



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

**Consolidated Financial Statements**

**For the Year Ended December 31, 2022,**

**Supplemental Schedules**

**And**

**Independent Auditors' Report**

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

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## **INDEPENDENT AUDITORS' REPORT**

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, 2022, 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 (the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 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 audits 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 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 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, and for 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.

In preparing the 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 financial statements are available to be issued.

## **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

### **Prior Period Financial Statements and Summarized Comparative Information**

The 2021 financial statements were audited by other auditors, and their report thereon, dated May 23, 2022 expressed an unmodified opinion. Our opinion is not modified with respect to this matter. The summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Stockman Kast Ryan + Co. LLP*

June 28, 2023

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

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2022 (with comparative totals for 2021)

	2022	2021
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,283,382	\$ 6,281,796
Accounts receivable, net	2,974,681	2,674,098
Current portion of pledges receivable	941,174	830,000
Prepaid expenses and deferred charges	<u>1,468,527</u>	<u>1,552,201</u>
Total current assets	11,667,764	11,338,095
PROPERTY AND EQUIPMENT, NET	4,254,582	3,877,114
LONG-TERM INVESTMENTS	46,484,799	63,057,358
LONG-TERM PLEDGES RECEIVABLE	608,804	905,418
PREPAID RENT	4,594,827	4,717,772
DEPOSITS	140,000	140,000
INTANGIBLE ASSETS	<u>120,000</u>	<u>120,000</u>
TOTAL ASSETS	<u>\$ 67,870,776</u>	<u>\$ 84,155,757</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 7,063,700	\$ 2,785,009
Accrued expenses and other liabilities	1,221,213	959,760
Current portion of deferred revenue	<u>16,569,556</u>	<u>15,051,242</u>
Total current liabilities	24,854,469	18,796,011
LINE OF CREDIT	1,000,000	1,821,000
LONG-TERM DEFERRED REVENUE	50,900	
LOSS RESERVE	<u>686,478</u>	<u>760,898</u>
TOTAL LIABILITIES	<u>26,591,847</u>	<u>21,377,909</u>
NET ASSETS		
Without donor restrictions:		
Available for operations	17,331,198	39,759,648
Board designated — endowment	10,585,591	12,774,856
Board designated — USSIC sale	4,522,993	
Board designated — reserves	1,201,000	1,201,000
With donor restrictions	<u>7,638,147</u>	<u>9,042,344</u>
TOTAL NET ASSETS	<u>41,278,929</u>	<u>62,777,848</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 67,870,776</u>	<u>\$ 84,155,757</u>

See notes to consolidated financial statements.

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

### CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2022 (with comparative totals for 2021)

	2022	2021
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUE AND SUPPORT:		
Membership	\$ 23,234,255	\$ 18,172,313
Investment income (loss), net	(7,692,523)	6,109,340
USOPC grants and contracts	5,341,414	6,841,272
Partnership marketing	4,799,153	5,969,231
Contributions - financial	672,019	1,108,536
Contributions - nonfinancial	295,476	317,641
Sport and events, net of special event expenses of \$852,146 and \$709,232	593,946	1,997,711
Swim-A-Thon	232,707	48,410
Consumer revenue	189,918	201,103
Other income	91,287	288,541
PPP grant		182,317
Net assets released from restriction	<u>1,457,751</u>	<u>1,291,346</u>
Total revenue and support	<u>29,215,403</u>	<u>42,527,761</u>
EXPENSES:		
Program services:		
National Team	8,394,345	9,834,834
Commercial	5,040,413	5,864,080
Event Operations	6,116,268	5,296,980
Sport Development	8,810,946	4,578,544
Risk Management	3,699,356	4,347,669
Foundation Programs	<u>1,566,260</u>	<u>1,173,662</u>
Total program services	<u>33,627,588</u>	<u>31,095,769</u>
Supporting services:		
Business Affairs	10,791,919	3,504,929
Executive	1,723,748	1,809,383
Finance and Operations	2,441,126	852,639
Fundraising	<u>725,744</u>	<u>1,074,600</u>
Total supporting services	<u>15,682,537</u>	<u>7,241,551</u>
Total expenses	<u>49,310,125</u>	<u>38,337,320</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(20,094,722)</u>	<u>4,190,441</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, 2022 (with comparative totals for 2021)

