



**USA SWIMMING, INC. AND
USA SWIMMING FOUNDATION, INC.**

Consolidated Financial Statements

For the Year Ended December 31, 2023,

Supplemental Schedules

And

Independent Auditors' Report

USA SWIMMING, INC. AND USA SWIMMING FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
USA Swimming, Inc. and USA Swimming Foundation, Inc.

Opinion

We have audited the accompanying consolidated financial statements of USA Swimming, Inc. and USA Swimming Foundation, Inc. (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Organization's 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary schedules on pages 24 through 27 are presented for purposes of additional analysis and are not a required part of the 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 consolidated financial statements or to the 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 consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Stockman Kast Ryan + Co. LLP

May 15, 2024

USA SWIMMING, INC. AND USA SWIMMING FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2023 (with comparative totals for 2022)

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 9,936,795	\$ 6,283,382
Accounts receivable, net	3,041,482	2,974,681
Current portion of pledges receivable, net	753,132	941,174
Prepaid expenses and deferred charges	<u>1,901,291</u>	<u>1,468,527</u>
Total current assets	15,632,700	11,667,764
PROPERTY AND EQUIPMENT, NET	3,744,596	4,254,582
LONG-TERM INVESTMENTS	45,531,741	46,484,799
LONG-TERM PLEDGES RECEIVABLE, NET	767,499	608,804
PREPAID RENT	4,455,507	4,594,827
DEPOSITS	140,000	140,000
INTANGIBLE ASSETS	<u>120,000</u>	<u>120,000</u>
TOTAL ASSETS	<u>\$ 70,392,043</u>	<u>\$ 67,870,776</u>

(Continued)

USA SWIMMING, INC. AND USA SWIMMING FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2023 (with comparative totals for 2022)

	2023	2022
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 2,948,112	\$ 7,063,700
Accrued expenses and other liabilities	1,207,279	1,221,213
Current portion of deferred revenue	<u>20,605,853</u>	<u>16,569,556</u>
Total current liabilities	24,761,244	24,854,469
LINE OF CREDIT		1,000,000
LONG-TERM DEFERRED REVENUE		50,900
LOSS RESERVE	<u>613,593</u>	<u>686,478</u>
TOTAL LIABILITIES	<u>25,374,837</u>	<u>26,591,847</u>
NET ASSETS		
Without donor restrictions:		
Available for operations	20,368,423	17,331,198
Board designated — endowment	11,970,594	10,585,591
Board designated — USSIC sale	2,996,443	4,522,993
Board designated — reserves	1,201,000	1,201,000
With donor restrictions	<u>8,480,746</u>	<u>7,638,147</u>
TOTAL NET ASSETS	<u>45,017,206</u>	<u>41,278,929</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 70,392,043</u>	<u>\$ 67,870,776</u>

See notes to consolidated financial statements.

(Concluded)

USA SWIMMING, INC. AND USA SWIMMING FOUNDATION, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023 (with comparative totals for 2022)

	2023	2022
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUE AND SUPPORT:		
Membership	\$ 23,399,161	\$ 23,234,255
Partnership marketing	6,102,653	4,799,153
Investment income (loss), net	5,675,139	(7,692,523)
USOPC grants and contracts	5,344,211	5,341,414
Contributions - financial	659,050	672,019
Contributions - nonfinancial	318,204	295,476
Sport and events, net of special event expenses of \$773,462 and \$852,146	630,197	593,946
Other grants	449,469	
Swim-A-Thon	276,393	232,707
Consumer revenue	206,696	189,918
Other income	682,967	213,717
Net assets released from restriction	<u>1,486,672</u>	<u>1,457,751</u>
Total revenue and support	<u>45,230,812</u>	<u>29,337,833</u>
EXPENSES:		
Program services:		
Sport Development	10,637,332	8,810,946
National Team	9,766,432	8,394,345
Commercial	4,985,409	5,040,413
Event Operations	4,761,793	6,238,698
Risk Management	4,066,424	3,699,356
Foundation Programs	<u>1,494,839</u>	<u>1,566,260</u>
Total program services	<u>35,712,229</u>	<u>33,750,018</u>
Supporting services:		
Business Affairs	1,700,371	10,791,919
Executive	1,662,722	1,723,748
Finance and Operations	2,429,615	2,441,126
Fundraising	<u>830,197</u>	<u>725,744</u>
Total supporting services	<u>6,622,905</u>	<u>15,682,537</u>
Total expenses	<u>42,335,134</u>	<u>49,432,555</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2,895,678</u>	<u>(20,094,722)</u>

(Continued)

USA SWIMMING, INC. AND USA SWIMMING FOUNDATION, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023 (with comparative totals for 2022)

	2023	2022
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:		
Investment income (loss), net	989,121	(1,101,446)
Contributions - financial	1,340,150	1,155,000
Net assets released from restriction	<u>(1,486,672)</u>	<u>(1,457,751)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>842,599</u>	<u>(1,404,197)</u>
CHANGE IN NET ASSETS	3,738,277	(21,498,919)
NET ASSETS, Beginning of year	<u>41,278,929</u>	<u>62,777,848</u>
NET ASSETS, End of year	<u>\$ 45,017,206</u>	<u>\$ 41,278,929</u>

See notes to consolidated financial statements.

