

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Independent Auditor's Report

Financial Statements – August 31, 2017 and August 31, 2016

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Table of Contents

Independent Auditor's Report.....	1 - 2
Financial Statements:	
Statements of Financial Position	3 - 4
Consolidating Statements of Activities	5 - 8
Consolidating Statements of Cash Flows.....	9 - 10
Notes to Financial Statements.....	11 - 22
Supplemental Information.....	24-27



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, 2017 and 2016 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. 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 qualified audit opinion on the financial statements referred to above for the year ended August 31, 2017.

Basis for Qualified Opinion on 2017 Financial Statements

The Confederation's financial records for the periods prior to September 1, 2016 were maintained on a software platform that was unstable. The Confederation was unable to provide supporting documentation verifying the accuracy of account balances in the financial statements as of August 31, 2016. The balances on the statement of financial position at August 31, 2016, if misstated, may impact the statement of activities for the year ended August 31, 2017. Consequently, we were unable to determine whether any adjustments to those accounts were necessary.

Qualified Opinion on 2017 Financial Statements

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the United States Amateur Confederation of Roller Skating as of and for the year ended August 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Disclaimer of Opinion on 2016 Financial Statements

The Confederation's financial records were maintained on a software platform that was unstable during the year ended August 31, 2016. The Confederation's accounting function maintains the records on the accrual basis of accounting; however, the Confederation is unable to provide supporting documentation verifying the accuracy of the balances in the financial statements for the year ended August 31, 2016. The number of accounts affected made it not practicable to quantify the financial effects of misstatements related to the Confederation's financial statements for the year ended August 31, 2016.

Disclaimer of Opinion on 2016 Financial Statements

Because of the significance of the uncertainties described in the Basis for Disclaimer of Opinion paragraph, we have not been able to form an opinion on the financial statements for the year ended August 31, 2016, 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 for the year ended August 31, 2016.

Lincoln, Nebraska
September 12, 2018

Thomas, Kunc and Black, LLP

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Statements of Financial Position

August 31, 2017

ASSETS

	<u>Confederation</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT ASSETS				
Cash and Temporary Investments (Notes A and F)	\$ 381,306	\$ 45,700	\$ -	\$ 427,006
Receivables (Notes A and B)	60,046	-	-	60,046
Due from Related Party (Note J)	-	372,574	(372,574)	-
Inventories (Note A)	23,939	-	-	23,939
Prepaid Expenses	40,070	-	-	40,070
Total Current Assets	<u>505,361</u>	<u>418,274</u>	<u>(372,574)</u>	<u>551,061</u>
PROPERTY AND EQUIPMENT, net (Notes A and C)	<u>340,174</u>	<u>-</u>	<u>-</u>	<u>340,174</u>
OTHER ASSETS				
Marketable Securities (Notes A, F, and G)	78,581	1,637,906	-	1,716,487
Other Asset (Note D)	40,421	-	-	40,421
Total Other Assets	<u>119,002</u>	<u>1,637,906</u>	<u>-</u>	<u>1,756,908</u>
Total Assets	<u>\$ 964,537</u>	<u>\$ 2,056,180</u>	<u>\$ (372,574)</u>	<u>\$ 2,648,143</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts Payable	\$ 33,428	\$ -	\$ -	\$ 33,428
Line of Credit (Note I)	-	-	-	-
Accrued Liabilities	-	-	-	-
Due to Related Party (Note J)	372,574	-	(372,574)	-
Unearned Revenue (Note A)	5,565	-	-	5,565
Performance Bonds	16,000	-	-	16,000
Total Current Liabilities	<u>427,567</u>	<u>-</u>	<u>(372,574)</u>	<u>54,993</u>
NET ASSETS (Note A)				
Unrestricted	456,762	2,041,180	-	2,497,942
Temporarily Restricted (Note H)	18,657	-	-	18,657
Permanently Restricted (Notes H and K)	61,551	15,000	-	76,551
Total Net Assets	<u>536,970</u>	<u>2,056,180</u>	<u>-</u>	<u>2,593,150</u>
Total Liabilities and Net Assets	<u>\$ 964,537</u>	<u>\$ 2,056,180</u>	<u>\$ (372,574)</u>	<u>\$ 2,648,143</u>

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

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Statements of Financial Position

