

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Independent Auditor's Report

Financial Statements – August 31, 2015 and December 31, 2014

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

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Thomas, Kunc & Black, LLP

Independent Auditor's Report

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

We were engaged to audit the accompanying financial statements of the United States Confederation of Roller Skating (a Nebraska nonprofit corporation) which comprise the statements of financial position as of August 31, 2015 and December 31, 2014 and the related statements of activities, changes in net assets and cash flows for the periods then ended, and the related notes to the financial statements and supplemental information.

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 conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As discussed in Note J to the financial statements, the Confederation became aware of an individual's use of a credit card for personal expenses and other inappropriate financial activities and procedures.

Disclaimer of Opinion

Because of the significance of the multiple uncertainties described in the Basis for Disclaimer of Opinion paragraph, we have not been able to form an opinion on the financial statements as a whole due to the interaction and possible effect of the uncertainties. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph.

Lincoln, Nebraska
July 11, 2016

Thomas, Kunc and Black, LLP

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Statements of Financial Position

August 31, 2015

<u>ASSETS</u>				
	<u>Confederation</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT ASSETS				
Cash and Temporary Investments (Notes A and F)	\$ 138,118	\$ 30,284	\$ -	\$ 168,402
Receivables (Notes A and B)	164,712	-	-	164,712
Due from Related Party (Note J)	-	401,784	(401,784)	-
Inventories (Note A)	23,008	-	-	23,008
Prepaid Expenses	29,599	-	-	29,599
Total Current Assets	<u>355,437</u>	<u>432,068</u>	<u>(401,784)</u>	<u>385,721</u>
PROPERTY AND EQUIPMENT, net (Notes A and C)	<u>396,773</u>	<u>-</u>	<u>-</u>	<u>396,773</u>
OTHER ASSETS				
Marketable Securities (Notes A, F, and G)	69,364	1,857,331	-	1,926,695
Other Asset (Note D)	40,101	-	-	40,101
Total Other Assets	<u>109,465</u>	<u>1,857,331</u>	<u>-</u>	<u>1,966,796</u>
Total Assets	<u>\$ 861,675</u>	<u>\$ 2,289,399</u>	<u>\$ (401,784)</u>	<u>\$ 2,749,290</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Accounts Payable	\$ 127,577	\$ -	\$ (610)	\$ 126,967
Line of Credit (Note I)	-	401,174	-	401,174
Accrued Liabilities	7,789	-	-	7,789
Due to Related Party (Note J)	401,174	-	(401,174)	-
Unearned Revenue (Note A)	199,058	-	-	199,058
Performance Bonds	16,000	-	-	16,000
Total Current Liabilities	<u>751,598</u>	<u>401,174</u>	<u>(401,784)</u>	<u>750,988</u>
NET ASSETS (Note A)				
Unrestricted	42,963	1,873,225	-	1,916,188
Temporarily Restricted (Note H)	9,438	-	-	9,438
Permanently Restricted (Notes H and K)	57,676	15,000	-	72,676
Total Net Assets	<u>110,077</u>	<u>1,888,225</u>	<u>-</u>	<u>1,998,302</u>
Total Liabilities and Net Assets	<u>\$ 861,675</u>	<u>\$ 2,289,399</u>	<u>\$ (401,784)</u>	<u>\$ 2,749,290</u>

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

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Statements of Financial Position

December 31, 2014

<u>ASSETS</u>				
	<u>Confederation</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT ASSETS				
Cash and Temporary Investments (Notes A and F)	\$ 17,818	\$ 14,932	\$ -	\$ 32,750
Receivables (Notes A and B)	135,486	-	-	135,486
Due from Related Party (Note J)	-	406,423	(406,423)	-
Inventories (Note A)	21,406	-	-	21,406
Prepaid Expenses	1,860	-	-	1,860
Total Current Assets	<u>176,570</u>	<u>421,355</u>	<u>(406,423)</u>	<u>191,502</u>
PROPERTY AND EQUIPMENT, net (Notes A and C)	<u>428,507</u>	<u>-</u>	<u>-</u>	<u>428,507</u>
OTHER ASSETS				
Marketable Securities (Notes A, F, and G)	53,510	1,929,049	-	1,982,559
Other Asset (Note D)	43,303	-	-	43,303
Total Other Assets	<u>96,813</u>	<u>1,929,049</u>	<u>-</u>	<u>2,025,862</u>
Total Assets	<u>\$ 701,890</u>	<u>\$ 2,350,404</u>	<u>\$ (406,423)</u>	<u>\$ 2,645,871</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Accounts Payable	\$ 93,564	\$ -	\$ (610)	\$ 92,954
Line of Credit (Note I)	200,000	405,864	-	605,864
Accrued Liabilities	7,789	-	-	7,789
Due to Related Party (Note J)	405,813	-	(405,813)	-
Unearned Revenue (Note A)	159,165	-	-	159,165
Performance Bonds	16,000	-	-	16,000
Total Current Liabilities	<u>882,331</u>	<u>405,864</u>	<u>(406,423)</u>	<u>881,772</u>
NET ASSETS (Note A)				
Unrestricted	(248,256)	1,929,540	-	1,681,284
Temporarily Restricted (Note H)	11,354	-	-	11,354
Permanently Restricted (Notes H and K)	56,461	15,000	-	71,461
Total Net Assets	<u>(180,441)</u>	<u>1,944,540</u>	<u>-</u>	<u>1,764,099</u>
Total Liabilities and Net Assets	<u>\$ 701,890</u>	<u>\$ 2,350,404</u>	<u>\$ (406,423)</u>	<u>\$ 2,645,871</u>