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	2022	2021
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:		
Investment income (loss), net	(1,101,446)	841,755
Contributions - financial	1,155,000	974,500
Net assets released from restriction	<u>(1,457,751)</u>	<u>(1,291,346)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(1,404,197)</u>	<u>524,909</u>
CHANGE IN NET ASSETS	(21,498,919)	4,715,350
NET ASSETS, Beginning of year	<u>62,777,848</u>	<u>58,062,498</u>
NET ASSETS, End of year	<u>\$ 41,278,929</u>	<u>\$ 62,777,848</u>

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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, 2022 (with comparative totals for 2021)

	2022 Program Services						Total
	National Team	Commercial	Event Operations	Sport Development	Risk Management	Foundation Programs	
Professional fees and honoraria	\$ 311,159	\$ 864,916	\$ 2,731,347	\$ 893,753	\$ 15,000	\$ 314,504	\$ 5,130,679
Salaries	1,173,773	1,523,639	322,204	2,768,996		183,189	5,971,801
Insurance	20,316		5,942		3,739,026		3,765,284
Travel and hospitality	2,416,671	358,676	1,038,788	995,022	6,537	79,237	4,894,931
Direct athlete support	2,994,737						2,994,737
Employee benefits	278,195	376,316	90,835	579,960	5,795		1,331,101
Grants				701,825		910,155	1,611,980
Depreciation and amortization	52,277	394,826	21,758	1,061,576			1,530,437
Dues, fees, and tickets	14,511	24,133	701,886	712,023	1,620	2,465	1,456,638
Television and production	15,513	267,753	1,266,854	19,538			1,569,658
Gear, equipment, and signage	63,110	541,081	240,184	26,566		12,718	883,659
Rent and lease expense	79,472	76,109	389,908	275,333		2,174	822,996
Payroll taxes	82,628	111,193	24,417	210,474			428,712
Apparel	364,864	68,362	33,734	86,970	57	188	554,175
Office supplies and expense	158,602	156,025	66,659	96,962	111	1,808	480,167
Telephone and internet service	16,212	21,869	8,706	29,937	1,210	40	77,974
Awards and gifts	329,999	188	76,909	18,411			425,507
Printing and duplication	4,053	115,302	37,682	4,489		1,988	163,514
Recognition and fulfillment			20,021			57,794	77,815
Interest expense							
Protocol	13,532	39,952	10,377	25,365			89,226
Repairs and maintenance		467					467
Advertising		101					101
Loss reserves expenses (recoveries)					(70,000)		(70,000)
Bad debt write offs and (recoveries)			(122,430)				(122,430)
Information technology expenses							
Miscellaneous expenses	4,721	99,505	2,633	303,746			410,605
Total expenses	8,394,345	5,040,413	6,968,414	8,810,946	3,699,356	1,566,260	34,479,734
Less expenses netted against revenue on statement of activities			(852,146)				(852,146)
Total	\$ 8,394,345	\$ 5,040,413	\$ 6,116,268	\$ 8,810,946	\$ 3,699,356	\$ 1,566,260	\$ 33,627,588
Comparative totals — 2021	\$ 9,834,834	\$ 5,864,080	\$ 5,296,980	\$ 4,578,544	\$ 4,347,669	\$ 1,173,662	\$ 31,095,769

(Continued)

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

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2022 (with comparative totals for 2021)

