

# USA GYMNASTICS

Consolidated Financial Statements  
With Independent Auditor's Report

December 31, 2024



# 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, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of USA Gymnastics and its subsidiary as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of USA Gymnastics and its subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of 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 USA Gymnastics and subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors  
USA Gymnastics  
Indianapolis, Indiana

***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 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USA Gymnastics and its subsidiary'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 USA Gymnastics and subsidiary'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 audits.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Capin Crouse LLC*

Indianapolis, Indiana  
August 26, 2025

# USA GYMNASTICS

## Consolidated Statement of Financial Position

December 31, 2024

### ASSETS:

Cash and cash equivalents	\$ 8,123,923
Cash held for others	5,850,414
Investments	4,644,411
Accounts receivable	2,198,475
Inventories	206,895
Prepaid expenses	2,953,736
Property and equipment, net	229,583
Operating right-of-use assets	334,679

Total Assets \$ 24,542,116

### LIABILITIES AND NET ASSETS:

#### Liabilities:

Accounts payable	\$ 680,834
Accrued liabilities	283,513
Performance obligation liabilities	8,580,926
Funds held for others	5,850,414
Note payable, net	4,504,755
Operating lease liabilities	346,739

Total liabilities 20,247,181

#### Net assets:

Without donor restrictions	2,766,084
With donor restrictions	1,528,851

Total net assets 4,294,935

Total Liabilities and Net Assets \$ 24,542,116

See notes to consolidated financial statements

# USA GYMNASTICS

## Consolidated Statement of Activities

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE:			
Program Revenue:			
Women's gymnastics	\$ 252,903	\$ -	\$ 252,903
Men's gymnastics	298,523	-	298,523
Trampoline and tumbling	207,502	-	207,502
Acrobatic gymnastics	284,809	-	284,809
Rhythmic gymnastics	144,430	-	144,430
Gymnastics for all	135,620	-	135,620
Multi discipline, emerging and medical	62,809	-	62,809
Total Program Revenue	1,386,596	-	1,386,596
Supporting Services Revenue:			
Member services and sanction fees	15,809,001	-	15,809,001
Grant revenue	2,940,962	36,000	2,976,962
Contributions	668,970	239,288	908,258
Contributions of non-financial assets	3,770,019	-	3,770,019
Marketing and events	15,177,229	-	15,177,229
Communications and creative	483,896	-	483,896
Merchandise sales	311,390	-	311,390
Other income	228,316	-	228,316
Total Supporting Services Revenue	39,389,783	275,288	39,665,071
Releases from restrictions	341,098	(341,098)	-
Total Revenue	\$ 41,117,477	\$ (65,810)	\$ 41,051,667

(continued)

See notes to consolidated financial statements

# USA GYMNASTICS

## Consolidated Statement of Activities (continued)

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>EXPENSES:</b>			
Program:			
Marketing and events	\$ 5,823,636	\$ -	\$ 5,823,636
Member services	1,909,121	-	1,909,121
Communications	1,381,891	-	1,381,891
Women's gymnastics	4,587,575	-	4,587,575
Men's gymnastics	2,577,372	-	2,577,372
Trampoline and tumbling	1,797,189	-	1,797,189
Rhythmic gymnastics	1,601,380	-	1,601,380
Acrobatic gymnastics	746,603	-	746,603
Safe sport	634,253	-	634,253
Other programs	3,178,154	-	3,178,154
Total Program Expenses	24,237,174	-	24,237,174
Supporting services:			
General and administrative	10,944,956	-	10,944,956
Total supporting services expenses	10,944,956	-	10,944,956
Total Expenses	35,182,130	-	35,182,130
Changes in net assets			
before investment return, net	5,935,347	(65,810)	5,869,537
Investment return, net	660,322	16,550	676,872
Changes in Net Assets	6,595,669	(49,260)	6,546,409
Net Assets (deficit), Beginning of Year	(3,829,585)	1,578,111	(2,251,474)
Net Assets, End of Year	\$ 2,766,084	\$ 1,528,851	\$ 4,294,935