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

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Consolidating Statements of Activities

Period ended August 31, 2015

	Confederation	Foundation	Eliminations	Consolidated
CHANGES IN UNRESTRICTED NET ASSETS				
Revenue and Support				
Amateur Registrations	\$ 407,186	\$ -	\$ -	\$ 407,186
Competitive Assessment Fees	34,840	-	-	34,840
Club Membership Fees	42,826	-	-	42,826
Other Fees	5,629	-	-	5,629
Coaches Membership Fees	45,518	-	-	45,518
National Championships (Note L)				
Artistic and Speed	553,021	-	-	553,021
Hockey	66,986	-	-	66,986
Derby	4,590	-	-	4,590
Practice Fees	29,786	-	-	29,786
World Championships	50,981	-	-	50,981
Clinics and Seminar Fees	11,140	-	-	11,140
Supplies and Publications	3,434	-	-	3,434
United States Olympic Committee	88,480	-	-	88,480
Rental Income, net of expenses of \$3,117 (Note N)	3,306	-	-	3,306
Other	4,965	1,270	-	6,235
Investment Income	-	37,860	(8,860)	29,000
Realized and Unrealized Gains(Losses) on Investments	-	(61,749)	-	(61,749)
Total Revenue and Support	1,352,688	(22,619)	(8,860)	1,321,209
Net Assets Released from Restrictions				
Scholarship	-	-	-	-
Total Unrestricted Revenue and Support	1,352,688	(22,619)	(8,860)	1,321,209
Expenses				
Program services (schedule)				
National Championships (schedule)				
Adult Artistic	122,528	-	-	122,528
Adult Speed	102,615	-	-	102,615
Hardball Hockey	57,897	-	-	57,897
Derby	42,878	-	-	42,878
Junior Olympic Artistic	68,364	-	-	68,364
Junior Speed	18,911	-	-	18,911
Bank Track	31,060	-	-	31,060
World Championships (schedule)				
Senior Artistic	-	-	-	-
Senior Speed	-	-	-	-
Men's Hockey	18,299	-	-	18,299
Women's Hockey	16,750	-	-	16,750
Men's Rink Hockey	-	-	-	-
Women's Rink Hockey	-	-	-	-
Junior's Rink Hockey	3,035	-	-	3,035
Junior Inline Hockey	23,112	-	-	23,112
World Juniors Artistic	-	-	-	-
World Juniors Speed	-	-	-	-
Bank Track	-	-	-	-
World Games	-	-	-	-
PanAm Games	45,109	-	-	45,109
Sports Development (schedule)				
International Training and Competitions	4,232	-	-	4,232
U.S. Clinics and Education	22,256	-	-	22,256
Grassroots Development	-	-	-	-
Judges and Coaches Conference	-	-	-	-
Printing Supplies and Publications	-	-	-	-
Athlete Insurance	84,944	-	-	84,944
Representation	4,309	-	-	4,309
Total Program Services	666,299	-	-	666,299

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

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Consolidating Statements of Activities - Continued

Period ended August 31, 2015

Expenses - Continued	<u>Confederation</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
Supporting Expenses				
National Office Administration	227,360	-	-	227,360
Occupancy, Equipment and Supplies	101,583	-	-	101,583
Printing, Postage, Telephone, and Utilities	43,591	-	-	43,591
Board Of Directors and Committee Expenses	7,282	-	-	7,282
Professional Services	5,610	-	-	5,610
Marketing Trade Show	2,232	-	-	2,232
Other	7,512	33,696	(8,860)	32,348
	<u>395,170</u>	<u>33,696</u>	<u>(8,860)</u>	<u>420,006</u>
Total Supporting Expenses				
	<u>395,170</u>	<u>33,696</u>	<u>(8,860)</u>	<u>420,006</u>
Total Expenses	<u>1,061,469</u>	<u>33,696</u>	<u>(8,860)</u>	<u>1,086,305</u>
Increase (Decrease) in Unrestricted Net Assets	<u>291,219</u>	<u>(56,315)</u>	<u>-</u>	<u>234,904</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS				
Revenue and Support				
Investment Income, Net of Investment Expenses	60	119	-	179
Realized and Unrealized Gains/(Losses) on Investments	(1,976)	(119)	-	(2,095)
Net Assets Released from Restrictions				
Scholarship	-	-	-	-
	<u>(1,916)</u>	<u>-</u>	<u>-</u>	<u>(1,916)</u>
Increase in Temporarily Restricted Net Assets				
	<u>(1,916)</u>	<u>-</u>	<u>-</u>	<u>(1,916)</u>
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS				
Revenue and Support				
Other	1,215	-	-	1,215
	<u>1,215</u>	<u>-</u>	<u>-</u>	<u>1,215</u>
INCREASE (DECREASE) IN NET ASSETS	290,518	(56,315)	-	234,203
Net Assets, Beginning of Period	<u>(180,441)</u>	<u>1,944,540</u>	<u>-</u>	<u>1,764,099</u>
Net Assets, End of Period	<u>\$ 110,077</u>	<u>\$ 1,888,225</u>	<u>\$ -</u>	<u>\$ 1,998,302</u>

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

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Consolidating Statements of Activities

