

USA Gymnastics

Consolidated Financial Statements

Years Ended December 31, 2022 and 2021

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation and the U.S. member of BDO International Limited, a UK company limited by guarantee.



USA Gymnastics

Consolidated Financial Statements
Years Ended December 31, 2022 and 2021

USA Gymnastics

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Independent Auditor's Report

Board of Directors
USA Gymnastics
Indianapolis, Indiana

Opinion

We have audited the accompanying consolidated financial statements of USA Gymnastics and its subsidiary (the Organization), which comprise the consolidated statements of financial position as of December 31, 2022, and 2021, and the related consolidated statements of activities and changes in net assets/deficit, functional expenses, and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and 2021 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Resolution of a Significant Matter

As described in Note 2 to the consolidated financial statements, USA Gymnastics filed for bankruptcy in December of 2018, and at that same time, was also a defendant in a variety of lawsuits and subject to other investigations, inquiries, and claims. Such matters were resolved during the year ended December 31, 2022. Management's evaluation of these matters, including resolution of the lawsuits, are described in Note 2. Our opinion is not modified with respect to this matter.

Other Matter - Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and the changes in net assets (deficit) of the individual entities and is 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 audits of the consolidated financial statements and certain other 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 supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 issued or available to be issued.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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.

BDO USA P.C.

Cleveland, OH
January 23, 2024

Consolidated Financial Statements

USA Gymnastics

Consolidated Statements of Financial Position

December 31,	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 12,549,754	\$ 11,342,338
Investments	4,116,599	5,711,967
Accounts receivable	1,395,473	1,559,617
Insurance receivable	-	263,260,561
Inventories	244,636	164,492
Prepaid expenses and other assets	413,356	146,826
Total Current Assets	18,719,818	282,185,801
Long Term Assets		
Right of use assets - operating leases	825,193	-
Property and equipment, net	338,827	127,370
Total Assets	\$ 19,883,838	\$ 282,313,171
Liabilities and Net Assets (Deficit)		
Current Liabilities		
Accounts payable and accrued expenses	\$ 2,776,820	\$ 10,526,335
Settlement liability	-	269,410,561
Funds held for others	3,737,468	3,394,472
Lease liability, current portion	243,583	-
Deferred revenue	6,409,762	6,025,231
Note payable, current portion	303,520	-
Total Current Liabilities	13,471,153	289,356,599
Long Term Liabilities		
Lease liability, net of current portion	591,770	-
Notes payable, net of current portion	4,937,068	-
Total Liabilities	18,999,991	289,356,599
Net Assets (Deficit)		
Without donor restrictions	(883,716)	(7,946,088)
With donor restrictions	1,767,563	902,660
Total Net Assets (Deficit)	883,847	(7,043,428)
Total Liabilities and Net Assets (Deficit)	\$ 19,883,838	\$ 282,313,171

See accompanying notes to consolidated financial statements.

USA Gymnastics
Consolidated Statement of Activities and Changes
in Net Assets (Deficit)
Year Ended December 31, 2022

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Revenue			
Contributions	\$ 68,373	\$ 246,709	\$ 315,082
Imputed interest on note payable	-	914,010	914,010
Marketing and events	2,479,269	-	2,479,269
Communications and creative	446,866	-	446,866
Program:			
Women's gymnastics	688,835	-	688,835
Men's gymnastics	660,710	-	660,710
Trampoline and tumbling	385,954	-	385,954
Acrobatics gymnastics	119,351	-	119,351
Rhythmic gymnastics	198,175	-	198,175
Gymnastics for all	56,585	-	56,585
Multi discipline, emerging and medical	1,052	-	1,052
Total program	2,110,662	-	2,110,662
Member services	12,926,088	-	12,926,088
Merchandise sales and other income	1,106,475	-	1,106,475
Grants and Other Income:			
United States Olympic & Paralympic Committee	2,927,568	28,224	2,955,792
Foundation/ Organization grants	12,500	-	12,500
Releases from restriction	324,040	(324,040)	-
Total administrative	3,264,108	(295,816)	2,968,292
Bankruptcy insurance settlement	14,714,790	-	14,714,790
Total Revenue	\$ 37,116,631	\$ 864,903	\$ 37,981,534

See accompanying notes to consolidated financial statements.

USA Gymnastics

Consolidated Statement of Activities and Changes in Net Assets (Deficit)

Year Ended December 31, 2022

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Expenses			
Program:			
Marketing and events	\$ 3,794,654	\$ -	\$ 3,794,654
Member services	2,018,910	-	2,018,910
Communications	761,417	-	761,417
Women's gymnastics	4,031,586	-	4,031,586
Men's gymnastics	2,864,687	-	2,864,687
Trampoline and tumbling	1,652,230	-	1,652,230
Rhythmic gymnastics	1,503,477	-	1,503,477
Acrobatic gymnastics	516,629	-	516,629
Safe Sport	789,198	-	789,198
Other Programs	2,208,163	-	2,208,163
Total program expense	20,140,951	-	20,140,951
Supporting services:			
Administrative	9,103,664	-	9,103,664
Total supporting services expense	9,103,664	-	9,103,664
Total Expenses	29,244,615	-	29,244,615
Changes in net assets (deficit), before investment loss, net	7,872,016	864,903	8,736,919
Investment loss, net	(809,644)	-	(809,644)
Changes in net assets (deficit)	7,062,372	864,903	7,927,275
Net assets (deficit), beginning of year	(7,946,088)	902,660	(7,043,428)
Net assets (deficit), end of year	\$ (883,716)	\$ 1,767,563	\$ 883,847

See accompanying notes to consolidated financial statements.

USA Gymnastics

Consolidated Statement of Activities and Changes in Net Assets (Deficit)

Year Ended December 31, 2021

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Revenue			
Contributions	\$ 5,217	\$ 58,025	\$ 63,242
Marketing and events	6,221,024	-	6,221,024
Communications and creative Program:	229,646	-	229,646
Women's gymnastics	1,276,253	-	1,276,253
Men's gymnastics	342,169	-	342,169
Trampoline and tumbling	277,060	-	277,060
Acrobatics gymnastics	196,617	-	196,617
Rhythmic gymnastics	66,002	-	66,002
Gymnastics for all	50,250	-	50,250
Multi discipline and medical	671,996	-	671,996
Total program	2,880,347	-	2,880,347
Member services	11,598,985	-	11,598,985
Merchandise sales and other income	1,024,841	-	1,024,841
Grants and Other Income:			
United States Olympic & Paralympic Committee Foundation / organization grants	4,354,197	-	4,354,197
Extinguishment of Paycheck Protection Program loan	12,500	-	12,500
Government Program - ERTC	815,428	-	815,428
Releases from restriction	1,084,885	-	1,084,885
Total administrative	145,528	(145,528)	-
Liability extinguished in bankruptcy	6,412,538	(145,528)	6,267,010
Total Revenue	\$ 28,712,598	\$ (87,503)	\$ 28,625,095

See accompanying notes to consolidated financial statements.