See notes to consolidated financial statements

## USA GYMNASTICS

### Consolidated Statement of Functional Expenses

Year Ended December 31, 2024

	Promotion 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	General and Administrative	Total Supporting Expenses	Total Expenses
Salaries and benefits	\$ 778,142	\$ 868,333	\$ 780,751	\$ 494,100	\$ 413,508	\$ 156,692	\$ 192,775	\$ 61,371	\$ 384,976	\$ 894,088	\$ 5,024,736	\$ 2,675,424	\$ 2,675,424	\$ 7,700,160
Travel and meals	1,048,420	225,875	163,553	1,326,717	477,026	683,940	651,104	364,271	4,877	947,978	5,893,761	365,209	365,209	6,258,970
Insurance	-	-	-	-	-	-	-	-	-	5,086	5,086	4,403,838	4,403,838	4,408,924
Printing, postage, phone, apparel, supplies	1,251,884	57,003	53,459	744,012	122,927	131,586	85,850	154,185	15	307,195	2,908,116	551,232	551,232	3,459,348
Athlete, club and coach support	-	-	-	1,196,466	952,881	517,891	216,300	36,937	-	47,542	2,968,017	179,108	179,108	3,147,125
Event production	1,580,101	209,648	47,538	35,613	18,151	90,543	80,270	1,753	-	20,547	2,084,164	-	-	2,084,164
Honorarium and gifts	579,233	178,503	71,060	409,437	77,637	60,681	162,006	40,750	5	383,849	1,963,161	7,557	7,557	1,970,718
Contract labor and professional fees	223,292	103,600	74,324	255,300	130,250	22,110	99,971	18,000	174,440	105,957	1,207,244	725,900	725,900	1,933,144
Facilities and maintenance	224,982	40,467	26,562	83,140	5,591	79,082	83,937	38,543	-	16,537	598,841	267,372	267,372	866,213
Legal	-	-	-	-	-	-	-	-	-	-	-	530,619	530,619	530,619
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	361,525	361,525	361,525
State and region rebates	34,000	86,142	-	-	-	-	-	-	-	-	120,142	-	-	120,142
Depreciation	-	-	-	-	-	-	-	-	-	-	-	77,611	77,611	77,611
Miscellaneous	103,582	139,550	164,644	42,790	379,401	54,664	29,167	30,793	69,940	449,375	1,463,906	799,561	799,561	2,263,467
	<u>\$ 5,823,636</u>	<u>\$ 1,909,121</u>	<u>\$ 1,381,891</u>	<u>\$ 4,587,575</u>	<u>\$ 2,577,372</u>	<u>\$ 1,797,189</u>	<u>\$ 1,601,380</u>	<u>\$ 746,603</u>	<u>\$ 634,253</u>	<u>\$ 3,178,154</u>	<u>\$24,237,174</u>	<u>\$10,944,956</u>	<u>\$10,944,956</u>	<u>\$ 35,182,130</u>

See notes to consolidated financial statements

# USA GYMNASTICS

## Consolidated Statement of Cash Flows

Year Ended December 31, 2024

### CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 6,546,409
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	77,611
Liabilities extinguished in bankruptcy	(291,657)
Amortization of imputed interest	136,437
Net unrealized and realized gain on investments	(556,909)
Bad debt expense	361,525
Changes in:	
Accounts receivable	(888,534)
Prepaid expenses	(393,258)
Inventory	3,524
Accounts payable	(981,606)
Accrued expenses	152,240
Performance obligation liabilities	(1,228,190)
Funds held for others	1,591,976
Net Cash Provided by Operating Activities	4,529,568

### CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of investments	(6,548,758)
Purchases of property and equipment	(71,783)
Proceeds from sale of investments	6,796,374
Net Cash Provided by Investing Activities	175,833

### CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on debt	(568,750)
Net Cash Used by Financing Activities	(568,750)

Change in Cash, Cash Equivalents, and Cash Held for Others	4,136,651
Cash, Cash Equivalents, and Cash Held for Others, Beginning of Year	9,837,686
Cash, Cash Equivalents, and Cash Held for Others, End of Year	\$ 13,974,337

Reconciliation of cash, cash equivalents, and cash held for others to those amounts presented on the consolidated statement of financial position:

Cash and cash equivalents	\$ 8,123,923
Cash held for others	5,850,414
Total cash, cash equivalents, and cash held for others on the consolidated statement of financial position	\$ 13,974,337

See notes to consolidated financial statements

# USA GYMNASTICS

## Notes to Consolidated Financial Statements

December 31, 2024

1. NATURE OF 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 and Paralympic Committee (the USOPC) and is a member of the USOPC. USA Gymnastics is also the United States representative to the Federation International 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, 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. The primary sources of revenue for USA Gymnastics are membership fees and sales and events revenue.