Period ended December 31, 2014

	<u>Confederation</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CHANGES IN UNRESTRICTED NET ASSETS				
Revenue and Support				
Amateur Registrations	\$ 556,993	\$ -	\$ -	\$ 556,993
Competitive Assessment Fees	49,431	-	-	49,431
Club Membership Fees	64,830	-	-	64,830
Other Fees	9,742	-	-	9,742
Coaches Membership Fees	61,360	-	-	61,360
National Championships (Note L)				
Artistic and Speed	504,451	-	-	504,451
Hockey	62,100	-	-	62,100
Derby	11,129	-	-	11,129
Practice Fees	24,110	-	-	24,110
World Championships	307,114	-	-	307,114
Clinics and Seminar Fees	13,875	-	-	13,875
Supplies and Publications	9,437	-	-	9,437
United States Olympic Committee	54,863	-	-	54,863
Rental Income, net of expenses of \$2,439 (Note N)	6,393	-	-	6,393
Other	19,212	1,608	-	20,820
Investment Income	-	67,482	-	67,482
Realized and Unrealized Gains on Investments	-	42,341	-	42,341
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue and Support	1,755,040	111,431	-	1,866,471
Net Assets Released from Restrictions				
Scholarship	-	648	-	648
	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted Revenue and Support	1,755,040	112,079	-	1,867,119
Expenses				
Program services (schedule)				
National Championships (schedule)				
Adult Artistic	127,946	-	-	127,946
Adult Speed	131,248	-	-	131,248
Hardball Hockey	88,129	-	-	88,129
Derby	54,252	-	-	54,252
Junior Olympic Artistic	76,274	-	-	76,274
Junior Speed	24,894	-	-	24,894
Bank Track	32,981	-	-	32,981
World Championships (schedule)				
Senior Artistic	53,139	-	-	53,139
Senior Speed	66,189	-	-	66,189
Men's Hockey	29,316	-	-	29,316
Women's Hockey	25,356	-	-	25,356
Men's Rink Hockey	52,825	-	-	52,825
Women's Rink Hockey	38,231	-	-	38,231
Junior's Rink Hockey	500	-	-	500
Junior Inline Hockey	50,711	-	-	50,711
World Juniors Artistic	39,750	-	-	39,750
World Juniors Speed	68,033	-	-	68,033
Bank Track	-	-	-	-
World Games	-	-	-	-
PanAm Games	75,071	-	-	75,071
Sports Development (schedule)				
International Training and Competitions	3,472	-	-	3,472
U.S. Clinics and Education	37,490	-	-	37,490
Grassroots Development	-	-	-	-
Judges and Coaches Conference	-	-	-	-
Printing Supplies and Publications	-	-	-	-
Athlete Insurance	384,537	-	-	384,537
Representation	6,813	-	-	6,813
	<hr/>	<hr/>	<hr/>	<hr/>
Total Program Services	1,467,157	-	-	1,467,157

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

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING.

Consolidating Statements of Activities - Continued

Period ended December 31, 2014

Expenses - Continued	Confederation	Foundation	Eliminations	Consolidated
Supporting Expenses				
National Office Administration	368,948	-	-	368,948
Occupancy, Equipment and Supplies	154,985	-	-	154,985
Printing, Postage, Telephone, and Utilities	56,147	-	-	56,147
Board Of Directors and Committee Expenses	18,179	-	-	18,179
Professional Services	26,053	-	-	26,053
Marketing Trade Show	1,148	-	-	1,148
Other	11,660	56,228	-	67,888
Total Supporting Expenses	637,120	56,228	-	693,348
Total Expenses	2,104,277	56,228	-	2,160,505
Increase (Decrease) in Unrestricted Net Assets	(349,237)	55,851	-	(293,386)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS				
Revenue and Support				
Investment Income, Net of Investment Expenses	2,555	307	-	2,862
Realized and Unrealized Gains/(Losses) on Investments	(860)	341	-	(519)
Net Assets Released from Restrictions				
Scholarship	-	(648)	-	(648)
Increase in Temporarily Restricted Net Assets	1,695	-	-	1,695
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS				
Revenue and Support				
Other	10,549	-	-	10,549
INCREASE (DECREASE) IN NET ASSETS	(336,993)	55,851	-	(281,142)
Net Assets, Beginning of Period	156,552	1,888,689	-	2,045,241
Net Assets, End of Period	\$ (180,441)	\$ 1,944,540	\$ -	\$ 1,764,099

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

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Consolidating Statements of Cash Flows

Period ended August 31, 2015

	Confederation	Foundation	Eliminations	Consolidated
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 1,367,687	\$ 1,270	\$ -	\$ 1,368,957
Cash Paid to Suppliers and Employees	(1,009,307)	(26,010)	-	(1,035,317)
Interest Received	-	42,618	(13,500)	29,118
Interest Paid	(16,076)	(7,686)	13,500	(10,262)
Net Cash provided (used) by Operating Activities	342,304	10,192	-	352,496
Cash Flows from Investing Activities				
Proceeds from Sale of Marketable Securities	136	190,432	-	190,568
Purchase of Marketable Securities	(17,501)	(185,221)	-	(202,722)
Purchase of Property and Equipment	-	-	-	-
Net Cash provided (used) by Investing Activities	(17,365)	5,211	-	(12,154)
Cash Flows from Financing Activities				
Proceeds from Notes Payable	-	-	-	-
Payments on Notes Payable	-	-	-	-
Change in loan to Related Party	(5,813)	5,813	-	-
Proceeds (Payments) from Line of Credit	(200,000)	(4,690)	-	(204,690)
Interest Accrued/(Receivable)	1,174	(1,174)	-	-
Net Cash provided (used) by Financing Activities	(204,639)	(51)	-	(204,690)
Decrease in Cash and Temporary Investments	120,300	15,352	-	135,652
Cash and Temporary Investments at Beginning of Period	17,818	14,932	-	32,750
Cash and Temporary Investments at End of Period	\$ 138,118	\$ 30,284	\$ -	\$ 168,402
Reconciliation of Increase (Decrease) in Net Assets to Net Cash provided (used) by Operating Activities				
Increase (Decrease) in Net Assets	\$ 290,518	\$ (56,315)	\$ -	\$ 234,203
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash used by Operating Activities				
Depreciation	34,936	-	-	34,936
Realized and Unrealized (Gains)/Losses on Investments	1,976	61,868	-	63,844
Reinvested Interest and Dividends	(465)	-	-	(465)
(Increase) Decrease in Assets				
Receivables	(29,226)	4,639	-	(24,587)
Inventories	(1,602)	-	-	(1,602)
Prepaid Expenses	(27,739)	-	-	(27,739)
Increase (Decrease) In Liabilities				
Accounts Payable	34,013	-	-	34,013
Accrued Liabilities	-	-	-	-
Unearned Revenue	39,893	-	-	39,893
Performance Bonds	-	-	-	-
Total Adjustments to increase (decrease) in Net Assets	51,786	66,507	-	118,293
Net cash provided (used) by Operating Activities	\$ 342,304	\$ 10,192	\$ -	\$ 352,496