August 31, 2016

ASSETS

	Confederation	Foundation	Eliminations	Consolidated
CURRENT ASSETS				
Cash and Temporary Investments (Notes A and F)	\$ 240,053	\$ 16,199	\$ -	\$ 256,252
Receivables (Notes A and B)	220,702	-	-	220,702
Due from Related Party (Note J)	-	400,543	(400,543)	-
Inventories (Note A)	22,863	-	-	22,863
Prepaid Expenses	39,562	-	-	39,562
Total Current Assets	523,180	416,742	(400,543)	539,379
PROPERTY AND EQUIPMENT, net (Notes A and C)	372,912	-	-	372,912
OTHER ASSETS				
Marketable Securities (Notes A, F, and G)	72,860	1,905,069	-	1,977,929
Other Asset (Note D)	35,299	-	-	35,299
Total Other Assets	108,159	1,905,069	-	2,013,228
Total Assets	\$ 1,004,251	\$ 2,321,811	\$ (400,543)	\$ 2,925,519

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts Payable	\$ 108,552	\$ -	\$ (610)	\$ 107,942
Line of Credit (Note I)	-	399,933	-	399,933
Accrued Liabilities	7,789	-	-	7,789
Due to Related Party (Note J)	399,933	-	(399,933)	-
Unearned Revenue (Note A)	67,851	-	-	67,851
Performance Bonds	16,000	-	-	16,000
Total Current Liabilities	600,125	399,933	(400,543)	599,515
NET ASSETS (Note A)				
Unrestricted	330,965	1,906,878	-	2,237,843
Temporarily Restricted (Note H)	12,935	-	-	12,935
Permanently Restricted (Notes H and K)	60,226	15,000	-	75,226
Total Net Assets	404,126	1,921,878	-	2,326,004
Total Liabilities and Net Assets	\$ 1,004,251	\$ 2,321,811	\$ (400,543)	\$ 2,925,519

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, 2017

	Confederation	Foundation	Eliminations	Consolidated
CHANGES IN UNRESTRICTED NET ASSETS				
Revenue and Support				
Amateur Registrations	\$ 493,478	\$ -	\$ -	\$ 493,478
Competitive Assessment Fees	20,842	-	-	20,842
Club Membership Fees	42,920	-	-	42,920
Other Fees	-	-	-	-
Coaches Membership Fees	55,920	-	-	55,920
National Championships (Note L)				
Artistic and Speed	569,347	-	-	569,347
Hockey	28,171	-	-	28,171
Derby	7,165	-	-	7,165
Practice Fees	50,625	-	-	50,625
World Championships	20,750	-	-	20,750
Clinics and Seminar Fees	1,850	-	-	1,850
Supplies and Publications	18,465	-	-	18,465
United States Olympic Committee	50,000	-	-	50,000
Amateur Athletic Union	80,000	-	-	80,000
Rental Income	-	-	-	-
Other	11,885	1,575	-	13,460
Investment Income	2,050	87,703	-	89,753
Realized and Unrealized Gains(Losses) on Investments	-	82,997	-	82,997
Total Revenue and Support	1,453,468	172,275	-	1,625,743
Net Assets Released from Restrictions				
Scholarship	-	-	-	-
Total Unrestricted Revenue and Support	1,453,468	172,275	-	1,625,743
Expenses				
Program services (schedule)				
National Championships (schedule)				
Artistic	223,315	-	-	223,315
Speed	161,335	-	-	161,335
Hockey	73,780	-	-	73,780
Derby	48,187	-	-	48,187
Slalom	16,796	-	-	16,796
World Championships (schedule)				
Artistic	-	-	-	-
Speed	-	-	-	-
Hockey	30,953	-	-	30,953
PanAm Games	-	-	-	-
Sports Development (schedule)				
International Training and Competitions	25,889	-	-	25,889
U.S. Clinics and Education	3,423	-	-	3,423
Bad Debt Expense	55,000	-	-	-
Athlete Insurance	93,245	-	-	93,245
Total Program Services	731,923	-	-	731,923

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, 2017

Supporting Expenses				
National Office Administration	356,410	-	-	356,410
Occupancy, Equipment and Supplies	91,181	-	-	91,181
Printing, Postage, Telephone, and Utilities	27,867	-	-	27,867
Board Of Directors and Committee Expenses	40,211	-	-	40,211
Professional Services	65,233	-	-	65,233
Marketing Trade Show	10,500	-	-	10,500
Other	1,865	31,973	-	33,838
	<u>593,267</u>	<u>31,973</u>	<u>-</u>	<u>625,240</u>
Total Supporting Expenses				
	<u>593,267</u>	<u>31,973</u>	<u>-</u>	<u>625,240</u>
Total Expenses	1,325,190	31,973	-	1,357,163
	<u>1,325,190</u>	<u>31,973</u>	<u>-</u>	<u>1,357,163</u>
Increase (Decrease) in Unrestricted Net Assets	128,278	140,302	-	268,580
	<u>128,278</u>	<u>140,302</u>	<u>-</u>	<u>268,580</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS				
Revenue and Support				
Investment Income, Net of Investment Expenses	4,566	-	-	4,566
Realized and Unrealized Gains/(Losses) on Investments	-	-	-	-
Net Assets Released from Restrictions				
Scholarship	-	(6,000)	-	(6,000)
	<u>-</u>	<u>(6,000)</u>	<u>-</u>	<u>(6,000)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	4,566	(6,000)	-	(1,434)
	<u>4,566</u>	<u>(6,000)</u>	<u>-</u>	<u>(1,434)</u>
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS				
Revenue and Support				
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	132,844	134,302	-	267,146
	<u>132,844</u>	<u>134,302</u>	<u>-</u>	<u>267,146</u>
Net Assets, Beginning of Period	404,126	1,921,878	-	2,326,004
	<u>404,126</u>	<u>1,921,878</u>	<u>-</u>	<u>2,326,004</u>
Net Assets, End of Period	\$ 536,970	\$ 2,056,180	\$ -	\$ 2,593,150
	<u>\$ 536,970</u>	<u>\$ 2,056,180</u>	<u>\$ -</u>	<u>\$ 2,593,150</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, 2016

