

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

**Financial Statements and
Supplemental Schedules**

For the Year Ended December 31, 2020

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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 statement of financial position as of December 31, 2020, and the related consolidated statement 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; 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, 2020, and the changes in its consolidated net assets and its consolidated 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 the Organization's consolidated financial statements for 2019, and we expressed an unmodified opinion on those statements in our report dated April 21, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, 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 26 through 27 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 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.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
July 9, 2021

USA SWIMMING, INC.
USA SWIMMING FOUNDATION, INC.
Consolidated Statement of Financial Position
December 31, 2020
(With Comparative Amounts for the Year Ended December 31, 2019)

<u>ASSETS</u>		
	<u>2020</u>	<u>2019</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 4,695,468	\$ 5,635,525
Accounts receivable	1,841,835	1,610,983
Short-term pledges receivable	774,600	871,999
Prepaid expenses and deferred charges	<u>2,907,616</u>	<u>1,776,279</u>
Total current assets	10,219,519	9,894,786
PROPERTY AND EQUIPMENT		
Property and equipment	13,634,720	14,314,869
Less accumulated depreciation	<u>(9,751,226)</u>	<u>(9,964,403)</u>
Property and equipment, net	3,883,494	4,350,466
LONG-TERM INVESTMENTS		
LONG-TERM INVESTMENTS	54,846,932	53,696,826
LONG-TERM PLEDGES RECEIVABLE, net		
LONG-TERM PLEDGES RECEIVABLE, net	850,000	1,052,500
OTHER ASSETS:		
Prepaid rent	4,825,420	4,918,788
Noncurrent prepaid expenses		253,165
Deposit	140,000	140,000
Olympic trials joint venture	56,482	113,957
Swim-A-Thon	<u>120,000</u>	<u>120,000</u>
Total other assets	<u>5,141,902</u>	<u>5,545,910</u>
TOTAL ASSETS	<u>\$ 74,941,847</u>	<u>\$ 74,540,488</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 763,218	\$ 2,422,870
Accrued expenses and other liabilities	1,365,777	1,667,483
Refundable advances	32,415	
PPP loan	182,316	
Deferred revenue	<u>12,714,623</u>	<u>14,244,751</u>
Total current liabilities	15,058,349	18,335,104
LONG-TERM LIABILITIES:		
Non-current deferred revenue		1,748,240
Line of credit	<u>1,821,000</u>	
Total long-term liabilities	<u>1,821,000</u>	<u>1,748,240</u>
Total liabilities	16,879,349	20,083,344
NET ASSETS:		
Without donor restrictions	36,723,445	31,558,665
Without donor restrictions - board designated	12,821,618	14,901,689
With donor restrictions	<u>8,517,435</u>	<u>7,996,790</u>
Total net assets	<u>58,062,498</u>	<u>54,457,144</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 74,941,847</u>	<u>\$ 74,540,488</u>

