

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

**Financial Statements and  
Supplemental Schedules**

**For the Years Ended December 31, 2018 and 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
USA Swimming, Inc.  
Colorado Springs, Colorado

We have audited the accompanying consolidated financial statements of USA Swimming, Inc. and USA Swimming Foundation, Inc. (collectively, the Organization), which comprise the consolidated statements of financial position as of December 31, 2018, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of USA Swimming, Inc. and USA Swimming Foundation, Inc. as of December 31, 2018, 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.

### **Report on Summarized Comparative Information**

We have previously audited USA Swimming, Inc.'s consolidated financial statements, and we expressed an unmodified opinion on those statements in our report dated April 20, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### **Report on Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 25 through 26 is presented for purposes of additional analysis 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 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 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.

### **Emphasis of Matter**

As described in Note A to the financial statements, in 2018, USA Swimming, Inc. adopted Accounting Standards Update (ASU) 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. Our opinion is not modified with respect to this matter.

*Waugh & Goodwin, LLP*  
Colorado Springs, Colorado  
April 18, 2019

USA SWIMMING, INC.  
USA SWIMMING FOUNDATION, INC.  
Consolidated Statements of Financial Position  
December 31, 2018 and 2017

ASSETS

	<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,609,263	\$ 2,979,133
Short-term investments	6,972,461	7,187,924
Accounts receivable	1,224,560	1,059,232
Short-term pledges receivable	796,066	1,061,715
Prepaid expenses and deferred charges	<u>1,413,332</u>	<u>1,606,238</u>
Total current assets	12,015,682	13,894,242
<b>PROPERTY AND EQUIPMENT</b>	13,699,943	12,267,704
Less accumulated depreciation	<u>(9,235,980)</u>	<u>(8,226,150)</u>
Property and equipment, net	4,463,963	4,041,554
<b>LONG-TERM INVESTMENTS</b>	47,510,692	52,630,178
<b>LONG-TERM PLEDGES RECEIVABLE, net</b>	2,490,000	2,680,625
<b>OTHER ASSETS:</b>		
Prepaid rent	2,164,760	2,334,832
Deposit	140,000	
Olympic trials joint venture	107,629	154,170
Swim-A-Thon	<u>120,000</u>	<u>120,000</u>
Total other assets	<u>2,532,389</u>	<u>2,609,002</u>
<b>TOTAL ASSETS</b>	<u>\$ 69,012,726</u>	<u>\$ 75,855,601</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 1,775,746	\$ 1,196,931
Accrued expenses and other liabilities	1,764,262	2,544,039
Deferred revenue	<u>14,315,659</u>	<u>14,404,277</u>
Total current liabilities	17,855,667	18,145,247
<b>NET ASSETS:</b>		
Without donor restrictions	31,021,970	37,179,264
Without donor restrictions - Board designated	13,270,287	13,457,745
With donor restrictions	<u>6,864,802</u>	<u>7,073,345</u>
Total net assets	<u>51,157,059</u>	<u>57,710,354</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 69,012,726</u>	<u>\$ 75,855,601</u>

USA SWIMMING, INC.  
USA SWIMMING FOUNDATION, INC.  
Consolidated Statements of Activities and Changes in Net Assets  
For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUE:		
Membership	\$ 22,778,145	\$ 22,483,811
USOC grants	5,294,900	5,259,700
Partnership marketing	4,683,496	4,873,843
Sport and events, net of special event expenses of \$855,300 and \$543,497	904,610	953,254
Contributions	816,369	960,326
Other income	623,478	239,485
Swim-A-Thon	361,920	355,405
Consumer revenue	235,749	539,445
Investment income (loss)	(1,904,101)	6,553,803
Satisfied program restrictions	<u>1,016,766</u>	<u>868,740</u>
Total revenue	34,811,332	43,087,812
EXPENSES:		
Program services:		
National Team	9,013,588	8,004,303
Events and member services	8,002,357	8,581,871
Commercial	6,260,264	5,172,861
Sport development	4,653,646	4,455,110
Risk Management	3,063,526	3,004,431
Foundation programs	<u>1,868,253</u>	<u>1,549,840</u>
Total program services	32,861,634	30,768,416
Supporting services:		
Business affairs	4,495,421	1,240,827
Executive	1,530,156	4,013,737
Fundraising	1,397,338	1,293,661
Finance	<u>871,534</u>	<u>1,364,162</u>
Total supporting services	<u>8,294,449</u>	<u>7,912,387</u>
Total expenses	<u>41,156,083</u>	<u>38,680,803</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(6,344,751)	4,407,009
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	1,003,181	1,194,355
Investment income (loss)	(194,959)	414,817
Satisfied program restrictions	<u>(1,016,766)</u>	<u>(868,740)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(208,544)</u>	<u>740,432</u>
CHANGE IN NET ASSETS	(6,553,295)	5,147,441
NET ASSETS, beginning of year	<u>57,710,354</u>	<u>52,562,913</u>
NET ASSETS, end of year	<u>\$ 51,157,059</u>	<u>\$ 57,710,354</u>