(Concluded)

USA SWIMMING, INC. AND USA SWIMMING FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023 (with comparative totals for 2022)

	2023 Program Services						Total
	Sport Development	National Team	Commercial	Event Operations	Risk Management	Foundation Programs	
Salaries	\$ 3,219,940	\$ 1,567,231	\$ 1,823,871	\$ 307,261		\$ 143,228	\$ 7,061,531
Travel and hospitality	1,202,108	2,496,105	405,656	770,395	\$ 6,776	79,230	4,960,270
Professional fees and honoraria	1,270,707	223,958	454,893	1,886,533		294,168	4,130,259
Insurance		26,740			4,058,494		4,085,234
Direct athlete support		3,654,590					3,654,590
Employee benefits	640,451	284,290	432,497	88,281		34,715	1,480,234
Dues, fees, and tickets	1,133,752	68,483	61,531	582,124	153	1,076	1,847,119
Television and production	22,887	26,187	472,353	1,236,726			1,758,153
Depreciation and amortization	1,374,156	41,708	136,314	16,042			1,568,220
Grants	719,603					808,579	1,528,182
Gear, equipment, and signage	197,147	93,614	353,672	151,887		3,327	799,647
Apparel	118,954	541,563	154,423	68,240		56,756	939,936
Rent and lease expense	239,834	114,613	119,513	112,366		1,500	587,826
Payroll taxes	236,552	108,498	130,928	24,019			499,997
Office supplies and expense	83,630	136,009	155,422	70,206	4	11,336	456,607
Awards and gifts	16,167	331,774		87,579			435,520
Telephone and internet service	75,013	19,327	50,697	4,343	997		150,377
Printing and duplication	7,142	1,528	138,545	23,660		311	171,186
Protocol	41,839	16,420	24,298	31,498			114,055
Recognition and fulfillment						60,613	60,613
Repairs and maintenance	2,239	728	1,501	280			4,748
Interest expense							
Advertising			204				204
Loss reserves expenses (recoveries)							
Miscellaneous expenses	35,211	13,066	69,091	73,815			191,183
Total expenses	10,637,332	9,766,432	4,985,409	5,535,255	4,066,424	1,494,839	36,485,691
Less expenses netted against revenue on consolidated statement of activities				(773,462)			(773,462)
Total	<u>\$ 10,637,332</u>	<u>\$ 9,766,432</u>	<u>\$ 4,985,409</u>	<u>\$ 4,761,793</u>	<u>\$ 4,066,424</u>	<u>\$ 1,494,839</u>	<u>\$ 35,712,229</u>
Comparative totals — 2022	<u>\$ 8,810,946</u>	<u>\$ 8,394,345</u>	<u>\$ 5,040,413</u>	<u>\$ 6,238,698</u>	<u>\$ 3,699,356</u>	<u>\$ 1,566,260</u>	<u>\$ 33,750,018</u>

(Continued)

USA SWIMMING, INC. AND USA SWIMMING FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023 (with comparative totals for 2022)

	2023 Supporting Services					Total Expenses 2023	Total Expenses 2022
	Business Affairs	Executive	Finance and Operations	Fundraising	Total		
Salaries	\$ 813,524	\$ 977,282	\$ 1,147,742	\$ 261,371	\$ 3,199,919	\$ 10,261,450	\$ 9,228,107
Travel and hospitality	82,942	252,669	19,775	173,647	529,033	5,489,303	5,349,024
Professional fees and honoraria	420,907	123,709	204,092	156,877	905,585	5,035,844	11,829,326
Insurance						4,085,234	6,965,284
Direct athlete support						3,654,590	2,994,737
Employee benefits	170,612	92,565	270,324	63,350	596,851	2,077,085	1,830,559
Dues, fees, and tickets	44,968	22,042	3,731	66,937	137,678	1,984,797	1,618,666
Television and production						1,758,153	1,569,658
Depreciation and amortization	16,042	6,417	41,708		64,167	1,632,387	1,644,173
Grants		100,000			100,000	1,628,182	1,711,980
Gear, equipment, and signage	36	15	217,139	10,213	227,403	1,027,050	1,069,378
Apparel	5,576	9,898	142		15,616	955,552	560,745
Rent and lease expense	19,501	10,986	60,754	12,136	103,377	691,203	949,228
Payroll taxes	62,394	29,566	77,917		169,877	669,874	578,884
Office supplies and expense	3,314	3,330	11,501	27,759	45,904	502,511	526,927
Awards and gifts						435,520	425,577
Telephone and internet service	4,258	3,322	273,448	2,904	283,932	434,309	448,328
Printing and duplication	492	414	1,279	3,746	5,931	177,117	174,136
Protocol	214	20,605			20,819	134,874	107,075
Recognition and fulfillment				50,969	50,969	111,582	124,213
Repairs and maintenance	341	136	71,912		72,389	77,137	94,925
Interest expense	51,881				51,881	51,881	109,496
Advertising		5,900		288	6,188	6,392	6,138
Loss reserves expenses (recoveries)							(70,000)
Miscellaneous expenses	3,369	3,866	28,151		35,386	226,569	438,137
Total expenses	1,700,371	1,662,722	2,429,615	830,197	6,622,905	43,108,596	50,284,701
Less expenses netted against revenue on consolidated statement of activities						(773,462)	(852,146)
Total	<u>\$ 1,700,371</u>	<u>\$ 1,662,722</u>	<u>\$ 2,429,615</u>	<u>\$ 830,197</u>	<u>\$ 6,622,905</u>	<u>\$ 42,335,134</u>	
Comparative totals — 2022	<u>\$ 10,791,919</u>	<u>\$ 1,723,748</u>	<u>\$ 2,441,126</u>	<u>\$ 725,744</u>	<u>\$ 15,682,537</u>		<u>\$ 49,432,555</u>