See Notes to Consolidated Financial Statements

USA SWIMMING, INC.
USA SWIMMING FOUNDATION, INC.
Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	<u>2020</u>	<u>2019</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUE AND SUPPORT:		
Membership	\$ 20,656,479	\$ 22,481,679
Investment income	5,400,154	8,305,590
USOPC grants	4,090,811	5,455,500
Partnership marketing	2,610,039	5,800,825
PPP grant	1,445,651	
Sport and events, net of special event expenses of \$240,826 and \$613,768	486,054	1,546,648
Contributions	387,830	943,967
Other income	184,902	147,986
Consumer revenue	61,250	290,267
Swim-A-Thon	51,509	358,711
Satisfied program restrictions	<u>1,015,501</u>	<u>1,152,838</u>
Total revenue and support	36,390,180	46,484,011
EXPENSES:		
Program services:		
National Team	5,347,183	10,699,841
Commercial	4,334,823	6,119,539
Foundation Programs	4,120,680	1,878,744
Sport Development	3,714,410	4,544,537
Risk Management	2,935,396	3,195,456
Events and Member Services	<u>2,815,305</u>	<u>7,859,791</u>
Total program services	23,267,797	34,297,908
Supporting services:		
Business Affairs	7,242,748	5,905,757
Executive	1,211,839	1,600,768
Finance	852,274	1,157,805
Fundraising	<u>730,813</u>	<u>1,353,677</u>
Total supporting services	10,037,674	10,018,007
Total expenses	<u>33,305,471</u>	<u>44,315,915</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	3,084,709	2,168,096
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:		
Investment income	859,146	681,817
Contributions	677,000	1,603,010
Satisfied program restrictions	<u>(1,015,501)</u>	<u>(1,152,838)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>520,645</u>	<u>1,131,989</u>
CHANGE IN NET ASSETS	3,605,354	3,300,085
NET ASSETS, beginning of year	<u>54,457,144</u>	<u>51,157,059</u>
NET ASSETS, end of year	<u>\$ 58,062,498</u>	<u>\$ 54,457,144</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, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	National Team	Commercial	Foundation Programs	Sport Development	Risk Management	Events and Member Services	Total Program Services
Salaries	\$ 1,251,231	\$ 1,473,952	\$ 383,787	\$ 1,744,707	\$	\$ 792,235	\$ 5,645,912
Grants			3,314,722	504,262		9,454	3,828,438
Professional fees and honoraria	282,066	504,386	415,318	238,256	10,000	495,821	1,945,847
Insurance	35,422				2,922,461		2,957,883
Direct athlete support	2,872,990	2,500					2,875,490
Employee benefits	293,605	384,573		498,930		159,844	1,336,952
Line of credit drawdown							
Depreciation and amortization	95,851	657,781		147,502		372,485	1,273,619
Dues, fees, and tickets	10,124	12,113	1,615	55,939	1,050	233,260	314,101
Travel and hospitality	190,208	87,552	2,742	117,507	721	263,525	662,255
Information technology expenses	599	526		5,316			6,441
Television and production	5,360	228,587				403,165	637,112
Payroll taxes	87,238	110,382		134,927		41,445	373,992
Rent and lease expense	61,018	206,910	679	104,729		40,113	413,449
Office supplies and expense	13,865	183,390	660	29,342	351	53,115	280,723
Printing and duplication	2,376	168,461		5,915		64,623	241,375
Telephone and internet service	24,776	42,730	48	61,597	813	12,852	142,816
Miscellaneous expenses	72,469	87,204		5,215		2,369	167,257
Gear, equipment, and signage	8,649	124,932	552	23,137		15,873	173,143
Awards and gifts	36,701			24,246		14,092	75,039
Cost of goods sold, silent auction							
Apparel	2,164	18,452		6,733		12,944	40,293
Advertising		38,209					38,209
Protocol	471	2,183	557	6,150		1,763	11,124
Interest expense							
Recognition and fulfillment							
Total expenses	5,347,183	4,334,823	4,120,680	3,714,410	2,935,396	2,988,978	23,441,470
Less expenses netted against revenue on statement of activities						(173,673)	(173,673)
	<u>\$ 5,347,183</u>	<u>\$ 4,334,823</u>	<u>\$ 4,120,680</u>	<u>\$ 3,714,410</u>	<u>\$ 2,935,396</u>	<u>\$ 2,815,305</u>	<u>\$ 23,267,797</u>

	Business Affairs	Executive Division	Finance	Fundraising	Total Supporting Services	Total Expenses 2020	Total Expenses 2019
Salaries	\$ 1,794,412	\$ 704,479	\$ 481,577	\$ 420,192	\$ 3,400,660	\$ 9,046,572	\$ 10,850,547
Grants		120,000			120,000	3,948,438	1,214,902
Professional fees and honoraria	1,546,481	148,928	85,686	35,085	1,816,180	3,762,027	5,469,392
Insurance						2,957,883	3,189,432
Direct athlete support						2,875,490	4,175,891
Employee benefits	463,912	97,518	133,042	123,115	817,587	2,154,539	2,189,714
Line of credit drawdown	1,821,000				1,821,000	1,821,000	
Depreciation and amortization	231,237	10,154	35,540	2,588	279,519	1,553,138	1,377,622
Dues, fees, and tickets	429,715	18,031	2,176	37,464	487,386	801,487	1,359,191
Travel and hospitality	31,735	55,284	6,480	17,783	111,282	773,537	6,709,796
Information technology expenses	633,462		1,122	14,414	648,998	655,439	546,442
Television and production						637,112	1,781,980
Payroll taxes	125,370	21,064	43,818	30,681	220,933	594,925	654,592
Rent and lease expense	73,548	8,761	27,791	789	110,889	524,338	1,132,405
Office supplies and expense	4,003	1,694	6,198	12,909	24,804	305,527	671,765
Printing and duplication	3,525	297	1,800	7,848	13,470	254,845	466,818
Telephone and internet service	53,346	4,272	4,718	4,821	67,157	209,973	202,153
Miscellaneous expenses	9,787	1,853	21,696		33,336	200,593	163,705
Gear, equipment, and signage	4,923	71	458	425	5,877	179,020	820,193
Awards and gifts				19,684	19,684	94,723	601,655
Cost of goods sold, silent auction				67,153	67,153	67,153	87,145
Apparel		4			4	40,297	707,205
Advertising						38,209	318,291
Protocol	358	19,429	172	2,315	22,274	33,398	230,561
Interest expense	15,934				15,934	15,934	
Recognition and fulfillment				700	700	700	8,286
Total expenses	7,242,748	1,211,839	852,274	797,966	10,104,827	33,546,297	44,929,683
Less expenses netted against revenue on statement of activities				(67,153)	(67,153)	(240,826)	(613,768)
	<u>\$ 7,242,748</u>	<u>\$ 1,211,839</u>	<u>\$ 852,274</u>	<u>\$ 730,813</u>	<u>\$ 10,037,674</u>	<u>\$ 33,305,471</u>	<u>\$ 44,315,915</u>

