

UNITED STATES GYMNASTICS FEDERATION

FINANCIAL STATEMENTS

December 31, 2007 and 2006

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
United States Gymnastics Federation
Indianapolis, Indiana

We have audited the accompanying consolidated statements of financial position of the United States Gymnastics Federation (the Federation) as of December 31, 2007 and the related consolidated statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Federation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of USA Gymnastics Federation as of December 31, 2006, were audited by other auditors whose report dated July 25, 2007, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Federation as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The 2007 consolidating information, as listed in the table of contents, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, change in net assets, and cash flows of the individual companies. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
November 12, 2008

UNITED STATES GYMNASTICS FEDERATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2007 and 2006

	2007	2006
ASSETS		
Cash and cash equivalents	\$ 7,236,184	\$ 6,425,115
Investments (Note 5)	3,840,814	3,811,447
Accounts receivable	1,138,996	234,743
Inventories	72,422	158,052
Prepaid expenses and other assets	783,738	736,271
Furnishings and equipment (net of accumulated depreciation of \$294,005 and \$1,098,783 for 2007 and 2006)	<u>265,915</u>	<u>312,416</u>
Total assets	<u>\$ 13,338,069</u>	<u>\$ 11,678,044</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 682,911	\$ 656,993
Deferred revenue (Note 4)	<u>4,189,881</u>	<u>3,322,067</u>
Total liabilities	4,872,792	3,979,060
Net assets:		
Unrestricted	7,880,600	7,194,102
Temporarily restricted (Note 7)	<u>584,677</u>	<u>504,880</u>
Total net assets	<u>8,465,277</u>	<u>7,698,982</u>
Total liabilities and net assets	<u>\$ 13,338,069</u>	<u>\$ 11,678,042</u>

See accompanying notes to financial statements

UNITED STATES GYMNASTICS FEDERATION
CONSOLIDATED STATEMENT OF ACTIVITIES
Years Ended December 31, 2007 and 2006

	2007	2006
UNRESTRICTED NET ASSETS		
Revenue:		
Marketing and events	\$ 3,562,311	\$ 3,256,084
Communications and publications	482,475	508,766
Program:		
Women's gymnastics	669,608	564,597
Men's gymnastics	103,045	131,499
Trampoline and tumbling	542,731	480,381
Sports acrobatics	455,083	516,764
Rhythmic gymnastics	85,542	71,178
General gymnastics	<u>131,352</u>	<u>35,563</u>
	1,987,361	1,799,982
Member services	7,373,732	7,162,847
Administrative:		
United States Olympic Committee (Note 3)	1,873,013	1,633,575
Investment returns (Note 5)	533,987	602,012
Other	<u>117,380</u>	<u>76,963</u>
	<u>2,524,380</u>	<u>2,312,550</u>
Total revenue	15,930,259	15,040,229
Expenses:		
Program services:		
Marketing and events	2,272,009	2,524,789
Member services	2,915,161	2,797,990
Communications	1,557,547	1,260,898
Women's gymnastics	2,713,822	2,257,989
Men's gymnastics	1,445,997	1,313,271
Trampoline and tumbling	846,651	728,119
Sports acrobatics	520,343	452,769
Rhythmic gymnastics	609,287	585,995
General gymnastics	104,035	52,371
International relations	<u>175,586</u>	<u>115,048</u>
Total program services expense	13,160,438	12,089,239
Supporting services:		
Administrative	1,984,239	1,850,566
Governance	<u>99,084</u>	<u>73,876</u>
Total supporting services expense	<u>2,083,323</u>	<u>1,924,442</u>
Total expenses	<u>15,243,761</u>	<u>14,013,681</u>
Change in unrestricted net assets	686,498	1,026,548
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	\$ 87,774	\$ 79,667
Releases from restriction	<u>(7,977)</u>	<u>(3,000)</u>
Change in temporarily restricted net assets	<u>79,797</u>	<u>76,667</u>
Change in net assets	766,295	1,103,215
Net assets, beginning of year	<u>7,698,982</u>	<u>6,595,767</u>
Net assets, end of year	<u>\$ 8,465,277</u>	<u>\$ 7,698,982</u>

See accompanying notes to financial statements

UNITED STATES GYMNASTICS FEDERATION
CONSOLIDATED STATEMENT OF CASH FLOWS
Years Ended December 31, 2007 and 2006