	2022 Supporting Services					Total Expenses 2022	Total Expenses 2021
	Business Affairs	Executive	Finance and Operations	Fundraising	Total		
Professional fees and honoraria	\$ 6,154,692	\$ 154,956	\$ 303,864	\$ 85,135	\$ 6,698,647	\$ 11,829,326	\$ 4,258,395
Salaries	875,276	1,002,851	985,104	393,075	3,256,306	9,228,107	8,848,543
Insurance	3,200,000				3,200,000	6,965,284	3,613,622
Travel and hospitality	100,964	264,173	18,382	70,574	454,093	5,349,024	4,156,787
Direct athlete support						2,994,737	4,061,963
Employee benefits	141,007	91,000	267,451		499,458	1,830,559	1,862,321
Grants		100,000			100,000	1,711,980	882,548
Depreciation and amortization	37,912	12,637	63,187		113,736	1,644,173	1,712,676
Dues, fees, and tickets	68,591	18,241	8,749	66,447	162,028	1,618,666	1,093,426
Television and production					-	1,569,658	1,248,872
Gear, equipment, and signage	131	4,320	175,364	5,904	185,719	1,069,378	693,510
Rent and lease expense	34,143	13,289	62,543	16,257	126,232	949,228	660,733
Payroll taxes	49,931	28,617	71,624		150,172	578,884	557,987
Apparel	3,489	2,080	243	758	6,570	560,745	727,095
Office supplies and expense	5,840	5,396	11,919	23,605	46,760	526,927	583,358
Telephone and internet service	5,363	4,677	356,927	3,387	370,354	448,328	480,527
Awards and gifts		20	50		70	425,577	421,784
Printing and duplication	787	356	1,312	8,167	10,622	174,136	258,354
Recognition and fulfillment				46,398	46,398	124,213	70,374
Interest expense	109,496				109,496	109,496	55,399
Protocol	165	17,545	139		17,849	107,075	73,434
Repairs and maintenance	210	70	94,178		94,458	94,925	63,615
Advertising				6,037	6,037	6,138	10,715
Loss reserves expenses (recoveries)						(70,000)	771,000
Bad debt write offs and (recoveries)						(122,430)	1,259,508
Information technology expenses							422,304
Miscellaneous expenses	3,922	3,520	20,090		27,532	438,137	94,389
Total expenses	10,791,919	1,723,748	2,441,126	725,744	15,682,537	50,162,271	38,943,239
Less expenses netted against revenue on statement of activities						(852,146)	(605,919)
Total	\$ 10,791,919	\$ 1,723,748	\$ 2,441,126	\$ 725,744	\$ 15,682,537	\$ 49,310,125	
Comparative totals — 2021	\$ 3,504,929	\$ 1,809,383	\$ 852,639	\$ 1,074,600	\$ 7,241,551		\$ 38,337,320

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, 2022 (with comparative totals for 2021)

	2022	2021
OPERATING ACTIVITIES		
Change in net assets	\$ (21,498,919)	\$ 4,715,350
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,644,173	1,712,676
Uncollectible pledges	37,500	120,500
Realized and unrealized (gains) losses on investments	10,276,310	(5,256,459)
Other	96,037	(182,316)
Changes in operating assets and liabilities:		
Accounts receivable, net	(300,583)	(832,263)
Pledges receivable, net	117,940	(286,318)
Prepaid expenses and deferred charges	83,674	1,355,415
Olympic Trials joint venture		56,482
Accounts payable, accrued liabilities and other liabilities	4,540,144	1,615,774
Refundable advances		(32,415)
Deferred revenue	1,569,214	2,336,619
Loss reserve	(74,420)	760,898
Net cash provided by (used in) operating activities	<u>(3,508,930)</u>	<u>6,083,943</u>
INVESTING ACTIVITIES		
Proceeds from sale of long-term investments	45,045,166	39,108,086
Purchase of long-term investments	(38,748,917)	(42,062,053)
Prepaid rent	122,945	107,648
Purchases of property and equipment	<u>(2,117,678)</u>	<u>(1,706,296)</u>
Net cash provided by (used in) investing activities	<u>4,301,516</u>	<u>(4,552,615)</u>
FINANCING ACTIVITIES		
Line of credit, net	(821,000)	
Collection of pledges receivable restricted for endowment	<u>30,000</u>	<u>55,000</u>
Net cash provided by (used in) financing activities	<u>(791,000)</u>	<u>55,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,586	1,586,328
CASH AND CASH EQUIVALENTS, Beginning of year	<u>6,281,796</u>	<u>4,695,468</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 6,283,382</u>	<u>\$ 6,281,796</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 109,496</u>	<u>\$ 55,399</u>

See notes to consolidated financial statements.

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 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 as a supporting organization of USA Swimming. The Foundation was organized to operate for charitable and educational purposes to foster national and international amateur sports competitions and serve as a supporting organization for 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, 2021, 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 doubtful accounts represents specifically identified amounts believed to be uncollectible, 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. The allowance for doubtful accounts was \$1,038,158 and \$1,251,588 as of December 31, 2022 and 2021, respectively.

**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 doubtful accounts 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 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 3 – 10 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 and administrative fee from swim clubs for the use of the Swim- A-Thon trademark and prizes and administrative services provided by the Foundation. The fee is 5% of the funds raised by the Swim-A-Thon hosted by the swim club, and was received again starting in 2022 after not being assessed in 2020 and 2021 as a club relief effort by the Foundation during the pandemic. This revenue is recognized at the end of the Swim-A-Thon which is when all performance obligations are considered satisfied by the Foundation. The Foundation also receives royalties for use of its logo or trademark of Swim-A-Thon. The revenue is recognized upon receipt of the royalty.