	<u>Confederation</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CHANGES IN UNRESTRICTED NET ASSETS				
Revenue and Support				
Amateur Registrations	\$ 604,480	\$ -	\$ -	\$ 604,480
Competitive Assessment Fees	47,900	-	-	47,900
Club Membership Fees	61,475	-	-	61,475
Other Fees	6,825	-	-	6,825
Coaches Membership Fees	73,743	-	-	73,743
National Championships (Note L)				
Artistic and Speed	517,818	-	-	517,818
Hockey	35,932	-	-	35,932
Derby	46,231	-	-	46,231
Practice Fees	43,755	-	-	43,755
World Championships	102,929	-	-	102,929
Clinics and Seminar Fees	14,735	-	-	14,735
Supplies and Publications	3,826	-	-	3,826
United States Olympic Committee	69,288	-	-	69,288
Amateur Athletic Union	-	-	-	-
Rental Income	(2,538)	-	-	(2,538)
Other	16,114	-	-	16,114
Investment Income	-	85,636	-	85,636
Realized and Unrealized Gains(Losses) on Investments	-	5,688	-	5,688
	<u>1,642,513</u>	<u>91,324</u>	<u>-</u>	<u>1,733,837</u>
Total Revenue and Support				
Net Assets Released from Restrictions				
Scholarship	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Unrestricted Revenue and Support				
	<u>1,642,513</u>	<u>91,324</u>	<u>-</u>	<u>1,733,837</u>
Expenses				
Program services (schedule)				
National Championships (schedule)				
Artistic	174,737	-	-	174,737
Speed	150,946	-	-	150,946
Hockey	59,031	-	-	59,031
Derby	67,925	-	-	67,925
Slalom	-	-	-	-
World Championships (schedule)				
Artistic	20,298	-	-	20,298
Speed	26,281	-	-	26,281
Hockey	84,483	-	-	84,483
PanAm Games	38,746	-	-	38,746
Sports Development (schedule)				
International Training and Competitions	5,959	-	-	5,959
U.S. Clinics and Education	36,344	-	-	36,344
Bad Debt Expense	-	-	-	-
Athlete Insurance	152,024	-	-	152,024
	<u>816,774</u>	<u>-</u>	<u>-</u>	<u>816,774</u>
Total Program Services				

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, 2016

Supporting Expenses				
National Office Administration	272,955	-	-	272,955
Occupancy, Equipment and Supplies	133,828	-	-	133,828
Printing, Postage, Telephone, and Utilities	45,341	-	-	45,341
Board Of Directors and Committee Expenses	20,058	-	-	20,058
Professional Services	41,919	-	-	41,919
Marketing Trade Show	1,631	-	-	1,631
Other	19,454	57,671	-	77,125
	<u>535,186</u>	<u>57,671</u>	<u>-</u>	<u>592,857</u>
Total Supporting Expenses				
Total Expenses	<u>1,351,960</u>	<u>57,671</u>	<u>-</u>	<u>1,409,631</u>
Increase (Decrease) in Unrestricted Net Assets	<u>290,553</u>	<u>33,653</u>	<u>-</u>	<u>324,206</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS				
Revenue and Support				
Investment Income, Net of Investment Expenses	3,533	-	-	3,533
Realized and Unrealized Gains/(Losses) on Investments	(37)	-	-	(37)
Net Assets Released from Restrictions				
Scholarship	-	-	-	-
	<u>3,496</u>	<u>-</u>	<u>-</u>	<u>3,496</u>
Increase (Decrease) in Temporarily Restricted Net Assets				
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS				
Revenue and Support				
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	294,049	33,653	-	327,702
Net Assets, Beginning of Period	<u>110,077</u>	<u>1,888,225</u>	<u>-</u>	<u>1,998,302</u>
Net Assets, End of Period	<u>\$ 404,126</u>	<u>\$ 1,921,878</u>	<u>\$ -</u>	<u>\$ 2,326,004</u>