	2007	2006
Cash flows from operating activities		
Change in net assets	\$ 766,295	\$ 1,103,215
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized gain on sale of investments	(119,538)	(200,234)
Unrealized gain on investments	(38,765)	(81,465)
Gain on the sale of furnishings and equipment	(11,000)	-
Depreciation expense	169,806	219,923
Changes in assets and liabilities		
Accounts receivable	(904,253)	321,083
Inventories	85,630	(1,770)
Prepaid expenses and other assets	(47,468)	(325,496)
Accounts payable and accrued expenses	25,918	(20,557)
Deferred revenue	<u>867,814</u>	<u>40,526</u>
Net cash provided by operating activities	794,439	1,055,225
Cash flows from investing activities		
Purchases of investments	(1,896,967)	(1,908,607)
Proceeds of sale or maturity of investments	2,025,902	1,838,653
Purchases of furnishing and equipment	(130,305)	(104,384)
Proceeds from the sale of furnishings and equipment	<u>18,000</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>16,630</u>	<u>(174,338)</u>
Increase in cash and cash equivalents	811,069	880,887
Cash and cash equivalents, beginning of year	<u>6,425,115</u>	<u>5,544,228</u>
Cash and cash equivalents, end of year	<u>\$ 7,236,184</u>	<u>\$ 6,425,115</u>

See accompanying notes to financial statements

UNITED STATES GYMNASTICS FEDERATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2007 and 2006

NOTE 1 - ORGANIZATION

The United States Gymnastics Federation (the Federation) is the designated National Governing Body of the Olympic sport of gymnastics. The Federation was so designated by the United States Olympic Committee (the USOC) and is a Group A member of the USOC. The Federation is also the United States representative to the Federation Internationale De Gymnastique (FIG), an organization whose purpose is to promote the development of the sport of gymnastics throughout the world. In addition to organizing the United States Olympic Gymnastics Team and other national teams, the Federation supports and promotes the sports of gymnastics through athlete and coach development, event sanctioning, safety, and education. The Federation also organizes and operates national and international amateur competition in the sports of trampoline, double mini-tramp, power tumbling, and sports acrobatics.

As a National Governing Body, the Federation may discipline individuals or organizations for violations of its rules. Individuals or organizations who are disciplined may seek administrative and civil remedies, including arbitration or litigation.

In 1988, the Federation formed The National Gymnastics Foundation, Inc., (the Foundation) to further the Olympic sport of gymnastics through educational grants and other support activities governed by an independent Board of Directors.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The consolidated financial statements include the accounts of the Federation and the Foundation. All significant intercompany accounts and transactions have been eliminated in consolidation.

Revenue Recognition: Membership services revenue is recognized ratably over the membership period. Program-related revenues, including television rights, fees, gate receipts, event sponsorships and other event revenue, are recognized upon completion of the respective tour or event. National sponsorships are recognized ratably over the sponsorship period.

The Federation records the value of in-kind goods and services as revenue and expense when the in-kind contribution relates to events and programs under the Federation's control. In-kind sponsorships, which are recognized at the fair value of the non-cash consideration received, totaled approximately \$184,000 and \$175,000 for 2007 and 2006. The revenue and corresponding expense recognized represent and objective estimate of the goods and services provided.

(Continued)

UNITED STATES GYMNASTICS FEDERATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2007 and 2006

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions: Contributions are recorded at fair value at the date the pledge or contribution is received. Contributions received that may be expended only as designated by the donor are recorded as additions to temporarily restricted net assets in the accompanying consolidated financial statements.

Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$100,000 per financial institution. Additionally, for purposes of the statement of cash flows, the Federation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments: The Federation has adopted Statement of Financial Accounting Standards (SFAS) No. 124 "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value based on quoted market prices or dealer quotes in the statement of financial position. These investments are initially recorded at cost if they were purchased or at their fair market value on the date of the gift if they were received as a donation. Investment returns are recorded in the statement of activities.

Interest and dividend income and realized gains and losses derived from temporarily restricted net assets are recorded as unrestricted revenue unless specifically restricted by the donor. Certain temporarily restricted net assets are designated a portion of total unrestricted investment returns based on the percentage of their balances in proportion to the total investments.

Accounts Receivable: Accounts receivable consist of amounts due under sponsorship or other agreements, or in relation to event and other fees, and are recorded at face value net of any allowance for doubtful accounts. The need for an allowance was determined by management by a process involving consideration of past experience and current delinquent account information, and an assessment of the receivables aging. At December 31, 2007 and 2006, no allowance for doubtful accounts was considered necessary. Interest is not charged on outstanding receivables.