See notes to consolidated financial statements.

(Concluded)

USA SWIMMING, INC. AND USA SWIMMING FOUNDATION, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023 (with comparative totals for 2022)

	2023	2022
OPERATING ACTIVITIES		
Change in net assets	\$ 3,738,277	\$ (21,498,919)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	1,632,387	1,644,173
Uncollectible pledges	50,000	37,500
Contributions restricted to endowment	(232,500)	(87,500)
Realized and unrealized (gains) losses on investments	(5,628,500)	10,276,310
Other		96,037
Changes in operating assets and liabilities:		
Accounts receivable, net	(66,801)	(300,583)
Pledges receivable, net	124,347	205,440
Prepaid expenses and deferred charges	(207,764)	83,674
Accounts payable, accrued liabilities and other liabilities	(4,129,522)	4,540,144
Deferred revenue	3,985,397	1,569,214
Loss reserve	(72,885)	(74,420)
Net cash used in operating activities	<u>(807,564)</u>	<u>(3,508,930)</u>
INVESTING ACTIVITIES		
Proceeds from sale of long-term investments	22,956,600	45,045,166
Purchase of long-term investments	(16,600,042)	(38,748,917)
Prepaid rent	139,320	122,945
Purchases of property and equipment	<u>(1,122,401)</u>	<u>(2,117,678)</u>
Net cash provided by investing activities	<u>5,373,477</u>	<u>4,301,516</u>
FINANCING ACTIVITIES		
Line of credit, net	(1,000,000)	(821,000)
Collection of pledges receivable restricted for endowment	<u>87,500</u>	<u>30,000</u>
Net cash used in financing activities	<u>(912,500)</u>	<u>(791,000)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,653,413	1,586
CASH AND CASH EQUIVALENTS, Beginning of year	<u>6,283,382</u>	<u>6,281,796</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 9,936,795</u>	<u>\$ 6,283,382</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 51,881</u>	<u>\$ 109,496</u>

See notes to consolidated financial statements.

USA SWIMMING, INC. AND USA SWIMMING FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations — USA Swimming, Inc. (USA Swimming) is a Colorado non-profit corporation. USA Swimming is the national governing body for amateur swimming, making it responsible for the conduct and administration of amateur swimming in the United States.

USA Swimming Foundation, Inc. (the Foundation) is a Colorado non-profit corporation established in 2004. The Foundation is organized to operate for charitable and educational purposes: through Savings Lives in the form of learn to swim grants, Building Champions in the form of USA Swimming National Team support and Impacting Communities in the form of support to swim clubs and swim communities. The Foundation serves as a supporting organization of USA Swimming.

Principles of Consolidation — The consolidated financial statements include the accounts of USA Swimming and the Foundation (collectively, the Organization). All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation — The accompanying consolidated financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022 from which the summarized information was derived.

The Organization reports information regarding its financial position and activities according to two classes of net assets: *net assets without donor restrictions*, which represent the expendable resources that are available for operations and distribution to the Organization at the discretion of the Board of Directors of the Organization and *net assets with donor restrictions*, which represent resources restricted by donors as to purpose or by the passage of time and resources for which use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Cash and Cash Equivalents — The Organization considers all liquid investments with original maturities of three months or less, and which are not held for long-term investment purposes, to be cash equivalents. Cash and highly liquid financial instruments held for investment purposes, regardless of original length to maturity, are reported as investments and excluded from this definition. The Organization maintains its cash in various bank deposit accounts which at times, may exceed federally insured limits.

Accounts Receivable — Accounts receivable are stated at unpaid balances and are comprised of amounts due under contracts with sponsors, amounts due from donors, clubs and others, and accrued interest and dividends. The Organization's allowance for credit losses represents specifically identified amounts believed to be uncollectable, as well as an additional allowance based on management's analysis of aged receivable balances.

After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Management believes that accounts receivable are fully collectible, accordingly, no allowance for credit losses is deemed necessary as of December 31, 2023. The allowance for credit losses was \$1,038,158 as of December 31, 2022.