USA Gymnastics

Consolidated Statement of Activities and Changes in Net Assets (Deficit)

Year Ended December 31, 2021

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Expenses			
Program:			
Marketing and events	\$ 4,995,932	\$ -	\$ 4,995,932
Member services	1,141,803	-	1,141,803
Communications	460,573	-	460,573
Women's gymnastics	3,327,904	-	3,327,904
Men's gymnastics	2,140,024	-	2,140,024
Trampoline and tumbling	1,002,985	-	1,002,985
Rhythmic gymnastics	1,370,161	-	1,370,161
Acrobatic gymnastics	430,743	-	430,743
Safe sport	936,154	-	936,154
Other programs	3,828,267	-	3,828,267
Total program expense	19,634,546	-	19,634,546
Supporting services:			
Administrative	12,178,326	-	12,178,326
Total supporting services expense	12,178,326	-	12,178,326
Total Expenses	31,812,872	-	31,812,872
Changes in net assets (deficit), before investment returns, net	(3,100,274)	(87,503)	(3,187,777)
Investment gains, net	793,602	-	793,602
Changes in net assets (deficit)	(2,306,672)	(87,503)	(2,394,175)
Net assets (deficit), beginning of year	(5,639,416)	990,163	(4,649,253)
Net assets (deficit), end of year	\$ (7,946,088)	\$ 902,660	\$ (7,043,428)

See accompanying notes to consolidated financial statements.

USA Gymnastics and Subsidiaries

Consolidated Statement of Functional Expenses

<i>For the Year Ended December 31, 2022</i>	Program Services										Supporting Services		
	Marketing and Events	Member Services	Communications	Women's Gymnastics	Men's Gymnastics	Trampoline and Tumbling	Rhythmic Gymnastics	Acrobatic Gymnastics	Safe Sport	Other Programs	Total Program Services	Administrative	Total Expenses
Salaries and benefits	\$ 829,164	\$ 762,190	\$ 263,186	\$ 439,762	\$ 462,554	\$ 164,098	\$ 178,549	\$ 47,074	\$ 368,967	\$ 788,203	\$ 4,303,747	\$ 2,287,858	\$ 6,591,605
Travel and meals	620,558	287,408	110,092	1,727,811	680,143	892,055	658,592	333,846	4,538	452,550	5,767,593	286,747	6,054,340
Althete, club and coach support	-	-	-	895,506	1,043,403	367,142	291,550	79,554	-	16,688	2,693,843	-	2,693,843
Contract labor and professional fees	225,882	113,650	95,792	175,556	150,099	43,500	128,300	16,500	378,181	51,968	1,379,428	407,008	1,786,436
Cost of facilities and expensed equipment	332,510	8,600	71,664	153,770	46,682	61,852	21,271	4,200	-	12,849	713,398	266,780	980,178
Legal	-	-	-	-	-	-	-	-	-	-	-	128,148	128,148
Insurance	2,119	-	-	-	-	-	-	-	-	16,903	19,022	4,369,782	4,388,804
Honorarium and gifts	358,482	170,379	17,062	490,604	130,068	37,645	98,462	14,744	9,060	356,776	1,683,282	14,006	1,697,288
Event production	1,188,197	267,086	70,365	93,782	55,007	38,990	67,112	407	-	8,197	1,789,143	-	1,789,143
Printing, postage, phone, apparel, supplie	194,485	262,610	46,152	26,007	17,578	16,996	42,725	2,946	59	93,887	703,445	313,017	1,016,462
Administrative and miscellaneous	43,257	99,303	87,104	28,788	234,153	29,952	16,916	17,358	28,393	410,142	995,366	957,149	1,952,515
State and Region rebates	-	47,684	-	-	45,000	-	-	-	-	-	92,684	-	92,684
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	73,169	73,169
Total Expenses	\$ 3,794,654	\$ 2,018,910	\$ 761,417	\$ 4,031,586	\$ 2,864,687	\$ 1,652,230	\$ 1,503,477	\$ 516,629	\$ 789,198	\$ 2,208,163	\$ 20,140,951	\$ 9,103,664	\$ 29,244,615

See accompanying notes to consolidated financial statements.

USA Gymnastics and Subsidiaries

Consolidated Statement of Functional Expenses

<i>For the Year Ended December 31, 2021</i>	Program Services										Supporting Services		Total Expenses
	Marketing and Events	Member Services	Communications	Women's Gymnastics	Men's Gymnastics	Trampoline and Tumbling	Rhythmic Gymnastics	Acrobatic Gymnastics	Safe Sport	Other Programs	Total Program Services	Administrative	
Salaries and benefits	\$ 896,611	\$ 470,652	\$ 287,321	\$ 518,628	\$ 416,461	\$ 136,590	\$ 159,537	\$ 65,339	\$ 417,745	\$ 596,538	\$ 3,965,422	\$ 1,722,613	\$ 5,688,035
Travel and meals	1,076,982	88,980	47,378	991,328	492,107	488,027	634,504	212,069	12,665	813,078	4,857,118	175,595	5,032,713
Athlete, club, and coach support	-	-	-	820,230	794,412	158,872	111,497	29,630	-	567,500	2,482,141	71,813	2,553,954
Contract labor and professional fees	168,839	105,667	24,561	52,275	194,238	65,400	140,260	18,000	448,166	72,972	1,290,378	313,528	1,603,906
Cost of facilities and expensed equipment	303,688	77	12,645	248,787	19,565	67,687	67,018	6,160	-	23,999	749,626	177,775	927,401
Legal	-	-	-	-	-	-	-	-	1,764	-	1,764	4,962,736	4,964,500
Insurance	-	-	9,604	-	-	-	-	-	-	3,294	12,898	3,462,479	3,475,377
Honorarium and gifts	359,476	100,118	44,117	453,470	141,768	38,499	157,593	35,993	6,000	395,810	1,732,844	37,216	1,770,060
Event production	1,834,071	115,116	4,065	90,093	26,072	35,685	72,448	12,715	-	2,990	2,193,255	-	2,193,255
Printing, postage, phone, apparel and supplies	231,033	17,531	2,379	148,936	46,382	7,407	19,228	32,579	476	872,872	1,378,823	475,374	1,854,197
Administrative and miscellaneous	125,232	63,662	28,503	4,157	9,019	4,818	8,076	18,258	49,338	479,214	790,277	738,408	1,528,685
State and region rebates	-	180,000	-	-	-	-	-	-	-	-	180,000	-	180,000
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	40,789	40,789
Total Expenses	\$ 4,995,932	\$ 1,141,803	\$ 460,573	\$ 3,327,904	\$ 2,140,024	\$ 1,002,985	\$ 1,370,161	\$ 430,743	\$ 936,154	\$ 3,828,267	\$ 19,634,546	\$ 12,178,326	\$ 31,812,872

See accompanying notes to consolidated financial statements.