See Notes to Consolidated Financial Statements

USA SWIMMING, INC.  
USA SWIMMING FOUNDATION, INC.  
Consolidated Statement of Functional Expense  
For the Year Ended December 31, 2018

	National Team	Events & Member Services	Commercial	Sport Development	Risk Management	Foundation Programs	Total Program Services
Salaries	\$ 1,377,070	\$ 1,156,386	\$ 1,544,942	\$ 1,642,717	\$	\$ 518,600	\$ 6,239,715
Travel and hospitality	1,959,557	1,752,141	498,657	1,093,269	25,902	109,595	5,439,121
Direct athlete support	3,824,536	3,500	121,400	1,000		196,650	4,147,086
Professional fees and honoraria	191,780	965,397	795,388	223,515	16,856	186,325	2,379,261
Insurance	32,825				2,999,905		3,032,730
Employee benefits	269,508	275,696	392,188	372,134		4,380	1,313,906
Rent and lease expense	107,222	969,143	453,059	149,956	961	7,779	1,688,120
Dues, fees and tickets	50,917	675,288	94,125	71,305	1,975	19,982	913,592
Television and production	18,540	1,202,956	169,309	4,616		20,000	1,415,421
Grants		20,606		470,832		701,591	1,193,029
Depreciation and amortization	79,001	217,887	498,500	177,673			973,061
Office supplies and expense	136,044	124,477	400,212	77,325	7,419	24,251	769,728
Gear, equipment & signage	49,392	290,429	365,928	49,210		33,405	788,364
Printing and duplication	7,019	102,018	392,366	16,295	9,168	4,431	531,297
Payroll taxes	96,151	70,438	104,515	126,767			397,871
Information technology expenses	629	200	2,876	7,164			10,869
Awards and gifts	396,665	69,799	1,450	49,104		784	517,802
Apparel	296,570	58,526	24,291	55,157		1,738	436,282
Advertising			289,601			1,360	290,961
Protocol	19,069	14,928	23,361	29,660		33,341	120,359
Telephone and internet service	31,691	29,640	45,650	29,921	1,340	2,816	141,058
Miscellaneous expenses	69,402	2,902	42,446	6,026		1,225	122,001
Recognition & fulfillment							
	<u>\$ 9,013,588</u>	<u>\$ 8,002,357</u>	<u>\$ 6,260,264</u>	<u>\$ 4,653,646</u>	<u>\$ 3,063,526</u>	<u>\$1,868,253</u>	<u>\$ 32,861,634</u>

	Business Affairs	Executive Division	Fundraising	Finance	Total Supporting Services	Total Expenses
Salaries	\$ 1,690,548	\$ 592,877	\$ 584,127	\$ 528,351	\$ 3,395,903	\$ 9,635,618
Travel and hospitality	96,508	393,101	145,399	2,831	637,839	6,076,960
Direct athlete support			6,750		6,750	4,153,836
Professional fees and honoraria	955,987	125,849	45,873	34,481	1,162,190	3,541,451
Insurance						3,032,730
Employee benefits	368,120	90,149	141,491	156,380	756,140	2,070,046
Rent and lease expense	53,987	33,910	8,834	24,475	121,206	1,809,326
Dues, fees and tickets	433,594	41,667	49,153	2,070	526,484	1,440,076
Television and production	2,000				2,000	1,417,421
Grants		120,000			120,000	1,313,029
Depreciation and amortization	147,195	11,460	45,333	26,620	230,608	1,203,669
Office supplies and expense	25,109	7,213	69,687	11,959	113,968	883,696
Gear, equipment & signage	19,028	270	2,428	13	21,739	810,103
Printing and duplication	15,340	7,886	103,856	3,308	130,390	661,687
Payroll taxes	107,282	22,207	46,406	38,741	214,636	612,507
Information technology expenses	534,743		26,235	13,906	574,884	585,753
Awards and gifts	284	425	22,062		22,771	540,573
Apparel	2,772	6,356	32,621	28	41,777	478,059
Advertising		150		1,755	1,905	292,866
Protocol	16,332	64,132	50,567	18	131,049	251,408
Telephone and internet service	20,337	7,542	6,391	5,245	39,515	180,573
Miscellaneous expenses	6,255	4,962	1,475	21,353	34,045	156,046
Recognition & fulfillment			8,650		8,650	8,650
	<u>\$ 4,495,421</u>	<u>\$ 1,530,156</u>	<u>\$ 1,397,338</u>	<u>\$ 871,534</u>	<u>\$ 8,294,449</u>	<u>\$ 41,156,083</u>