Pledges Receivable — Pledges receivable consist of unconditional promises to give that are expected to be collected in current and future periods. Pledges expected to be collected within one year are recorded at their estimated net realizable values. Pledges receivable expected to be collected in more than one year are recorded at the present value of their estimated future cash flows, computed using risk-adjusted interest rates. Amortization of the discount is included in contribution revenue. Pledges receivable are reported as donor restricted support unless the donor stipulations or circumstances surrounding the pledge make clear the donor intended it to be used to support activities in the current period. Pledges receivable are considered by management to be fully collectible and, accordingly, no allowance for credit losses is considered necessary. The delinquency and collectability of pledges receivable is determined on a case-by-case basis and pledges receivable are charged to uncollectible pledges when determined to be bad debts.

Investments and Investment Return — Investments are carried at fair value in the consolidated statement of financial position. Net investment return consists of interest and dividend income, and the realized and unrealized gains and losses on the investments, less investment management and custodial fees. See Note 4 for additional information on fair value measurements.

Earnings on restricted investments are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the earnings are recognized. All other earnings on donor restricted investments are recognized as an increase in net assets with donor restrictions according to the nature of the restrictions on the original gift. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Prepaid Expenses — Prepaid expenses consist primarily of expenses paid related to membership expenses for the subsequent membership year, expenses paid related to travel or event costs for future years, and prepaid insurance.

Property and Equipment — Property and equipment are recorded at cost. Acquisitions in excess of \$1,000 are capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which range from three to ten years. Costs of repairs and maintenance, which do not materially prolong the useful lives of the assets, are charged to expense when incurred.

Intangible Assets — Swim-A-Thon is a trademarked program that swim teams utilize as a fundraiser for their competitive programs and activities. The Foundation receives a royalty from swim clubs for the use of the Swim- A-Thon trademark and prizes and administrative services provided by the Foundation. The revenue is recognized upon receipt of the royalty.

The Foundation has determined there was no impairment as of December 31, 2023 and 2022.

Revenue Recognition — The Organization recognizes revenues by applying the following steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract, if applicable; and (5) recognize revenue when (or as) the performance obligation is satisfied.

Membership revenues are recognized pursuant to contracts under which the Organization typically has performance obligations to transfer to the customer a distinct good or service and the revenue is recognized at the time each performance obligation is satisfied, which is ratably over the membership term. Partnership marketing revenues received in advance are included in deferred revenue and recognized when the related performance obligation is satisfied. Swim-A-Thon and consumer revenues are recognized at the time each performance obligation is satisfied. Event revenues are recognized at the time of the event.

Contributions are recognized as revenue when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a donor-stipulated time restriction ends, or a purpose restriction is accomplished net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Contributed Services — The Organization receives a substantial amount of donated services in carrying out its programs. Contributed services are recognized if the services received create or enhance long lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No amounts have been recognized in the consolidated financial statements for contributed services.

Donated Materials — Donated materials are recorded as both a revenue and expenditure in the accompanying consolidated statements of activities at their estimated values.

Income Taxes — USA Swimming and the Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, these entities qualify for the charitable contribution deduction and have been classified as organizations that are not private foundations. The Organization believes that it does not have any uncertain tax positions that are material to the consolidated financial statements.

Use of Estimates — The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Changes in Accounting Principles — In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and subsequent updates to replace the incurred loss methodology for recognizing credits losses with a methodology that reflect the current expected credit losses (CECL) over the life of financial

assets. Under the CECL model, financial assets including trade receivables are required to be estimated for credit losses taking considerations of past events, current conditions, and reasonable and supportable forecasts into account.

For nonpublic entities, the amendments are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Organization has adopted this standard and the adoption of such had no impact on the Organization's consolidated financial statements.

Reclassification — Certain prior year amounts have been reclassified to conform with the current year presentation.

Subsequent Events — The Organization has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the consolidated financial statements were available for issuance.

2. AVAILABLE RESOURCES AND LIQUIDITY

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds, and other short-term investments.

The Organization has a line of credit available for cash needs. See Note 9 for information on the line of credit.

The Organization receives significant contributions with donor restrictions to be used in accordance with the associated purpose or time restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Organization receives support without donor restrictions; with the remainder funded by investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

The Organization considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated quasi-endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Organization's fiscal year.

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Organization.

The Organization strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative, general, and fundraising expenses plus an amount that represents the next expected grant commitment payments, which typically represents approximately 25% of the expected annual grant cash needs.

Additionally, in the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through Board resolution.