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. In May 2024, the Foundation changed its name to the USA Gymnastics Foundation. The consolidated financial statements include the financial results of the Foundation.

2. SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader. The preparation of consolidated financial statements in conformity with GAAP in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. Accordingly, actual results could differ from those estimates.

### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of USA Gymnastics and the Foundation. USA Gymnastics and the Foundation are collectively referred to as the "Organization" in these notes. The Organizations are under common control and management and share administrative expenses. Intercompany transactions and balances have been eliminated in consolidation.

# USA GYMNASTICS

## Notes to Consolidated Financial Statements

December 31, 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### CASH AND CONCENTRATION OF CREDIT RISK

Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000 per financial institution. Additionally, for purposes of the consolidated statement of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. As of December 31, 2024, approximately \$13,520,000 of cash and cash equivalents was not covered by FDIC insurance.

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 6.

#### INVESTMENTS

The Organization's investments in marketable securities, including equity securities, and mutual funds, with readily determinable fair values are reported at fair value based on quoted market prices or dealer quotes in the consolidated statement 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 returns are recorded in the consolidated statement of activities and changes in net assets.

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.

#### ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

Accounts receivables are reported net of any allowance for credit losses. Management determines the allowance for credit losses based on historical collection experience, adjusted for management's expectations about current and future economic conditions. The Organization determined an allowance was not necessary as of December 31, 2024, as management believes receivables are fully collectable within one year.

Accounts receivable as of January 1, 2024, was \$1,541,466.

#### INVENTORIES

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

# USA GYMNASTICS

## Notes to Consolidated Financial Statements

December 31, 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### PREPAID EXPENSES

Prepaid expenses consists of various expenses paid in advance that will be recognized as expenses when incurred, which is typically in the following year.

#### PROPERTY, EQUIPMENT, AND DEPRECIATION

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.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Furniture	7 years
Equipment	5 years

#### LONG-LIVED ASSET IMPAIRMENT

The Organization 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 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 2024.

#### OPERATING LEASE RIGHT-OF-USE ASSETS AND LIABILITIES

Right-of-use assets and related liabilities are recognized at commencement date based on the net present value of lease payments over the lease term discounted using a risk-free rate. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise the option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to exclude short-term leases with lease terms of 12 months or less. The additional lease disclosures can be found in Note 9.

#### CLASSIFICATION OF NET ASSETS

The consolidated financial statements report amounts by classification of net assets:

*Net assets without donor restrictions* - Net assets that are not subject to time or donor-imposed stipulations. As disclosed in Note 8, certain net assets without donor restrictions have been designated by the Board of Directors for specific purposes.

*Net assets 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 8. Amounts are released from restriction during the period in which the Organization incurs expenditures that meet the donor's requirements.

# USA GYMNASTICS

## Notes to Consolidated Financial Statements

December 31, 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### REVENUE RECOGNITION

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 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.

Revenues with customers allocated to program, grant revenue and supporting services revenue in the consolidated statement of activities is comprised of the following at December 31, 2024:

Membership dues	\$ 12,698,775
Ticket sales and other event income	14,600,749
Sponsorship revenue	4,006,526
Olympic trials management fee	850,000
Merchandise sales	791,117
Other miscellaneous income	449,261
Total revenue from exchange transactions	<u>33,396,428</u>
Contributions of non-financial assets	3,770,019
Grants and contributions	<u>3,885,220</u>
Total Revenue	<u><u>\$ 41,051,667</u></u>

#### *Membership Dues*

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

# USA GYMNASTICS

## Notes to Consolidated Financial Statements

December 31, 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### REVENUE RECOGNITION, continued