Inventories: Promotional material and publication inventories are stated at the lower of cost or market determined on a first-in, first-out basis.

Property and Equipment: Property and equipment with an original cost of \$1,000 or more are recorded at cost or, if donated, at fair value when received. Depreciation is provided by the straight-line method over the estimated useful lives of the respective assets. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

(Continued)

UNITED STATES GYMNASTICS FEDERATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2007 and 2006

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue: Prepaid amounts received pursuant to sponsorship agreements or from prepaid memberships are recorded as deferred revenue and recognized in subsequent periods when the corresponding programs are conducted or expenses are incurred.

Functional Allocation of Expenses: The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the program and supporting services categories based on the actual direct expenditures and cost allocations based upon estimates by Federation personnel.

Net Asset Classifications: The financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 117 requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted, and permanently restricted. The following classes of net assets are used to reflect donor intent:

Unrestricted Net Assets - The unrestricted net asset class includes general assets and liabilities of the Federation. The unrestricted net assets may be used to support the Federation's purposes and operations. As disclosed in Note 7, certain unrestricted net assets have been designated by the Board of Directors for specific purposes.

Temporarily Restricted Net Assets - The temporarily restricted net asset class includes assets of the Federation related to contributions and grants with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates.

Permanently Restricted Net Assets - The permanently restricted net asset class includes assets of the Federation which the donor has stipulated be maintained in perpetuity. Donor-imposed restrictions limiting the use of the assets or its economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose. The Federation did not have any permanently restricted net assets at December 31, 2007.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period and could differ from actual results.

Income Tax Status: The Internal Revenue Service has ruled that both the Federation and Foundation qualify under Section 501(c)(3) of the Internal Revenue Code and are, therefore, not subject to income taxation under present income tax laws.

(Continued)

UNITED STATES GYMNASTICS FEDERATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2007 and 2006

NOTE 3 - USOC SUPPORT

USOC provides support for sport development, international competition, and team preparation through either advances or reimbursements. Such revenue is recognized concurrently with the related expenses. Expenditures are recorded in the program-related accounts. In 2005, USOC began making payments directly to athletes receiving support through the Federation's athlete support program that in previous years had been paid to the Federation for disbursements to the athletes. Amounts related to athlete support are recognized both as USOC support and corresponding program expense in the consolidated statement of activities for the year ended December 31:

	<u>2007</u>	<u>2006</u>
Performance Pool Grants	\$ 1,409,953	\$ 1,273,100
Athlete Funding	431,060	346,660
International Relations Grant	<u>32,000</u>	<u>13,815</u>
	<u>\$ 1,873,013</u>	<u>\$ 1,633,575</u>

NOTE 4 - DEFERRED REVENUE

Deferred revenue consists of the following at December 31:

	<u>2007</u>	<u>2006</u>
Memberships	\$ 3,341,858	\$ 3,244,087
Sponsorships and advertising	379,311	36,725
USOC Olympic Trials funding	425,000	-
Other	<u>43,712</u>	<u>41,255</u>
	<u>\$ 4,189,881</u>	<u>\$ 3,322,067</u>

NOTE 5 - INVESTMENTS

Foundation investments at December 31 consist of the following:

	<u>2007</u>		<u>2006</u>	
	Fair Value	Cost	Fair Value	Cost
Common stocks	\$ 2,846,307	\$ 2,573,059	\$ 2,684,708	\$ 2,438,362
United States government agency notes and corporate obligations	<u>994,507</u>	<u>998,941</u>	<u>1,126,739</u>	<u>1,144,528</u>
	<u>\$ 3,840,814</u>	<u>\$ 3,572,000</u>	<u>\$ 3,811,447</u>	<u>\$ 3,582,890</u>

(Continued)

UNITED STATES GYMNASTICS FEDERATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2007 and 2006

NOTE 5 - INVESTMENTS (Continued)

The following schedule summarizes the components of investment return:

	<u>2007</u>	<u>2006</u>
Dividends and interest	\$ 375,684	\$ 320,313
Net realized gains	119,538	200,234
Net unrealized gains	<u>38,765</u>	<u>81,465</u>
	<u>\$ 533,987</u>	<u>\$ 602,012</u>

The various investments in equities and fixed income investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the Federation.