The Foundation has determined there was no impairment as of December 31, 2022 and 2021.

**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 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 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 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 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 September 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.

The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities and changes in net assets, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

**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 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, 2022 and 2021, reduced by amounts that are not available to meet general expenditures within one year of the 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:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 6,283,382	\$ 6,281,796
Accounts receivable	2,974,681	2,674,098
Pledges receivable	1,549,978	1,735,418
Investments	<u>46,484,799</u>	<u>63,057,358</u>
Total financial assets	<u>57,292,840</u>	<u>73,748,670</u>
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	(1,183,199)	(1,504,215)
Restricted by donors with time restrictions	(585,000)	(385,000)
Restricted by donors for endowment	<u>(5,869,948)</u>	<u>(7,153,129)</u>
Total amounts unavailable for general expenditures within one year	<u>(7,638,147)</u>	<u>(9,042,344)</u>
Less amounts unavailable to management without Board's approval:		
Board designated	<u>(16,309,584)</u>	<u>(13,975,856)</u>
Total financial assets available to management to meet cash needs for general expenditures within one year	<u>\$ 33,345,109</u>	<u>\$ 50,730,470</u>

### **3. FUNCTIONAL EXPENSE ALLOCATION METHODS**

The 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.



Salary, benefits, 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, management fees and supplies have been allocated based on usage. Rent expenses have been allocated based on square footage.

#### **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 Company 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 Foundation'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
<b>2022</b>				
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	<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>
<b>2021</b>				
Equity securities:				
Exchange traded funds	\$ 25,726,560			25,726,560
Mutual funds	10,282,994			10,282,994
Debt securities:				
Corporate and other notes		\$ 21,024,204		\$ 21,024,204
US Treasury and agencies		2,291,430		2,291,430
International		256,345		256,345
State and municipal agencies		440,785		440,785
Money market	<u>3,035,040</u>			<u>3,035,040</u>
Total	<u>\$ 39,044,594</u>	<u>\$ 24,012,764</u>	<u>\$ —</u>	<u>\$ 63,057,358</u>

Investments are included in the consolidated statements of financial position in long-term investments.

Investment income included in the consolidated statements of activities for the years ended December 31, 2022 and 2021 consists of the following:

	2022	2021
Interest and dividends	\$ 1,617,995	\$ 1,835,688
Investment management and custodial fees	(135,654)	(141,052)
Net realized and unrealized gains (losses)	<u>(10,276,310)</u>	<u>5,256,459</u>
Total	<u>\$ (8,793,969)</u>	<u>\$ 6,951,095</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, 2022 and 2021, the Foundation had pledges receivable of \$1,549,978 and \$1,735,418, respectively, representing unconditional promises to give made during the current and prior years.

Pledges receivable are expected to be collected as follows:

	<b>2022</b>	<b>2021</b>
Receivable within one year	\$ 941,174	\$ 830,000
Receivable in one to five years	<u>608,804</u>	<u>905,418</u>
Total	<u>\$ 1,549,978</u>	<u>\$ 1,735,418</u>

At December 31, 2022, two donors accounted for 34% of pledges receivable. As of December 31, 2021, one donor accounted for 23% 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 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 2022 and 2021 was \$375,754 and \$366,589, respectively. Interest income recorded in 2022 and 2021 was \$252,810 and \$258,941, respectively.

## 7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Software and website	\$ 10,897,299	\$ 12,479,774
Building and leasehold improvements	2,044,284	1,955,651
Furniture and equipment	435,064	376,125
Vehicles	<u>39,150</u>	<u>39,150</u>
Total	13,415,797	14,850,700
Less accumulated depreciation	<u>(9,161,215)</u>	<u>(10,973,586)</u>
Total	<u>\$ 4,254,582</u>	<u>\$ 3,877,114</u>

## 8. DEFERRED REVENUE

Deferred revenue, which represents contract liabilities from contracts with customers, consists of the following at December 31, 2022 and 2021:

	2022	2021
Current:		
Membership	\$ 16,549,556	\$ 14,617,742
Corporate sponsorships		200,000
Other	<u>20,000</u>	<u>233,500</u>
Total current deferred revenue	16,569,556	15,051,242
Long-term – other	<u>50,900</u>	<u>                    </u>
Total deferred revenue	<u>\$ 16,620,456</u>	<u>\$ 15,051,242</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% (6.50% at December 31, 2022). The line of credit is secured by an investment account held at the financial institution and matures on June 24, 2024. The outstanding balance on the line of credit was \$1,000,000 and \$1,821,000 as of December 31, 2022 and 2021, respectively.