See Notes to Consolidated Financial Statements



USA SWIMMING, INC.  
USA SWIMMING FOUNDATION, INC.  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (6,553,295)	\$ 5,147,441
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	1,203,669	984,142
Net realized and unrealized (gains) losses on investments	3,518,222	(5,679,912)
Change in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(165,328)	357,582
Pledges receivable	456,274	(52,945)
Prepaid expenses and deferred charges	192,906	(131,200)
Deposit	(140,000)	
Olympic trials joint venture	46,541	216,372
Increase (decrease) in liabilities:		
Accounts payable, accrued expenses and other liabilities	(200,974)	(651,577)
Deferred revenue	(88,618)	162,998
Contributions restricted for long-term investments		(400,000)
Total adjustments	<u>4,822,692</u>	<u>(5,194,540)</u>
Net cash used by operating activities	(1,730,603)	(47,099)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Short-term investments, net	215,463	(7,187,924)
Proceeds from sale of long-term investments	42,498,691	27,455,174
Purchase of long-term investments	(40,897,415)	(28,768,337)
Decrease in prepaid rent	170,072	152,815
Acquisition of property and equipment	<u>(1,626,078)</u>	<u>(1,057,309)</u>
Net cash provided (used) by investing activities	360,733	(9,405,581)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Collection of pledges receivable restricted for endowment		<u>400,000</u>
Net cash provided by financing activities		<u>400,000</u>
<b>NET DECREASE IN CASH</b>	(1,369,870)	(9,052,680)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>2,979,133</u>	<u>12,031,813</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 1,609,263</u>	<u>\$ 2,979,133</u>

See Notes to Consolidated Financial Statements

USA SWIMMING, INC.  
USA SWIMMING FOUNDATION, INC.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying financial statements include USA Swimming, Inc. and USA Swimming Foundation, Inc.

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

The USA Swimming Foundation, Inc. (the Foundation), is a Colorado non-profit corporation. The purpose of the Foundation is to operate for charitable and educational purposes, to foster national or international amateur sports competition, and to serve as a supporting organization for USA Swimming, Inc.

Basis of Presentation

The financial statements of USA Swimming, Inc. are presented on a consolidated basis with USA Swimming Foundation, Inc. (the Organization) in order to conform to the requirements of Financial Accounting Standards Board ASC 958.

Transactions between the entities are shown as eliminating entries and removed in order to properly reflect consolidated totals.

Accounting Standards Update

On August 18, 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the Organization's financial statements:

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounting Standards Update - continued

- The temporarily restricted and permanently restricted net asset classes, if any existed, have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements now include a presentation of expenses that describes both the functional nature of the expenses and their natural classification according to the actual usage of resources.
- The financial statements include a new disclosure about liquidity and availability of resources (Note B).

The changes have the following effect on net assets at December 31, 2017:

<u>Net Asset Class</u>	<u>As Originally Presented</u>	<u>After Adoption of ASU 2016-14</u>
Unrestricted net assets	\$ 37,179,264	\$
Unrestricted - Board designated	13,457,745	
Temporarily restricted net assets	1,423,345	
Permanently restricted net assets	5,650,000	
Net assets without donor restrictions		50,637,009
Net assets with donor restrictions		<u>7,073,345</u>
Total net assets	<u>\$ 57,710,354</u>	<u>\$ 57,710,354</u>

In addition, certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Income Taxes

USA Swimming, Inc. and USA Swimming Foundation, Inc. are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, these entities qualify for the charitable contribution deduction and have been classified as organizations that are not private foundations.

## Notes to Consolidated Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

USA Swimming, Inc. and USA Swimming Foundation, Inc.'s Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by various taxing authorities, generally for three years after the date they were filed.

Management of the Organization believes that it does not have any uncertain tax positions that are material to the financial statements.

#### Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less, and which are not held for long-term investment purposes, to be cash equivalents. Cash and highly liquid financial instruments held for long-term investment purposes, regardless of original length to maturity, are reported as investments and excluded from this definition. In the unlikely event of a bank or brokerage firm failure, the Organization might only be able to recover the amounts insured.

#### Supplemental Cash Flow Disclosure

The Organization paid no interest or income taxes during either of the years ended December 31, 2018 and 2017.

#### Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that no allowance for doubtful accounts was necessary at December 31, 2018 and 2017.

The delinquency and collectability of receivables is determined on a case by case basis and receivables are charged to bad debt expense when determined to be uncollectible.

#### Pledges Receivable

Pledges receivable consist of unconditional promises to give that are expected to be collected in current and future periods. Pledges expected to be collected within one year are recorded at their estimated net realizable values. Pledges receivable expected to be collected in more than one year are recorded at the present value of their estimated future cash flows, computed using risk-adjusted interest rates. Amortization of the discount is included in contribution revenue. Pledges receivable are reported as support with donor

## Notes to Consolidated Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Pledges Receivable - continued

restrictions unless the donor stipulations or circumstances surrounding the pledge make clear the donor intended it to be used to support activities in the current period. Pledges receivable are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary.