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

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Consolidating Statements of Cash Flows

Period ended December 31, 2014

	Confederation	Foundation	Eliminations	Consolidated
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 1,736,784	\$ 7,718	\$ -	\$ 1,744,502
Cash Paid to Suppliers and Employees	(1,938,415)	(56,228)	-	(1,994,643)
Interest Received	-	61,680	-	61,680
Interest Paid	(18,969)	(4,649)	-	(23,618)
Net Cash provided (used) by Operating Activities	<u>(220,600)</u>	<u>8,521</u>	<u>-</u>	<u>(212,079)</u>
Cash Flows from Investing Activities				
Proceeds from Sale of Marketable Securities	-	310,174	-	310,174
Purchase of Marketable Securities	-	(530,512)	-	(530,512)
Purchase of Property and Equipment	(1,400)	-	-	(1,400)
Net Cash provided (used) by Investing Activities	<u>(1,400)</u>	<u>(220,338)</u>	<u>-</u>	<u>(221,738)</u>
Cash Flows from Financing Activities				
Proceeds from Notes Payable	275,000	-	(275,000)	-
Payments on Notes Payable	(75,000)	-	75,000	-
Loan to Related Party	-	(200,000)	200,000	-
Proceeds (Payments) from Line of Credit	7,806	405,864	-	413,670
Interest Accrued/(Receivable)	5,813	(5,813)	-	-
Net Cash provided (used) by Financing Activities	<u>213,619</u>	<u>200,051</u>	<u>-</u>	<u>413,670</u>
Decrease in Cash and Temporary Investments	<u>(8,381)</u>	<u>(11,766)</u>	<u>-</u>	<u>(20,147)</u>
Cash and Temporary Investments at Beginning of Period	<u>26,199</u>	<u>26,698</u>	<u>-</u>	<u>52,897</u>
Cash and Temporary Investments at End of Period	<u>\$ 17,818</u>	<u>\$ 14,932</u>	<u>\$ -</u>	<u>\$ 32,750</u>
Reconciliation of Increase (Decrease) in Net Assets to Net Cash provided (used) by Operating Activities				
Increase (Decrease) in Net Assets	<u>\$ (336,993)</u>	<u>\$ 55,851</u>	<u>\$ -</u>	<u>\$ (281,142)</u>
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash used by Operating Activities				
Depreciation	69,951	-	-	69,951
Realized and Unrealized (Gains)/Losses on Investments	860	(42,681)	-	(41,821)
Reinvested Interest and Dividends	(3,079)	-	-	(3,079)
(Increase) Decrease in Assets				
Receivables	(47,001)	(4,649)	-	(51,650)
Inventories	(2,460)	-	-	(2,460)
Prepaid Expenses	34,133	-	-	34,133
Increase (Decrease) In Liabilities				
Accounts Payable	48,232	-	-	48,232
Accrued Liabilities	-	-	-	-
Unearned Revenue	14,757	-	-	14,757
Performance Bonds	1,000	-	-	1,000
Total Adjustments to increase (decrease) in Net Assets	<u>116,393</u>	<u>(47,330)</u>	<u>-</u>	<u>69,063</u>
Net cash provided (used) by Operating Activities	<u>\$ (220,600)</u>	<u>\$ 8,521</u>	<u>\$ -</u>	<u>\$ (212,079)</u>

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

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements

August 31, 2015 and December 31, 2014

United States Amateur Confederation of Roller Skating (the Confederation) is a non-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.

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

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

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

Fair Value Measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. The Organization utilizes a framework to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2015 and December 31, 2014

NOTE A – SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements – Continued. 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 training materials, supplies, and books.

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
Vehicles	5 years

It is the Organization's policy to capitalize property and equipment over \$300. 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.

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.

Net Asset Classification. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets. Net assets that are not subject to outside restrictions.

Temporarily restricted net assets. Net assets on which grantors or donors have placed restrictions regarding the use of the funds or the time period in which the funds can be used. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions."

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2015 and December 31, 2014

NOTE A – SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Permanently restricted net assets. Net assets whose funds must be held indefinitely.