NOTE 6 - RETIREMENT PLAN

In 1986, the Federation established a defined-contribution retirement plan for all eligible employees who elected participation. The Federation's contribution was equal to 6% of each participant's salary for 2007 and 2006. Total expense for the retirement plan was \$132,944 and \$118,222 for 2007 and 2006, respectively.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

The Board of Directors of the National Gymnastics Foundation designates a portion of the total unrestricted investment earnings to temporarily restricted funds, to be used for each respective fund's donor-designated purpose. Investment earnings are allocated based on the percentage of each fund's balance in proportion to the total investments.

Temporarily restricted net assets, including the cumulative designated portion of unrestricted investment earnings, consisted of the following at December 31:

	<u>2007</u>	<u>2006</u>
Zimpfer Fund	\$ 167,795	\$ 157,200
Men's Scholarship Fund	522,679	453,477
Other Funds	<u>128,701</u>	<u>119,927</u>
	819,175	730,604
Less cumulative designation of unrestricted investment earnings	<u>(234,498)</u>	<u>(225,724)</u>
Temporarily restricted net assets	<u>\$ 584,677</u>	<u>\$ 504,880</u>

Temporarily restricted net assets released from restriction during the years ended December 31, 2007 and 2006 totaled \$7,977 and \$3,000.

(Continued)

UNITED STATES GYMNASTICS FEDERATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31 2007 and 2006

NOTE 8 - OPERATING LEASES

In early 2008, the Federation entered into an operating lease for office facilities expiring on December 31, 2020. This lease has fluctuating rent payments. Approximate future minimum payments required under current and 2008 operating leases that have noncancelable lease terms in excess of one year are as follows:

2008	\$ 51,865
2009	234,821
2010	240,232
2011	210,079
2012	195,541
Thereafter	<u>1,638,674</u>
	<u>\$2,571,212</u>

Office facilities rent expense was \$168,852 and \$190,992 for 2007 and 2006, respectively.

SUPPLEMENTARY INFORMATION

UNITED STATES GYMNASTICS FEDERATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2007

	U.S. Gymnastics Federation	National Gymnastics Foundation	Eliminations	Consolidated
ASSETS				
Cash and cash equivalents	\$ 6,750,705	\$ 485,479	\$ -	\$ 7,236,184
Investments	-	3,840,814	-	3,840,814
Accounts receivable	1,125,828	13,168	-	1,138,996
Inventories	72,422	-	-	72,422
Prepaid expenses and other assets	780,628	3,110	-	783,738
Amount due from National Gymnastics Foundation	273,394	-	(273,394)	-
Furnishings and equipment, net	<u>265,915</u>	<u>-</u>	<u>-</u>	<u>265,915</u>
Total assets	<u>\$ 9,268,892</u>	<u>\$ 4,342,571</u>	<u>\$ (237,394)</u>	<u>\$ 13,338,069</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable and accrued expenses	\$ 673,119	\$ 9,792	\$ -	\$ 682,911
Amounts due to US Gymnastics Federation	-	273,394	(273,394)	-
Deferred revenue	<u>4,189,881</u>	<u>-</u>	<u>-</u>	<u>4,189,881</u>
Total liabilities	4,863,000	283,186	(273,394)	4,872,792
Net assets:				
Unrestricted	4,403,694	3,476,906	-	7,880,600
Temporarily restricted	<u>2,198</u>	<u>582,479</u>	<u>-</u>	<u>584,677</u>
Total net assets	<u>4,405,892</u>	<u>4,059,385</u>	<u>-</u>	<u>8,465,277</u>
Total liabilities and net assets	<u>\$ 9,268,892</u>	<u>\$ 4,342,571</u>	<u>\$ (237,394)</u>	<u>\$ 13,338,069</u>

UNITED STATES GYMNASTICS FEDERATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
Year Ended December 31, 2007