See Notes to Consolidated Financial Statements

USA SWIMMING, INC.
USA SWIMMING FOUNDATION, INC.
Consolidated Statements of Cash Flows
For the Year Ended December 31, 2020
(With Comparative Amounts for the Year Ended December 31, 2019)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,605,354	\$ 3,300,085
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	1,553,138	1,377,622
Net realized and unrealized gains on investments	(5,066,089)	(7,406,103)
PPP loan proceeds, portion in notes payable	182,316	
Change in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(230,852)	(386,423)
Pledges receivable	149,899	(788,433)
Prepaid expenses and deferred charges	(878,172)	(616,112)
Olympic Trials joint venture	57,475	(6,328)
Increase (decrease) in liabilities:		
Accounts payable, accrued expenses and other liabilities	(1,961,358)	550,333
Refundable advances	32,415	
Deferred revenue	<u>(3,278,368)</u>	<u>1,677,332</u>
Total adjustments	<u>(9,439,596)</u>	<u>(5,598,112)</u>
Net cash used by operating activities	(5,834,242)	(2,298,027)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Short-term investments, net		6,972,461
Proceeds from sale of long-term investments	84,767,263	39,868,549
Purchase of long-term investments	(80,851,280)	(38,543,850)
(Increase) decrease in prepaid rent	93,368	(2,754,028)
Acquisition of property and equipment	<u>(1,086,166)</u>	<u>(1,368,843)</u>
Net cash provided by investing activities	<u>2,923,185</u>	<u>4,174,289</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Line of credit, net	1,821,000	
Collection of pledges receivable restricted for endowment	<u>150,000</u>	<u>2,150,000</u>
Net cash provided by financing activities	<u>1,971,000</u>	<u>2,150,000</u>
NET INCREASE (DECREASE) IN CASH	(940,057)	4,026,262
CASH AND CASH EQUIVALENTS, beginning of year	<u>5,635,525</u>	<u>1,609,263</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 4,695,468</u>	<u>\$ 5,635,525</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, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

USA Swimming, Inc. (the Corporation) is a Colorado non-profit corporation. The Corporation 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 the Corporation.

Basis of Presentation

The financial statements of the Corporation are presented on a consolidated basis with the Foundation (collectively 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.

Income Taxes

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

The Corporation and the Foundation'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.

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 \$15,934 and \$0 interest in 2020 and 2019, respectively. The Organization did not pay any income taxes during either of the years ended December 31, 2020 and 2019.

Accounts Receivable

Accounts receivable includes amounts from contracts with customers, contributions postmarked before the end of the year and other miscellaneous amounts. Receivables from contracts with customers at the beginning and end of 2020 were \$1,390,222 and \$1,440,156 respectively.

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, 2020 and 2019.

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.

Contributions

Gifts of cash and other assets are reported as restricted support 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.

Contributions include United States Olympic & Paralympic Committee (USOPC) and Small Business Administration (SBA) Paycheck Protection Program (PPP) grants.

Revenue from Contracts with Customers

Membership dues revenue - Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing membership to its members. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term. Membership dues are nonrefundable.

Partnership marketing - The Organization recognizes revenue from contracts with both sponsors and suppliers of the Organization. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Organization will recognize revenue over time. The Organization has concluded that the performance obligations within these contracts are substantially the same in each year and are satisfied ratably over the term of the agreement.

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Therefore, partnership marketing revenue from contracts with customers will be recognized on a straight-line basis over the term of the agreement.

Swim-A-Thon and consumer revenue - The Foundation receives a royalty and administrative fee from swim clubs for the use of the Swim-A-Thon trademark and prizes and administrative services provided by the Foundation. The fee is variable and is 5% of the funds raised by the Swim-A-Thon hosted by the swim club. In April 2020, the Foundation waived the contracted 5% fee for teams completing a Swim-A-Thon through December 31, 2021.

This revenue is recognized at the end of the Swim-A-Thon which is when all performance obligations are considered satisfied by the Foundation. The Foundation also receives royalties for use of its logo or trademark of Swim-A-Thon. The revenue is recognized upon receipt of the royalty.