#### Revenue Recognition

Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfied program restrictions. Contributions and grants with donor restrictions are reported as support and revenue without donor restrictions if the restriction is met in the same year that the gift is received.

Sponsorship and other related revenues are recognized in the period in which they are earned.

#### Contributed Services

USA Swimming, Inc. and USA Swimming Foundation, Inc. receive a substantial amount of donated services in carrying out their programs. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under FASB ASC 605.

#### Donated Materials

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

## Notes to Consolidated Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Some of the expenses which are allocated include utilities and depreciation, which are allocated on a square footage basis, as well as salaries, which are allocated on the basis of time and effort estimates.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### Prior-Year Comparisons

The financial statements include certain prior-year summarized comparative information in total but not by net asset or functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

#### Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 18, 2019, the date that the financial statements were available to be issued.

## Notes to Consolidated Financial Statements

### B. AVAILABLE RESOURCES AND LIQUIDITY

#### USA Swimming, Inc.

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

The table on the following page reflects the Organization's financial assets as of December 31, 2018 and 2017, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal Board designations. Amounts not available include a Board-designated special projects fund that is intended to fund special Board initiatives not considered in the annual operating budget. In the event the need arises to utilize the Board-designated funds for liquidity purposes, the reserves could be drawn upon through Board resolution. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

#### USA Swimming Foundation, Inc.

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

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

## Notes to Consolidated Financial Statements

### B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

#### USA Swimming Foundation, Inc. - continued

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

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

The Foundation's Executive Management and applicable Organizational staff meet regularly to review and approve grant requests which are then approved by the Board of Directors at least annually. The Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative, general, and fundraising expenses plus an amount that represents the next expected grant commitment payments, which typically represents approximately 25% of the expected annual grant cash needs. Additionally, in the event the need arises to utilize the Board-designated funds for liquidity purposes, the reserves could be drawn upon through Board resolution.

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

	<u>2018</u>	<u>2017</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,609,263	\$ 2,979,133
Contributions receivable	3,286,066	3,742,340
Other receivables	1,500,075	1,142,820
Short-term investments	<u>6,972,461</u>	<u>7,187,924</u>
Total financial assets	13,367,865	15,052,217



Notes to Consolidated Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

	<u>2018</u>	<u>2017</u>
Less amounts not available to be used within one year:		
Board - designated special projects fund	1,333,874	1,000,000
Contribution receivable - for restricted gifts, net	796,066	1,061,715
Contribution receivable - due after one year, net	<u>2,490,000</u>	<u>2,680,625</u>
Financial assets not available to be used within one year	<u>4,619,940</u>	<u>4,742,340</u>
Financial assets available within one year	<u>\$ 8,747,925</u>	<u>\$ 10,309,877</u>

C. FAIR VALUE MEASUREMENTS

The Organization applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels are recorded at the end of the period.

Notes to Consolidated Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

The following tables present assets that are measured at fair value on a recurring basis at December 31, 2018 and 2017:

Assets at Fair Value as of December 31, 2018

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income securities:				
Corporate and other notes	\$	\$ 19,757,102	\$	\$ 19,757,102
US Treasury and agencies	6,434,048			6,434,048
Exchange traded funds	16,736,985			16,736,985
Mutual funds	11,066,511			11,066,511
Money market	<u>488,507</u>			<u>488,507</u>
	<u>\$ 34,726,051</u>	<u>\$ 19,757,102</u>	<u>\$</u>	<u>\$ 54,483,153</u>

Assets at Fair Value as of December 31, 2017

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income securities:				
Corporate and other notes	\$	\$ 20,022,536	\$	\$ 20,022,536
US Treasury and agencies	6,804,777			6,804,777
Exchange traded funds	19,658,873			19,658,873
Mutual funds	12,806,755			12,806,755
Money market	<u>525,161</u>			<u>525,161</u>
	<u>\$ 39,795,566</u>	<u>\$ 20,022,536</u>	<u>\$</u>	<u>\$ 59,818,102</u>

Investments are included in the consolidated statements of financial position under the following categories as of December 31:

	<u>2018</u>	<u>2017</u>
Short-term investments	\$ 6,972,461	\$ 7,187,924
Long-term investments	<u>47,510,692</u>	<u>52,630,178</u>
Total	<u>\$ 54,483,153</u>	<u>\$ 59,818,102</u>

Investment income included in the consolidated statements of activities for the years ended December 31, 2018 and 2017 consists of the following:

Notes to Consolidated Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 1,553,220	\$ 1,412,827
Less investment fees	(134,058)	(124,119)
Net realized and unrealized gains (losses)	<u>(3,518,222)</u>	<u>5,679,912</u>
Total investment income (loss)	<u>\$ (2,099,060)</u>	<u>\$ 6,968,620</u>

USA Swimming, Inc. and USA Swimming Foundation, Inc. record realized gains and losses in their financial statements based on historical cost basis.

