Combined/Consolidated Financial Statements
April 30, 2023 and 2022

United States Ski Association and Affiliated Entities

EideBailly
CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Boards of Directors and Trustees
United States Ski and Snowboard
United States Ski Team Foundation
Park City, Utah

Report on the Audit of the Combined/Consolidated Financial Statements

Qualified Opinion

We have audited the combined/consolidated financial statements of United States Ski and Snowboard and affiliated entities (the Companies), which comprise the combined/consolidated statements of financial position as of April 30, 2023 and 2022, and the related combined/consolidated statements of activities and cash flows for the years then ended, and the related notes to the combined/consolidated financial statements.

In our opinion, except for the effect of the matter explained in the Basis for Qualified Opinion paragraph, the accompanying combined/consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Companies as of April 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As more fully described in Note 1 to the combined/consolidated financial statements, the Companies elected not to adopt the provisions of FASB ASC 958-605, Not-for-Profit Entities: *Revenue Recognition,* related to the refundable Employee Retention Credit. In our opinion, accounting principles generally accepted in the United States of America require that the credit be recognized in the period in which the conditions relating to the credit have been satisfied and at the point of submitting the ERC through an amended Form 941-X. The effect of this departure is an understatement of the change in net assets for the year ended April 30, 2022, and net assets as of April 30, 2023 and 2022, of $905,996. The Companies have determined to take a more conservative approach to recognizing this revenue when the funding is received.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Combined/Consolidated Financial Statements section of our report.

We are required to be independent of the Companies and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined/Consolidated Financial Statements

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

In preparing the combined/consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Companies' ability to continue as a going concern for one year after the date that the combined/consolidated financial statements are available to be issued.

Auditor's Responsibilities of the Audit of the Combined/Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined/consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined/consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined/consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined/consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Companies' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined/consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Companies' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined/consolidated financial statements as a whole. The combining/consolidating statement of financial position and combining/consolidating statement of activities are presented for the purposes of additional analysis and is not a required part of the combined/consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined/consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined/consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined/consolidated financial statements or to the combined/consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined/consolidated financial statements as a whole.

Eide Bailly LLP

Ogden, Utah
July 25, 2023

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 11,986,035	$ 10,924,137
Accounts receivable, net	2,908,904	2,351,458
Contributions receivable	-	30,000
Inventories	10,602	81,626
Prepaid expenses	789,844	709,401
Total current assets	15,695,385	14,096,622
Endowment Investments	64,155,639	62,018,410
Quasi Endowment and Purpose-Restricted Investments	2,336,793	2,405,454
Contributions Receivable	495,000	739,999
Property and Equipment, Net	15,600,566	16,043,651
Other Assets	1,275,284	1,350,745
	$ 99,558,667	$ 96,654,881

	2023	2022
Liabilities and Net Assets		
Current Liabilities		
Checks issued in excess of bank balance	$ 334,681	$ -
Accounts payable	3,369,436	1,288,892
Accrued liabilities	1,919,112	1,988,060
Current maturities of long-term debt	351,881	342,501
Deferred revenue	673,264	2,561,099
Total current liabilities	6,648,374	6,180,552
Long-Term Debt, Less Current Maturities and Unamortized Debt Issuance Costs	14,457,716	14,803,378
Deferred Revenue	2,924,600	2,994,250
Other Liabilities	86,911	-
Total liabilities	24,117,601	23,978,180
Net Assets		
Without donor restrictions		
Undesignated	8,299,619	8,101,473
Designated by the Board as quasi endowment	1,906,245	1,950,536
Total net assets without donor restrictions	10,205,864	10,052,009
With donor restrictions		
Purpose and time restrictions	621,445	613,584
Purpose restrictions - endowment earnings	2,215,717	2,737,110
Perpetual in nature - endowments	62,398,040	59,273,998
Total net assets with donor restrictions	65,235,202	62,624,692
Total net assets	75,441,066	72,676,701
	$ 99,558,667	$ 96,654,881

	2023	2022
Changes in Net Assets Without Donor Restrictions		
Revenue and support		
Sponsorship contracts and rights fees		
Revenue	$ 17,017,412	$ 14,726,474
Fulfillment expense	(7,956,934)	(7,263,040)
	9,060,478	7,463,434
Contributions and fundraising activities		
Revenue	19,252,409	17,272,308
Fulfillment expense	(4,902,197)	(4,204,556)
	14,350,212	13,067,752
Self-funded regional programs		
Revenue	437,403	296,743
Fulfillment expense	(435,742)	(296,743)
	1,661	-
Membership and competition dues and fees	6,709,254	6,235,508
Grants from United States Olympic and Paralympic Committee	6,495,100	6,406,273
Grants from USSAIF	78,114	74,198
Athletic grant from endowment	2,029,529	1,797,414
Gain on forgiveness of Paycheck Protection Program (PPP) Loan	-	2,010,027
Other revenue, net	1,868,084	662,053
Net assets released from donor restrictions	1,493,405	1,219,717
Net revenue and support available for programs and administration	42,085,837	38,936,376
Costs of programs and administration		
Elite team athletic programs	(22,202,615)	(20,097,713)
Domestic athletic programs	(5,766,554)	(5,278,019)
Events	(6,908,202)	(4,884,055)
Marketing and communications	(1,838,578)	(1,300,850)
General and administration	(3,432,972)	(5,967,274)
Grants	(1,738,770)	(1,257,755)
	(41,887,691)	(38,785,666)
Change in undesignated net assets from operations	198,146	150,710

	2023	2022
Change in endowment funds		
Grants to scholarship program	$ (292,114)	$ (244,798)
Grants to athletic programs	(2,029,529)	(1,797,414)
Net assets released from restriction pursuant to endowment spending-rate distribution formula	2,321,643	2,042,212
	-	-
Change in value of interest-rate swap	-	21,336
Change in undesignated net assets	198,146	172,046
Changes in designated net assets		
USSAIF net investment return	33,823	7,936
USSAIF grant to athletic program	(78,114)	(74,198)
Change in designated net assets	(44,291)	(66,262)
Change in net assets without donor restrictions	153,855	105,784
Changes in Net Assets With Purpose and Time Restrictions		
Scholarship contributions received	487,114	592,734
Net assets released from donor restrictions	(1,493,405)	(1,219,717)
Net investment return (loss)	492,759	(61,890)
Change in net assets with purpose and time restrictions	(513,532)	(688,873)
Changes in Net Assets With Donor Restrictions - Endowment		
Net assets released from restriction pursuant to endowment spending-rate distribution formula	(1,315,352)	(1,256,563)
Net investment return	542,172	124,246
Endowment contributions	3,897,222	4,255,719
Changes in net assets with donor restrictions - endowment	3,124,042	3,123,402
Change in Net Assets	2,764,365	2,540,313
Net Assets, Beginning of Year	72,676,701	70,136,388
Net Assets, End of Year	$ 75,441,066	$ 72,676,701