##### *Tickets sales and other event income and merchandise sales*

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

##### *Sponsorships and contributions of non-financial assets*

Sponsorship revenues are derived from sponsorship agreements with counterparties who provide consideration in the form of cash and value in-kind exchange for acknowledgment, marketing and licensing rights, and/or advertisement. Contracts with corporate sponsors generally cover multi-year periods with the amount of consideration attributable to each period indicated in the contract. Performance obligations for each year relate to general promotion, marketing and advertising activities throughout the year and other event specific activities during events held throughout the year. Contractual consideration for a given year is recognized at the point in time once the performance obligations are fulfilled. Nonrefundable upfront payments are recorded as performance obligation liabilities and recognized on a straight-line basis over the term of the contract. The gross aggregate revenues derived from cash consideration from such agreements for the year ended December 31, 2024, was \$4,006,527 and is included in marketing and events revenue on the consolidated statement of activities. In addition, the estimated value of sponsorship in-kind exchange revenue received for the year ended December 31, 2024, was \$3,770,019. Contributed nonfinancial assets are recorded at the respective fair values of the goods or services received (Note 14). All donated items are used to further the programmatic activities of the Organization.

##### *Olympic trials management fee and other miscellaneous income*

Olympic trials management fee and other miscellaneous income are recognized when earned.

#### CONTRIBUTIONS AND GRANTS

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 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.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The consolidated statement of financial expenses present expenses by both function and natural classification. Salaries and wages have been allocated among programs and supporting services categories based on time and effort and all other costs have been allocated among the programs and supporting services categories based on the actual direct expenditures.

# USA GYMNASTICS

## Notes to Consolidated Financial Statements

December 31, 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### 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 Accounting Standards Codification (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, 2024.

### 3. 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 statement of activities and changes in net assets for the year ended December 31, 2024.

Performance pool grants	\$ 2,104,000
Athlete funding	812,962
Olympic trials management fee	850,000
Other grants	20,000
	<hr/>
	\$ 3,786,962
	<hr/> <hr/>

As part of the bankruptcy settlement reached in the Chapter 11 Plan of Reorganization, USPOC loaned the Organization \$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 of \$914,010 on the consolidated statement of activities for the year ended December 31, 2022, 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%). The note payable is recorded net of unamortized imputed interest totaling \$526,495 at December 31, 2024. Interest expense totaled \$136,437 for the year ended December 31, 2024.

# USA GYMNASTICS

## Notes to Consolidated Financial Statements

December 31, 2024

3. USOPC SUPPORT AND NOTE PAYABLE, continued:

Future maturities of the note payable are as follows:

<u>Year ended December 31,</u>	
2025	\$ 518,750
2026	637,500
2027	637,500
2028	756,250
2029	756,250
Thereafter	<u>1,725,000</u>
	5,031,250
Less: unamortized imputed interest at December 31, 2024	<u>(526,495)</u>
	<u>\$ 4,504,755</u>

4. INVESTMENTS:

Investments consist of the following as of December 31, 2024:

Mutual funds	\$ 517,499
Equities	<u>4,126,912</u>
	<u>\$ 4,644,411</u>

The following schedule summarizes the components of investment return, net for the year ended December 31, 2024:

Dividends and interest	\$ 163,421
Net realized gains	851,246
Net unrealized losses	(294,337)
Fees	<u>(43,458)</u>
	<u>\$ 676,872</u>

The various investments in equities and mutual funds 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.

# USA GYMNASTICS

## Notes to Consolidated Financial Statements

December 31, 2024

5. PROPERTY AND EQUIPMENT, NET:

Property and equipment, net, consist of the following at December 31, 2024:

Furniture	\$ 23,594
Equipment	559,130
Subtotal	<u>582,724</u>
Less: accumulated depreciation	<u>(353,141)</u>
	<u><u>\$ 229,583</u></u>

6. 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. The total funds held for others was \$5,850,414 as of December 31, 2024, and is included in cash and cash equivalents on the consolidated statement of financial position. A liability for funds held for state and regions totaling \$5,850,414 has been recorded on the consolidated statement of financial position as of December 31, 2024.