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, 2017

	Confederation	Foundation	Eliminations	Consolidated
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 1,549,788	\$ 1,575	\$ -	\$ 1,551,363
Cash Paid to Suppliers and Employees	(1,365,931)	(27,349)	-	(1,393,280)
Interest Received	151	87,702	(16,140)	71,713
Interest Paid	(16,140)	(10,623)	16,140	(10,623)
Net Cash provided (used) by Operating Activities	<u>167,868</u>	<u>51,305</u>	<u>-</u>	<u>219,173</u>
Cash Flows from Investing Activities				
Proceeds from Sale of Marketable Securities	744	702,627	-	703,371
Purchase of Marketable Securities	-	(352,467)	-	(352,467)
Purchase of Property and Equipment	-	-	-	-
Net Cash provided (used) by Investing Activities	<u>744</u>	<u>350,160</u>	<u>-</u>	<u>350,904</u>
Cash Flows from Financing Activities				
Change in loan to Related Party	(27,359)	27,359	-	-
Proceeds (Payments) from Line of Credit	-	(399,933)	-	(399,933)
Interest Accrued/(Receivable)	-	-	-	-
Net Cash provided (used) by Financing Activities	<u>(27,359)</u>	<u>(372,574)</u>	<u>-</u>	<u>(399,933)</u>
Decrease in Cash and Temporary Investments	141,253	28,891	-	170,144
Cash and Temporary Investments at Beginning of Period	<u>240,053</u>	<u>16,199</u>	<u>-</u>	<u>256,252</u>
Cash and Temporary Investments at End of Period	<u>\$ 381,306</u>	<u>\$ 45,090</u>	<u>\$ -</u>	<u>\$ 426,396</u>
Reconciliation of Increase (Decrease) in Net Assets to Net Cash provided (used) by Operating Activities				
Increase (Decrease) in Net Assets	<u>\$ 132,844</u>	<u>\$ 134,302</u>	<u>\$ -</u>	<u>\$ 267,146</u>
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash used by Operating Activities				
Depreciation	36,737	-	-	36,737
Realized and Unrealized (Gains)/Losses on Investments	(4,566)	(82,997)	-	(87,563)
Reinvested Interest and Dividends	(1,899)	-	-	(1,899)
(Increase) Decrease in Assets				
Receivables	160,656	-	-	160,656
Inventories	(9,629)	-	-	(9,629)
Prepaid Expenses	(1,076)	-	-	(1,076)
Increase (Decrease) In Liabilities				
Accounts Payable	(75,124)	-	-	(75,124)
Accrued Liabilities	(7,789)	-	-	(7,789)
Unearned Revenue	(62,286)	-	-	(62,286)
Performance Bonds	-	-	-	-
Total Adjustments to increase (decrease) in Net Assets	<u>35,024</u>	<u>(82,997)</u>	<u>-</u>	<u>(47,973)</u>
Net cash provided (used) by Operating Activities	<u>\$ 167,868</u>	<u>\$ 51,305</u>	<u>\$ -</u>	<u>\$ 219,173</u>