USA Gymnastics

Consolidated Statements of Cash Flows

<i>Year Ended December 31,</i>	2022	2021
Cash Flows from Operating Activities		
Change in net assets (deficit)	\$ 7,927,275	\$ (2,394,175)
Adjustments to reconcile change in net assets (deficit) to net cash from operating activities:		
Unrealized (gain) loss on investments	809,644	(762,960)
Liability extinguished in bankruptcy	-	(340,000)
Imputed interest on note payable, net	(809,412)	-
Gain on final settlement	(9,714,790)	-
Loss on disposal	-	78,966
Depreciation expense	73,169	40,789
Noncash rent expense	10,160	-
Extinguishment of Paycheck Protection Program loan	-	(808,721)
Changes in assets and liabilities		
Accounts receivable	164,144	(1,214,262)
Insurance receivable	263,260,561	-
Inventories	(80,144)	(78,460)
Prepaid expenses and other assets	(266,530)	379,782
Accounts payable and accrued expenses	(7,749,515)	4,460,862
Funds held for others	342,996	408,748
Deferred revenue	384,531	(599,722)
Contingent liability	(259,695,771)	269,410,561
Liabilities subject to compromise	-	(270,805,896)
Net Cash Used in Operating Activities	(5,343,682)	(2,224,488)
Cash Flows from Investing Activities		
Purchases of investments	(1,267,555)	(6,570,081)
Proceeds from sales or maturity of investments	2,053,279	7,204,311
Purchases of property and equipment	(284,626)	(23,700)
Net Cash Provided by Investing Activities	501,098	610,530
Cash Flows from Financing Activities		
Proceeds - USOPC loan	6,150,000	-
Loan repayment - USOPC loan	(100,000)	-
Net Cash Provided by Financing Activities	6,050,000	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,207,416	(1,613,958)
Cash and Cash Equivalents, beginning of year	11,342,338	12,956,296
Cash and Cash Equivalents, end of year	\$ 12,549,754	\$ 11,342,338
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Right of use asset obtained in exchange for lease liabilities recognized upon the adoption of ASC 842, <i>Leases</i>	\$ 1,065,557	\$ -

See accompanying notes to consolidated financial statements.

USA Gymnastics

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Purpose of the Organization

USA Gymnastics is a non-profit designated as the National Governing Body of the Olympic sport of gymnastics. USA Gymnastics was so designated by the United States Olympic Paralympic Committee (the USOPC) and is a member of the USOPC. USA Gymnastics is also the United States representative to the Federation Internationale De Gymnastique (FIG), an organization whose purpose is to promote the development of the sport of gymnastics throughout the world. USA Gymnastics promotes and develops the sport of gymnastics in its multiple disciplines; women's and men's artistic, trampoline and tumbling, rhythmic, acrobatic gymnastics, parkour and Gymnastics for All. In addition to identifying and developing the National and Olympic teams and coaches, activities include hosting and sanctioning national and international events, safety education, continuing education for professional members (coaches and judges), development of age group athletes, and overall promotion of the sport.

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

In 1988, The National Gymnastics Foundation, Inc., (the "Foundation") was formed to further the Olympic sport of gymnastics through educational grants and other support activities governed by a Board of Directors. The consolidated financial statements include the financial results of the Foundation.

Reporting Entity

USA Gymnastics and the Foundation are collectively known as (the "Organization") in these notes. Intercompany transactions and balances have been eliminated in consolidation.

2. Financial Condition

Resolution of a Significant Matter

From December 5, 2018 until August 19, 2022, USA Gymnastics operated as a debtor-in-possession under the U.S. bankruptcy code. The Organization had an increase in net assets of approximately \$8.7 million, before net investment returns; an increase in net assets of approximately \$7.9 million, after financing activities and net investment returns; and net cash generated by operating and financing activities of approximately \$0.7 million in 2022 with a net asset position of approximately \$0.9 million at December 31, 2022, comprised of approximately \$0.9 million in net deficit without donor restrictions and approximately \$1.8 million in net assets with donor restrictions. USA Gymnastics was a defendant in various lawsuits and claims involving allegations of sexual abuse by individuals who were allegedly affiliated with the Organization. The majority of these allegations relate to sexual abuse by Larry Nassar.

USA Gymnastics, the USOPC, both organizations' insurers, the Additional Tort Claimants Committee of Sexual Abuse Survivors, and other parties mediated the claims in the context of USA Gymnastics' bankruptcy proceeding, through December 16, 2021. USA Gymnastics' plan of reorganization, which was filed on December 13, 2021, and was confirmed by the bankruptcy court on December 16, 2021, reflects the settlement reached among the parties.

USA Gymnastics had insurance coverage under numerous policies spanning approximately 30 years, which management believed in total would provide substantial amounts of coverage for the abuse

USA Gymnastics

Notes to Consolidated Financial Statements

claims. In late 2021, the insurance carriers agreed to settlement offers under USA Gymnastics insurance policies totaling approximately \$263.2 million to fund a trust created for the benefit of Abuse Claimants and Future Claimants and outstanding legal bills. As a result of the settlement agreement that was finalized in December of 2021, USA Gymnastics has recorded a receivable from the insurers of \$263.3 million, and a contingent liability of \$269.4 million in the accompanying consolidated financial statements, of which \$259.7 funded the Survivors' Trust. The difference between the receivable and the contingent liability of \$6.1 million was ultimately funded by a no-interest loan from the USOPC to USA Gymnastics issued during the year ended December 31, 2022, the proceeds of which USA Gymnastics contributed to the settlement.

The bankruptcy settlement reached in the Chapter 11 Plan of Reorganization dated December 13, 2021, included monetary contributions from various insurers, USAG, and USOPC. In accordance with the Plan, upon final approval in 2022, USAG received \$9.7 million of the total insurance and loan proceeds to pay outstanding court approved professional fees incurred during the bankruptcy, including legal fees for USAG and the Additional Tort Claimants Committee of Sexual Abuse Survivors. Separately, USAG reached a settlement with one of its insurers regarding a dispute over prior litigation and investigations for approximately \$5.0 million. Accordingly, \$14.7 is recorded as bankruptcy insurance settlement on the statement of activities and changes in net assets (deficits) for the year ended December 31, 2022.

3. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The Organization presents its consolidated financial statements according to two classes of net assets, if applicable: without donor restrictions and with donor restrictions.