D. PLEDGES RECEIVABLE

As of December 31, 2018 and 2017, the Foundation had pledges receivable of \$3,286,066 and \$3,742,340, respectively, representing unconditional promises to give made during the current and prior years. The pledges will be received by the Foundation in future years and have been discounted using the risk-free interest rate for the year in which they were received. The interest rates used range from .11% to 2.69%.

Total pledges receivable at December 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Short-term pledges receivable	<u>\$ 796,066</u>	<u>\$ 1,601,715</u>
Long-term pledges receivable	<u>\$ 2,490,000</u>	<u>\$ 2,680,625</u>

At December 31, 2018 and 2017, two and three donors account for 70% and 82% of the pledges receivable, respectively.

E. PREPAID EXPENSES AND DEFERRED CHARGES

Prepaid expenses and deferred charges consist of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Prepaid insurance	\$ 930,153	\$ 1,023,618
Deferred charges	<u>483,179</u>	<u>582,620</u>
	<u>\$ 1,413,332</u>	<u>\$ 1,606,238</u>

## Notes to Consolidated Financial Statements

### E. PREPAID EXPENSES AND DEFERRED CHARGES - Continued

Expenses incurred in connection with events are recognized in the year the events take place. Membership expenses incurred in connection with the subsequent membership year are deferred.

Other non-current assets include prepaid rent of \$2,164,760 and \$2,334,832 at December 31, 2018 and 2017, respectively.

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

The building construction costs were recorded as prepaid rent, which are being amortized over the 30-year life of the agreement. USA Swimming, Inc. has recorded rent at fair market rates and interest income to reflect the discount received from the prepayment.

Rent expense recorded in 2018 and 2017 amounted to \$333,741 and \$327,197 and interest income recorded in 2018 and 2017 amounted to \$163,669 and \$174,382, respectively.

### F. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost and depreciation is recorded using the straight-line method over the estimated useful lives of three to 10 years. Acquisitions with an initial cost over \$1,000 and a useful life of over one year are capitalized. Expenditures for repairs and maintenance which do not materially prolong the useful lives of the assets are charged to expense as incurred.

Property and equipment consists of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Software and website	\$ 9,153,635	\$ 8,481,531
Building and leasehold improvements	2,334,855	2,334,855
Furniture and equipment	1,498,630	1,423,625
Construction in progress	673,673	
Vehicles	<u>39,150</u>	<u>27,693</u>
	13,699,943	12,267,704
Less accumulated depreciation	<u>(9,235,980)</u>	<u>(8,226,150)</u>
Property and equipment - net	<u>\$ 4,463,963</u>	<u>\$ 4,041,554</u>

Notes to Consolidated Financial Statements

F. PROPERTY AND EQUIPMENT - Continued

Depreciation expense for the years ended December 31, 2018 and 2017 was \$1,203,669 and \$984,142, respectively.

G. DEFERRED REVENUE

Deferred revenue consists of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Membership	\$ 14,076,754	\$ 14,260,035
Other	107,200	93,417
Corporate sponsorships	<u>2,025</u>	<u>50,825</u>
	<u>\$ 14,185,979</u>	<u>\$ 14,404,277</u>

Membership revenue is recognized on a calendar year basis. Corporate sponsorships are recognized over the term of the related agreement.

H. NET ASSETS WITH DONOR RESTRICTIONS: TEMPORARY IN NATURE

Net assets with donor restrictions are available for the following purposes at December 31:

	<u>2018</u>	<u>2017</u>
Time restrictions	\$ 759,500	\$ 575,000
Purpose restrictions	<u>551,073</u>	<u>848,345</u>
Total	<u>\$ 1,310,573</u>	<u>\$ 1,423,345</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. Net assets were released from temporary restrictions by satisfying the following restricted purposes at December 31:

	<u>2018</u>	<u>2017</u>
Time restrictions	\$ 665,500	\$ 556,399
Make A Splash program	152,516	181,716
National team	148,750	80,625
Golden Goggles	<u>50,000</u>	<u>50,000</u>
Total	<u>\$ 1,016,766</u>	<u>\$ 868,740</u>

## Notes to Consolidated Financial Statements

### I. NET ASSETS WITH DONOR RESTRICTIONS: PERPETUAL IN NATURE

During the year ended December 31, 2008, the Foundation received a perpetually restricted pledge of \$5,000,000. This pledge was recorded at the present value of \$4,967,466, net of a discount in the amount of \$32,534. Funds collected under the pledge are recognized as endowment funds. During the years ended December 31, 2018 and 2017, the Foundation received perpetually restricted contributions of \$0 and \$600,000, respectively. The Foundation only recognizes contributions as endowment funds upon receipt. During the years ended December 31, 2018 and 2017, the Foundation received perpetually restricted contributions of \$0 and \$400,000, respectively, which were recognized as endowment funds.