	2023	2022
Reconciliation of Change in Net Assets to Net Cash from (used for) Operating Activities		
Change in net assets	$ 2,764,365	$ 2,540,313
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation expense	1,046,355	1,090,263
Interest expense attributable to amortization of deferred financing costs	7,030	108,492
Amortization of other assets	165,000	165,000
Bad debt expense	65,000	185,000
Gain on forgiveness of Paycheck Protection Program (PPP) Loan	-	(2,010,027)
Interest expense added to Paycheck Protection Program (PPP) Loan	-	4,876
Contributions restricted to endowment	(3,897,222)	(4,255,719)
Net assets released from restriction pursuant to endowment spending-rate distribution formula	2,321,643	2,042,212
Endowment net investment return	(1,034,931)	(60,957)
Decrease in donor restricted net assets	998,430	625,584
Net realized/unrealized gain on investments	(33,823)	(9,335)
Change in value of interest-rate swap	-	(21,336)
Changes in operating assets and liabilities		
Accounts receivable	(622,446)	(916,583)
Contributions receivable	274,999	(57,999)
Inventories	71,024	65,978
Prepaid expenses	(80,443)	(42,102)
Other assets	(89,539)	12,506
Checks issued in excess of bank balance	334,681	(14,403)
Accounts payable	2,080,544	(518,830)
Accrued liabilities	(68,948)	1,215,100
Deferred revenue	(1,957,485)	(2,134,860)
Other liabilities	86,911	-
Net Cash from (used for) Operating Activities	2,431,145	(1,986,827)
Investing Activities		
Purchases of property and equipment	(603,270)	(28,968)
Net proceeds from maturities of investments	3,351,405	3,268,960
Purchases of investments	(2,767,779)	(3,195,565)
Purchases of investments - endowment	(3,897,222)	(4,255,719)
Proceeds from investments - endowment	2,321,643	2,042,212
Net Cash used for Investing Activities	(1,595,223)	(2,169,080)

	2023	2022
Financing Activities		
Collections of endowment and scholarship contributions	$ 4,384,336	$ 4,848,453
Endowment program grants	(2,321,643)	(2,042,212)
Grants from net assets released from donor restrictions	(1,493,405)	(1,219,717)
Payments on long-term debt	(343,312)	(361,322)
Net Cash from Financing Activities	225,976	1,225,202
Net Change in Cash and Cash Equivalents	1,061,898	(2,930,705)
Cash and Cash Equivalents, Beginning of Year	10,924,137	13,854,842
Cash and Cash Equivalents, End of Year	$ 11,986,035	$ 10,924,137
Supplementary Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ 423,228	$ 417,991
Supplemental Disclosure of Non-Cash Investing and Financing Activity		
Debt issuance costs paid through long-term debt issuance	$ -	$ 210,909

Note 1 - Principal Activity and Significant Accounting Policies

Organization

United States Ski Association and affiliated entities (the Companies) combined/consolidated financial statements consist of the financial statements of the United States Ski Association, doing business as United States Ski and Snowboard (USSS), a nonprofit corporation, and its wholly-owned subsidiary, the United States Ski Team, Inc. (USST); and three not-for-profit organizations supporting the activities of these entities, the United States Ski Team Foundation (the Foundation), the USSA Investment Fund (USSAIF), and the Center of Excellence Properties Fund (COEPF).

USSS is the national governing body overseeing the sports of Olympic skiing and snowboarding in the United States and is engaged in nonprofit membership, competition, training, development, and educational activities related to skiers and snowboarders who are, or aspire to become, members of the United States Ski and Snowboard Teams. USST manages and finances the United States Ski and Snowboard Teams.

The three not-for-profit organizations supporting the activities of USSS and USST are: 1) the Foundation, which is the fundraising entity formed to promote educational and charitable activities for the sports of skiing and snowboarding; 2) USSAIF, which was formed to manage the investment of endowment gifts made for the benefit of supporting the development, training and competition of elite national team and development athletes in skiing and snowboarding; additionally, it distributes a portion of the earnings of the investments to charitable organizations that support the development, training and competition of such athletes; and 3) COEPF, which was formed to support the development, training and competition of elite national team and development athletes in skiing and snowboarding, and further is the sole member of Center of Excellence Properties, LLC (COE, LLC). COE, LLC constructed and owns a training center and office building designed to support the training and development of such athletes.

Principles of Consolidation

The combined/consolidated financial statements of the Companies include the accounts of USSS, USST, USSAIF, COEPF, and the Foundation. USST is wholly owned by USSS. USSAIF, COEPF, and the Foundation are combined for accounting presentation purposes only due to certain common members of governing boards. All significant intercompany amounts and transactions have been eliminated during consolidation and combination.

Departure from Generally Accepted Accounting Principles

On November 22, 2021, USSS filed a form 941-X with the Internal Revenue Service to claim a refundable tax credit associated with the Employee Retention Credit for $905,996. USSS declined to adopt the provisions of FASB ASC 958-605, Not-for-Profit Entities: *Revenue Recognition*, which requires the amount to be recorded when eligibility conditions have been met, which occurred when Form 941-X was filed. The Companies have concluded to record the transaction when the funds are received or on a cash basis. The effect of this departure is an understatement of the change in net assets for the year ended April 30, 2022, and net assets as of April 30, 2023 and 2022, of $905,996. The Companies have determined to take a more conservative approach to recognizing this revenue when the funding is received.

Cash and Cash Equivalents

Cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Accounts Receivables and Credit Policies

Accounts receivables consist primarily of noninterest-bearing amounts due for sponsorship contracts and other amounts due to the Companies. Management determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. At April 30, 2023 and 2022, the allowance was $272,233 and $310,200, respectively. The accounts receivable balance at May 1, 2021, was $1,619,875. Contract liabilities are reported as deferred revenue in the accompanying combined/consolidated statements of financial position.

Contributions Receivable

Contributions receivable consists of $495,000 and $769,999 for the hospitality programs as of April 30, 2023 and 2022, respectively. The Companies record contributions receivable that are expected to be collected within one year at net realizable value. Contributions receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the combined/consolidated statements of activities. Allowance for contributions receivable is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contribution receivables are written off when deemed uncollectible. At April 30, 2023 and 2022, the allowance was $90,000 and $0, respectively.

Inventories

Inventories are stated at the lower of cost, determined on a first-in, first-out basis, or net realizable value.

Property and Equipment

Property and equipment additions over $5,000 are recorded at cost or, if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the combined/consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended April 30, 2023 and 2022.

Investments

Investment purchases are recorded at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the combined/consolidated statements of financial position. Net investment return/(loss) is reported in the combined/consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

Interest-Rate Swap

The interest rate swap agreement was terminated in May 2021. Prior to the interest rate swap agreement being terminated, the Companies used an interest-rate swap to mitigate interest-rate risk on one-half of the outstanding balance on the bonds payable. The related asset or liability were reported at fair value in the combined/consolidated statements of financial position, and unrealized losses or gains were included in the combined/consolidated statements of activities.