- ***Without Donor Restrictions*** - Net assets that are not subject to time or donor-imposed stipulations. As disclosed in Note 9, certain net assets without donor restrictions have been designated by the Board of Directors for specific purposes.
- ***With Donor Restrictions*** - Net assets that are perpetually held or limited to use by donor-imposed stipulations that will be met by actions of the Organization or the passage of time. The nature of these restrictions is disclosed in Note 9. Amounts are released from restriction during the period in which the Organization incurs expenditures that meet the donor's requirements.

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 revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

USA Gymnastics

Notes to Consolidated Financial Statements

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000 per financial institution. The Organization periodically has balances in excess of this limit. The Organization places its temporary cash investments with high-quality financial institutions and, by policy, limits the amount of credit exposure to any one institution. Additionally, for purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Included in cash and cash equivalents are funds held by the Organization that legally belong to unrelated entities. Accordingly, these amounts are recorded as both an asset and liability of the Organization. See Note 13.

Investments

The Organization's investments in marketable securities, including equity securities, and exchange traded funds, with readily determinable fair values and all investments in debt securities are reported at fair value based on quoted market prices or dealer quotes in the consolidated statements of financial position. These investments are initially recorded at cost if they were purchased or at their fair value on the date of the gift if they were received as a donation. Investment (loss) returns are recorded in the consolidated statements of activities and changes in net assets (deficit).

Interest and dividend income and realized and unrealized gains and losses derived from net assets with donor restrictions are recorded as revenue without donor restrictions unless specifically restricted by the donor. The Board of Directors has a policy to designate an allocation of investment returns without donor restrictions as board designated net assets. These returns are allocated consistent with certain purposes of net assets with donor restrictions, based on the percentage of their balances in proportion to the total investments.

Allowance for Doubtful Accounts

Accounts receivables are reported net of any allowance for doubtful accounts. Management determines the allowance for doubtful accounts based on historical losses and current receivables aging. The Organization determined an allowance was not necessary as of December 31, 2022 and 2021. Interest is not charged on outstanding receivables.

Inventories

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

Property and Equipment

Property and equipment with costs in excess of \$5,000 are recorded at cost, or, if donated, at fair value when received. Depreciation is provided by the straight-line method over the estimated useful lives of the respective assets. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Management reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may be overstated. The Organization recognizes impairment losses if the

USA Gymnastics

Notes to Consolidated Financial Statements

undiscounted cash flows expected to be generated are less than the carrying value of the related asset. If impaired, the assets are adjusted to fair value based on the discounted cash flows. No impairment was recorded for 2022 or 2021.

Leases

On January 1, 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which requires lessees to recognize most leases, including operating leases, on-balance sheet via a right to use asset and lease liability. The new guidance is effective for fiscal years beginning after December 15, 2021 for private companies. The Organization elected the transition option available under the standard where comparative period financial information will not include the effect of the new standard.

The Organization determines if an arrangement is a lease at inception. The Organization elected the practical expedient option available to not separate or allocate consideration to lease and non-lease components separately for all asset classes. Operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement, net of any future tenant incentives. Minimum lease payments include fixed payments for non-lease components within a lease agreement but exclude variable lease payments not dependent on an index or rate, such as common area maintenance, operating expenses, utilities, or other costs that are subject to fluctuation from period to period. Periods beyond the noncancellable term of the lease are included in the measurement of the lease liability only when it is reasonably certain that the Organization will exercise the associated extension period or waive the termination notice.

The Organization does not recognize lease right-of-use (ROU) assets or lease liabilities for leases with a term of 12 months or less for any asset class. For the year ended December 31, 2022, the recognized \$553,523 of rent expense for short-term leases.

As the Organization's leases do not provide an implicit rate, the Organization has elected the practical expedient option available to private companies which allows companies to use the risk-free rate to determine the net present value of future minimum lease payments.

The ROU assets related to the Organization's operating leases are recognized based on the lease liability, adjusted for any rent payments or initial direct costs incurred or tenant incentives received prior to commencement. Lease expenses for minimum lease payments for operating leases are recognized on a straight-line basis over the lease term.

Accrued Expenses

Accrued expenses consists of the Organization's obligations incurred but not yet paid as of the fiscal year-end date.

Revenue Recognition

The Organization records the following exchange transactions as revenues in its statements of activities and changes in net assets (deficit): member services, program, marketing and events and event income.

Revenue recognized from exchange transactions occurs when control of the promised goods or services is transferred to the members or customers in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. For each

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Notes to Consolidated Financial Statements

arrangement with a member or customer, the Organization identifies the contract and the associated performance obligation(s) within the contract, determines the transaction price of that contract, allocates the transaction price to each performance obligation, and recognizes revenue as each performance obligation is satisfied. For all contracts with members or customers, the Organization determines the transaction price in the arrangement and allocates the transaction price to each performance obligation identified in the contract. Judgment is applied in determining the appropriate unit of account, and the Organization separates any performance obligations if they are capable of being distinct and are distinct within the context of the contract. The Organization determines the allocation of the transaction price for the performance obligations on a relative standalone selling price basis for the goods or services included in the contract. The transaction price is adjusted for estimates of variable consideration. The satisfaction of performance obligations in a contract is based upon when the member or customer obtains control over the asset. Depending on the nature of the performance obligation, control may transfer either at a particular point in time, or over time which determines the recognition pattern of revenue.

Member services:

The Organization recognizes revenue from nonrefundable membership dues ratably over the membership term, which is a one-year period. Deferred revenue from membership dues represents the remaining portion of the membership term following the statements of financial position date to be recognized ratably into revenues.

Program, marketing and events and event income and merchandise sales:

The Organization generates event income from registration fees and sponsorships for their different events. The Organization recognizes registration fees and sponsorship revenue in the period in which the event occurs, which is when the Organization's performance obligation is met. Registration fees and sponsorships are due in advance of the event. Refunds of registration fees are allowed if received in accordance with the cancellation policy. Registration fees and sponsorships collected in advance of an event are initially recognized as deferred revenue and are only recognized as revenue in the statements of activities and changes in net assets (deficit) when the event has occurred. Merchandise sales are recorded point in time when the customer obtains control of the merchandise.

The Organization records the value of in-kind goods and services as revenue and expense when the in-kind contribution related to the events and programs under the Organization's control occurs. In-kind sponsorships, which are recognized at the fair value of the non-cash consideration received, totaled \$63,863 and \$1,462,161 for 2022 and 2021, respectively. The Organization estimated fair value based on the price of the goods or services that would be charged to a willing buyer by a willing seller or provider.

Contributions

Contributions, including unconditional promises to give, are recorded when a donor makes a promise to give to the Organization. Contributions are recognized as revenues in the period when unconditional promises to give are received. Conditional promises to give that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met. Contribution of assets other than monetary assets are recorded at their estimated fair value at the date of receipt.