7. PERFORMANCE OBLIGATION LIABILITIES:

Performance obligation liabilities consisted of the following at December 31, 2024:

Memberships	\$ 7,495,603
Sponsorship revenue	834,123
Other	<u>251,200</u>
	<u><u>\$ 8,580,926</u></u>

Performance obligation liabilities as of January 1, 2024, was \$9,809,116 and was substantially all recognized as revenue during the year ended December 31, 2024.

8. 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 statement of financial position. Investment returns are allocated based on the percentage of each fund's balance in proportion to the total investments.

# USA GYMNASTICS

## Notes to Consolidated Financial Statements

December 31, 2024

8. NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATED NET ASSETS, continued:

Net assets with donor restrictions and board designated funds consisted of the following at December 31, 2024:

	Net Assets with Donor Restrictions	Board Designated Net Assets	Total
Debt discount on zero interest note	\$ 526,495	\$ -	\$ 526,495
USOPC	36,052	-	36,052
Zimpfer Scholarship Fund	192,226	349,466	541,692
Men's Scholarship Fund	237,141	817,854	1,054,995
T&T Scholarship Fund	104,065	220,693	324,758
Collegiate Development Fund	-	94,753	94,753
Liukin Youth Sports Fund	432,872	236,591	669,463
	\$ 1,528,851	\$ 1,719,357	\$ 3,248,208

9. OPERATING LEASES:

The Organization leases office space under a noncancelable operating lease expiring in April 2026. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease terms. The lease requires monthly payments of approximately \$21,000 with contractual obligated annual payment increases. The Organization used a discount rate of 1.37% for calculating the operating obligations.

Right-of-use (ROU) assets and lease liabilities from operating leases were \$334,679 and \$346,739 at December 31, 2024, respectively. Cash paid for amounts in the measurement of operating lease liabilities was \$255,399 for the year ended December 31, 2024. At December 31, 2024, the remaining lease term for operating leases was approximately 1.3 years.

Maturities of operating lease liabilities are as follows:

<u>For the year ended December 31,</u>	
2025	\$ 261,759
2026	87,969
	349,728
Less: Present value of discount of lease liabilities	(2,989)
	\$ 346,739

10. RETIREMENT PLAN:

The Organization has established a deferred 401(k) compensation plan for all eligible employees who elect participation. The Organization's contribution to the 401(k) plan was equal to 6% of each participant's eligible salary totaling \$296,608 for the year ended December 31, 2024.

# USA GYMNASTICS

## Notes to Consolidated Financial Statements

December 31, 2024

### 11. 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, 2024.

### 12. 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:

- 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.
- 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.

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, 2024.

Assets measured at fair value on a recurring basis are summarized below as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 517,499	\$ -	\$ -	\$ 517,499
Equity	4,126,912	-	-	4,126,912
	<u>\$ 4,644,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,644,411</u>

# USA GYMNASTICS

## Notes to Consolidated Financial Statements

December 31, 2024

### 13. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following reflects the Organization's financial assets as of December 31, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions or board designations within one year of the consolidated statement of financial position date.

Financial assets:	
Cash and cash equivalents	\$ 8,123,923
Cash held for others	5,850,414
Investments	4,644,411
Accounts receivable	2,198,475
Financial assets, at year end	<u>20,817,223</u>
Less those unavailable for general expenditures within one year, due to:	
Funds subject to donor-imposed purpose or time restrictions	(1,528,851)
Funds held for others (Note 6)	(5,850,414)
Amounts unavailable to management without Board's approval (Note 8)	<u>(1,719,357)</u>
	<u>(9,098,622)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,718,601</u>

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. The Organization has Board designated net assets without donor restrictions that, while the Organization does not intend to spend these for purposes other than those identified, could be made available for current operations, if necessary.