Debt Issuance Costs

Debt issuance costs relating to the bonds payable are amortized using the straight-line method over the term of the related debt (which approximates the effective interest method). Debt issuance costs are included within long-term debt on the combined/consolidated statements of financial position. Amortization of debt issuance costs is included in general and administration in the accompanying combined/consolidated financial statements.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated quasi endowment. The Board has determined that the funds received from the surplus of the 1984 Los Angeles Olympics will be invested and an annual allocation made to support the athletic program.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Companies report contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined/consolidated statements of activities as net assets released from restrictions. The Companies report conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

Revenue and Revenue Recognition

USSS and USST have entered into certain commercial contracts which typically grant endorsement rights to companies to advertise their products and services, other than ski equipment, used by members of the United States Ski and Snowboard Teams. The contracts also cover television broadcasting rights. Most of these contracts are multiyear contracts.

The Companies recognize contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Donated assets are recorded at their market value at the date of donation. Contributions with donor-imposed restrictions are reported as net assets with donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the donor restrictions are satisfied. Grants include contributions from the United States Olympic and Paralympic Committee (USOPC). Such grants are recorded as revenue in the year designated by the grantor.

Membership and competition dues and fees, sponsorship contracts, and rights fees are recognized as revenue in the period earned.

Contributions of services are recognized only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In some instances, contributions from supporting committees are received net of fundraising expenses incurred and are recognized on a net basis. No significant contributions of such goods or services were received during the years ended April 30, 2023 and 2022.

For the years ended April 30, 2023 and 2022, $3,916,128 and $3,600,825, respectively, of revenue was recognized at a point in time and $21,578,298 and $18,188,356, respectively, of revenue was recognized over time.

Deferred Revenue

Deferred revenue represents payments received on contracts to be applied to a future year, prepayments for programs to be held in a future year, and contributions for which qualifying expenses have not been incurred. Deferred revenue at April 30, 2023 and 2022, is $3,597,864 and $5,555,349, respectively, and includes revenue deferred for the hospitality programs that have not yet been earned.

The following table provides information about significant changes in deferred revenue for the years ended April 30, 2023 and 2022:

	2023	2022
Deferred revenue, May 1	$ 5,555,349	$ 7,690,209
Revenue recognized that was included in deferred revenue at the beginning of period	(2,351,100)	(4,681,352)
Increase in deferred revenue due to consideration received during the period	393,615	2,546,492
Deferred revenue, April 30	$ 3,597,864	$ 5,555,349

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the combined/consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The combined/consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

The expenses that are allocated include salaries and wages, payroll taxes and benefits, professional services, office expenses and equipment, information technology, occupancy, travel, conference and meetings, interest, insurance, fulfillment, TV production, depreciation, and grants and other assistance. The expenses are allocated based on historical experience and reviewed as circumstances require. Note 15 presents the natural classification detail of expenses by function.

Paycheck Protection Program (PPP) Loan

USSS was granted a PPP loan totaling $2,000,000 administered by a Small Business Administration (SBA) approved partner during the year ended April 30, 2021. The loan was uncollateralized and fully guaranteed by the federal government. The Company initially recorded a note payable and subsequently received forgiveness when the loan obligation was legally released by the SBA. The Company recognized $2,010,027, including interest, of loan forgiveness income for the year ended April 30, 2022, related to this PPP loan.

Income Taxes

USSS, USSAIF, COEPF, and the Foundation are exempt under Internal Revenue Code Section 501(c)(3) from income taxes on earnings from related activities. Accordingly, income taxes are only provided on revenues from nonexempt activities and are included in administrative expenses. USST is a taxable corporation and is responsible for filing separate income tax returns.

USST accounts for income taxes using the asset and liability method. Income taxes are provided for the tax effects of transactions reporting in the combined/consolidated financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of receivables, inventory, property and equipment, intangible assets, and accrued expenses for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Management believes that each entity has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the combined/consolidated financial statements. Management would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of combined/consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined/consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

The Companies manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Companies to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At April 30, 2023 and 2022, the Companies had approximately $11,150,000 and $10,100,000, respectively, in excess of FDIC-insured limits. Credit risk associated with accounts receivable and contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of their mission. In 2023, to mitigate FDIC coverage risk, the Companies started money market sweeps to Government Cash Management Funds.

Investments are made by diversified investment managers whose performance is monitored by the Companies and the Investment Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Companies and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Companies.

Recently Issued Accounting Standards

Effective May 1, 2022, the Companies reviewed and adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases* (Topic 842). The Companies elected to apply the guidance as of May 1, 2022. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the combined/consolidated statements of activities as a single lease cost and finance lease costs are recognized in two components, interest expense and amortization expense. The Companies reviewed their current leases, which are short-term leases, and the adoption of the new standard did not have a material impact on the combined/consolidated financial statements. The Companies have elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

Lessor

The Companies classify their leases at inception as operating, direct financing, or sales-type leases. Direct financing and sales-type leases meet certain criteria that have the economic characteristics of transferring ownership of the underlying asset and are accounted for similar to financing arrangements. For sales-type leases, selling profit is recognized immediately at lease commencement. Selling profit on a direct financing lease is deferred and amortized over the lease term, and a selling loss is recognized at lease commencement. Interest income on the net investment in leases is recognized as direct financing and sales-type lease revenue over the lease term in a manner that produces a constant rate of return on the net investment in the lease. A lease is classified as an operating lease if it does not qualify as a sales-type or direct financing lease.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying combined/consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported total net assets.

Subsequent Events

The Companies has evaluated subsequent events through July 25, 2023, the date the combined/consolidated financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the combined/consolidated statements of financial position date, comprise the following:

	2023	2022
Cash and cash equivalents	$ 11,364,590	$ 10,310,553
Accounts receivable	2,908,904	2,351,458
Contributions receivable	-	30,000
Endowment spending-rate distributions and appropriations	2,518,678	2,399,757
	$ 16,792,172	$ 15,091,768

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

A board-designated endowment of $1,906,245 and $1,950,536 as of April 30, 2023 and 2022, respectively, is subject to an annual spending rate between 3% and 5% as described in Note 12. Although the Companies do not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Legacy Campaign Athletic Endowment is also subject to an annual spending rate between 3% and 5% as described in Note 12.

The difference between cash and cash equivalents in this footnote and the balance reported in the combined/consolidated statements of financial position of $621,445 and $613,584 at April 30, 2023 and 2022, respectively, is due to cash being donor restricted for purpose and not being available.

Note 3 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the combined/consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Companies can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Companies develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Companies assessment of the quality, risk or liquidity profile of the asset or liability.

A significant portion of the Companies investment assets are classified within Level 1 because they are comprised of open-end mutual funds, money market funds and equities with readily determinable fair values based on daily redemption values.

The Companies uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The interest rate swap agreement, that was terminated in May 2021, was valued using a third party's proprietary discounted cash flow model, which considers past, present, and future assumptions regarding interest rates and market conditions to estimate the fair value of the agreement. This was classified within Level 2.