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, 2016

	Confederation	Foundation	Eliminations	Consolidated
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 1,460,263	\$ 71,163	\$ -	\$ 1,531,426
Cash Paid to Suppliers and Employees	(1,334,492)	(43,198)	-	(1,377,690)
Interest Received	-	14,473	(14,473)	-
Interest Paid	(14,608)	(14,473)	14,473	(14,608)
Net Cash provided (used) by Operating Activities	<u>111,163</u>	<u>27,965</u>	<u>-</u>	<u>139,128</u>
Cash Flows from Investing Activities				
Proceeds from Sale of Marketable Securities	735	388,857	-	389,592
Purchase of Marketable Securities	-	(430,907)	-	(430,907)
Purchase of Property and Equipment	(8,722)	-	-	(8,722)
Net Cash provided (used) by Investing Activities	<u>(7,987)</u>	<u>(42,050)</u>	<u>-</u>	<u>(50,037)</u>
Cash Flows from Financing Activities				
Change in loan to Related Party	(67)	67	-	-
Proceeds (Payments) from Line of Credit	-	(1,241)	-	(1,241)
Interest Accrued/(Receivable)	(1,174)	1,174	-	-
Net Cash provided (used) by Financing Activities	<u>(1,241)</u>	<u>-</u>	<u>-</u>	<u>(1,241)</u>
Decrease in Cash and Temporary Investments	101,935	(14,085)	-	87,850
Cash and Temporary Investments at Beginning of Period	<u>138,118</u>	<u>30,284</u>	<u>-</u>	<u>168,402</u>
Cash and Temporary Investments at End of Period	<u>\$ 240,053</u>	<u>\$ 16,199</u>	<u>\$ -</u>	<u>\$ 256,252</u>
Reconciliation of Increase (Decrease) in Net Assets to Net Cash provided (used) by Operating Activities				
Increase (Decrease) in Net Assets	<u>\$ 294,049</u>	<u>\$ 33,653</u>	<u>\$ -</u>	<u>\$ 327,702</u>
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash used by Operating Activities				
Depreciation	37,385	-	-	37,385
Realized and Unrealized (Gains)/Losses on Investments	37	(5,688)	-	(5,651)
Reinvested Interest and Dividends	(4,268)	-	-	(4,268)
(Increase) Decrease in Assets				
Receivables	(55,990)	-	-	(55,990)
Inventories	145	-	-	145
Prepaid Expenses	(9,963)	-	-	(9,963)
Increase (Decrease) In Liabilities				
Accounts Payable	(19,025)	-	-	(19,025)
Accrued Liabilities	-	-	-	-
Unearned Revenue	(131,207)	-	-	(131,207)
Performance Bonds	-	-	-	-
Total Adjustments to increase (decrease) in Net Assets	<u>(182,886)</u>	<u>(5,688)</u>	<u>-</u>	<u>(188,574)</u>
Net cash provided (used) by Operating Activities	<u>\$ 111,163</u>	<u>\$ 27,965</u>	<u>\$ -</u>	<u>\$ 139,128</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, 2017 and August 31, 2016

The 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, 2017 and August 31, 2016

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, 2017 and August 31, 2016

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, 2017	August 31, 2016
Member Accounts	\$ 78,453	\$ 235,211
National Museum of Roller Skating	345	33
	78,798	235,244
Less Allowance for Doubtful Accounts	(55,046)	(14,542)
	<u>\$ 23,752</u>	<u>\$ 220,702</u>

NOTE C – PROPERTY AND EQUIPMENT

Property and Equipment Consists of the Following:

	August 31, 2017		
	Cost	Accumulated Depreciation	Book Value
Office Furniture, Fixtures, and Equipment	\$ 70,738	\$ 70,555	\$ 183
Computer and Video Equipment	314,475	272,488	41,987
Computer Software	114,552	76,838	37,714
Land and Building	582,225	321,935	260,290
	<u>\$ 1,081,990</u>	<u>\$ 741,816</u>	<u>\$ 340,174</u>
	August 31, 2016		
	Cost	Accumulated Depreciation	Book Value
Office Furniture, Fixtures, and Equipment	\$ 70,738	\$ 70,455	\$ 283
Computer and Video Equipment	314,475	254,246	60,229
Computer Software	114,552	76,838	37,714
Land and Building	582,225	307,539	274,686
	<u>\$ 1,081,990</u>	<u>\$ 709,078</u>	<u>\$ 372,912</u>

The consolidating financial statements include depreciation expenses related to property and equipment of \$36,737 (2017) and \$37,385 (2016).

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2017 and August 31, 2016

NOTE D – OTHER ASSET

Other asset consists of a rental house with a cost basis of \$104,040, net of accumulated depreciation of \$72,738 (August 31, 2017) and \$68,741 (August 31, 2016).

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, 2017					
	Confederation		Foundation		Consolidated	
	Cost	Market	Cost	Market	Cost	Market
Cash and Temporary Investments	\$ 381,306	\$ 381,306	\$ 40,354	\$ 40,354	\$ 421,660	\$ 421,660
Mutual Funds	73,122	78,581	772,560	740,448	845,682	819,029
Government Securities	-	-	50,047	50,383	50,047	50,383
Common Stock	-	-	427,405	657,709	427,405	657,709
Exchange Traded Funds	-	-	70,658	104,470	70,658	104,470
Limited Partnership	-	-	85,000	84,896	85,000	84,896
	<u>73,122</u>	<u>78,581</u>	<u>1,405,670</u>	<u>1,637,906</u>	<u>1,478,792</u>	<u>1,716,487</u>
	<u>\$ 454,428</u>	<u>\$ 459,887</u>	<u>\$ 1,446,024</u>	<u>\$ 1,678,260</u>	<u>\$ 1,900,452</u>	<u>\$ 2,138,147</u>
Unrealized Gain		<u>\$ 5,459</u>		<u>\$ 232,236</u>		<u>\$ 237,695</u>
	August 31, 2016					
	Confederation		Foundation		Consolidated	
	Cost	Market	Cost	Market	Cost	Market
Cash and Temporary Investments	\$ 240,053	\$ 240,053	\$ 16,199	\$ 16,199	\$ 256,252	\$ 256,252
Mutual Funds	71,966	72,860	989,520	913,768	1,061,486	986,628
Common Stock	-	-	524,011	733,605	524,011	733,605
Exchange Traded Funds	-	-	144,505	168,087	144,505	168,087
Limited Partnership	-	-	85,000	89,609	85,000	89,609
	<u>71,966</u>	<u>72,860</u>	<u>1,743,036</u>	<u>1,905,069</u>	<u>1,815,002</u>	<u>1,977,929</u>
	<u>\$ 312,019</u>	<u>\$ 312,913</u>	<u>\$ 1,759,235</u>	<u>\$ 1,921,268</u>	<u>\$ 2,071,254</u>	<u>\$ 2,234,181</u>
Unrealized Gain		<u>\$ 894</u>		<u>\$ 162,033</u>		<u>\$ 162,927</u>