## 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 Learn to Swim, 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, 2022 and 2021 are as follows:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>2022:</b>			
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>
<b>2021:</b>			
Donor-restricted endowment funds		\$ 7,153,129	\$ 7,153,129
Board-designated endowment funds	<u>\$ 12,774,856</u>	_____	<u>12,774,856</u>
Total funds	<u>\$ 12,774,856</u>	<u>\$ 7,153,129</u>	<u>\$ 19,927,985</u>

Changes in endowment net assets for the years ended December 31, 2022 and 2021 are as follows:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>2022:</b>			
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>
<b>2021:</b>			
Endowment net assets, beginning of year	\$ 11,620,618	\$ 6,536,858	\$ 18,157,476
Investment return, net	1,453,165	820,021	2,273,186
Contributions	171,073	55,000	226,073
Appropriations	<u>(470,000)</u>	<u>(258,750)</u>	<u>(728,750)</u>
Endowment net assets, end of year	<u>\$ 12,774,856</u>	<u>\$ 7,153,129</u>	<u>\$ 19,927,985</u>

	<b>2022</b>	<b>2021</b>
<b>Net assets with donor restrictions</b>		
The portion of endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	\$ 5,792,500	\$ 5,705,000
Accumulated investment gains	<u>77,448</u>	<u>1,448,129</u>
Total	<u>\$ 5,869,948</u>	<u>\$ 7,153,129</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, 2021.

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:

	<b>2022</b>	<b>2021</b>
Purpose restricted	\$ 1,183,199	\$ 1,504,215
Time restricted	<u>585,000</u>	<u>385,000</u>
Total	1,768,199	1,889,215
Endowment funds	<u>5,869,948</u>	<u>7,153,129</u>
Total net assets with donor restrictions	<u>\$ 7,638,147</u>	<u>\$ 9,042,344</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:

	<b>2022</b>	<b>2021</b>
General funding	\$ 3,008,624	\$ 3,183,696
Direct athlete support	2,219,341	2,232,300
USOPC trials TV revenue		1,260,000
Other	<u>113,449</u>	<u>165,276</u>
Total	<u>\$ 5,341,414</u>	<u>\$ 6,841,272</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 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, 2022 and 2021, contributions to the plan were \$621,467 and \$664,457, 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, 2022, are either without merit or will not exceed insurance limits.

The Organization has accrued \$686,478 for the year ending December 31, 2022, 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 17.4% and 17.2% of total revenues for the years ended December 31, 2022 and 2021, respectively.

**17. CONTRIBUTIONS — NONFINANCIAL ASSETS**

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

	<b>Revenue Recognized</b>	<b>Utilization in Programs / Activities</b>	<b>Donor Restriction</b>	<b>Valuation Techniques / Inputs</b>
<b>2022:</b>				
Auction donations	\$ 295,476	Fundraising	None	Fair market value
<b>2021:</b>				
Auction donations	\$ 317,641	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, 2022 (with comparative totals for 2021)

	2022			2021
	USA-S	USA-SF	Eliminations	Total
<b>ASSETS</b>				
CURRENT ASSETS				
Cash and cash equivalents	\$ 4,827,052	\$ 1,456,330		\$ 6,283,382
Accounts receivable, net	2,742,717	231,964		2,974,681
Due from USA Swimming Foundation	60,339		\$ (60,339)	
Current portion of pledges receivable		941,174		941,174
Prepaid expenses and deferred charges	1,460,689	7,838		1,468,527
Total current assets	9,090,797	2,637,306	(60,339)	11,667,764
PROPERTY AND EQUIPMENT, NET				
	4,254,582			4,254,582
LONG-TERM INVESTMENTS				
	30,021,825	16,462,974		46,484,799
LONG-TERM PLEDGES RECEIVABLE				
		608,804		608,804
PREPAID RENT				
	4,594,827			4,594,827
DEPOSITS				
	140,000			140,000
INTANGIBLE ASSETS				
		120,000		120,000
TOTAL ASSETS	<u>\$ 48,102,031</u>	<u>\$ 19,829,084</u>	<u>\$ (60,339)</u>	<u>\$ 67,870,776</u>
				<u>\$ 84,155,757</u>

(Continued)