Perpetually restricted net assets consist of the following at December 31:

	<u>2018</u>	<u>2017</u>
Endowment funds	\$ 3,254,229	\$ 2,950,000
Pledges receivable	<u>2,300,000</u>	<u>2,700,000</u>
Total	<u>\$ 5,554,229</u>	<u>\$ 5,650,000</u>

### J. ENDOWMENTS

The Foundation's endowment funds consist of funds without donor restrictions functioning as endowment through designations by the Board and donor restricted endowment funds. The earnings of the Board-designated endowment are designated for athlete support. The earnings of the perpetually restricted endowment support Make a Splash and the USA Swimming Dirks/Gould Coaches Incentive Program.

The Foundation has adopted investment and spending policies based on the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions - perpetual in nature (a) the original value of gifts donated to the perpetual endowment, and (b) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time of accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in net assets with donor restrictions - perpetual in nature is classified as net assets with donor restrictions - temporary in nature until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the

Notes to Consolidated Financial Statements

J. ENDOWMENTS - Continued

standard of prudence prescribed by UPMIFA. Each year, the Foundation is required to spend no less than 3% and no more than 5% of the donor restricted endowment funds for specific purposes.

The Foundation does not include uncollected pledges receivable, that are perpetually restricted, as part of endowment net assets. Amounts are included with endowment net assets as the pledges receivable are collected. As of December 31, 2018 and 2017, perpetually restricted uncollected pledges were \$2,300,000 and \$2,700,000, respectively.

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Endowment net assets, January 1, 2017	\$ 9,988,958	\$ 2,550,000
Investment return:		
Investment income	241,596	63,226
Net appreciation (net realized and unrealized)	<u>1,312,631</u>	<u>345,192</u>
Total investment return	1,554,227	408,418
Contributions	1,264,310	400,000
Expenditures	<u>(430,000)</u>	<u>(146,250)</u>
Endowment net assets, December 31, 2017	12,377,495	3,212,168
Investment return:		
Investment income	272,896	78,277
Net depreciation (net realized and unrealized)	<u>(958,979)</u>	<u>(273,236)</u>
Total investment return	(686,083)	(194,959)
Contributions	905,076	
Expenditures	<u>                    </u>	<u>(180,000)</u>
Endowment net assets, December 31, 2018	<u>\$13,063,718</u>	<u>\$ 2,837,209</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature exist in four donor-restricted endowment funds, which together have an original gift value of \$5,650,000, a current fair value of \$5,554,229, and a deficiency of \$95,771 as of December 31, 2018.

## Notes to Consolidated Financial Statements

### J. ENDOWMENTS - Continued

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as Board-designated funds. Under this policy, the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide a rate of return sufficient to keep pace with the rate of inflation. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a great emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

### K. UNITED STATES SPORTS INSURANCE COMPANY INC. PROVISION FOR LOSSES

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

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

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

In accordance with the Equity Purchase Agreement, USA Swimming obtained a letter of credit (the LOC) for benefit of the buyer in the amount of \$5,000,000. The LOC collateralizes indemnity



Notes to Consolidated Financial Statements

K. USSIC PROVISION FOR LOSSES - Continued

reserves and allows the buyer to draw against the LOC once per quarter for the payment of claims that exceed \$3,265,599, which is the referenced loss reserves as defined in the agreement. If on the fifth anniversary of the date of sale the estimated ultimate losses of USSIC are equal to or greater than \$5,000,000 USA Swimming, Inc. may, but is not obligated to, release the entire LOC to the buyer. If on the fifth anniversary of the date of sale the estimated ultimate losses of USSIC are less the \$5,000,000 USA Swimming may release a portion of the LOC to the buyer or reduce the LOC amount. The LOC will be terminated on the tenth anniversary of the date of sale.

L. RELATED PARTY TRANSACTIONS

The United States Olympic Committee (USOC) provides grants to USA Swimming, Inc. for sports development, international competition, and team preparation. In addition, the USOC designates a portion of their funding for athlete support, and this amount is paid directly to eligible athletes.

Total grants from the USOC for the years ended December 31, 2018 and 2017 consist of the following project categories:

	<u>2018</u>	<u>2017</u>
NGB Funding	\$ 3,082,200	\$ 3,082,200
Direct athlete support	2,207,300	1,997,500
International relations	5,400	130,000
Other USOC support	<u>                    </u>	<u>50,000</u>
	<u>\$ 5,294,900</u>	<u>\$ 5,259,700</u>

During the years ended December 31, 2018 and 2017, NGB funding provided as value-in-kind was \$60,000 for each year. At December 31, 2018 and 2017, payables to the USOC amounted to \$229,272 and \$324,478, respectively.

M. PENSION PLAN

USA Swimming, Inc. and USA Swimming Foundation, Inc.'s 401(k) retirement plan covers all employees over 18 years of age with one year of service. During the years ended December 31, 2018 and 2017, contributions to the plan were \$728,062 and \$724,341, respectively.