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 and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B – RECEIVABLES

Consolidated Receivables Consists of the Following:

	August 31, 2015	December 31, 2014
Member Accounts	\$ 168,549	\$ 139,490
National Museum of Roller Skating	10,705	10,538
	179,254	150,028
Less Allowance for Doubtful Accounts	(14,542)	(14,542)
	<u>\$ 164,712</u>	<u>\$ 135,486</u>

NOTE C – PROPERTY AND EQUIPMENT

Property and Equipment Consists of the Following:

	August 31, 2015		
	Cost	Accumulated Depreciation	Book Value
Office Furniture, Fixtures, and Equipment	\$ 70,738	\$ 70,305	\$ 433
Computer and Video Equipment	324,396	254,849	69,547
Computer Software	114,552	76,838	37,714
Land and Building	582,225	293,144	289,081
Vehicles	43,700	43,700	-
	<u>\$ 1,135,611</u>	<u>\$ 738,836</u>	<u>\$ 396,775</u>
	December 31, 2014		
	Cost	Accumulated Depreciation	Book Value
Office Furniture, Fixtures, and Equipment	\$ 70,738	\$ 70,189	\$ 549
Computer and Video Equipment	324,396	240,911	83,485
Computer Software	114,552	69,695	44,857
Land and Building	582,225	282,609	299,616
Vehicles	43,700	43,700	-
	<u>\$ 1,135,611</u>	<u>\$ 707,104</u>	<u>\$ 428,507</u>

The consolidating financial statements include depreciation expenses related to property and equipment of \$27,791 (2015) and \$48,522 (2014).

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2015 and December 31, 2014

NOTE D – OTHER ASSET

Other asset consists of a rental house, net of accumulated depreciation of \$69,939 (August 31, 2015) and \$66,737 (December 31, 2014).

NOTE E – 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 F – CASH, TEMPORARY INVESTMENTS AND MARKETABLE SECURITIES

Cash, Temporary Investments, and Marketable Securities consist of:

	August 31, 2015					
	Confederation		Foundation		Consolidated	
	Cost	Market	Cost	Market	Cost	Market
Cash and Temporary Investments	\$ 138,118	\$ 138,118	\$ 30,284	\$ 30,284	\$ 168,402	\$ 168,402
Mutual Funds	68,527	69,364	1,032,603	995,940	1,101,130	1,065,304
Common Stock	-	-	506,094	667,952	506,094	667,952
Exchange Traded Funds	-	-	79,226	97,391	79,226	97,391
Limited Partnership	-	-	85,000	96,048	85,000	96,048
	<u>68,527</u>	<u>69,364</u>	<u>1,702,923</u>	<u>1,857,331</u>	<u>1,771,450</u>	<u>1,926,695</u>
	<u>\$ 206,645</u>	<u>\$ 207,482</u>	<u>\$ 1,733,207</u>	<u>\$ 1,887,615</u>	<u>\$ 1,939,852</u>	<u>\$ 2,095,097</u>
Unrealized Gain		<u>\$ 837</u>		<u>\$ 154,408</u>		<u>\$ 155,245</u>
	December 31, 2014					
	Confederation		Foundation		Consolidated	
	Cost	Market	Cost	Market	Cost	Market
Cash and Temporary Investments	\$ 17,818	\$ 17,818	\$ 14,932	\$ 14,932	\$ 32,750	\$ 32,750
Mutual Funds	50,339	53,510	1,022,605	1,011,793	1,072,944	1,065,303
Common Stock	-	-	490,416	727,334	490,416	727,334
Exchange Traded Funds	-	-	79,226	98,092	79,226	98,092
Limited Partnership	-	-	85,000	91,830	85,000	91,830
	<u>50,339</u>	<u>53,510</u>	<u>1,677,247</u>	<u>1,929,049</u>	<u>1,727,586</u>	<u>1,982,559</u>
	<u>\$ 68,157</u>	<u>\$ 71,328</u>	<u>\$ 1,692,179</u>	<u>\$ 1,943,981</u>	<u>\$ 1,760,336</u>	<u>\$ 2,015,309</u>
Unrealized Gain		<u>\$ 3,171</u>		<u>\$ 251,802</u>		<u>\$ 254,973</u>

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2015 and December 31, 2014

NOTE G – 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 periods ended August 31, 2015 and December 31, 2014.

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 independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2015 and December 31, 2014

NOTE G – 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, 2015.

	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	\$ 995,940	\$ 995,940	\$ -	\$ -
Balanced Fund (Confederation)	69,364	69,364	-	-
Common Stock				
Large Cap Domestic	667,952	667,952	-	-
Exchange Traded Funds				
Large Cap Domestic	97,391	97,391	-	-
Limited Partnership	96,048	-	-	96,048
	<u>\$ 1,926,695</u>	<u>\$ 1,830,647</u>	<u>-</u>	<u>96,048</u>

The following table sets forth the balances of assets and liabilities measured at fair value on a recurring basis as of December 31, 2014.

	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	\$ 1,011,794	\$ 1,011,794	\$ -	\$ -
Balanced Fund (Confederation)	53,510	53,510	-	-
Common Stock				
Large Cap Domestic	727,334	727,334	-	-
Exchange Traded Funds				
Large Cap Domestic	98,091	98,901	-	-
Limited Partnership	91,830	-	-	91,830
	<u>\$ 1,982,559</u>	<u>\$ 1,891,539</u>	<u>-</u>	<u>91,830</u>

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2015 and December 31, 2014

NOTE G – FAIR MARKET VALUE – CONTINUED

The following table sets forth a summary of changes in the fair value of the Organization's level 3 assets for the periods ended August 31, 2015 and December 31, 2014.

	Limited Partnership	
	2015	2014
Beginning Balance	\$ 91,830	\$ 71,102
Change in Unrealized Gains Included In Earnings	4,218	20,728
Ending Balance	<u>\$ 96,048</u>	<u>\$ 91,830</u>

NOTE H – ENDOWMENTS

The Board of Directors of the Organization has interpreted the Nebraska Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Nebraska UPMIFA. In accordance with the Nebraska 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, established in 2000 with a bequest of \$15,000, 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.