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

### CONSOLIDATING STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 2022 (with comparative totals for 2021)

	2022			Total	2021
	USA-S	USA-SF	Eliminations		Total
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 7,051,819	\$ 11,881		\$ 7,063,700	\$ 2,785,009
Accrued expenses and other liabilities	1,210,405	10,808		1,221,213	959,760
Due to USA Swimming, Inc.		60,339	\$ (60,339)		
Current portion of deferred revenue	<u>16,569,556</u>			<u>16,569,556</u>	<u>15,051,242</u>
Total current liabilities	24,831,780	83,028	(60,339)	24,854,469	18,796,011
LINE OF CREDIT	1,000,000			1,000,000	1,821,000
<b>LONG-TERM</b>					
DEFERRED REVENUE		50,900		50,900	
LOSS RESERVE	<u>686,478</u>			<u>686,478</u>	<u>760,898</u>
TOTAL LIABILITIES	<u>26,518,258</u>	<u>133,928</u>	<u>(60,339)</u>	<u>26,591,847</u>	<u>21,377,909</u>
<b>NET ASSETS</b>					
Without donor restrictions:					
Available for operations	17,060,780	270,417		17,331,197	39,759,648
Board designated — endowment		10,585,591		10,585,591	12,774,856
Board designated — insurance	4,522,993			4,522,993	
Board designated — reserves		1,201,001		1,201,001	1,201,000
With donor restrictions		<u>7,638,147</u>		<u>7,638,147</u>	<u>9,042,344</u>
TOTAL NET ASSETS	<u>21,583,773</u>	<u>19,695,156</u>		<u>41,278,929</u>	<u>62,777,848</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 48,102,031</u>	<u>\$ 19,829,084</u>	<u>\$ (60,339)</u>	<u>\$ 67,870,776</u>	<u>\$ 84,155,757</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, 2022 (with comparative totals for 2021)

	2022			2021
	USA-S	USA-SF	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:				
REVENUE AND SUPPORT:				
Membership	\$ 23,234,255			\$ 23,234,255
USOPC grants and contracts	5,341,414			5,341,414
Investment income (loss), net	(5,760,662)	\$ (1,931,861)		(7,692,523)
Partnership marketing	4,179,354	619,799		4,799,153
Contributions - financial	1,483,150	672,019	\$ (1,483,150)	672,019
Contributions - nonfinancial		564,216	(268,740)	295,476
Sport and events, net of special event expenses of \$852,146 and \$709,232	593,946			593,946
Swim-A-Thon		232,707		232,707
Consumer revenue	189,918			189,918
Other income	359,181	2,106	(270,000)	91,287
PPP grant				182,317
Satisfied program restrictions		1,457,751		1,457,751
Total revenue and support	<u>29,620,556</u>	<u>1,616,737</u>	<u>(2,021,890)</u>	<u>29,215,403</u>
EXPENSES				
Program services:				
National Team	8,394,345			8,394,345
Commercial	5,040,413			5,040,413
Event Operations	6,116,268			6,116,268
Sport Development	8,810,946			8,810,946
Risk Management	3,699,356			3,699,356
Foundation Programs		3,037,808	(1,471,548)	1,566,260
Total program services	<u>32,061,328</u>	<u>3,037,808</u>	<u>(1,471,548)</u>	<u>33,627,588</u>
Supporting services:				
Business Affairs	10,791,919			10,791,919
Executive	1,723,748			1,723,748
Finance and Operations	2,441,126			2,441,126
Foundation	268,740		(268,740)	
Fundraising		1,007,346	(281,602)	725,744
Total supporting services	<u>15,225,533</u>	<u>1,007,346</u>	<u>(550,342)</u>	<u>15,682,537</u>
Total expenses	<u>47,286,861</u>	<u>4,045,154</u>	<u>(2,021,890)</u>	<u>49,310,125</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(17,666,305)</u>	<u>(2,428,417)</u>		<u>(20,094,722)</u>

(Continued)

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

### CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2022 (with comparative totals for 2021)

	2022			2021
	USA-S	USA-SF	Eliminations	Total
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:				
Contributions - financial		1,155,000		974,500
Investment income (loss), net		(1,101,446)		841,755
Satisfied program restrictions		(1,457,751)		(1,291,346)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		(1,404,197)		524,909
CHANGE IN NET ASSETS	(17,666,305)	(3,832,614)		4,715,350
NET ASSETS, Beginning of year	39,250,078	23,527,770		58,062,498
NET ASSETS, End of year	\$ 21,583,773	\$ 19,695,156	\$ —	\$ 62,777,848

(Concluded)