The table below reflects the Organization's consolidated financial assets as of December 31, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the consolidated statement of financial position date because of contractual restrictions or internal board designations. Amounts not available include a board-designated special projects fund that is intended to fund special Board initiatives not considered in the annual operating budget. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through Board resolution. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

The table below presents financial assets available for general expenditures within one year at December 31:

	2023	2022
Cash and cash equivalents	\$ 9,936,795	\$ 6,283,382
Accounts receivable, net	3,041,482	2,974,681
Pledges receivable	1,520,631	1,549,978
Investments	<u>45,531,741</u>	<u>46,484,799</u>
Total financial assets	<u>60,030,649</u>	<u>57,292,840</u>
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	(1,775,746)	(1,260,647)
Restricted by donors with time restrictions	(680,000)	(585,000)
Restricted by donors for endowment	<u>(6,025,000)</u>	<u>(5,792,500)</u>
Total amounts unavailable for general expenditures within one year	<u>(8,480,746)</u>	<u>(7,638,147)</u>
Less amounts unavailable to management without Board's approval:		
Board-designated	<u>(16,168,037)</u>	<u>(16,309,584)</u>
Total financial assets available to management to meet cash needs for general expenditures within one year	<u>\$ 35,381,866</u>	<u>\$ 33,345,109</u>

3. FUNCTIONAL EXPENSE ALLOCATION METHODS

The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of the Organization. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs have been allocated between various programs and support services on several bases and estimates. Grants are allocated to the programs benefited.

Grants are allocated to the programs benefited. Management fee, contract labor and travel are allocated fully to the related program and on the basis of estimates of time and effort spent by personnel in the various program and supporting services. Other expenses such as professional fees, rent, overhead and supplies have all been allocated based on usage.

4. FAIR VALUE MEASUREMENTS

The Organization is required to use a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Money Market Funds, Exchange Traded Funds and Mutual Funds: Valued at quoted market prices in active markets.

Debt Securities: Valued at quoted prices for similar instruments in active markets and quoted prices for identical or similar instruments in markets that are not active, particularly dealer market prices for comparable investments as of the valuation date.

The following table sets forth by level, within the fair value hierarchy, the Organization's financial instruments at fair value as of December 31:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
2023:				
Equity securities:				
Exchange traded funds	\$ 26,078,803			\$ 26,078,803
Mutual funds	6,504,383			6,504,383
Debt securities:				
Corporate and other notes		\$ 3,232,867		3,232,867
US Treasury and agencies		6,425,572		6,425,572
International		1,806,245		1,806,245
State and municipal agencies		510,561		510,561
Real estate trusts		14,280		14,280
Money market funds	<u>959,030</u>			<u>959,030</u>
Total	<u>\$ 33,542,216</u>	<u>\$ 11,989,525</u>	<u>\$ —</u>	<u>\$ 45,531,741</u>
2022:				
Equity securities:				
Exchange traded funds	\$ 25,609,382			\$ 25,609,382
Mutual funds	7,837,089			7,837,089
Debt securities:				
Corporate and other notes		\$ 3,791,941		3,791,941
US Treasury and agencies		6,371,029		6,371,029
International		1,574,870		1,574,870
State and municipal agencies		613,552		613,552
Real estate trusts		44,111		44,111
Money market funds	<u>642,825</u>			<u>642,825</u>
Total	<u>\$ 34,089,296</u>	<u>\$ 12,395,503</u>	<u>\$ —</u>	<u>\$ 46,484,799</u>

Investment income (loss) included in the consolidated statements of activities for the years ended December 31 consists of the following:

	2023	2022
Interest and dividends	\$ 1,141,443	\$ 1,617,995
Investment management and custodial fees	(105,683)	(135,654)
Net realized and unrealized gains (losses)	<u>5,628,500</u>	<u>(10,276,310)</u>
Total	<u>\$ 6,664,260</u>	<u>\$ (8,793,969)</u>

The Organization records realized gains and losses in their consolidated financial statements based on historical cost basis.

5. PLEDGES RECEIVABLE

As of December 31, 2023 and 2022, the Organization had pledges receivable of \$1,520,631 and \$1,549,978, respectively, representing unconditional promises to give made during the current and prior years.

Pledges receivable are expected to be collected as follows:

	2023	2022
Receivable within one year	\$ 753,132	\$ 941,174
Receivable in one to five years	<u>767,499</u>	<u>608,804</u>
Total	<u>\$ 1,520,631</u>	<u>\$ 1,549,978</u>

As of December 31, 2023, three donors accounted for 37% of pledges receivable. At December 31, 2022, two donors accounted for 34% of pledges receivable.

6. PREPAID RENT

In 1996 and 1997 the Organization paid approximately \$3,400,000 to construct a headquarters office building at the Olympic Training Center. The building is owned by the United States Olympic and Paralympic Committee (the USOPC). In consideration for the Organization's payment of the construction costs, the USOPC agreed that the Organization would be allowed to occupy the building free of any obligation to pay rent or operating costs for a 30-year period commencing March 1, 1997. The Organization paid approximately \$3,000,000 for remodeling the headquarters office building, which was completed in 2019.

The building construction and remodeling costs were recorded as prepaid rent, which are being amortized over the 30-year life of the agreement. USA Swimming has recorded rent at estimated fair market rates and interest income to reflect the discount received from the prepayment. Rent expense recorded in 2023 and 2022 was \$385,147 and \$375,754, respectively. Interest income recorded in 2023 and 2022 was \$245,827 and \$252,810, respectively.