An endowment fund was established for the international travel of USA Roller Sports athletes. Only earnings may be used to fund the travel of World Team athletes.

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2015 and December 31, 2014

NOTE H – ENDOWMENTS – CONTINUED

The Organization maintains an investment policy that protects restricted principal while supporting current budget needs without investing in funds that will jeopardize the Organization's exempt status or conflict with the Organization's mission statement.

Endowment Net Asset Composition by Type of Fund as of August 31, 2015.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted Endowment Funds	<u>\$ -</u>	<u>\$ 9,439</u>	<u>\$ 72,676</u>	<u>\$ 82,115</u>

Changes in Endowment Net Assets for the period ended August 31, 2015.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, Beginning of Period	<u>\$ -</u>	<u>\$ 11,354</u>	<u>\$ 71,461</u>	<u>\$ 82,815</u>
Investment Return:				
Investment Income	-	465	-	465
Investment Fee	-	(404)	-	(404)
Net Realized and Unrealized Gain/(Loss)	-	(1,976)	-	(1,976)
Total Investment Return	<u>-</u>	<u>(1,915)</u>	<u>-</u>	<u>(1,915)</u>
Contributions	<u>-</u>	<u>-</u>	<u>1,215</u>	<u>1,215</u>
Appropriation of Endowment Assets for Expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Endowment Net Assets, End of Period	<u>\$ -</u>	<u>\$ 9,439</u>	<u>\$ 72,676</u>	<u>\$ 82,115</u>

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2015 and December 31, 2014

NOTE H – ENDOWMENTS – CONTINUED

Endowment Net Asset Composition by Type of Fund as of December 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted Endowment Funds	<u>\$ -</u>	<u>\$ 11,354</u>	<u>\$ 71,461</u>	<u>\$ 82,815</u>

Changes in Endowment Net Assets for the period Ended December 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, Beginning of Period	<u>\$ -</u>	<u>\$ 9,659</u>	<u>\$ 60,912</u>	<u>\$ 70,571</u>
Investment Return:				
Investment Income	-	3,079	-	3,079
Investment Fee	-	(524)	-	(524)
Net Realized and Unrealized Gain/(Loss)	-	(860)	-	(860)
Total Investment Return	<u>-</u>	<u>1,695</u>	<u>-</u>	<u>1,695</u>
Contributions	<u>-</u>	<u>-</u>	<u>10,549</u>	<u>10,549</u>
Appropriation of Endowment Assets for Expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Endowment Net Assets, End of Period	<u>\$ -</u>	<u>\$ 11,354</u>	<u>\$ 71,461</u>	<u>\$ 82,815</u>

NOTE I – LINE OF CREDIT

The Confederation has an operating line-of-credit of \$200,000 with a bank to be drawn down as needed for operating cash flow. The interest rate was the prime rate plus 1%, and as of August 31, 2015 the interest rate was 5.75%. The line of credit was renewed on June 1, 2015. The balance on the line of credit was \$0 (August 31, 2015) and \$200,000 (December 31, 2014).

The Foundation has an operating line-of-credit with United Bank of Switzerland to be drawn down as needed. The interest rate was 3.40% as of August 31, 2015 and December 31, 2014. The Confederation had drawn down \$401,174 (August 31, 2015) and \$405,864 (December 31, 2014), See Note J.

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2015 and December 31, 2014

NOTE J –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, is 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, is payable in a single lump sum on December 31, 2015. The balance outstanding as of December 31, 2014 was \$405,864.

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 is payable on or before December 31, 2018, but on demand on or after December 31, 2016. Interest shall be paid monthly on the first day of each month. The interest rate shall be equal to the applicable rate charged to the Foundation by the United Bank of Switzerland on a loan from UBS to the Foundation. The balance outstanding as of August 31, 2015 was \$401,174.

The Organization is a member of the United States Olympic Committee (USOC). The Organization receives grants from the USOC to promote the sport of roller skating.

The Executive Director occupied the rental house through December 31, 2015. The Executive Director's 2015 and 2014 compensation package included the use of the rental house. Total rental income was \$6,423 (August 31, 2015) and \$8,832 (December 31, 2014).

The Confederation was notified of an individual's use of a company credit card for personal purposes by the bank during 2014 and 2015. The State of Nebraska's Attorney General began an investigation into the transactions during 2015. The Confederation determined the amounts related to personal use of the credit card and required the individual to repay the outstanding amount including interest. The employee's employment was terminated with the Confederation on November 30, 2015. After the employee was terminated, the Confederation became aware of additional transactions made by the individual without following the Confederation's policy requiring proper documentation be submitted for all transactions. As a result of that discovery, the Confederation filed a police report. The Attorney General and police investigation are in process and resolution of the matters is unknown as of July 11, 2016. The Confederation recorded the known receivables for the periods ended August 31, 2015 and December 31, 2014 in the financial statements, however, because of the uncertainties regarding the investigations, the Confederation has not made any additional adjustments to the financial records for these matters.

NOTE K – DESCRIPTION OF PERMANENTLY RESTRICTED NET ASSETS

	August 31, 2015	December 31, 2014
Permanently Restricted Assets Consist of the Following:		
Wojnarowsky Memorial Scholarship Fund, restricted for permanent endowment	\$ 15,000	\$ 15,000
World Team Endowment fund, restricted for permanent endowment	57,676	56,461
Total Permanently Restricted Net Assets	<u>\$ 72,676</u>	<u>\$ 71,461</u>

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2015 and December 31, 2014

NOTE L – NATIONAL CHAMPIONSHIPS REVENUE

As the national governing body for amateur roller skating competition, the Organization annually conducts national championships for amateur skaters. The periods ended August 31, 2015 and December 31, 2014 include revenue from five national championships.

