Financial Statements
April 30, 2018 and 2017

United States Ski Team Foundation, Inc.

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
United States Ski Team Foundation, Inc.
Park City, Utah

Report on the Financial Statements
We have audited the accompanying financial statements of United States Ski Team Foundation, Inc., which comprise the statements of financial position as of April 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United States Ski Team Foundation, Inc. as of April 30, 2018 and 2017, 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.

Eide Bailly LLP

Ogden, Utah
July 27, 2018

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents (Notes 1 and 5)	$ 1,774,357	$ 1,427,693
Accounts receivable, net (Notes 1 and 3)	262,491	465,013
Contributions receivable, net (Notes 1 and 2)	918,000	2,313,763
Prepaid expenses	39,710	18,121
Total current assets	2,994,558	4,224,590
Contributions Receivable (Notes 1 and 2)	624,000	622,000
Property and Equipment, Net	2,795	4,844
	$ 3,621,353	$ 4,851,434
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 75,319	$ 163,766
Accrued liabilities	157,650	199,119
Deferred revenue	1,118,317	2,590,597
Total current liabilities	1,351,286	2,953,482
Deferred Revenue	720,000	359,025
Total liabilities	2,071,286	3,312,507
Net Assets (Note 1)		
Unrestricted	1,429,572	1,429,572
Temporarily restricted – scholarships	120,495	109,355
Total net assets	1,550,067	1,538,927
Total liabilities and net assets	$ 3,621,353	$ 4,851,434

	2018	2017
Changes in Unrestricted Net Assets		
Revenue and contributions (Note 4)		
Olympic hospitality programs		
Revenue and contributions	$ 1,530,000	$ 1,515,000
Fulfillment expense	(279,156)	(650,015)
Net	1,250,844	864,985
Annual major gift program		
Revenue and contributions	3,694,908	6,770,067
Fulfillment expense	(1,217,465)	(3,464,298)
Net	2,477,443	3,305,769
Gold pass program		
Revenue and contributions	4,236,997	3,911,593
Fulfillment expense	(529,987)	(504,091)
Net	3,707,010	3,407,502
Fundraising events		
Revenue and contributions	2,517,432	2,572,383
Cost of events and fulfillment expense	(675,038)	(734,165)
Net	1,842,394	1,838,218
Direct solicitation and other programs, net		
Revenue and contributions	189,210	177,716
Fulfillment expense	(61,499)	(61,048)
Net	127,711	116,668
Other revenue (expense), net	17,137	2,611
Net revenue before administrative expenses	9,422,539	9,535,753
Fundraising expenses	(1,380,856)	(1,442,892)
General and administrative expenses	(192,000)	(192,000)
Net revenue available for USSA athletic programs	7,849,683	7,900,861
Grants to USSA athletic programs (Note 3)	(7,849,683)	(7,900,861)
Change in unrestricted net assets	-	-
Changes in Temporarily Restricted Net Assets		
Scholarship donations	299,893	168,226
Scholarship grants made	(288,753)	(319,804)
Increase (decrease) in temporarily restricted net assets	11,140	(151,578)
Change in Net Assets	11,140	(151,578)
Net Assets, Beginning of Year	1,538,927	1,690,505
Net Assets, End of Year	$ 1,550,067	$ 1,538,927

United States Ski Team Foundation, Inc.
Statements of Cash Flows
Years Ended April 30, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Contributions received	$ 12,930,362	$ 14,474,957
Interest received	1,228	1,190
Fulfillment expense paid	(4,294,965)	(6,595,809)
Administration	(187,852)	(186,471)
Grants and scholarships awarded	(8,115,786)	(8,184,838)
Net Cash from (used for) Operating Activities	332,987	(490,971)
Cash Flows from Investing Activities		
Purchase of property and equipment	(2,099)	(578)
Proceeds from maturities of investments	3,001,594	1,762,370
Purchases of investments	(2,985,818)	(1,761,062)
Net Cash from Investing Activities	13,677	730
Net Change in Cash and Cash Equivalents	346,664	(490,241)
Cash and Cash Equivalents, Beginning of Year	1,427,693	1,917,934
Cash and Cash Equivalents, End of Year	$ 1,774,357	$ 1,427,693
Reconciliation of Change in Net Assets to Net Cash from (used for) Operating Activities		
Change in net assets	$ 11,140	$ (151,578)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Net realized gain on investments	(15,776)	(1,308)
Depreciation expense	4,148	5,529
Changes in operating assets and liabilities		
Accounts and contributions receivable	1,596,285	22,520
Prepaid expenses	(21,589)	46,916
Accounts payable	(88,447)	162,228
Accrued liabilities	(41,469)	52,097
Deferred revenue	(1,111,305)	(627,375)
Net Cash from (used for) Operating Activities	$ 332,987	$ (490,971)