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at April 30, 2023:

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Long-term investments				
Cash and money market funds (at cost)	$ 2,336,793	$ -	$ -	$ -
Endowment investments				
Cash and money market funds (at cost)	$ 2,485,097	$ -	$ -	$ -
Fixed income	7,208,783	7,208,783	-	-
Equities	22,612,383	22,612,383	-	-
Mutual funds	8,453,169	8,453,169	-	-
At NAV				
Alternative investments	23,396,207	-	-	-
	$ 64,155,639	$ 38,274,335	$ -	$ -

The following table presents assets measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at April 30, 2022:

		Fair Value Measurements at Report Date Using		
Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Long-term investments				
Cash and money market funds (at cost)	$ 2,405,454	$ -	$ -	$ -
Endowment investments				
Cash and money market funds (at cost)	$ 7,285,736	$ -	$ -	$ -
Equities	21,576,382	21,576,382	-	-
Mutual funds	9,389,242	9,389,242	-	-
At NAV				
Alternative investments	23,767,050	-	-	-
	$ 62,018,410	$ 30,965,624	$ -	$ -

Investments in certain entities that calculate NAV per share as a practical expedient are as follows at April 30, 2023:

	Number of Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Alternative investments	18	$ 23,396,207	$ 6,981,800	Monthly, Quarterly, One Plus Years	None, 30 days, 65 days, 90 days

Investments in certain entities that calculate NAV per share as a practical expedient are as follows at April 30, 2022:

	Number of Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Alternative investments	18	$ 23,767,050	$ 2,392,500	Monthly, Quarterly, One Plus Years	None, 30 days, 65 days, 90 days

Alternative Investments – Alternative investments include, but are not limited to, partnerships, limited liability companies, managed futures, private equity, hedge funds, fund of funds, real estate investment trusts, and Delaware Statutory Trusts. Alternative investments are generally highly illiquid, and a formal trading market may not exist. Fund managers may invest in value, growth, or event-driven equity opportunities and typically are not restricted by market capitalization, industry sector, or geography. Leverage may be utilized, which can magnify changes in the values of the underlying securities.

Fair Value of Financial Instruments Not Required to Be Reported at Fair Value

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and deferred revenue approximate fair value due to the short-term nature of the items and are considered to fall within Level 1 of the fair value hierarchy. The carrying amount of contributions receivable due in more than one year is based on the discounted net present value of the expected future cash receipts and approximates fair value. The fair values of bonds payable are based on a combination of the stated or implied interest rates and the unsecured borrowing rate available at the measurement dates and approximate their carrying amounts. These estimates are considered to fall within Level 2 of the fair value hierarchy.

Note 4 - Net Investment Return

Net investment return consists of the following for the years ended April 30, 2023 and 2022:

	2023	2022
Endowment investments		
Net realized and unrealized gain, dividends and interest	$ 1,034,931	$ 60,957
Other long-term investments		
Net realized and unrealized gain, dividends and interest	$ 33,823	$ 7,936

Note 5 - Contributions Receivable

Contributions receivable are estimated to be collected as follows at April 30, 2023 and 2022:

	2023	2022
Within one year	$ -	$ 30,000
In one to five years	585,000	739,999
	585,000	769,999
Less allowance for contributions receivable	(90,000)	-
	$ 495,000	$ 769,999

Note 6 - Property and Equipment

Property and equipment consists of the following at April 30, 2023 and 2022:

	2023	2022
Buildings and improvements	$ 23,807,299	$ 23,575,224
Furniture, fixtures, and equipment	10,588,217	10,217,022
Land	2,185,876	2,185,876
	36,581,392	35,978,122
Less accumulated depreciation	(20,980,826)	(19,934,471)
	$ 15,600,566	$ 16,043,651

Note 7 - Line of Credit

In May 2021, USSS entered into a $5,000,000 line of credit with a financial institution. The outstanding balance on the line was $0 at April 30, 2023 and 2022. The line of credit agreement bears interest at one-month LIBOR plus 1.25% spread (6.34% and 2.08% as of April 30, 2023 and 2022, respectively) and a fee equal to 0.05% per annum on the daily unused amount of the line of credit. The line of credit agreement matures on May 13, 2024.

The line of credit and bonds are subject to various financial and non-financial covenants. USSS was in compliance with these covenants as of April 30, 2023 and 2022, respectively.

Note 8 - Long-Term Debt

COE, LLC, the sole member of which is COEPF, issued $18,885,000 in tax-exempt bonds to refinance the Center of Excellence, a multi-use training facility and office building. The bonds on the COE building were refinanced again in May 2021 with a different financial institution. USSS, the Foundation, USSAIF, and USST are guarantors on the long-term debt. The refinance in May 2021 extended the amortization period to May 2051 and changed the interest rate on the bonds to a fixed interest rate of 2.75%. The refinance simplifies the Companies' debt structure by moving to a fixed rate and eliminated the swap agreement with the prior financial institution.

Borrowings consist of the following at April 30:

	2023	2022
2.75% bonds payable, due in monthly installments of $63,913, including interest, through May 2051, guaranteed by USSS, the Foundation, USSAIF, and USST, (effective interest rate is 2.86%)	$ 15,006,445	$ 15,349,758
Debt issuance costs	(196,848)	(203,879)
	14,809,597	15,145,879
Less current maturities	(351,881)	(342,501)
	$ 14,457,716	$ 14,803,378

Scheduled maturities of the principal only portion of long-term debt are as follows:

Years Ending April 30,	
2024	$ 351,881
2025	362,945
2026	373,195
2027	383,735
2028	393,560
Thereafter	13,141,129
Debt issuance costs	(196,848)
	$ 14,809,597

During the year ended April 30, 2022, the fair value of the liability under the swap changed $21,336, which has been reflected in the accompanying combined/consolidated statements of activities. At April 30, 2022, the fair value of the swap liability was $0. The swap agreement was terminated in May 2021.

Note 9 - Leases

The Companies leases buildings, venues, vehicles and equipment under short-term leases. The Companies have elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liabilities for these leases. Lease payments for short-term leases are recognized on a straight-line basis. The Companies have elected the practical expedient to not separate lease and non-lease components for real estate leases.

Total operating lease costs for the years ended April 30, 2023 and 2022 were $1,153,485 and $907,986, respectively, and are included primarily in short-term vehicle rental expense and venue rentals.

Operating Leases (Lessor)

The Companies began leasing a portion of their building space to a tenant in January 2023. The lease expires December 31, 2027 and requires monthly lease payments ranging from $37,358 to $43,455 per month. The tenant has the option to extend the term of the lease for one period of five years when the initial term expires.

Leased property subject to the operating lease at April 30, 2023, includes:

Building	$ 3,538,253
Less accumulated depreciation	(1,651,185)
	$ 1,887,068

Depreciation expense for leased property subject to the operating lease is provided on the straight-line method over the estimated useful life of the property in amounts necessary to reduce the assets to their estimated residual values. Estimated and actual residual values are reviewed on a regular basis to determine that depreciation amounts are appropriate. Depreciation expense relating to leased property subject to the operating lease was $117,942 for the year ended April 30, 2023.