Revenue consists of the following:

	August 31, 2015	December 31, 2014
Entry Fees	\$ 321,915	\$ 365,465
Practice Fees	29,786	24,110
Ticket Sales	39,772	4,515
Booths and Sponsorship	246,576	204,405
Program Sales	6,576	1,387
Program Advertising	1,500	1,501
Other	8,258	407
	<u>\$ 654,383</u>	<u>\$ 601,790</u>

NOTE M – EXPENSE REIMBURSEMENTS

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

Period ended August 31, 2015:

- 2015 FIRS Junior Men's World Inline Hockey Championships
- 2015 FIRS Junior Women's World Inline Hockey Championships
- 2015 FIRS Senior Men's World Inline Hockey Championships
- 2015 FIRS Senior Women's World Inline Hockey Championships
- 2015 Women's World Rink Hockey Championships
- 2015 National Rink Hockey Championships
- 2015 World Rink Hockey Championships
- 2015 National Roller Figure Skating Championships
- 2015 World Roller Figure Skating Championships
- 2015 National Indoor Speed Championships
- 2015 National Outdoor Speed Championships
- 2015 World Speed Skating Championships
- 2015 Derby Nationals
- 2015 America's Cup of Clubs

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2015 and December 31, 2014

NOTE M – EXPENSE REIMBURSEMENTS - CONTINUED

Period ended December 31, 2014:

2014 FIRS Junior Men's World Inline Hockey Championships
2014 FIRS Junior Women's World Inline Hockey Championships
2014 FIRS Senior Men's World Inline Hockey Championships
2014 FIRS Senior Women's World Inline Hockey Championships
2014 Women's World Rink Hockey Championships
2014 National Rink Hockey Championships
2014 World Rink Hockey Championships
2014 National Roller Figure Skating Championships
2014 World Roller Figure Skating Championships
2014 National Indoor Speed Championships
2014 National Outdoor Speed Championships
2014 World Speed Skating Championships
2014 Derby Nationals
2014 Pan American Championship of Clubs

NOTE N – OPERATING LEASE

The Organization entered into a copier lease agreement on October 21, 2013. The lease called for 60 monthly payments of \$1,764.

Future minimum non-cancelable lease payments for the years following August 31, 2015 are as follows:

Years ending August 31,

<u>Year</u>	<u>Amount</u>
2016	21,168
2017	21,168
2018	21,168
2019	1,764
	<u>\$ 65,268</u>

The financial statements include rental expense of \$16,976 (2015) and \$25,291 (2014).

NOTE O – RETIREMENT PLAN

The Organization maintains a 401(k) retirement plan. After completing one month of service, the Organization 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 \$8,909 and \$16,051 for the periods ended August 31, 2015 and December 31, 2014, respectively.

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2015 and December 31, 2014

NOTE P – INCOME TAXES

The Confederation and the Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Confederation has advertising income, which is subject to tax on unrelated business income. For the periods ended August 31, 2015 and December 31, 2014, the Confederation and the Foundation had no tax liability on unrelated business activity. The Confederation and the Foundation believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements.

The Confederation's and the Foundation's federal Exempt Organization Business Income Tax Returns (Forms 990 and 990-T) for August 31, 2015, December 31, 2014, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

NOTE Q – 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 had no deposits that exceeded federally insured limits for the periods ended August 31, 2015 and December 31, 2014.

NOTE R – 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 S – CHANGE IN ACCOUNTING PERIOD

The Confederation changed from a calendar year end as of January 1, 2015 to a fiscal year end of August. The period ended December 31, 2014 is for a twelve month period and the period ended August 31, 2015 is an eight month period.

NOTE T – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, the date the financial statements were available to be issued.

See independent auditor's report.

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SUPPLEMENTAL INFORMATION

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Thomas, Kunc & Black, LLP

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTAL INFORMATION**

The Board of Directors
United States Amateur Confederation of Roller Skating

We have audited the consolidating financial statements of United States Amateur Confederation of Roller Skating as of and for the periods ended August 31, 2015 and December 31, 2014, and our reports thereon dated July 11, 2016 and June 24, 2016 respectively, which expressed a disclaimer of opinion on those consolidating financial statements, appears on page 1. The schedules of National Championship Expenses, World Championship Expenses, Sports Development Expenses, and Program Services Expenses are presented for purposes of additional analysis and are not a required part of the consolidating financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the consolidating financial statements.