USOPC loaned the Organization \$6,150,000 in 2022 as part of the bankruptcy settlement. This is an interest free, ten-year loan, with quarterly payments. In accordance with Financial Accounting

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Notes to Consolidated Financial Statements

Standard Board (FASB) Accounting Standards Codification (ASC) 835-10, the Organization recorded a with donor restriction contribution of \$914,010, to recognize the imputed interest (Note 4).

Functional Allocation of Expenses

The consolidated statements of functional expenses present expenses by both function and natural classification. Certain costs have been allocated among the program and supporting services categories based on the actual direct expenditures and cost allocations based upon estimates by Organization personnel.

Income Taxes

USA Gymnastics and the Foundation qualify under Section 501(c)(3) of the Internal Revenue Code and are, therefore, generally not subject to income taxation under present income tax laws. However, both organizations are subject to federal tax on any unrelated business taxable income.

The Organization accounts for uncertainty in income taxes using the provisions of ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the consolidated financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. A recognized tax position is measured at the largest amount of benefit that has a greater than 50% likelihood of being realized upon settlement. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Organization recognizes interest and/or penalties related to income tax matters in income tax expense and did not have any amounts accrued for interest and penalties at December 31, 2022 and 2021.

Recent Accounting Pronouncements not yet Adopted

Credit Losses

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326). ASU 2016-13 changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model. Entities will be required to estimate credit losses over the entire contractual term of an instrument. ASU 2016-13 also includes financial assets recorded at amortized cost basis such as loan receivables, trade and certain other receivables, as well as certain off-balance sheet credit exposures such as loan commitments and financial guarantees. ASU 2016-13 does not apply to financial assets measured at fair value, and loans and receivables between entities under common control.

ASU 2016-13 will be effective for the Organization beginning January 1, 2023 and early adoption is permitted. The Organization is evaluating the accounting, transition and disclosure requirements of ASU 2016-13 and cannot currently estimate the financial statement impact of adoption. The Organization does not intend to adopt the new standard early.

Subsequent Events

Management has evaluated events and transactions that occurred between January 1, 2023 and January 23, 2024, which is the date that the consolidated financial statements were available to be issued for possible recognition or disclosure in the consolidated financial statements.

USA Gymnastics

Notes to Consolidated Financial Statements

4. USOPC Support and Note Payable

USOPC provides support for sport development, international competition, and team preparation through advances, reimbursements, and contractual agreements. Such revenue is recognized concurrently with the related expenses. Expenditures are recorded in the program-related accounts. The USOPC makes payments directly to athletes receiving support through the Organization's athlete support program for disbursements to the athletes.

Amounts related to athlete support are recognized both as USOPC support and corresponding program expense in the consolidated statements of activities and changes in net assets (deficit) for the years ended December 31:

<i>December 31,</i>	2022	2021
Performance Pool Grants	\$ 2,319,000	\$ 2,235,000
Athlete Funding	561,752	1,207,497
Olympic Trials Management	-	850,000
Other grants	75,040	61,700
	\$ 2,955,792	\$ 4,354,197

As part of the bankruptcy settlement reached in the Chapter 11 Plan of Reorganization, USPOC loaned USAG \$6.15 million per the terms of an April 11, 2022 Promissory Note. The loan is payable over 10 years and is interest free. The Organization recorded imputed interest on the note payable based on the difference between the stated rate and the prevailing market interest rate at the time of issuance of the note payable (2.85%). Imputed interest totaled \$914,010 for the year ended December 31, 2022, and is recorded as imputed interest on note payable on the consolidated statements of activities and changes in net assets (deficit). Interest expense totaled \$104,598 for the year ended December 31, 2022.

Future maturities of note payable are as follows:

<i>Year Ending December 31,</i>	
2023	\$ 450,000
2024	568,750
2025	518,750
2026	637,500
2027	637,500
Thereafter	3,237,500
Total	6,050,000
Less: Imputed interest at December 31, 2022	(809,412)
Total	\$ 5,240,588

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Notes to Consolidated Financial Statements

5. Deferred Revenue

Deferred revenue consisted of the following at December 31:

<i>December 31,</i>	2022	2021
Memberships	\$ 6,341,762	\$ 5,977,731
Event Revenue	68,000	47,500
	\$ 6,409,762	\$ 6,025,231

6. Investments

Investments at December 31 consist of the following:

<i>December 31,</i>	2022	2021
Exchange traded fund	\$ 333,574	\$ 723,786
Fixed income	-	153,780
Equity securities	3,783,025	4,834,401
Investments	\$ 4,116,599	\$ 5,711,967

The following schedule summarizes the components of investment gain (loss), net:

<i>December 31,</i>	2022	2021
Dividends and interest, net of fees	\$ 69,359	\$ 30,642
Net realized (loss) gain	(187,723)	942,599
Net unrealized loss	(691,280)	(179,639)
Investment (loss) gain, net	\$ (809,644)	\$ 793,602

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

7. Property and Equipment

Property and equipment, net consisted of the following at December 31:

	2022	2021
Furniture	\$ 23,594	\$ 23,594
Equipment	489,494	204,868
Subtotal	513,088	228,462
Less accumulated depreciation	174,261	101,092
Total, net	\$ 338,827	\$ 127,370

USA Gymnastics

Notes to Consolidated Financial Statements

8. Retirement Plan

The Organization has established a deferred 401K compensation plan for all eligible employees who elect participation. The Organization's contribution to the 401K plan was equal to 6% of each participant's eligible salary totaling \$210,293 and \$126,312 in 2022 and 2021, respectively.

9. Net Assets with Donor Restrictions and Board Designated Net Assets

The Board of Directors of the Foundation designates a portion of the total investment returns to donor restricted funds, to be used consistent with each respective fund's donor purpose. The cumulative investment returns allocated to the funds with donor restrictions are reported as net assets without donor restrictions in the consolidated statements of financial position. Investment returns are allocated based on the percentage of each fund's balance in proportion to the total investments.

Net assets with donor restrictions, including the effect of cumulative, board designated portion of investment returns, consisted of the following at December 31:

<i>December 31, 2022</i>	Net Assets with Donor Restrictions	Board Designated	Total
Debt discount on zero interest note	\$ 809,412	\$ -	\$ 809,412
USOPC and Paralympic Committee	28,224	-	28,224
Zimpfer Fund	192,225	224,908	417,133
Men's Scholarship Fund	187,238	576,078	763,316
T&T Scholarship Fund	113,889	144,060	257,949
Women's Collegiate Fund	3,704	130,351	134,055
Liukin Fund	432,871	82,651	515,522
Total	\$ 1,767,563	\$ 1,158,048	\$ 2,925,611
<i>December 31, 2021</i>	Net Assets with Donor Restrictions	Board Designated	Total
Zimpfer Fund	\$ 194,616	\$ 295,150	\$ 489,766
Men's Scholarship Fund	184,668	738,760	923,428
T&T Scholarship Fund	110,808	189,664	300,472
Women's Collegiate Fund	27,013	153,866	180,879
Liukin Fund	385,555	163,162	548,717
Total	\$ 902,660	\$ 1,540,602	\$ 2,443,262

10. Lease Commitments

The Organization has operating leases for facilities in Indianapolis, Indiana that expire at various dates through 2026. The Organization also leases equipment that expired at various dates through May 15, 2023.