Revenue from the operating lease is included in other revenues on the combined/consolidated statement of activities. Total lease income recognized on the operating lease was $149,430 during the year ended April 30, 2023. There were no variable lease payments received during the year ended April 30, 2023.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease payments to be received as of April 30, 2023:

Years Ending April 30,	
2024	$ 457,932
2025	481,985
2026	496,445
2027	511,338
2028	347,642
	$ 2,295,342

Note 10 - Related Party Transactions

Related parties include USSA Investment Fund (USSAIF), Center of Excellence Properties Fund (COEPF), United States Ski Team Foundation (the Foundation), and United States Ski Team (USST), and the officers or trustees of these entities.

The Companies maintain material investment balances at Thomas Weisel Partners (TWP), an investment banking firm. The co-chairman of the parent company of TWP is a member of the board of trustees of the Foundation.

Note 11 - Gross Revenue and Expenses

USSS conducts a variety of revenue and support programs. Activities such as sponsorships or fundraising programs require certain fulfillment costs. Sponsorship may require the purchase of media support for the sponsor or other hospitality functions, while fundraising programs may include the cost of a dinner event or reception.

The following summarizes the gross revenue and related expenses to conduct these programs for the years ended April 30, 2023 and 2022:

	Gross Revenue	Related Expenses	Net Revenue
Year Ended April 30, 2023			
Sponsorship contracts and rights fees	$ 17,017,412	$ (7,956,934)	$ 9,060,478
Contributions and fundraising activities	19,252,409	(4,902,197)	14,350,212
Membership and competition dues and fees	6,709,254	-	6,709,254
Grants from the USOPC	6,495,100	-	6,495,100
Grants from USSAIF	78,114	-	78,114
Athletic grant from endowment	2,029,529	-	2,029,529
Other revenue, net	1,868,084	-	1,868,084
	$ 53,449,902	$ (12,859,131)	$ 40,590,771

	Gross Revenue	Related Expenses	Net Revenue
Year Ended April 30, 2022			
Sponsorship contracts and rights fees	$ 14,726,474	$ (7,263,040)	$ 7,463,434
Contributions and fundraising activities	17,272,308	(4,204,556)	13,067,752
Membership and competition dues and fees	6,235,508	-	6,235,508
Grants from the USOPC	6,406,273	-	6,406,273
Grants from USSAIF	74,198	-	74,198
Athletic grant from endowment	1,797,414	-	1,797,414
Gain on forgiveness of Paycheck Protection Program (PPP) Loan	2,010,027	-	2,010,027
Other revenue, net	662,053	-	662,053
	$ 49,184,255	$ (11,467,596)	$ 37,716,659

USSS acts as the custodian of funds for projects conducted by regional programs. USSS receives funds from a particular region and then applies the funds to the conduct of a camp or project as advised by the region.

The following summarizes the gross receipts and related expenditures from these programs for the years ended April 30, 2023 and 2022:

	Gross Receipts	Related Expenditures	Net
At April 30, 2023			
Self-funded regional programs	$ 437,403	$ (435,742)	$ 1,661
At April 30, 2022			
Self-funded regional programs	$ 296,743	$ (296,743)	$ -

Note 12 - Endowments and Net Assets with Donor Restrictions

The Companies' endowments include four endowment funds and a board designated quasi-endowment fund. These funds provide for annual grants from earnings to support athletic, coaches and scholarship programs. As required by generally accepted accounting principles and in accordance with the Utah Uniform Prudent Management of Institutional Funds Act (UPFIMA), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Accordingly, contributions to net assets with donor restricted endowments, net earnings and grants from such earnings are classified as net assets with donor restrictions.

The USSA Investment Fund (a separate 501(c)(3) organization) was formed to hold and oversee the investment management of various funds that donors have contributed to support the organization's ongoing operations. Management and the boards have conducted fundraising campaigns over the years to support various activities of the organization. The most significant campaigns include the Legacy Campaign Athletic Endowment (LCAE), the Marolt Athlete Endowment (MAE), the Borgen Swartz Athlete Education Endowment (Borgen Swartz) and the Coaches Education Excellence Endowment (CEE).

During 2000, the management and key board members initiated a campaign to raise funds to provide additional annual support for athletic activities which was named the Legacy Campaign Athletic Endowment. The board adopted an Investment Policy for the LCAE with an overall financial objective of providing financial support for operations at a level consistent with maintaining or increasing the fund's purchasing power over the long term. Under this policy, endowment assets are invested in a manner intended to maintain or increase the dollar value of the portfolio after annual distribution expenses and fees in order to provide the benefit intended by the donors. To satisfy its long-term rate-of-return objectives, the Companies rely on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Companies target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The policy provides for an annual grant over the long term that will be 3% to 5% of the three-prior year-ending portfolio market values (a rolling average calculation). This 3% to 5% rolling average grant is expected to be maintained over time; however, the board can adjust this grant level from year to year to account for variations in portfolio market values and endowment contributions. The LCAE and other similar athletic funds have been classified as net assets with donor restrictions for financial statement purposes.

Deficiencies of $8,066,314 and $7,293,134 as of April 30, 2023 and 2022, respectively, have been reported as part of the underwater endowments within net assets with donor restrictions. The Companies have not suspended distributions from these funds until such time as the deficiencies are recovered via market returns, and there is no legal obligation for the Companies to fund these deficiencies.

Purpose restricted funds have been contributed to support the early season on snow speed training center, and additional scholarship contributions. These funds are classified as net assets with donor restrictions for financial statement purposes and have been granted to those programs in accordance with the stipulation of the donors.

The following summarizes the contributions, grants, and investment earnings for the years ended April 30, 2023 and 2022:

LCAE	2023	2022
Balance, beginning of year	$ 32,851,424	$ 33,978,005
Contributions	1,000	-
Grants to athletic programs	(1,315,352)	(1,256,563)
Investment earnings	541,455	129,982
Balance, end of year	$ 32,078,527	$ 32,851,424

The MAE is a fundraising campaign to assist with athletic priorities of coaching and travel costs and intends to further education activities and athlete career skills. Excess investment earnings on endowment of $1,824,841 and $2,226,943 as of April 30, 2023 and 2022, respectively, have been reported as net assets with donor restrictions. The following summarizes the funds' contributions, grants, and investment earnings (losses) for the years ended April 30, 2023 and 2022:

MAE	2023	2022
Balance, beginning of year	$ 23,747,498	$ 20,327,370
Contributions	3,727,472	4,111,969
Grants to athletic programs	(798,777)	(608,214)
Investment earnings (losses)	396,675	(83,627)
Balance, end of year	$ 27,072,868	$ 23,747,498

The Borgen Swartz Athlete Education Endowment consists of donor restricted gifts to be utilized for providing academic scholarship funds to elite team athletes. This fund has been classified as net assets with donor restrictions for financial statement reporting. Excess investment earnings on endowment of $390,876 and $510,166 as of April 30, 2023 and 2022, respectively, have been reported as net assets with donor restrictions.