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2017 and August 31, 2016

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, 2017 and August 31, 2016.

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.

The following table sets forth the balances of assets measured at fair value on a recurring basis as of August 31, 2017.

	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	\$ 740,448	\$ 740,448	\$ -	\$ -
Balanced Fund (Confederation)	78,581	78,581	-	-
Government Securities	50,383	50,383		
Common Stock				
Large Cap Domestic	657,709	657,709	-	-
Exchange Traded Funds				
Large Cap Domestic	104,470	104,470	-	-
Limited Partnership	84,896	-	-	84,896
	<u>\$ 1,716,487</u>	<u>\$ 1,631,591</u>	<u>\$ -</u>	<u>\$ 84,896</u>

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2017 and August 31, 2016

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, 2016.

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual Funds				
Fixed Income	\$ 913,768	\$ 913,768	\$ -	\$ -
Balanced Fund (Confederation)	72,860	72,860	-	-
Common Stock				
Large Cap Domestic	733,705	733,705	-	-
Exchange Traded Funds				
Large Cap Domestic	168,067	168,067	-	-
Limited Partnership	89,609	-	-	89,609
	<u>\$ 1,978,009</u>	<u>\$ 1,888,400</u>	<u>\$ -</u>	<u>\$ 89,609</u>

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, 2017 and August 31, 2016.

	<u>Limited Partnership</u>	
	<u>2017</u>	<u>2016</u>
Beginning Balance	\$ 89,609	\$ 96,048
Change in Unrealized Gains (Losses) Included In Earnings	<u>(4,713)</u>	<u>(6,439)</u>
Ending Balance	<u>\$ 84,896</u>	<u>\$ 89,609</u>

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2017 and August 31, 2016

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.

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.

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2017 and August 31, 2016

NOTE H – ENDOWMENTS – CONTINUED

Endowment Net Asset Composition by Type of Fund as of August 31, 2017.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted Endowment Funds	<u>\$ -</u>	<u>\$ 18,657</u>	<u>\$ 76,551</u>	<u>\$ 95,208</u>

Changes in Endowment Net Assets for the period ended August 31, 2017.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, Beginning of Period	<u>\$ -</u>	<u>\$ 12,935</u>	<u>\$ 75,226</u>	<u>\$ 88,161</u>
Investment Return:				
Investment Income	-	1,899	-	1,899
Investment Fee	-	(743)	-	(743)
Net Realized and Unrealized Gain/(Loss)	<u>-</u>	<u>4,566</u>	<u>-</u>	<u>4,566</u>
Total Investment Return	<u>-</u>	<u>5,722</u>	<u>-</u>	<u>5,722</u>
Contributions	<u>-</u>	<u>-</u>	<u>1,325</u>	<u>1,325</u>
Appropriation of Endowment Assets for Expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Endowment Net Assets, End of Period	<u>\$ -</u>	<u>\$ 18,657</u>	<u>\$ 76,551</u>	<u>\$ 95,208</u>

Endowment Net Asset Composition by Type of Fund as of August 31, 2016.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted Endowment Funds	<u>\$ -</u>	<u>\$ 12,935</u>	<u>\$ 75,226</u>	<u>\$ 88,161</u>

Changes in Endowment Net Assets for the period ended August 31, 2016.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, Beginning of Period	<u>\$ -</u>	<u>\$ 9,438</u>	<u>\$ 72,676</u>	<u>\$ 82,114</u>
Investment Return:				
Investment Income	-	4,269	-	4,269
Investment Fee	-	(735)	-	(735)
Net Realized and Unrealized Gain/(Loss)	<u>-</u>	<u>(37)</u>	<u>-</u>	<u>(37)</u>
Total Investment Return	<u>-</u>	<u>3,497</u>	<u>-</u>	<u>3,497</u>
Contributions	<u>-</u>	<u>-</u>	<u>2,550</u>	<u>2,550</u>
Appropriation of Endowment Assets for Expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Endowment Net Assets, End of Period	<u>\$ -</u>	<u>\$ 12,935</u>	<u>\$ 75,226</u>	<u>\$ 88,161</u>

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2017 and August 31, 2016

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, 2017 and 2016 the interest rate was 5.75%. The line of credit was renewed on June 1, 2017. The balance on the line of credit was \$0 (August 31, 2017) and \$0 (August 31, 2016).