Effective January 1, 2004, USA Swimming, Inc. entered into a deferred compensation agreement under Section 457 of the Internal Revenue Code with its former Chief Executive Officer.

Notes to Consolidated Financial Statements

M. PENSION PLAN - Continued

The purpose of the plan is to provide retirement benefits for this individual. This plan contains two components, a Qualified Deferred Compensation account, and a Nonqualified account. All amounts credited to the Qualified Deferred Compensation account are fully vested. In January 2013, all funds held in the non-qualified account were distributed to the former Chief Executive Officer.

As of December 31, 2012, the deferred compensation plan was fully funded, and no additional contributions have been made. However, earnings of 8% are added to the fund annually. At December 31, 2018 and 2017, the vested balance in the Qualified Deferred Compensation account was \$237,940 and \$305,923, respectively.

N. INVESTMENT IN JOINT VENTURE

USA Swimming, Inc. is a party to a joint venture agreement with Omaha Sports Commission (OSC) for the purpose of operating, promoting, and managing the US Olympic Team Trials (the Trials). The two parties agree to share equally the difference between the Trials revenues and the Trials expenses from the operation of the Trials. The joint venture agreement states that any amounts received from the USOC and certain sponsors will accrue solely to the benefit of USA Swimming, Inc. and likewise any amounts paid to OSC from various Nebraska municipalities will accrue to the benefit of OSC.

The following is an unaudited condensed balance sheet of the joint venture as of December 31:

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash	\$ 126,741	\$ 86,412
Accounts receivable	500	
Property and equipment, net	<u>158,519</u>	<u>221,929</u>
Total assets	<u>\$ 285,760</u>	<u>\$ 308,341</u>
<u>LIABILITIES AND EQUITY</u>		
Liabilities	\$ 70,500	\$
Equity	<u>215,260</u>	<u>308,341</u>
Total liabilities and equity	<u>\$ 285,760</u>	<u>\$ 308,341</u>

## Notes to Consolidated Financial Statements

### O. CONTINGENCIES

Occasionally, in the conduct of business, the Organization may be named defendant in a lawsuit or other form of legal action. In the opinion of management, any pending or threatened claims against the Organization, as of December 31, 2018, are either without merit or will not exceed insurance limits.

USA Swimming, Inc. has entered into a contract for renovations to the National Headquarters building, with an estimated cost of \$4,000,000. Construction began during the year ended December 31, 2018, and it is anticipated to be completed during 2019. As of December 31, 2018, costs of \$673,673 had been incurred for this project. USA Swimming, Inc. is soliciting partners to support a portion of the costs of these renovations.

USA SWIMMING, INC.  
USA SWIMMING FOUNDATION, INC.  
Consolidating Statement of Financial Position  
December 31, 2018  
(With Consolidated Totals for 2017)

ASSETS

	<u>USAS</u>	<u>USASF</u>	<u>Eliminations</u>	<u>Consolidated Totals 2018</u>	<u>Consolidated Totals 2017</u>
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$ 1,244,753	\$ 364,510	\$	\$ 1,609,263	\$ 2,979,133
Short-term investments	5,973,222	999,239		6,972,461	7,187,924
Accounts receivable, net	1,122,559	102,001		1,224,560	1,059,232
Due from USA Swimming Foundation, Inc.	86,561		(86,561)		
Short-term pledges receivable		796,066		796,066	1,061,715
Prepaid expenses and deferred charges	<u>1,402,451</u>	<u>10,881</u>		<u>1,413,332</u>	<u>1,606,238</u>
<b>Total current assets</b>	<b>9,829,546</b>	<b>2,272,697</b>	<b>(86,561)</b>	<b>12,015,682</b>	<b>13,894,242</b>
<b>PROPERTY AND EQUIPMENT</b>	<b>13,469,980</b>	<b>229,963</b>		<b>13,699,943</b>	<b>12,267,704</b>
Less accumulated depreciation	<u>(9,018,960)</u>	<u>(217,020)</u>		<u>(9,235,980)</u>	<u>(8,226,150)</u>
<b>Property and equipment - net</b>	<b>4,451,020</b>	<b>12,943</b>		<b>4,463,963</b>	<b>4,041,554</b>
<b>LONG-TERM INVESTMENTS</b>	<b>32,099,174</b>	<b>15,411,518</b>		<b>47,510,692</b>	<b>52,630,178</b>
<b>LONG-TERM PLEDGES &amp; OTHER RECEIVABLES</b>		<b>2,490,000</b>		<b>2,490,000</b>	<b>2,680,625</b>
<b>OTHER ASSETS:</b>					
Prepaid rent	2,164,760			2,164,760	2,334,832
Deposit	140,000			140,000	
Olympic trials joint venture	107,629			107,629	154,170
Swim-A-Thon		<u>120,000</u>		<u>120,000</u>	<u>120,000</u>
<b>Total other assets</b>	<b><u>2,412,389</u></b>	<b><u>120,000</u></b>		<b><u>2,532,389</u></b>	<b><u>2,609,002</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 48,792,129</u></b>	<b><u>\$ 20,307,158</u></b>	<b><u>\$ (86,561)</u></b>	<b><u>\$ 69,012,726</u></b>	<b><u>\$ 75,855,601</u></b>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 1,744,550	\$ 31,196	\$ (86,561)	\$ 1,775,746	\$ 1,196,931
Due to USA Swimming, Inc.		86,561			
Accrued expenses and other liabilities	1,690,346	73,916		1,764,262	2,544,039
Deferred revenue	<u>14,315,659</u>			<u>14,315,659</u>	<u>14,404,277</u>
Total current liabilities	17,750,555	191,673	(86,561)	17,855,667	18,145,247