The following summarizes the funds' contributions, grants, and investment earnings for the years ended April 30, 2023 and 2022:

Borgen Swartz	2023	2022
Balance, beginning of year	$ 5,274,171	$ 5,431,269
Program grants	(207,514)	(177,435)
Investment earnings	88,224	20,337
Balance, end of year	$ 5,154,881	$ 5,274,171

The Coaches Education Excellence Endowment was started during the year ended April 30, 2022 and was created to enhance the coach's certification program and develop an expert network of coaches across the United States that are better trained, universally certified and connected to share best practices and knowledge. This fund has been classified as net assets with donor restrictions for financing statement reporting. Deficiencies of $5,019 and $5,735 as of April 30, 2023 and 2022, respectively, have been reported as part of the underwater endowments within net assets with donor restrictions.

The following summarizes the funds' contributions, grants, and investment losses for the years ended April 30, 2023 and 2022:

CEE	2023	2022
Balance, beginning of year	$ 138,015	$ -
Contributions	168,750	143,750
Investment earnings (losses)	716	(5,735)
	$ 307,481	$ 138,015

Purpose restricted net assets at April 30, 2023 and 2022, consist of:

	2023	2022
Restricted by Donors		
Subject to Expenditure for Specific Purpose		
Other projects	$ 621,445	$ 613,584
Excess investment earnings on endowment	2,215,717	2,737,110
	$ 2,837,162	$ 3,350,694

The following summarizes the funds' contributions, grants, and investment earnings (losses) for the years ended April 30, 2023 and 2022, a portion of which are earnings and grants associated with endowments:

	2023	2022
Donor Restricted Funds		
Balance, beginning of year	$ 3,350,694	$ 4,039,567
Contributions	487,114	592,734
Net assets released from donor restrictions	(1,493,405)	(1,219,717)
Investment earnings (losses)	492,759	(61,890)
Balance, end of year	$ 2,837,162	$ 3,350,694

The board determined that the funds received from the surplus of the 1984 Los Angeles Olympics be invested with the USSAIF investments and an annual grant be made from these funds to support the athletic programs. The board has been granting funds on a three-year rolling average as is done with the LCAE. These funds have been classified as net assets without donor restrictions, designated by the board as quasi-endowment on the combined/consolidated financial statements.

The following summarizes the funds' grants, and investment earnings for the years ended April 30, 2023 and 2022:

USSAIF/USSF Quasi-Endowment, Designated	2023	2022
Balance, beginning of year	$ 1,950,536	$ 2,016,798
Grant to athletic programs	(78,114)	(74,198)
Investment earnings	33,823	7,936
Balance, end of year	$ 1,906,245	$ 1,950,536

As of April 30, 2023 and 2022, the Companies had the following endowment net asset composition by type of fund:

	April 30, 2023						
	Donor - Restricted Endowments					Board-Designated Endowments	
	Perpetual in Nature - Endowments	Underwater Endowments	Total Perpetual in Nature - Endowments, Net	Purpose Restrictions - Endowment Earnings	Total	Without Donor Restrictions	Total Endowments
Endowment net assets, April 30, 2022	$ 66,567,132	$ (7,293,134)	$ 59,273,998	$ 2,737,110	$ 62,011,108	$ 1,950,536	$ 63,961,644
Contributions	3,897,222	-	3,897,222	-	3,897,222	-	3,897,222
Net investment earnings	-	542,171	542,171	484,898	1,027,069	33,823	1,060,892
Grants	-	(1,315,351)	(1,315,351)	(1,006,291)	(2,321,642)	(78,114)	(2,399,756)
Endowment net assets, April 30, 2023	$ 70,464,354	$ (8,066,314)	$ 62,398,040	$ 2,215,717	$ 64,613,757	$ 1,906,245	$ 66,520,002

	April 30, 2022						
	Donor - Restricted Endowments					Board-Designated Endowments	
	Perpetual in Nature - Endowments	Underwater Endowments	Total Perpetual in Nature - Endowments, Net	Purpose Restrictions - Endowment Earnings	Total	Without Donor Restrictions	Total Endowments
Endowment net assets, April 30, 2021	$ 62,311,413	$ (6,160,817)	$ 56,150,596	$ 3,586,048	$ 59,736,644	$ 2,016,798	$ 61,753,442
Contributions	4,255,719	-	4,255,719	-	4,255,719	-	4,255,719
Net investment earnings (losses)	-	124,246	124,246	(63,289)	60,957	7,936	68,893
Grants	-	(1,256,563)	(1,256,563)	(785,649)	(2,042,212)	(74,198)	(2,116,410)
Endowment net assets, April 30, 2022	$ 66,567,132	$ (7,293,134)	$ 59,273,998	$ 2,737,110	$ 62,011,108	$ 1,950,536	$ 63,961,644

Note 13 - Income Taxes

The taxable entity of the Companies is USST. Deferred tax assets and liabilities consist of the following components as of April 30, 2023 and 2022:

	2023	2022
Deferred tax assets (liabilities)		
Receivable allowances	$ 4,100	$ 17,800
Property and equipment	(52,075)	(13,006)
Net operating loss	985,800	977,100
	$ 937,825	$ 981,894
Net deferred tax assets before valuation allowance	$ 937,825	$ 981,894
Less valuation allowance	(937,825)	(981,894)
Net deferred tax assets	$ -	$ -

At April 30, 2023, the Company has available unused net operating loss carryforwards that may be applied against future taxable income of $4,694,076, which are related to USST.

Note 14 - Concentration of Credit Risk

The Companies primarily maintain cash and cash equivalents and investment balances at financial institutions and an investment banking firm.

The following balances summarize total cash and investments of the Companies as of April 30, 2023 and 2022:

	2023	2022
Investment Banking Firm	$ 66,492,432	$ 64,423,864
Financial Institution A	84,555	10,924,137
Financial Institution B	11,901,480	-
	$ 78,478,467	$ 75,348,001

Cash and investments are included in the combined/consolidated statements of financial position as of April 30, 2023 and 2022:

	2023	2022
Cash and Cash Equivalents	$ 11,986,035	$ 10,924,137
Quasi endowment investments	2,336,793	2,405,454
Endowment investments	64,155,639	62,018,410
	$ 78,478,467	$ 75,348,001

The Companies’ cash and cash equivalents and investments held with TWP and Schwab are fully insured (as to security positions owned, but not as to fluctuations in market value). The Companies maintain cash and investment accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits.