July 11, 2016

Thomas, Kunc and Black, LLP

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Schedules of National Championship Expenses

Periods ended August 31, 2015 and December 31, 2014

	2015						Total	
	Adult Artistic	Adult Speed	Senior Hockey	Derby	Junior Olympic Artistic	Junior Speed		Bank Track
Personnel	\$ 23,017	\$ 23,140	\$ 15,657	\$ 12,304	\$ 4,996	\$ 8,416	\$ -	\$ 87,530
Direct Costs	64,742	52,033	28,078	15,167	41,917	4,929	17,484	224,350
Travel and Subsistence	34,769	27,442	14,162	15,407	21,451	5,566	13,576	132,373
	<u>\$ 122,528</u>	<u>\$ 102,615</u>	<u>\$ 57,897</u>	<u>\$ 42,878</u>	<u>\$ 68,364</u>	<u>\$ 18,911</u>	<u>\$ 31,060</u>	<u>\$ 444,253</u>

	2014						Total	
	Adult Artistic	Adult Speed	Senior Hockey	Derby	Junior Olympic Artistic	Junior Speed		Bank Track
Personnel	\$ 39,391	\$ 39,077	\$ 26,120	\$ 18,982	\$ 7,541	\$ 13,220	\$ -	\$ 144,331
Direct Costs	56,248	55,477	46,862	23,385	43,964	6,436	17,862	250,234
Travel and Subsistence	32,307	36,694	15,147	11,885	24,769	5,238	15,119	141,159
	<u>\$ 127,946</u>	<u>\$ 131,248</u>	<u>\$ 88,129</u>	<u>\$ 54,252</u>	<u>\$ 76,274</u>	<u>\$ 24,894</u>	<u>\$ 32,981</u>	<u>\$ 535,724</u>

See report of independent certified public accountants on supplemental information.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING
Schedules of World Championship Expenses
Periods ended August 31, 2015 and December 31, 2014

	2015											
	Senior Artistic	Senior Speed	Men's Hockey	Women's Hockey	Men's Rink Hockey	Women's Rink Hockey	Junior's Rink Hockey	Junior Inline Hockey	World Juniors Artistic	World Juniors Speed	Bank Track	Total
Personnel	\$ -	-	\$ 4,416	\$ 4,416	\$ -	\$ -	\$ 3,554	\$ 4,681	\$ -	\$ -	\$ -	\$ 17,067
Direct Costs	-	-	3,232	2,831	-	-	(519)	3,607	-	-	-	9,151
Travel and Subsistence	-	-	10,651	9,503	-	-	-	14,824	-	-	-	34,978
	\$ -	\$ -	\$ 18,299	\$ 16,750	\$ -	\$ -	\$ 3,035	\$ 23,112	\$ -	\$ -	\$ -	\$ 61,196

	2014											
	Senior Artistic	Senior Speed	Men's Hockey	Women's Hockey	Men's Rink Hockey	Women's Rink Hockey	Junior's Rink Hockey	Junior Inline Hockey	World Juniors Artistic	World Juniors Speed	Bank Track	Total
Personnel	\$ -	\$ -	\$ 6,673	\$ 6,673	\$ 5,368	\$ -	\$ -	\$ 7,079	\$ -	\$ -	\$ -	\$ 25,793
Direct Costs	8,648	8,550	841	1,327	3,226	3,610	500	5,538	7,384	8,129	-	47,753
Travel and Subsistence	44,491	57,639	21,802	17,356	44,231	34,621	-	38,094	32,366	59,904	-	350,504
	\$ 53,139	\$ 66,189	\$ 29,316	\$ 25,356	\$ 52,825	\$ 38,231	\$ 500	\$ 50,711	\$ 39,750	\$ 68,033	\$ -	\$ 424,050

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UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Schedules of Program Services Expenses

Periods ended August 31, 2015 and December 31, 2014

	2015				Total
	International Training and Competitions	U.S. Clinics and Education	Grassroots Development	Judges and Coaches Conference	
Personnel	\$ 1,585	\$ 14,249	\$ -	\$ -	\$ 15,834
Direct Costs	1,155	4,007	-	-	5,162
Travel and Subsistence	1,492	4,000	-	-	5,492
	<u>\$ 4,232</u>	<u>\$ 22,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,488</u>

	2014				Total
	International Training and Competitions	U.S. Clinics and Education	Grassroots Development	Judges and Coaches Conference	
Personnel	\$ 2,492	\$ 24,593	\$ -	\$ -	\$ 27,085
Direct Costs	980	8,557	-	-	9,537
Travel and Subsistence	-	4,340	-	-	4,340
	<u>\$ 3,472</u>	<u>\$ 37,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,962</u>

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UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Schedules of Program Services Expenses

Periods ended August 31, 2015 and December 31, 2014

	2015									
	National Championships	World Championships	World Games	PanAm Games	Sports Development	Printing Supplies and Publications	Athlete Insurance	Representation	Total	
Personnel	\$ 87,530	\$ 17,067	\$ -	\$ -	\$ 15,834	\$ -	\$ -	\$ -	\$ 120,431	
Direct Costs	224,350	9,151	-	33,354	5,162	-	84,944	1,551	358,512	
Travel and Subsistence	132,373	34,978	-	11,755	5,492	-	-	2,758	187,356	
	<u>\$ 444,253</u>	<u>\$ 61,196</u>	<u>\$ -</u>	<u>\$ 45,109</u>	<u>\$ 26,488</u>	<u>\$ -</u>	<u>\$ 84,944</u>	<u>\$ 4,309</u>	<u>\$ 666,299</u>	
2014										
	National Championships	World Championships	World Games	PanAm Games	Sports Development	Printing Supplies and Publications	Athlete Insurance	Representation	Total	
Personnel	\$ 144,331	\$ 25,793	\$ -	\$ -	\$ 27,085	\$ -	\$ -	\$ -	\$ 197,209	
Direct Costs	250,234	47,753	-	21,611	9,537	-	384,537	2,850	716,522	
Travel and Subsistence	141,159	350,504	-	53,460	4,340	-	-	3,963	553,426	
	<u>\$ 535,724</u>	<u>\$ 424,050</u>	<u>\$ -</u>	<u>\$ 75,071</u>	<u>\$ 40,962</u>	<u>\$ -</u>	<u>\$ 384,537</u>	<u>\$ 6,813</u>	<u>\$ 1,467,157</u>	

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