The Foundation has an operating line-of-credit with United Bank of Switzerland to be drawn down as needed. The interest rate was 3.528% as of August 31, 2016. The Confederation had drawn down \$0 (August 31, 2017) and \$399,933 (August 31, 2016), See Note J for additional information. The Foundation paid off the operating line-of-credit with United Bank of Switzerland on May 24, 2017.

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, was payable in a single lump sum on December 19, 2014.

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

On July 1, 2015, the Foundation signed a third revision to the promissory note. The note was for the principal sum of \$400,000.00. The entire principal balance outstanding 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. The balance is reported under Line of Credit for the Foundation.

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 owned by the Confederation through December 31, 2015. The Executive Director's 2016 compensation package included the use of the rental house. Total rental income was \$0 (August 31, 2017) and \$2,409 (August 31, 2016).

The Confederation was notified of an individual's personal 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 that did not follow 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 Confederation signed an agreement with the State of Nebraska Attorney General on May 6, 2017. As part of the agreement, the Confederation agreed to implementing additional governance procedures and internal controls.

The Confederation recorded the known receivables for the periods ended August 31, 2016 and 2015 in the financial statements, however the Confederation has not made any additional adjustments to the financial records for these matters.

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2017 and August 31, 2016

NOTE K – DESCRIPTION OF PERMANENTLY RESTRICTED NET ASSETS

	August 31, 2017	August 31, 2016
Permanently Restricted Net 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	61,551	60,226
Total Permanently Restricted Net Assets	<u>\$ 76,551</u>	<u>\$ 75,226</u>

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, 2016 and August 31, 2015 include revenue from five national championships.

Revenue consists of the following:

	August 31, 2017	August 31, 2016
Entry Fees	\$ 372,198	\$ 359,655
Practice Fees	50,626	43,755
Ticket Sales	48,666	42,630
Booths and Sponsorship	172,995	176,350
Program Sales and Advertising	10,819	12,443
Other	15,570	8,903
	<u>\$ 670,874</u>	<u>\$ 643,736</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, 2017:

- 2017 National Rink Hockey Championships
- 2017 National Roller Figure Skating Championships
- 2017 National Indoor Speed Championships
- 2017 National Outdoor Speed Championships
- 2017 National Roller Derby Championships

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2017 and August 31, 2016

NOTE M – EXPENSE REIMBURSEMENTS - CONTINUED

Period ended August 31, 2016:

2016 FIRS Junior Men's World Inline Hockey Championships
 2016 FIRS Junior Women's World Inline Hockey Championships
 2016 FIRS Senior Men's World Inline Hockey Championships
 2016 FIRS Senior Women's World Inline Hockey Championships
 2016 National Rink Hockey Championships
 2016 World Rink Hockey Championships
 2016 National Roller Figure Skating Championships
 2016 World Roller Figure Skating Championships
 2016 National Indoor Speed Championships
 2016 National Outdoor Speed Championships
 2016 World Speed Skating Championships
 2016 National Roller Derby Championships
 2016 Americas Club Cup

NOTE N – OPERATING LEASE

The Confederation entered into a copier lease agreement on September 20, 2016 with 60 monthly payments of \$1,496.

Future minimum non-cancelable lease payments for the years following August 31, 2017 are as follows:

Years ending August 31.

<u>Year</u>	<u>Amount</u>
2018	\$ 17,954
2019	17,954
2020	17,954
2021	17,954
2022 and after	-
	<u>\$ 71,816</u>

The financial statements include rental expense of \$21,090 (2017) and \$25,340 (2016).

NOTE O – RETIREMENT PLAN

The Confederation maintains a 401(k) retirement plan. After completing one month of service, the Confederation contributes a match of \$1 for every dollar contributed by the employee, not to exceed \$2,000 per year. The financial statements include retirement contribution expense of \$9,073 and \$11,995 for the periods ended August 31, 2017 and August 31, 2016, respectively.

See independent auditor's report.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Notes to Consolidating Financial Statements (Continued)

August 31, 2017 and August 31, 2016

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, 2017 and 2016, 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, 2017, August 31, 2016, and December 31, 2015 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, 2017 and August 31, 2016.

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 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 12, 2018, the date the financial statements were available to be issued.

See independent auditor's report.