Note 15 - Functionalized Expenses

The following schedule presents the natural classification of expense by function for the year ended April 30, 2023:

	Program Services										
	Sponsorship Contracts and Rights Fees Fulfillment	Contribution and Fundraising Activities Fulfillment	Self-Funded Regional Programs Fulfillment	Elite Team Athletics	Domestic Athletics	Events	Grants	Total	Marketing and Communication	General and Administration	Total
Salaries and wages	$ 1,039,800	$ 1,243,817	$ -	$ 6,836,135	$ 2,004,874	$ 724,422	$ -	$ 11,849,048	$ 853,684	$ 2,009,304	$ 14,712,036
Payroll taxes and benefits	212,992	228,293	-	1,346,967	406,631	147,680	-	2,342,563	156,216	3,996	2,502,775
Professional services	339,377	1,314,080	8,300	1,948,799	341,924	70,792	-	4,023,272	379,884	14,693	4,417,849
Office expenses and equipment	69,977	361,659	80,081	813,463	418,030	65,038	-	1,808,248	26,465	755,553	2,590,266
Information technology	39,177	17,028	313	249,728	164,108	15,484	-	485,838	149,609	6,425	641,872
Occupancy	35,000	92,500	-	119,110	66,000	33,000	-	345,610	-	236,321	581,931
Travel	509,563	856,002	328,718	8,897,493	289,038	417,052	-	11,297,866	265,226	232,885	11,795,977
Conferences and meetings	60,012	273,364	-	18,728	15,117	-	-	367,221	69	12,175	379,465
Interest	-	-	-	429,486	-	-	-	429,486	-	-	429,486
Insurance	25,000	25,000	-	511,517	1,615,332	84,200	-	2,261,049	-	10,283	2,271,332
Fulfillment	2,992,028	139,310	-	21,699	314,104	17,468	-	3,484,609	7,186	70,771	3,562,566
Event production	206,041	332,220	18,330	69,625	93,796	5,314,265	-	6,034,277	239	2,401	6,036,917
TV production	2,409,967	-	-	-	-	-	-	2,409,967	-	-	2,409,967
Depreciation	18,000	18,924	-	939,865	37,600	18,801	-	1,033,190	-	13,165	1,046,355
Bad debt expense	-	-	-	-	-	-	-	-	-	65,000	65,000
Grants and other assistance	-	-	-	-	-	-	1,738,770	1,738,770	-	-	1,738,770
	$ 7,956,934	$ 4,902,197	$ 435,742	$ 22,202,615	$ 5,766,554	$ 6,908,202	$ 1,738,770	$ 49,911,014	$ 1,838,578	$ 3,432,972	$ 55,182,564

The following schedule presents the natural classification of expense by function for the year ended April 30, 2022:

	Program Services										
	Sponsorship Contracts and Rights Fees Fulfillment	Contribution and Fundraising Activities Fulfillment	Self-Funded Regional Programs Fulfillment	Elite Team Athletics	Domestic Athletics	Events	Grants	Total	Marketing and Communication	General and Administration	Total
Salaries and wages	$ 845,917	$ 1,050,087	$ -	$ 6,259,509	$ 2,041,600	$ 607,077	$ -	$ 10,804,190	$ 498,762	$ 2,230,274	$ 13,533,226
Payroll taxes and benefits	162,786	197,957	-	1,176,412	428,510	122,152	-	2,087,817	74,575	7,287	2,169,679
Professional services	877,049	253,633	3,500	1,813,134	350,937	122,846	-	3,421,099	501,913	358,930	4,281,942
Office expenses and equipment	17,764	139,871	23,788	1,480,085	268,378	15,530	-	1,945,416	82,062	1,015,804	3,043,282
Information technology	62,000	-	-	105,000	242,200	30,400	-	439,600	-	-	439,600
Occupancy	35,000	-	-	88,000	66,000	33,000	-	222,000	-	207,251	429,251
Travel	165,890	674,524	269,455	7,564,527	603,651	379,101	-	9,657,148	143,538	35,661	9,836,347
Conferences and meetings	70,981	397,794	-	-	-	-	-	468,775	-	-	468,775
Interest	-	-	-	425,681	-	-	-	425,681	-	4,877	430,558
Insurance	50,000	-	-	143,557	490,690	156,800	-	841,047	-	1,863,450	2,704,497
Fulfillment	2,617,400	1,490,317	-	82,500	751,011	-	-	4,941,228	-	-	4,941,228
Event production	-	-	-	-	-	3,398,349	-	3,398,349	-	-	3,398,349
TV production	2,340,253	-	-	-	-	-	-	2,340,253	-	-	2,340,253
Depreciation	18,000	373	-	959,308	35,042	18,800	-	1,031,523	-	58,740	1,090,263
Bad debt expense	-	-	-	-	-	-	-	-	-	185,000	185,000
Grants and other assistance	-	-	-	-	-	-	1,257,755	1,257,755	-	-	1,257,755
	$ 7,263,040	$ 4,204,556	$ 296,743	$ 20,097,713	$ 5,278,019	$ 4,884,055	$ 1,257,755	$ 43,281,881	$ 1,300,850	$ 5,967,274	$ 50,550,005

Note 16 - Retirement Plan

USSS has a defined contribution plan covering substantially all employees under section 401(k) of the Internal Revenue Code. The plan provides that employees who have attained the age 21 and completed one month of service can voluntarily contribute up to the maximum contribution allowed by the IRS. The Companies can, at its discretion, make a contribution to the plan. The plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the plan unless they affirmatively elect not to participate in the plan. The Companies made 2% matching contributions to the Plan until May 28, 2021, at which time the amount was increased to 3%. Automatically enrolled participants have their deferral rate set at 3% of eligible compensation (previously was 2% until May 28, 2021) and their contributions invested in a designated age-based fund until changed by the participant. For the years ended April 30, 2023 and 2022, there were $329,699 and $288,515 of employer contributions to the plan, respectively.

Note 17 - Legal Claims and Commitments

The Companies are involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate liability, if any, will not have a material effect on the Companies' combined/consolidated financial position or results of activity.

Supplementary Information
April 30, 2023

United States Ski Association and Affiliated Entities

United States Ski and Snowboard and Affiliated Entities

Combining/Consolidating Statement of Financial Position

April 30, 2023

	United States Ski and Snowboard	United States Ski Team, Inc.	United States Ski Team Foundation	USSA Investment Fund	Center of Excellence Properties Fund	Eliminations	Combined/ Consolidated Balance
Assets							
Current Assets							
Cash and cash equivalents	$ 5,143,463	$ -	$ 5,783,157	$ 50	$ 1,059,365	$ -	$ 11,986,035
Accounts receivable, net	1,952,986	721,418	234,500	-	-	-	2,908,904
Related party receivables	13,401,839	-	39,509	501,544	582,770	(14,525,662)	-
Inventories	-	10,602	-	-	-	-	10,602
Prepaid expenses	600,121	126,156	63,567	-	-	-	789,844
Total current assets	21,098,409	858,176	6,120,733	501,594	1,642,135	(14,525,662)	15,695,385
Endowment Investments	-	-	-	64,155,639	-	-	64,155,639
Quasi Endowment and Purpose-Restricted Investments	-	-	-	2,336,793	-	-	2,336,793
Contributions Receivable	-	-	495,000	-	-	-	495,000
Property and Equipment, Net	413,648	363,164	-	-	14,823,754	-	15,600,566
Other Assets	1,170,100	105,284	-	-	-	(100)	1,275,284
	$ 22,682,157	$ 1,326,624	$ 6,615,733	$ 66,994,026	$ 16,465,889	$ (14,525,762)	$ 99,558,667