7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2023	2022
Software and website	\$ 12,259,806	\$ 10,897,299
Building and leasehold improvements	2,064,387	2,044,294
Furniture and equipment	168,765	435,064
Vehicles	<u>39,150</u>	<u>39,150</u>
Total	14,532,108	13,415,797
Less accumulated depreciation	<u>(10,787,512)</u>	<u>(9,161,215)</u>
Total	<u>\$ 3,744,596</u>	<u>\$ 4,254,582</u>

8. DEFERRED REVENUE

Deferred revenue, which represents contract liabilities from contracts with customers, consists of the following at December 31:

	2023	2022
Current:		
Membership	\$ 18,122,925	\$ 16,549,556
Other	<u>2,482,928</u>	<u>20,000</u>
Total current deferred revenue	20,605,853	16,569,556
Long-term, other	<u> </u>	<u>50,900</u>
Total deferred revenue	<u>\$ 20,605,853</u>	<u>\$ 16,620,456</u>

9. LINE OF CREDIT

The Organization has a line of credit with an available balance of \$3,000,000 with a financial institution. Amounts drawn on the line of credit bear interest at the Wall Street Journal prime rate less 1.00% with a floor of 3.00% (7.50% at December 31, 2023). The line of credit is secured by an investment account held at the financial institution and matures on June 24, 2024. There was no outstanding balance on the line of credit as of December 31, 2023. The outstanding balance on the line of credit was \$1,000,000 as of December 31, 2022.

10. ENDOWMENT FUNDS

The Organization's endowment funds include both donor restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The earnings of the donor restricted endowment support Saving Lives initiatives, Impacting Communities initiatives, National Team initiatives, and the USA Swimming Dirks/Gould Coaches Incentive Program.

The State of Colorado has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The act provides statutory guidance for management investment and expenditure of endowment funds held by not-for-profit organizations. The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization

Endowment net asset composition by type of fund as of December 31 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
2023:			
Donor-restricted endowment funds		\$ 6,789,936	\$ 6,789,936
Board-designated endowment funds	<u>\$ 11,970,594</u>	_____	<u>11,970,594</u>
Total funds	<u>\$ 11,970,594</u>	<u>\$ 6,789,936</u>	<u>\$ 18,760,530</u>
2022:			
Donor-restricted endowment funds		\$ 5,869,948	\$ 5,869,948
Board-designated endowment funds	<u>\$ 10,585,591</u>	_____	<u>10,585,591</u>
Total funds	<u>\$ 10,585,591</u>	<u>\$ 5,869,948</u>	<u>\$ 16,455,539</u>

Changes in endowment net assets for the years ended December 31 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
2023:			
Endowment net assets, beginning of year	\$ 10,585,591	\$ 5,869,948	\$ 16,455,539
Investment return, net	1,766,003	980,238	2,746,241
Appropriations	(478,500)	(292,750)	(771,250)
Contributions	<u>97,500</u>	<u>232,500</u>	<u>330,000</u>
Endowment net assets, end of year	<u>\$ 11,970,594</u>	<u>\$ 6,789,936</u>	<u>\$ 18,760,530</u>
2022:			
Endowment net assets, beginning of year	\$ 12,774,856	\$ 7,153,129	\$ 19,927,985
Investment return, net	(1,920,765)	(1,088,181)	(3,008,946)
Appropriations	(478,500)	(282,500)	(761,000)
Contributions	<u>210,000</u>	<u>87,500</u>	<u>297,500</u>
Endowment net assets, end of year	<u>\$ 10,585,591</u>	<u>\$ 5,869,948</u>	<u>\$ 16,455,539</u>

	2023	2022
Net assets with donor restrictions		
The portion of endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	\$ 6,025,000	\$ 5,792,500
Accumulated investment gains	<u>764,936</u>	<u>77,448</u>
Total	<u>\$ 6,789,936</u>	<u>\$ 5,869,948</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. At December 31, 2022, funds with original gift values of \$217,500, fair values of \$203,973, and deficiencies of \$13,527 were reported in net assets with donor restrictions. During the year, the Organization did not appropriate any expenditure from underwater endowments. Management expects these amounts to be fully recovered in future periods due to favorable market fluctuations. No such deficiencies existed as of December 31, 2023.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk.

Each year, the Organization is required to spend no less than 3% and no more than 5% of the donor-restricted endowment funds for specific purposes. The Organization expects its endowment funds, over time, to provide a rate of return sufficient to keep pace with the rate of inflation. Actual returns in any given year may vary from this amount.

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31:

	2023	2022
Purpose restricted	\$ 1,010,810	\$ 1,183,199
Time restricted	<u>680,000</u>	<u>585,000</u>
Total	1,690,810	1,768,199
Endowment funds	<u>6,789,936</u>	<u>5,869,948</u>
Total net assets with donor restrictions	<u>\$ 8,480,746</u>	<u>\$ 7,638,147</u>

12. UNITED STATES SPORTS INSURANCE COMPANY, INC. PROVISION FOR LOSSES

United States Sports Insurance Company, Inc. (USSIC) was a wholly owned captive insurer of the Organization. USSIC provided insurance protection on a run off basis to USA Swimming and its committees and clubs located throughout the United States of America. Effective September 22, 2016, USA Swimming entered into an Equity Purchase Agreement, selling all of the issued and outstanding equity membership interest in USSIC.