NET ASSETS:

Unrestricted	31,041,574	(19,604)		31,021,970	37,179,264
Without donor restrictions - Board designated		13,270,287		13,270,287	13,457,745
With donor restrictions		<u>6,864,802</u>		<u>6,864,802</u>	<u>7,073,345</u>
Total net assets	<u>31,041,574</u>	<u>20,115,485</u>		<u>51,157,059</u>	<u>57,710,354</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 48,792,129</u>	<u>\$ 20,307,158</u>	<u>\$ (86,561)</u>	<u>\$ 69,012,726</u>	<u>\$ 75,855,601</u>
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USA SWIMMING, INC.  
USA SWIMMING FOUNDATION, INC.  
Consolidating Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2018  
(With Consolidated Totals for 2017)

	<u>USAS</u>	<u>USASF</u>	<u>Eliminations</u>	Consolidated Totals <u>2018</u>	Consolidated Totals <u>2017</u>
CHANGES IN NET ASSETS WITHOUT					
DONOR RESTRICTIONS:					
REVENUE:					
Membership	\$ 22,778,145	\$	\$	\$ 22,778,145	\$ 22,483,811
USOC grants	5,294,900			5,294,900	5,259,700
Partnership marketing	4,203,496	480,000		4,683,496	4,873,843
Sport and events, net of special event expenses of \$855,300 and \$543,497	804,610		100,000	904,610	953,254
Contributions	783,600	916,369	(883,600)	816,369	960,326
Other income	645,652	37,826	(60,000)	623,478	239,485
Swim-A-Thon	120,000	361,920	(120,000)	361,920	355,405
Consumer revenue	235,749			235,749	539,445
USA Swimming support		996,997	(996,997)		
Investment income	(1,246,476)	(657,625)		(1,904,101)	6,553,803
Satisfied program restrictions		1,016,766		1,016,766	868,740
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	33,619,676	3,152,253	(1,960,597)	34,811,332	43,087,812
EXPENSES:					
Program services:					
National Team	9,013,588			9,013,588	8,004,303
Events and member services	8,002,357			8,002,357	8,581,871
Commercial	6,260,264			6,260,264	5,172,861
Sport development	4,653,646			4,653,646	4,455,110
Risk Management	3,063,526			3,063,526	3,004,431
Foundation programs	996,997	2,771,853	(1,900,597)	1,868,253	1,549,840
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total program services	31,990,378	2,771,853	(1,900,597)	32,861,634	30,768,416

Supporting services:					
Business affairs	4,495,421			4,495,421	1,240,827
Executive	1,530,156			1,530,156	4,013,737
Fundraising		1,457,338	(60,000)	1,397,338	1,293,661
Finance	<u>871,534</u>	<u></u>	<u></u>	<u>871,534</u>	<u>1,364,162</u>
Total supporting services	<u>6,897,111</u>	<u>1,457,338</u>	<u>(60,000)</u>	<u>8,294,449</u>	<u>7,912,387</u>
Total expenses	<u>38,887,489</u>	<u>4,229,191</u>	<u>(1,960,597)</u>	<u>41,156,083</u>	<u>38,680,803</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(5,267,813)	(1,076,938)		(6,344,751)	4,407,009
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:					
Contributions		1,003,181		1,003,181	1,194,355
Investment income		(194,959)		(194,959)	414,817
Satisfied program restrictions		<u>(1,016,766)</u>		<u>(1,016,766)</u>	<u>(868,740)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		(208,544)		(208,544)	740,432
CHANGE IN NET ASSETS	(5,267,813)	(1,285,482)		(6,553,295)	5,147,441
NET ASSETS, beginning of year	<u>36,309,387</u>	<u>21,400,967</u>	<u></u>	<u>57,710,354</u>	<u>52,562,913</u>
NET ASSETS, end of year	<u>\$ 31,041,574</u>	<u>\$ 20,115,485</u>	<u>\$</u>	<u>\$ 51,157,059</u>	<u>\$ 57,710,354</u>