	United States Ski and Snowboard	United States Ski Team, Inc.	United States Ski Team Foundation	USSA Investment Fund	Center of Excellence Properties Fund	Eliminations	Combined/ Consolidated Balance
Liabilities and Net Assets							
Current Liabilities							
Checks issued in excess of bank balance	$ -	$ 334,681	$ -	$ -	$ -	$ -	$ 334,681
Accounts payable	1,604,782	1,523,851	240,803	-	-	-	3,369,436
Related party payables	582,770	12,650,795	1,280,852	11,245	-	(14,525,662)	-
Accrued liabilities	1,817,179	67,543	-	-	34,390	-	1,919,112
Current maturities of long-term debt	-	-	-	-	351,881	-	351,881
Deferred revenue	53,357	16,525	566,024	-	37,358	-	673,264
Total current liabilities	4,058,088	14,593,395	2,087,679	11,245	423,629	(14,525,662)	6,648,374
Long-Term Debt, Less Current Maturities	-	-	-	-	14,457,716	-	14,457,716
Deferred Revenue	-	-	2,924,600	-	-	-	2,924,600
Other Liabilities	-	-	-	-	86,911	-	86,911
Total liabilities	4,058,088	14,593,395	5,012,279	11,245	14,968,256	(14,525,662)	24,117,601
Net Assets							
Without donor restrictions							
Undesignated	18,624,069	(13,266,771)	1,444,788	-	1,497,633	(100)	8,299,619
Designated by the Board as quasi endowment	-	-	-	1,906,245	-	-	1,906,245
With donor restrictions							
Purpose and time restrictions	-	-	158,666	462,779	-	-	621,445
Purpose restrictions - endowment earnings	-	-	-	2,215,717	-	-	2,215,717
Perpetual in nature - endowments	-	-	-	62,398,040	-	-	62,398,040
Total net assets (deficit)	18,624,069	(13,266,771)	1,603,454	66,982,781	1,497,633	(100)	75,441,066
	$ 22,682,157	$ 1,326,624	$ 6,615,733	$ 66,994,026	$ 16,465,889	$ (14,525,762)	$ 99,558,667

	United States Ski and Snowboard	United States Ski Team, Inc.	United States Ski Team Foundation	USSA Investment Fund	Center of Excellence Properties Fund	Eliminations	Combined/ Consolidated Balance
Changes in Net Assets Without Donor Restrictions							
Revenue and support							
Sponsorship contracts and rights fees							
Revenue	$ 12,928,099	$ 5,211,313	$ -	$ -	$ -	$ (1,122,000)	$ 17,017,412
Fulfillment expense	(5,357,393)	(3,721,541)	-	-	-	1,122,000	(7,956,934)
	7,570,706	1,489,772	-	-	-	-	9,060,478
Contributions and fundraising activities							
Revenue	150	14,139,676	19,252,259	-	-	(14,139,676)	19,252,409
Fulfillment expense	(8,538)	-	(19,033,335)	-	-	14,139,676	(4,902,197)
	(8,388)	14,139,676	218,924	-	-	-	14,350,212
Self-funded regional programs							
Revenue	437,403	-	-	-	-	-	437,403
Fulfillment expense	(434,932)	(810)	-	-	-	-	(435,742)
	2,471	(810)	-	-	-	-	1,661
Membership and competition dues and fees	6,701,723	7,531	-	-	-	-	6,709,254
Grants from United States Olympic and Paralympic Committee	6,495,100	5,850,000	-	-	-	(5,850,000)	6,495,100
Grants from COE	900,000	-	-	-	-	(900,000)	-
Grants from USST	1,500,000	-	-	-	-	(1,500,000)	-
Grants from USSAIF	78,114	-	-	-	-	-	78,114
Athletic grant from endowment	2,029,529	-	-	-	-	-	2,029,529
Other revenue, net	780,856	908,939	28,069	-	2,196,790	(2,046,570)	1,868,084
Net assets released from donor restrictions	-	-	487,114	1,006,291	-	-	1,493,405
Net revenue and support available for programs and administration	26,050,111	22,395,108	734,107	1,006,291	2,196,790	(10,296,570)	42,085,837

	United States Ski and Snowboard	United States Ski Team, Inc.	United States Ski Team Foundation	USSA Investment Fund	Center of Excellence Properties Fund	Eliminations	Combined/ Consolidated Balance
Costs of programs and administration							
Elite team athletic programs	$ (378,061)	$ (20,568,617)	$ (1,342)	$ -	$ (1,254,595)	$ -	$ (22,202,615)
Domestic athletic programs	(11,526,714)	(89,554)	(286)	-	-	5,850,000	(5,766,554)
Events	(6,904,198)	(4,004)	-	-	-	-	(6,908,202)
Marketing and communications	(1,837,635)	(943)	-	-	-	-	(1,838,578)
General and administration	(5,432,658)	(21,884)	-	-	(25,000)	2,046,570	(3,432,972)
Grants	-	(1,500,000)	(732,479)	(1,006,291)	(900,000)	2,400,000	(1,738,770)
	(26,079,266)	(22,185,002)	(734,107)	(1,006,291)	(2,179,595)	10,296,570	(41,887,691)
Change in undesignated net assets from operations	(29,155)	210,106	-	-	17,195	-	198,146
Change in endowment funds							
Grants to scholarship program	-	-	-	(292,114)	-	-	(292,114)
Grants to athletic programs	-	-	-	(2,029,529)	-	-	(2,029,529)
Net assets released from restriction pursuant to endowment spending-rate distribution formula	-	-	-	2,321,643	-	-	2,321,643
	-	-	-	-	-	-	-
Change in undesignated net assets	(29,155)	210,106	-	-	17,195	-	198,146
Changes in designated net assets							
USSAIF net investment return	-	-	-	33,823	-	-	33,823
USSAIF grant to athletic program	-	-	-	(78,114)	-	-	(78,114)
Change in designated net assets	-	-	-	(44,291)	-	-	(44,291)
Change in net assets without donor restrictions	(29,155)	210,106	-	(44,291)	17,195	-	153,855

	United States Ski and Snowboard	United States Ski Team, Inc.	United States Ski Team Foundation	USSA Investment Fund	Center of Excellence Properties Fund	Eliminations	Combined/ Consolidated Balance
Changes in Net Assets With Purpose and Time Restrictions							
Scholarship contributions received	$ -	$ -	$ 487,114	$ -	$ -	$ -	$ 487,114
Net assets released from donor restrictions	-	-	(487,114)	(1,006,291)	-	-	(1,493,405)
Net investment return	-	-	-	492,759	-	-	492,759
Change in net assets with purpose and time restrictions	-	-	-	(513,532)	-	-	(513,532)
Changes in Net Assets With Donor Restrictions - Endowment							
Net assets released from restriction pursuant to endowment spending-rate distribution formula	-	-	-	(1,315,352)	-	-	(1,315,352)
Net investment return	-	-	-	542,172	-	-	542,172
Endowment contributions	-	-	-	3,897,222	-	-	3,897,222
Changes in net assets with donor restrictions - endowment	-	-	-	3,124,042	-	-	3,124,042
Change in Net Assets	(29,155)	210,106	-	2,566,219	17,195	-	2,764,365
Net Assets (Deficit), Beginning of Year	18,653,224	(13,476,877)	1,603,454	64,416,562	1,480,438	(100)	72,676,701
Net Assets (Deficit), End of Year	$ 18,624,069	$ (13,266,771)	$ 1,603,454	$ 66,982,781	$ 1,497,633	$ (100)	$ 75,441,066