USA Gymnastics

Notes to Consolidated Financial Statements

Right of use (ROU) assets, current portion of lease liabilities, and non-current lease liabilities from operating leases are \$825,193, \$243,583, and \$591,770 at December 31, 2022, respectively. Cash paid for amounts in the measurement of operating lease liabilities was \$243,092 for the year ended December 31, 2022. At December 31, 2022, the remaining lease term for operating leases was approximately 3.3 years and the Organization used a discount rate of 1.37% for calculating the operating obligations.

Maturities of operating lease liabilities are as follows:

<i>Year Ending December 31,</i>	
2023	\$ 249,204
2024	255,399
2025	261,759
2026	87,970
Total	854,332
Less: Present value of discount of lease liabilities	(18,979)
Total	\$ 835,353

Rent expense was \$796,615 and \$1,404,604 for 2022 and 2021, respectively.

11. Fair Value Measurements

The Organization follows the provisions of ASC 820-10, *Fair Value Measurements*, which defines fair value and establishes a framework for measuring fair value. That framework provides 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 (Level 1 measurements) and the lowest priority to unobserved inputs (Level 3 measurements).

The three levels of the fair value hierarchy under ASC 820-10 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets.

Level 2: 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 inputs must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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Notes to Consolidated Financial Statements

The asset's 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. There have been no changes in the valuation methodologies used at December 31, 2022 or 2021.

Assets measured at fair value on a recurring basis are summarized below:

Type of Investment	Fair Value Measurements at December 31, 2022			
	Total	Level 1	Level 2	Level 3
Exchange traded fund	\$ 333,573	\$ 333,573	\$ -	\$ -
Equity securities	3,783,026	3,783,026	-	-
Total	\$ 4,116,599	\$ 4,116,599	\$ -	\$ -

Type of Investment	Fair Value Measurements at December 31, 2021			
	Total	Level 1	Level 2	Level 3
Exchange traded fund	\$ 723,786	\$ 723,786	\$ -	\$ -
Fixed income	153,780	153,780	-	-
Equity securities	4,834,401	4,834,401	-	-
Total	\$ 5,711,967	\$ 5,711,967	\$ -	\$ -

12. Related Party Transactions

The Organization may draw on its professional membership and Board of Directors for services in connection with fulfilling its stated mission, such as presentations at clinics and Congress, training camp staffing, elite clinician services, judging FIG representation, and educational materials development. Board members may be compensated for these services outside of their designated Board of Directors role at rates approved by the Organization. Such compensation was immaterial during the years ended December 31, 2022, and 2021.

13. Funds Held for Others

USA Gymnastics States and Regions have established bank accounts under the Organization's tax identification number. All funds are maintained for the benefit of the States and Regions. The Organization executes financial control of these funds as fiscal agent for a portion of the States and Regions. A liability for funds held for state and regions totaling \$3,727,695 and \$3,384,699 has been recorded on the consolidated statements of financial position as of December 31, 2022, and 2021, respectively. These totals include funds held for states and regions totaling \$3,676,682 and \$3,486,918, less amounts due to or from state and regions totaling \$51,013 and (\$102,219), as of December 31, 2022, and 2021, respectively.

In 2012, USA Gymnastics assumed financial control of cash attributable to the Pan American Gymnastics Union (PAGU), and periodically makes deposits and disbursements at the direction of PAGU elected officers and the FIG. A balance is held, along with a liability and is recorded on the consolidated statement of financial position in the amount of \$9,773 for both December 31, 2022, and 2021, respectively.

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Notes to Consolidated Financial Statements

14. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditure are as follows:

<i>December 31,</i>	2022	2021
Cash	\$ 12,549,754	\$ 11,342,338
Investments	4,116,599	5,711,967
Accounts receivable	1,395,473	1,559,617
Total financial assets available within one year	18,061,826	18,613,922
Less:		
Amounts unavailable for general expenditure within		
One year, due to time or purpose restrictions	(1,767,563)	(902,660)
Funds held for others (Note 13)	(3,686,455)	(3,496,691)
Amounts unavailable to management without		
Board's approval	(1,158,048)	(1,540,601)
Total Financial Assets Available for General Expenditures Within One Year	\$ 11,449,760	\$ 12,673,970

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, current liabilities and other current obligations become due.

15. COVID-19 and Coronavirus Aid, Relief, and Economic Security Act

On January 30, 2021, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2021, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As a result of the pandemic, the 2020 Olympics were deferred until 2021. During the COVID shutdown, USAG suspended in-person events and competitions. However, since both revenues and expenses declined simultaneously, USAG did not experience significant financial losses and had sufficient cash flows to sustain operations during this time. As of the date of issuance, all competitions and events have returned to pre-Covid attendance levels and business operations are not expected to be further affected by COVID-19.

On March 27, 2020, the "Coronavirus Aid, Relief, and Economic Security (CARES) Act" was signed into law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

USA Gymnastics

Notes to Consolidated Financial Statements

The Organization qualified for an ERC under the CARES Act. The ERC is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an employer pays to employees after March 12, 2021 through December 31, 2022. The Organization has qualified and recorded a total ERC receivable of \$967,092 and \$1,346,063 as of December 31, 2022 and 2021, respectively, which is included in accounts receivable in the consolidated statements of financial position. As of the date of these consolidated financial statements the Organization received ERC payments of \$378,971.

The CARES act also appropriated funds for the SBA Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. In June 2020, the Organization received \$804,500 in proceeds from a PPP loan from the Federal Government. The loan had an interest rate of 1.0% and matured in April 2021 with principal payments deferred for six months and interest accruing from the date of the loan. The Organization would qualify for loan forgiveness if certain criteria are met pursuant to Section 1106 of the CARES Act. The PPP loan was forgiven in October of 2021 and is included in grants and other income on the consolidated statement of activities and changes in net assets/deficit for the year ended December 31, 2021, inclusive of interest accrued.

The application for these funds requires the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization. This certification further requires the Organization to take into account its current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on the Organization having initially qualified for the loan and qualifying for the forgiveness of such loan based on its future adherence to the forgiveness criteria.