The USSIC provision for insurance losses and loss expenses was based on circumstances reported and a review of individual cases for each respective policy year and an actuarial study which takes into account the past loss experience and the potential of significant losses which might arise.

As these provisions are necessarily based on estimates, the ultimate liability may be significantly in excess of or less than the amounts provided. The methods of making such estimates and for establishing the resulting provisions are continually reviewed and any adjustments resulting therefrom are reflected in current earnings. The reserve for losses was transferred as part of the sale of USSIC on September 22, 2016.

In accordance with the Equity Purchase Agreement, the Organization obtained a letter of credit (the LOC) for benefit of the buyer in the amount of \$5,000,000. The LOC collateralizes indemnity reserves and allows the buyer to draw against the LOC once per quarter for the payment of claims that exceed \$3,265,599, which is the referenced loss reserves as defined in the agreement. If on the fifth anniversary of the date of sale the estimated ultimate losses of USSIC are equal to or greater than \$5,000,000 the Organization may, but is not obligated to, release the entire LOC to the buyer. The LOC was cancelled in 2022.

13. SUPPORT FROM THE UNITED STATES OLYMPIC AND PARALYMPIC COMMITTEE

The USOPC, a related party, provides support to USA Swimming for sport development, international competition and team preparation. In addition, the USOPC designates a portion of their funding for athlete support and this amount is paid directly to eligible athletes. Support provided consisted of the following for the years ended December 31:

	2023	2022
General funding	\$ 3,045,665	\$ 3,008,624
Direct athlete support	2,232,300	2,219,341
Other	<u>66,246</u>	<u>113,449</u>
Total	<u>\$ 5,344,211</u>	<u>\$ 5,341,414</u>

14. RETIREMENT PLAN

The Organization has a 401(k) plan covering substantially all employees over 18 years of age with one month of service. The 401(k) plan provides for safe harbor employer matching contributions of 4% of the participant's eligible compensation.

The Company may make profit-sharing contributions. Participants who have completed two years of service are eligible to receive the discretionary profit-sharing contributions. During the years ended December 31, 2023 and 2022, total contributions to the plan were \$702,383 and \$621,467, respectively.

15. CONTINGENCIES

Occasionally, in the normal conduct of business, the Organization may be named defendant in a lawsuit or other form of legal action. In the opinion of management, any pending or threatened claims against the Organization, as of December 31, 2023, are either without merit or will not exceed insurance limits.

The Organization has accrued \$613,593 for the year ending December 31, 2023, for the insurance deductible layer on its general liability insurance policy. The accrual was based on actuarial analysis and will be monitored for adjustment periodically.

16. CONCENTRATIONS OF REVENUE SOURCES

The Organization received grants from one source totaling 12.4% and 17.4% of total revenues for the years ended December 31, 2023 and 2022, respectively.

17. CONTRIBUTIONS — NONFINANCIAL ASSETS

Contributions of nonfinancial assets consist of the following for the years ended December 31:

	Revenue Recognized	Utilization in Programs / Activities	Donor Restriction	Valuation Techniques / Inputs
2023:				
Auction donations	\$ <u>318,204</u>	Fundraising	None	Fair market value
2022:				
Auction donations	\$ <u>295,476</u>	Fundraising	None	Fair market value

**USA SWIMMING, INC. AND
USA SWIMMING FOUNDATION, INC.**

SUPPLEMENTAL SCHEDULES

USA SWIMMING, INC. AND USA SWIMMING FOUNDATION, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 2023 (with comparative totals for 2022)

	2023				2022 Total
	USA Swimming	Foundation	Eliminations	Total	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 7,825,156	\$ 2,111,639		\$ 9,936,795	\$ 6,283,382
Accounts receivable, net	2,809,053	232,429		3,041,482	2,974,681
Due from USA Swimming Foundation	559,362		\$ (559,362)		
Current portion of pledges receivable, net		753,132		753,132	941,174
Prepaid expenses and deferred charges	<u>1,649,689</u>	<u>251,602</u>		<u>1,901,291</u>	<u>1,468,527</u>
Total current assets	12,843,260	3,348,802	(559,362)	15,632,700	11,667,764
PROPERTY AND EQUIPMENT, NET					
	3,744,596			3,744,596	4,254,582
LONG-TERM INVESTMENTS					
	26,832,238	18,699,503		45,531,741	46,484,799
LONG-TERM PLEDGES RECEIVABLE, NET					
		767,499		767,499	608,804
PREPAID RENT					
	4,455,507			4,455,507	4,594,827
DEPOSITS					
	140,000			140,000	140,000
INTANGIBLE ASSETS					
		<u>120,000</u>		<u>120,000</u>	<u>120,000</u>
TOTAL ASSETS	<u>\$ 48,015,601</u>	<u>\$ 22,935,804</u>	<u>\$ (559,362)</u>	<u>\$ 70,392,043</u>	<u>\$ 67,870,776</u>

(Continued)

USA SWIMMING, INC. AND USA SWIMMING FOUNDATION, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 2023 (with comparative totals for 2022)