Note 1 - Business Activity and Significant Accounting Policies

Organization

The United States Ski Team Foundation, Inc., also known as the U.S. Ski and Snowboard Foundation, (the "Foundation") is a nonprofit corporation organized to promote educational and charitable activities related to the sports of skiing and snowboarding. The Foundation conducts annual fundraising programs in three major areas. These programs include the major gifts program (which includes Olympic hospitality programs, the gold pass program, and other annual major gift programs), fundraising events, and direct solicitation programs. The funds raised from these annual programs are granted to United States Ski Team, Inc. (USST), a wholly owned subsidiary of the United States Ski Association, also known as U.S. Ski and Snowboard (USSA). The funds are used by USST to support the training, development, coaching, and competition cost of athletes of the United States Ski and Snowboard Teams.

Cash and Cash Equivalents

The Foundation considers all 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 capital expenditures, permanent endowment, or other long-term purposes of the Foundation are excluded from this definition.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due to support the training, development, coaching, and competition costs of athletes of the United States Ski and Snowboard Teams. 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, 2018 and 2017, gross accounts receivable were $262,491 and $465,013, respectively. At April 30, 2018 and 2017, the allowance was $0.

Contributions Receivable

Contributions receivable consists of $1,542,000 and $2,935,763 of pledge receivables for the Olympic Hospitality programs as of April 30, 2018 and 2017, respectively. Contributions receivable expected to be collected within one year are recorded at net realizable value. Management determines the allowance for uncollectible contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectible. At April 30, 2018 and 2017, the allowance was $0.

Property and Equipment

Property and equipment are stated at cost. The Foundation capitalizes all expenditures in excess of $500 for property and equipment. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which is three years for all assets. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the 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, 2018 and 2017.

The balances by class of assets are as follows:

	2018	2017
Furniture and equipment	$ 76,950	$ 74,851
Computers	107,748	107,748
Less accumulated depreciation	(181,903)	(177,755)
	$ 2,795	$ 4,844

Deferred Revenue

Deferred revenue consists of prepayments for programs to be held in a future year and contributions for which qualifying expenses have not yet been incurred. Deferred revenue at April 30, 2018 and 2017 is $1,838,317 and $2,949,622, respectively, which includes $900,000 and $2,387,005, respectively, of expenses accrued for the Olympic Hospitality programs that have not yet been incurred.

Net Assets

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

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors for operating reserve.

Temporarily Restricted - Scholarships – Net assets subject to donor restrictions as scholarships for athletes. The recipients of the scholarships are determined annually by the scholarship committee of the Foundation.

Revenue and Revenue Recognition

Contributions received as well as contributions receivable are recognized in the period received or promised. Donated assets are recorded at their market value at the date of donation. Contributions with donor-imposed restrictions are reported as temporarily or permanently restricted revenues. Temporarily restricted net assets are reclassified to unrestricted net assets when the donor restrictions are satisfied.

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. Restricted support received the same year that restrictions are fulfilled is reported as unrestricted net assets.

Income Taxes

The Foundation is organized as a Colorado nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualify for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Foundation has determined it is subject to unrelated business income tax but is not required to file an Exempt Organization Business Income Tax Return (Form 990-T), because the unrelated business income was less than the requirement for filing for the years ending April 30, 2018 and 2017.

The Foundation believes that it 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 financial statements. The Foundation 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 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 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.

Subsequent Events

Subsequent events have been evaluated through July 27, 2018, the date the financial statements were available to be issued.

Note 2 - Contributions Receivable

Contributions receivable estimated to be collected as follows at April 30, 2018 and 2017:

	2018	2017
Within one year	$ 918,000	$ 2,313,763
In one to five years	624,000	622,000
	$ 1,542,000	$ 2,935,763

Note 3 - Related Party Transactions

Related parties considered herein include United States Skiing Foundation (USSF), USSA Investment Fund (USSAIF), Center of Excellence Properties Fund (COEPF), USSA and its subsidiaries, USSA Enterprises (Enterprises), and USST, and the officers or trustees of these entities. During the year ended April 30, 2018, Enterprises merged with USST and USSF merged with USSAIF.

The Foundation conducts annual fundraising programs to support the core athletic programs of the United States Ski and Snowboard Teams. The funds raised from these programs (net of expenses) are granted annually to USST. Accordingly, grants of $7,849,683 and $7,900,861 were awarded to USST during the years ended April 30, 2018 and 2017, respectively.