### 14. CONTRIBUTIONS OF NON-FINANCIAL ASSETS:

The Organization received the following contributions of non-financial assets during the year ended December 31, 2024:

Apparel, bedding, luggage, and awards	\$ 2,517,820
Professional services	485,683
Equipment, storage, and housing rental	528,831
Freight	125,430
Food and beverage	75,835
Other	36,420
	<u>3,770,019</u>

# USA GYMNASTICS

## Notes to Consolidated Financial Statements

December 31, 2024

### 14. CONTRIBUTIONS OF NON-FINANCIAL ASSETS, continued:

The Organization receives various non-cash contributions, including apparel, bedding, luggage, awards, equipment, and food and beverage items. These contributions are valued using estimated U.S. wholesale prices, representing the principal market, for identical or similar products. Valuations are determined using a “like-kind” methodology or actual pricing data for identical items, when available. Contributed professional services are recognized at fair value based on current market rates for comparable services. Contributed rent for equipment, storage, and housing is valued using prevailing market rates for similar rental or lease arrangements in the same geographic area. Contributed freight services are valued based on the amount the Organization would have incurred for comparable services in an arm’s-length transaction at the time of the donation. All donated items are used to further the programmatic activities of the Organization.

### 15. CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT:

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.

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 had qualified and recorded an ERC receivable and the balance remaining at December 31, 2024, is \$569,271, which is included in accounts receivable in the consolidated statement of financial position.

### 16. CONTINGENCIES:

From time to time, the Organization may be subject to legal proceedings, claims, or inquiries, including matters involving the Internal Revenue Service (IRS) or other regulatory authorities. Management, after consultation with legal counsel, believes there are no matters pending that would have a material adverse effect on the Organization’s financial position, activities, or cash flows.

Certain matters are currently under evaluation, and due to the preliminary nature of these proceedings, the outcome cannot be predicted, nor can an estimate of potential loss, if any, be reasonably determined at this time. As such, no liabilities have been recorded in the accompanying financial statements related to these contingencies.

### 17. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through August 26, 2025, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

## **SUPPLEMENTARY INFORMATION**

# USA GYMNASTICS

## Consolidating Statement of Financial Position

December 31, 2024

	USA Gymnastics	USA Gymnastics Foundation	Eliminations	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 7,887,155	\$ 236,768	\$ -	\$ 8,123,923
Cash held for others	5,850,414	-	-	5,850,414
Investments	-	4,644,411	-	4,644,411
Accounts receivable	2,261,616	152,111	(215,252)	2,198,475
Inventories	206,895	-	-	206,895
Prepaid expenses	2,953,736	-	-	2,953,736
Property and equipment, net	229,583	-	-	229,583
Operating right-of-use assets	334,679	-	-	334,679
	<u>\$ 19,724,078</u>	<u>\$ 5,033,290</u>	<u>\$ (215,252)</u>	<u>\$ 24,542,116</u>
<b>LIABILITIES AND NET ASSETS:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 776,108	\$ 119,978	\$ (215,252)	\$ 680,834
Accrued liabilities	158,013	125,500	-	283,513
Performance obligation liabilities	8,580,926	-	-	8,580,926
Funds held for others	5,850,414	-	-	5,850,414
Note payable, net	4,504,755	-	-	4,504,755
Operating lease liabilities	346,739	-	-	346,739
	<u>20,216,955</u>	<u>245,478</u>	<u>(215,252)</u>	<u>20,247,181</u>
<b>Net assets:</b>				
Without donor restrictions	(1,055,425)	3,821,510	-	2,766,085
With donor restrictions	562,548	966,302	-	1,528,850
	<u>(492,877)</u>	<u>4,787,812</u>	<u>-</u>	<u>4,294,935</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 19,724,078</u>	<u>\$ 5,033,290</u>	<u>\$ (215,252)</u>	<u>\$ 24,542,116</u>