(This page left blank intentionally)

SUPPLEMENTAL INFORMATION

(This page left blank intentionally)



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, 2017 and August 31, 2016, and our reports thereon dated September 12, 2018 and July 26, 2017 respectively, which expressed a qualified opinion and a disclaimer of opinion respectively, 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.

Lincoln, Nebraska
September 12, 2018

Thomas, Kunc and Black, LLP

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Schedules of National Championship Expenses

Periods ended August 31, 2017 and August 31, 2016

2017

	Artistic	Speed	Hockey	Derby	Slalom	Total
Personnel	\$ 40,287	\$ 56,344	\$ 20,127	\$ 11,850	\$ 1,257	\$ 129,865
Direct Costs	92,874	49,379	22,532	17,140	14,966	196,891
Travel and Subsistence	90,154	55,612	31,121	19,197	573	196,657
	<u>\$ 223,315</u>	<u>\$ 161,335</u>	<u>\$ 73,780</u>	<u>\$ 48,187</u>	<u>\$ 16,796</u>	<u>\$ 523,413</u>

2016

	Artistic	Speed	Hockey	Derby	Slalom	Total
Personnel	\$ 31,765	\$ 44,840	\$ 16,313	\$ 8,873	\$ -	\$ 101,791
Direct Costs	87,738	47,659	31,943	47,046	-	214,386
Travel and Subsistence	55,234	58,447	10,775	12,006	-	136,462
	<u>\$ 174,737</u>	<u>\$ 150,946</u>	<u>\$ 59,031</u>	<u>\$ 67,925</u>	<u>\$ -</u>	<u>\$ 452,639</u>

See independent certified public accountants report on supplemental information.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Schedules of World Championship Expenses

Periods ended August 31, 2017 and August 31, 2016

2017				
	Artistic	Speed	Hockey	Total
Personnel	\$ -	\$ -	\$ 30,953	\$ 30,953
Direct Costs	-	-	-	-
Travel and Subsistence	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,953</u>	<u>\$ 30,953</u>
2016				
	Artistic	Speed	Hockey	Total
Personnel	\$ -	\$ -	\$ 27,792	\$ 27,792
Direct Costs	13,672	12,538	23,998	50,208
Travel and Subsistence	6,626	13,743	32,693	53,062
	<u>\$ 20,298</u>	<u>\$ 26,281</u>	<u>\$ 84,483</u>	<u>\$ 131,062</u>

See independent certified public accountants report on supplemental information.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Schedules of Program Services Expenses

Periods ended August 31, 2017 and August 31, 2016

	2017		
	U.S. Clinics and Education	Other	Total
Personnel	\$ 25,889	\$ 3,423	\$ 29,312
Direct Costs	-	-	-
Travel and Subsistence	-	-	-
	<u>\$ 25,889</u>	<u>\$ 3,423</u>	<u>\$ 29,312</u>

	2016		
	International Training and Competitions	U.S. Clinics and Education	Total
Personnel	\$ 2,870	\$ 23,345	\$ 26,215
Direct Costs	750	10,048	10,798
Travel and Subsistence	2,339	2,951	5,290
	<u>\$ 5,959</u>	<u>\$ 36,344</u>	<u>\$ 42,303</u>

See independent certified public accountants report on supplemental information.

UNITED STATES AMATEUR CONFEDERATION OF ROLLER SKATING

Schedules of Program Services Expenses

Periods ended August 31, 2017 and August 31, 2016

	2017					
	<u>National Championships</u>	<u>World Championships</u>	<u>PanAm Games</u>	<u>Sports Development</u>	<u>Athlete Insurance</u>	<u>Total</u>
Personnel	\$ 129,865	\$ 30,953	\$ -	\$ 29,312	\$ -	\$ 190,130
Direct Costs	196,891	-	-	-	93,245	290,136
Travel and Subsistence	196,657	-	-	-	-	196,657
	<u>\$ 523,413</u>	<u>\$ 30,953</u>	<u>\$ -</u>	<u>\$ 29,312</u>	<u>\$ 93,245</u>	<u>\$ 676,923</u>

	2016					
	<u>National Championships</u>	<u>World Championships</u>	<u>PanAm Games</u>	<u>Sports Development</u>	<u>Athlete Insurance</u>	<u>Total</u>
Personnel	\$ 101,791	\$ 27,792	\$ -	\$ 26,215	\$ -	\$ 155,798
Direct Costs	214,386	50,208	20,275	10,798	152,024	447,691
Travel and Subsistence	136,462	53,062	18,471	5,290	-	213,285
	<u>\$ 452,639</u>	<u>\$ 131,062</u>	<u>\$ 38,746</u>	<u>\$ 42,303</u>	<u>\$ 152,024</u>	<u>\$ 816,774</u>

See independent certified public accountants report on supplemental information.