	U.S. Gymnastics Federation	National Gymnastics Foundation	Eliminations	Consolidated
Unrestricted net assets				
Revenue:				
Marketing and events	\$ 3,562,311	\$ -	\$ -	\$ 3,562,311
Communications and publications	482,475	-	-	482,475
Program:				
Women's gymnastics	669,608	-	-	669,608
Men's gymnastics	103,045	-	-	103,045
Trampoline and tumbling	542,731	-	-	542,731
Sports acrobatics	455,083	-	-	455,083
Rhythmic gymnastics	85,542	-	-	85,542
General gymnastics	<u>131,352</u>	-	-	<u>131,352</u>
	1,987,361	-	-	1,987,361
Member services	7,373,732	-	-	7,373,732
Administrative:				
United States Olympic Committee	1,873,013	-	-	1,873,013
Foundation grants	169,000	-	(169,000)	-
Investment returns	243,946	290,041	-	533,987
Other	<u>116,673</u>	<u>707</u>	-	<u>117,380</u>
	<u>2,402,632</u>	<u>290,748</u>	<u>(169,000)</u>	<u>2,524,380</u>
Total revenue	15,808,511	290,748	(169,000)	15,930,259
Expenses:				
Program services:				
Marketing and events	2,272,009	-	-	2,272,009
Member services	2,915,161	-	-	2,915,161
Communications	1,557,547	-	-	1,557,547
Women's gymnastics	2,713,822	-	-	2,713,822
Men's gymnastics	1,445,997	-	-	1,445,997
Trampoline and tumbling	846,651	-	-	846,651
Sports acrobatics	520,343	-	-	520,343
Rhythmic gymnastics	609,287	-	-	609,287
General gymnastics	104,035	-	-	104,035
International relations	<u>175,586</u>	-	-	<u>175,586</u>
Total program services expense	13,160,438	-	-	13,160,438
Supporting services:				
Administrative	1,928,762	55,477	-	1,984,239
Grant to US Gymnastics Federation	-	169,000	(169,000)	-
Governance	<u>99,084</u>	-	-	<u>99,084</u>
Total supporting services expense	<u>2,027,846</u>	<u>224,477</u>	<u>(169,000)</u>	<u>2,083,323</u>
Total expenses	<u>15,188,284</u>	<u>224,477</u>	<u>(169,000)</u>	<u>15,243,761</u>
Change in unrestricted net assets	620,227	66,271	-	686,498
Temporarily restricted net assets				
Contributions	\$ 5,175	\$ 82,599	\$ -	\$ 87,774
Releases from restriction	<u>(2,977)</u>	<u>(5,000)</u>	-	<u>(7,977)</u>
Change in temporarily restricted net assets	<u>2,198</u>	<u>77,599</u>	-	<u>79,797</u>
Change in net assets	622,425	143,870	-	766,295
Net assets, beginning of year	<u>3,783,467</u>	<u>3,915,515</u>	-	<u>7,698,982</u>
Net assets, end of year	<u>\$ 4,405,892</u>	<u>\$ 4,059,385</u>	<u>\$ -</u>	<u>\$ 8,465,277</u>

UNITED STATES GYMNASTICS FEDERATION
CONSOLIDATING SCHEDULE OF CASH FLOWS
Year Ended December 31, 2007

	U.S. Gymnastics Federation	National Gymnastics Foundation	Eliminations	Consolidated
Cash flows from operating activities				
Increase in net assets	\$ 622,425	\$ 143,870	\$ -	\$ 766,295
Adjustments to reconcile increase in net cash provided by (used in) operating activities:				
Realized gain on sale of investments	-	(119,538)	-	(119,538)
Unrealized gain on investments	-	(38,765)	-	(38,765)
Gain on the sale of furnishings and equipment	(11,000)	-	-	(11,000)
Depreciation expense	169,806	-	-	169,806
Changes in operating assets and liabilities:				
Accounts receivable	(891,084)	(13,169)	-	(904,253)
Amount due from National Gymnastics Foundation, Inc.	(177,801)	-	177,801	-
Inventories	85,630	-	-	85,630
Prepaid expenses and other assets	(60,645)	13,177	-	(47,468)
Accounts payable and accrued expenses	28,213	(2,295)	-	25,918
Due to US Gymnastics Federation	-	177,801	(177,801)	-
Deferred revenue	<u>867,814</u>	<u>-</u>	<u>-</u>	<u>867,814</u>
Net cash provided by (used in) operating activities	633,358	161,081	-	794,439
Cash flows from investing activities				
Purchase of investments	-	(1,896,967)	-	(1,896,967)
Proceeds on sale or maturity of investments	-	2,025,902	-	2,025,902
Purchases of furnishings and equipment	(130,305)	-	-	(130,305)
Proceeds from the sale of furniture and equipment	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
Net cash (used in) investing activities	<u>(112,305)</u>	<u>128,935</u>	<u>-</u>	<u>16,630</u>
Increase in cash and cash equivalents	521,053	290,016	-	811,069
Cash and cash equivalents, beginning of year	<u>6,229,652</u>	<u>195,463</u>	<u>-</u>	<u>6,425,115</u>
Cash and cash equivalents, end of year	<u>\$ 6,750,705</u>	<u>\$ 485,479</u>	<u>\$ -</u>	<u>\$ 7,236,184</u>