Supplementary Information

USA Gymnastics
Consolidating Statement of Financial Position
December 31, 2022

	USA Gymnastics	National Gymnastics Foundation	Eliminations	Consolidated
Assets				
Current Assets				
Cash and cash equivalents	\$ 12,309,772	\$ 239,982	\$ -	\$ 12,549,754
Investments	-	4,116,599	-	4,116,599
Accounts receivable	1,395,473	-	-	1,395,473
Inventory	244,636	-	-	244,636
Prepaid expenses and other assets	384,220	29,136	-	413,356
Amounts due from NGF	177,000	-	(177,000)	-
Total Current Assets	14,511,101	4,385,717	(177,000)	18,719,818
Long Term Assets				
Right of use assets - operating leases	825,193	-	-	825,193
Property and equipment, net	338,827	-	-	338,827
Total Assets	\$ 15,675,121	\$ 4,385,717	\$ (177,000)	\$ 19,883,838
Liabilities and Net Assets (Deficit)				
Current Liabilities				
Accounts payable and accrued expenses	\$ 2,737,171	\$ 39,649	\$ -	\$ 2,776,820
Funds held for others	3,737,468	-	-	3,737,468
Amounts due to USAG	-	177,000	(177,000)	-
Lease liability, current portion	243,583	-	-	243,583
Deferred revenue	6,409,762	-	-	6,409,762
Note payable, current portion	303,520	-	-	303,520
Total Current Liabilities	13,431,504	216,649	(177,000)	13,471,153
Long Term Liabilities				
Lease liability, net of current portion	591,770	-	-	591,770
Note payable, net of current portion	4,937,068	-	-	4,937,068
Total Liabilities	18,960,342	216,649	(177,000)	18,999,991
Net Assets (Deficit)				
Without donor restrictions	(4,122,857)	2,081,093	1,158,048	(883,716)
With donor restrictions	837,636	2,087,975	(1,158,048)	1,767,563
Total Net Assets (Deficit)	(3,285,221)	4,169,068	-	883,847
Total Liabilities and Net Assets (Deficit)	\$ 15,675,121	\$ 4,385,717	\$ (177,000)	\$ 19,883,838

See accompanying independent auditor's report.

USA Gymnastics
Consolidating Statement of Financial Position
December 31, 2021

	USA Gymnastics	National Gymnastics Foundation	Eliminations	Consolidated
Assets				
Current Assets				
Cash and cash equivalents	\$ 11,315,777	\$ 26,561	\$ -	\$ 11,342,338
Investments	-	5,711,967	-	5,711,967
Accounts receivable	1,559,617	-	-	1,559,617
Insurance receivable	263,260,561	-	-	263,260,561
Inventory	164,492	-	-	164,492
Prepaid expenses	122,173	24,653	-	146,826
Amounts due from NGF	319,000	-	(319,000)	-
Total Current Assets	276,741,620	5,763,181	(319,000)	282,185,801
Property and Equipment, net	127,370	-	-	127,370
Total Assets	\$ 276,868,990	\$ 5,763,181	\$ (319,000)	\$ 282,313,171
Liabilities and Net Assets (Deficit)				
Current Liabilities				
Accounts payable and accrued expenses	\$ 10,428,610	\$ 97,725	\$ -	\$ 10,526,335
Settlement liability	269,410,561	-	-	269,410,561
Funds held for others	3,394,472	-	-	3,394,472
Amounts due to USA Gymnastics	-	319,000	(319,000)	-
Deferred revenue	6,025,231	-	-	6,025,231
Total Current Liabilities	289,258,874	416,725	(319,000)	289,356,599
Total Liabilities	289,258,874	416,725	(319,000)	289,356,599
Net Assets (Deficit)				
Without donor restrictions	(12,389,884)	2,903,194	1,540,602	(7,946,088)
With donor restrictions	-	2,443,262	(1,540,602)	902,660
Total Net Assets (Deficit)	(12,389,884)	5,346,456	-	(7,043,428)
Total Liabilities and Net Assets (Deficit)	\$ 276,868,990	\$ 5,763,181	\$ (319,000)	\$ 282,313,171

See accompanying independent auditor's report.

USA Gymnastics
Consolidating Statement of Activities and Changes
in Net Assets (Deficit)
Year Ended December 31, 2022

	USA Gymnastics			National Gymnastics Foundation			Eliminations	Consolidated
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total		
Revenue								
Contributions	\$ 67,645	\$ -	\$ 67,645	\$ 728	\$ 246,709	\$ 247,437	\$ -	\$ 315,082
Imputed interest on note payable	-	914,010	914,010	-	-	-	-	914,010
Marketing and events	2,479,269	-	2,479,269	-	-	-	-	2,479,269
Communications and creative	446,866	-	446,866	-	-	-	-	446,866
Program:								
Women's gymnastics	688,835	-	688,835	-	-	-	-	688,835
Men's gymnastics	660,710	-	660,710	-	-	-	-	660,710
Trampoline and tumbling	385,954	-	385,954	-	-	-	-	385,954
Acrobatics gymnastics	119,351	-	119,351	-	-	-	-	119,351
Rhythmic gymnastics	198,175	-	198,175	-	-	-	-	198,175
Gymnastics for all	56,585	-	56,585	-	-	-	-	56,585
Multi discipline, emerging and medical	1,052	-	1,052	-	-	-	-	1,052
Total program	2,110,662	-	2,110,662	-	-	-	-	2,110,662
Member services	12,926,088	-	12,926,088	-	-	-	-	12,926,088
Merchandise sales and other income	1,106,475	-	1,106,475	-	-	-	-	1,106,475
Grants and Other Income:								
United States Olympic & Paralympic Committee	2,927,568	28,224	2,955,792	-	-	-	-	2,955,792
Foundation/ Organization grants	329,500	-	329,500	-	-	-	(317,000)	12,500
Releases from restriction	104,598	(104,598)	-	219,442	(219,442)	-	-	-
Total administrative	3,361,666	(76,374)	3,285,292	219,442	(219,442)	-	(317,000)	2,968,292
Bankruptcy insurance settlement	14,714,790	-	14,714,790	-	-	-	-	14,714,790
Total Revenue	\$ 37,213,461	\$ 837,636	\$ 38,051,097	\$ 220,170	\$ 27,267	\$ 247,437	\$ (317,000)	\$ 37,981,534

See accompanying independent auditor's report.