USSA incurs certain direct administrative and payroll expenses on behalf of the Foundation for which the Foundation reimburses USSA. In addition, the Foundation reimbursed USSA $192,000 during the years ended April 30, 2018 and 2017 for management and overhead expense. Accounts payable and receivable at April 30, 2018 and 2017 includes amounts due (to) from the following related parties, respectively:

	2018	2017
Due from (to) USSA	$ 85,318	$ (542)
Due from USST	136,303	157,630
Due from Enterprises	-	707
	$ 221,621	$ 157,795

USSAIF granted $140,896 and $146,935 of scholarship money to the Foundation during the years ended April 30, 2018 and 2017, respectively.

The Foundation is named as a guarantor of the $7,000,000 line-of-credit to USSA. The outstanding balance on the line was $0 and $2,865,733 at April 30, 2018 and 2017, respectively. The Foundation is a guarantor on the outstanding balance on the tax-exempt bonds of Center of Excellence Properties LLC. The outstanding balance on the bonds at April 30, 2018 and 2017 was $17,306,033 and $17,878,048, respectively. The bonds were used to support the construction of the Center of Excellence training center and headquarters.

Note 4 - Fundraising Programs

The Foundation conducts a variety of fundraising programs and activities in three major areas. Fundraising events include fundraising dinners, receptions, and other similar events conducted across the country. The major gift programs include several donation levels ranging from $1,000 to $100,000 or more annually. Each donation level receives a proportionate level of benefits and recognition. The major gift programs include the Olympic hospitality programs where a significant incremental donation is made in addition to the donor’s annual giving. This additional gift supports the training needs of the teams during each quadrennial as the teams prepare for the Olympics. The major gift programs also include the gold pass gift program, which provides each donor with a transferable season ski pass accepted at more than 250 ski resorts across the country provided through the support of the National Ski Areas Association and participating ski resorts. The direct solicitation programs consist of direct mail, telemarketing, and other programs to solicit donations on a broad basis. Certain costs and expenses are incurred to conduct each of the programs and activities, such as the cost of a dinner evemt or reception.

The following summarizes the gross revenue and the costs and expenses to conduct these fundraising programs and activities for the years ended April 30, 2018 and 2017:

	Gross revenue	Costs and expenses	Net revenue
2018			
Olympic hospitality programs	$ 1,530,000	$ (279,156)	$ 1,250,844
Major gift program	3,694,908	(1,217,465)	2,477,443
Gold pass program	4,236,997	(529,987)	3,707,010
Fundraising events	2,517,432	(675,038)	1,842,394
Direct solicitation and other programs	189,210	(61,499)	127,711
	$ 12,168,547	$ (2,763,145)	$ 9,405,402

	Gross revenue	Costs and expenses	Net revenue
2017			
Olympic hospitality programs	$ 1,515,000	$ (650,015)	$ 864,985
Major gift program	6,770,067	(3,464,298)	3,305,769
Gold pass program	3,911,593	(504,091)	3,407,502
Fundraising events	2,572,383	(734,165)	1,838,218
Direct solicitation and other programs	177,716	(61,048)	116,668
	$ 14,946,759	$ (5,413,617)	$ 9,533,142

Note 5 - Concentration of Credit Risk

The Foundation primarily maintains its cash and cash equivalent balances at Wells Fargo Bank (Wells Fargo), a financial institution and Charles Schwab & Co. (Schwab), a discount brokerage firm. The following balances summarize total cash and cash equivalents of the Foundation as of April 30, 2018 and 2017:

	2018	2017
Wells Fargo	$ 1,476,175	$ 1,108,182
Schwab	298,182	319,511
	$ 1,774,357	$ 1,427,693

The Foundation's cash and cash equivalents held with Schwab are fully insured (as to security positions owned, but not as to fluctuations in market value). Cash and cash equivalent accounts with financial institutions are insured by Federal Deposit Insurance Corporation up to $250,000 per institution at April 30, 2018 and 2017. Uninsured cash and cash equivalent balances aggregate $1,426,975 and $858,182 at April 30, 2018 and 2017, respectively.

Note 6 - Retirement Plan

The Foundation's employees are eligible to participate in the U.S. Ski and Snowboard 401(k) 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 Foundation can, at its discretion, make a contribution to the plan. Effective September 1, 2017, 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 and the Foundation made 1% matching contributions to the plan. Automatically enrolled participants have their deferral rate set at 1% of eligible compensation and their contributions invested in a designated age-based fund until changed by the participant. For the years ended April 30, 2018 and 2017, there was approximately $5,000 and $0 of employer contributions to the plan, respectively.