73,770	\$ 131,295
Other Revenue	98,027	1,230	99,257
High Performance Expense	3,410,479	(174,455) (300,000) 75,000	3,011,024
Sports/membership-development events	202,353	174,455	376,808
Operating income	249,192	300,000	549,192
Change in net assets	250,316	300,000	550,316
Statement of Changes in Net Assets Data:			
Change in net assets	250,316	300,000	550,316
Balance	172,773	300,000	472,773
Statement of Cash Flows Data:			
Change in net assets	250,316	300,000	550,316
Prepaid and other current assets	48,302	(300,000)	(251,698)