USA Gymnastics

Consolidating Statement of Activities and Changes in Net Assets (Deficit)

Year Ended December 31, 2022

	USA Gymnastics			National Gymnastics Foundation			Eliminations	Consolidated
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total		
Expenses								
Program:								
Marketing and events	\$ 3,794,654	\$ -	\$ 3,794,654	\$ -	\$ -	\$ -	\$ -	\$ 3,794,654
Member services	2,018,910	-	2,018,910	-	-	-	-	2,018,910
Communications	761,417	-	761,417	-	-	-	-	761,417
Women's gymnastics	4,031,586	-	4,031,586	-	-	-	-	4,031,586
Men's gymnastics	2,708,245	-	2,708,245	156,442	-	156,442	-	2,864,687
Trampoline and tumbling	1,634,230	-	1,634,230	18,000	-	18,000	-	1,652,230
Rhythmic gymnastics	1,503,477	-	1,503,477	-	-	-	-	1,503,477
Acrobatic gymnastics	516,629	-	516,629	-	-	-	-	516,629
Safety & Response	789,198	-	789,198	-	-	-	-	789,198
Other programs	2,208,163	-	2,208,163	-	-	-	-	2,208,163
Total program expense	19,966,509	-	19,966,509	174,442	-	174,442	-	20,140,951
Supporting services:								
General and Administrative	8,979,925	-	8,979,925	123,739	-	123,739	-	9,103,664
Foundation/ Organization grants	-	-	-	317,000	-	317,000	(317,000)	-
Total supporting services expense	8,979,925	-	8,979,925	440,739	-	440,739	(317,000)	9,103,664
Total Expenses	28,946,434	-	28,946,434	615,181	-	615,181	(317,000)	29,244,615
Changes in net assets (deficit), before investment loss, net	8,267,027	837,636	9,104,663	(395,011)	27,267	(367,744)	-	8,736,919
Investment loss, net	-	-	-	(427,090)	(382,554)	(809,644)	-	(809,644)
Changes in net assets (deficit)	8,267,027	837,636	9,104,663	(822,101)	(355,287)	(1,177,388)	-	7,927,275
Net assets (deficit), beginning of year	(12,389,884)	-	(12,389,884)	2,903,194	2,443,262	5,346,456	-	(7,043,428)
Net assets (deficit), end of year	\$ (4,122,857)	\$ 837,636	\$ (3,285,221)	\$ 2,081,093	\$ 2,087,975	\$ 4,169,068	\$ -	\$ 883,847

See accompanying independent auditor's report.

USA Gymnastics

Consolidating Statement of Activities and Changes in Net Assets (Deficit)

Year Ended December 31, 2021

	USA Gymnastics			National Gymnastics Foundation			Eliminations	Consolidated
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total		
Revenue								
Contributions	\$ 4,100	\$ -	\$ 4,100	\$ 1,117	\$ 58,025	\$ 59,142	\$ -	\$ 63,242
Marketing and events	6,221,024	-	6,221,024	-	-	-	-	6,221,024
Communications and Creative Program:	229,646	-	229,646	-	-	-	-	229,646
Women's gymnastics	1,276,253	-	1,276,253	-	-	-	-	1,276,253
Men's gymnastics	342,169	-	342,169	-	-	-	-	342,169
Trampoline and tumbling	277,060	-	277,060	-	-	-	-	277,060
Acrobatics gymnastics	196,617	-	196,617	-	-	-	-	196,617
Rhythmic gymnastics	66,002	-	66,002	-	-	-	-	66,002
Gymnastics for all	50,250	-	50,250	-	-	-	-	50,250
Multi discipline, emerging and medical	671,996	-	671,996	-	-	-	-	671,996
Total program	2,880,347	-	2,880,347	-	-	-	-	2,880,347
Member services	11,598,985	-	11,598,985	-	-	-	-	11,598,985
Merchandise sales and other income	1,024,841	-	1,024,841	-	-	-	-	1,024,841
Grants and Other Income:								
United States Olympic & Paralympic Committee	4,354,197	-	4,354,197	-	-	-	-	4,354,197
Foundation/ Organization grants	331,500	-	331,500	-	-	-	(319,000)	12,500
Extinguishment of Paycheck Protection Program loan	815,428	-	815,428	-	-	-	-	815,428
Government Program - ERTC	1,084,885	-	1,084,885	-	-	-	-	1,084,885
Releases from restriction	-	-	-	145,528	(145,528)	-	-	-
Total administrative	6,586,010	-	6,586,010	145,528	(145,528)	-	(319,000)	6,267,010
Liabilities extinguished in bankruptcy	340,000	-	340,000	-	-	-	-	340,000
Total Revenue	\$ 28,884,953	\$ -	\$ 28,884,953	\$ 146,645	\$ (87,503)	\$ 59,142	\$ (319,000)	\$ 28,625,095

See accompanying independent auditor's report.

USA Gymnastics
Consolidating Statement of Activities and Changes
in Net Assets (Deficit)
Year Ended December 31, 2021

	USA Gymnastics			National Gymnastics Foundation			Eliminations	Consolidated
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total		
Expenses								
Program:								
Marketing and events	\$ 4,995,932	\$ -	\$ 4,995,932	\$ -	\$ -	\$ -	\$ -	\$ 4,995,932
Member services	1,141,803	-	1,141,803	-	-	-	-	1,141,803
Communications	460,573	-	460,573	-	-	-	-	460,573
Women's gymnastics	3,327,904	-	3,327,904	-	-	-	-	3,327,904
Men's gymnastics	1,994,023	-	1,994,023	146,001	-	146,001	-	2,140,024
Trampoline and tumbling	987,985	-	987,985	15,000	-	15,000	-	1,002,985
Rhythmic gymnastics	1,370,161	-	1,370,161	-	-	-	-	1,370,161
Acrobatic gymnastics	410,743	-	410,743	20,000	-	20,000	-	430,743
Safe sport	936,154	-	936,154	-	-	-	-	936,154
Other programs	3,828,267	-	3,828,267	-	-	-	-	3,828,267
Total program expense	19,453,545	-	19,453,545	181,001	-	181,001	-	19,634,546
Supporting services:								
General and administrative	12,029,852	-	12,029,852	148,474	-	148,474	-	12,178,326
Foundation/ Organization grants	-	-	-	319,000	-	319,000	(319,000)	-
Total supporting services expense	12,029,852	-	12,029,852	467,474	-	467,474	(319,000)	12,178,326
Total Expenses	31,483,397	-	31,483,397	648,475	-	648,475	(319,000)	31,812,872
Changes in net assets (deficit),								
before investment returns, net	(2,598,444)	-	(2,598,444)	(501,830)	(87,503)	(589,333)	-	(3,187,777)
Investment returns, net	-	-	-	515,736	277,866	793,602	-	793,602
Changes in net assets (deficit)	(2,598,444)	-	(2,598,444)	13,906	190,363	204,269	-	(2,394,175)
Net assets (deficit), beginning of year	(9,791,440)	-	(9,791,440)	2,889,288	2,252,899	5,142,187	-	(4,649,253)
Net assets (deficit), end of year	\$ (12,389,884)	\$ -	\$ (12,389,884)	\$ 2,903,194	\$ 2,443,262	\$ 5,346,456	\$ -	\$ (7,043,428)

See accompanying independent auditor's report.