# USA GYMNASTICS

## Consolidating Statement of Activities

Year Ended December 31, 2024

	USA Gymnastics			USA Gymnastics Foundation			Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
<b>REVENUE:</b>								
Program Revenue:								
Women's gymnastics	\$ 252,903	\$ -	\$ 252,903	\$ -	\$ -	\$ -	\$ -	\$ 252,903
Men's gymnastics	298,523	-	298,523	-	-	-	-	298,523
Trampoline and tumbling	207,502	-	207,502	-	-	-	-	207,502
Acrobatic gymnastics	284,809	-	284,809	-	-	-	-	284,809
Rhythmic gymnastics	144,430	-	144,430	-	-	-	-	144,430
Gymnastics for all	135,620	-	135,620	-	-	-	-	135,620
Multi discipline, emerging and medical	62,809	-	62,809	-	-	-	-	62,809
<b>Total Program Revenue</b>	<b>1,386,596</b>	<b>-</b>	<b>1,386,596</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,386,596</b>
Supporting Services Revenue:								
Member services and sanction fees	15,809,001	-	15,809,001	-	-	-	-	15,809,001
Grant revenue	3,087,962	36,000	3,123,962	-	-	-	(147,000)	2,976,962
Contributions	433,329	-	433,329	235,641	239,288	474,929	-	908,258
Contributions of non-financial assets	3,770,019	-	3,770,019	-	-	-	-	3,770,019
Marketing and events	15,177,229	-	15,177,229	-	-	-	-	15,177,229
Communications and creative	483,896	-	483,896	-	-	-	-	483,896
Merchandise sales	311,390	-	311,390	-	-	-	-	311,390
Other income	293,316	-	293,316	-	-	-	(65,000)	228,316
<b>Total Supporting Services Revenue</b>	<b>39,366,142</b>	<b>36,000</b>	<b>39,402,142</b>	<b>235,641</b>	<b>239,288</b>	<b>474,929</b>	<b>(212,000)</b>	<b>39,665,071</b>
Releases from restrictions	141,643	(141,643)	-	199,455	(199,455)	-	-	-
<b>Total Revenue</b>	<b>\$ 40,894,381</b>	<b>\$ (105,643)</b>	<b>\$ 40,788,738</b>	<b>\$ 435,096</b>	<b>\$ 39,833</b>	<b>\$ 474,929</b>	<b>\$ (212,000)</b>	<b>\$ 41,051,667</b>

(continued)

# USA GYMNASTICS

## Consolidating Statement of Activities (continued)

Year Ended December 31, 2024

	USA Gymnastics			USA Gymnastics Foundation			Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
EXPENSES:								
Marketing and events	\$ 5,823,636	\$ -	\$ 5,823,636	\$ -	\$ -	\$ -	\$ -	\$ 5,823,636
Member services	1,909,121	-	1,909,121	-	-	-	-	1,909,121
Communications	1,381,891	-	1,381,891	-	-	-	-	1,381,891
Women's gymnastics	4,587,575	-	4,587,575	-	-	-	-	4,587,575
Men's gymnastics	2,424,197	-	2,424,197	153,175	-	153,175	-	2,577,372
Trampoline and tumbling	1,771,189	-	1,771,189	26,000	-	26,000	-	1,797,189
Rhythmic gymnastics	1,601,380	-	1,601,380	-	-	-	-	1,601,380
Acrobatic gymnastics	746,603	-	746,603	-	-	-	-	746,603
Safe sport	634,253	-	634,253	-	-	-	-	634,253
Other programs	3,178,154	-	3,178,154	-	-	-	-	3,178,154
Total Program Expenses	24,057,999	-	24,057,999	179,175	-	179,175	-	24,237,174
Supporting services:								
Administrative	10,650,313	-	10,650,313	506,643	-	506,643	(212,000)	10,944,956
Total supporting services expenses	10,650,313	-	10,650,313	506,643	-	506,643	(212,000)	10,944,956
Total Expenses	34,708,312	-	34,708,312	685,818	-	685,818	(212,000)	35,182,130
Changes in net assets (deficit) before investment return, net	6,186,069	(105,643)	6,080,426	(250,722)	39,833	(210,889)	-	5,869,537
Investment return, net	-	-	-	305,277	371,595	676,872	-	676,872
Changes in Net Assets (deficit)	6,186,069	(105,643)	6,080,426	54,555	411,428	465,983	-	6,546,409
Net Assets (deficit), Beginning of Year	(7,241,494)	668,191	(6,573,303)	2,047,598	2,274,231	4,321,829	-	(2,251,474)
Net Assets (deficit), End of Year	(1,055,425)	562,548	(492,877)	2,102,153	2,685,659	4,787,812	-	4,294,935
Reclassification of Board Designated Funds	-	-	-	1,719,357	(1,719,357)	-	-	-
Net Assets (deficit), End of Year	\$ (1,055,425)	\$ 562,548	\$ (492,877)	\$ 3,821,510	\$ 966,302	\$ 4,787,812	\$ -	\$ 4,294,935