	2023				2022 Total
	USA Swimming	Foundation	Eliminations	Total	
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 2,931,085	\$ 17,027		\$ 2,948,112	\$ 7,063,700
Accrued expenses and other liabilities	1,207,279			1,207,279	1,221,213
Due to USA Swimming, Inc.		559,362	\$ (559,362)		
Current portion of deferred revenue	20,169,685	436,168		20,605,853	16,569,556
Total current liabilities	24,308,049	1,012,557	(559,362)	24,761,244	24,854,469
LINE OF CREDIT					1,000,000
LONG-TERM DEFERRED REVENUE					50,900
LOSS RESERVE	613,593			613,593	686,478
TOTAL LIABILITIES	<u>24,921,642</u>	<u>1,012,557</u>	<u>(559,362)</u>	<u>25,374,837</u>	<u>26,591,847</u>
NET ASSETS					
Without donor restrictions:					
Available for operations	20,097,516	270,907		20,368,423	17,331,197
Board-designated — endowment		11,970,594		11,970,594	10,585,591
Board-designated — USSIC sale	2,996,443			2,996,443	4,522,993
Board-designated — reserves		1,201,000		1,201,000	1,201,001
With donor restrictions		8,480,746		8,480,746	7,638,147
TOTAL NET ASSETS	<u>23,093,959</u>	<u>21,923,247</u>	<u>—</u>	<u>45,017,206</u>	<u>41,278,929</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 48,015,601</u>	<u>\$ 22,935,804</u>	<u>\$ (559,362)</u>	<u>\$ 70,392,043</u>	<u>\$ 67,870,776</u>

(Concluded)

USA SWIMMING, INC. AND USA SWIMMING FOUNDATION, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023 (with comparative totals for 2022)

	2023				2022 Total
	USA Swimming	Foundation	Eliminations	Total	
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:					
REVENUE AND SUPPORT:					
Membership	\$ 23,399,161			\$ 23,399,161	\$ 23,234,255
Partnership marketing	5,204,555	\$ 898,098		6,102,653	4,974,153
Investment income (loss), net	3,871,424	1,803,715		5,675,139	(7,692,523)
USOPC grants and contracts	5,344,211			5,344,211	5,341,414
Contributions - financial	1,788,336	659,050	\$ (1,788,336)	659,050	672,019
Contributions - nonfinancial		608,204	(290,000)	318,204	295,476
Sport and events, net of special event expenses of \$773,462 and \$852,146	630,197			630,197	593,946
Other grants	449,469			449,469	
Swim-A-Thon		276,393		276,393	232,707
Consumer revenue	206,696			206,696	189,918
Other income	626,235	56,732		682,967	213,717
Net assets released from restrictions		1,486,672		1,486,672	1,457,751
Total revenue and support	41,520,284	5,788,864	(2,078,336)	45,230,812	29,512,833
EXPENSES					
Program services:					
Sport Development	10,537,808		99,524	10,637,332	8,810,946
National Team	9,757,069		9,363	9,766,432	8,394,345
Commercial	4,927,659		57,750	4,985,409	5,040,413
Event Operations	4,761,793			4,761,793	6,413,698
Risk Management	4,066,424			4,066,424	3,699,356
Foundation Programs		3,208,404	(1,713,565)	1,494,839	1,566,260
Total program services	34,050,753	3,208,404	(1,546,928)	35,712,229	33,925,018
Supporting services:					
Business Affairs	1,691,601		8,770	1,700,371	10,791,919
Executive	1,662,722			1,662,722	1,723,748
Finance and Operations	2,315,022		114,593	2,429,615	2,441,126
Fundraising	290,000	1,194,968	(654,771)	830,197	725,744
Total supporting services	5,959,345	1,194,968	(531,408)	6,622,905	15,682,537
Total expenses	40,010,098	4,403,372	(2,078,336)	42,335,134	49,607,555
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,510,186	1,385,492	—	2,895,678	(20,094,722)

(Continued)

USA SWIMMING, INC. AND USA SWIMMING FOUNDATION, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023 (with comparative totals for 2022)

	2023				2022 Total
	USA Swimming	Foundation	Eliminations	Total	
CHANGES IN NET ASSETS					
WITH DONOR RESTRICTIONS:					
Investment income (loss), net		989,121		989,121	(1,101,446)
Contributions - financial		1,340,150		1,340,150	1,155,000
Net assets released from restrictions		(1,486,672)		(1,486,672)	(1,457,751)
CHANGE IN NET ASSETS					
WITH DONOR RESTRICTIONS	—	842,599	—	842,599	(1,404,197)
CHANGE IN NET ASSETS	1,510,186	2,228,091	—	3,738,277	(21,498,919)
NET ASSETS, Beginning of year	21,583,773	19,695,156		41,278,929	62,777,848
NET ASSETS, End of year	<u>\$ 23,093,959</u>	<u>\$ 21,923,247</u>	<u>\$ —</u>	<u>\$ 45,017,206</u>	<u>\$ 41,278,929</u>

(Concluded)