Events - The Organization receives revenue from sales related to activities at the U.S. Olympic Team Trials (Trials) which occur a few months prior to the Summer Olympics. The sales include tickets to the trials, tickets to an alumni dinner, and a VIP experience package including a variety of activities. The VIP experience package fee includes a contribution amount. The contribution is recognized upon receipt, all other amounts are recognized when the performance obligations are met at Trials. Trials were not held in 2020, therefore no revenues were recognized from sales. The Organization also receives revenue from various sporting events which are recognized at the time of the event. The Organization receives revenue from an annual Golden Goggles event. The revenue received includes sponsorships, contributions, and tickets to the event. The ticket revenue includes a contribution amount. For the year ended December 31, 2020, contributions in the amount of \$167,005 from Golden Goggles were received.

Contributed Services

The Corporation receives a substantial amount of donated services in carrying out their programs. No amounts have been reflected in the consolidated financial statements for those services since they do not meet the criteria for recognition under FASB ASC 605.

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributed Services - continued

The Foundation receives a substantial amount of donated services in carrying out their programs. Contributed services are recognized if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

During the years ended December 31, 2020 and 2019, the Foundation recognized an in-kind transfer from the Corporation and related expense for contributed services in the amount of \$392,446 and \$449,414, respectively. The Foundation measured the services received at the cost recognized by the Corporation for the actual cost incurred for personnel providing those services.

Donated Materials

Donated materials are recorded as both revenues and expenditures in the accompanying consolidated statements of activities at their estimated values.

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

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Prior-Year Comparisons - continued

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, 2019, from which the summarized information was derived.

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.

Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 9, 2021, the date that the financial statements were available to be issued.

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, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal Board designations. Amounts not available include a Board-designated special projects fund that is intended to fund special Board initiatives not considered in the annual operating budget. In the event the need arises to utilize the Board-designated funds for liquidity purposes, the reserves could be drawn upon through Board resolution. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

The Corporation has a line of credit available for cash needs. See note I for information on the line of credit.

Notes to Consolidated Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

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.

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 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.

Notes to Consolidated Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

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

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 4,695,468	\$ 5,635,525
Contributions receivable	1,624,600	1,924,499
Other receivables	<u>1,841,835</u>	<u>1,610,983</u>
Total financial assets	\$ 8,161,903	\$ 9,171,007
Less amounts not available to be used within one year:		
Board - designated special projects fund	4,027,391	2,388,703
Contribution receivable - for restricted gifts, net	774,600	871,999
Contribution receivable - due over one year, net	<u>850,000</u>	<u>1,052,500</u>
Financial assets not available to be used within one year	<u>5,651,991</u>	<u>4,313,202</u>
Financial assets available within one year	<u>\$ 2,509,912</u>	<u>\$ 4,857,805</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.

Notes to Consolidated Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

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.

The following tables present assets that are measured at fair value on a recurring basis at December 31, 2020 and 2019:

<u>Assets at Fair Value as of December 31, 2020</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt securities:				
Corporate and other notes	\$	\$ 17,861,872	\$	\$ 17,861,872
US Treasury and agencies		2,089,883		2,089,883
International		166,820		166,820
State and municipal agencies		489,306		489,306
Equity securities:				
Exchange traded funds	23,141,221			23,141,221
Pooled equity funds	10,070,838			10,070,838
Mutual funds	364,365			364,365
Money market	662,627			662,627
	<u>\$ 34,239,051</u>	<u>\$ 20,607,881</u>	<u>\$</u>	<u>\$ 54,846,932</u>

<u>Assets at Fair Value as of December 31, 2019</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt securities:				
Corporate and other notes	\$	\$ 15,818,880	\$	\$ 15,818,880
US Treasury and agencies		5,052,857		5,052,857
Equity securities:				
Exchange traded funds	21,596,782			21,596,782
Mutual funds	10,828,478			10,828,478
Money market	399,829			399,829
	<u>\$ 32,825,089</u>	<u>\$ 20,871,737</u>	<u>\$</u>	<u>\$ 53,696,826</u>

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

Investment income included in the consolidated statements of activities for the years ended December 31, 2020 and 2019 consists of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 1,322,634	\$ 1,710,880
Less investment fees	(129,423)	(129,576)
Net realized and unrealized gains	<u>5,066,089</u>	<u>7,406,103</u>
	<u>\$ 6,259,300</u>	<u>\$ 8,987,407</u>

Notes to Consolidated Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

The Corporation and the Foundation record realized gains and losses in their consolidated financial statements based on historical cost basis.

D. PLEDGES RECEIVABLE

As of December 31, 2020 and 2019, the Foundation had pledges receivable of \$1,624,600 and \$1,924,499, 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 0.11% to 2.69%.

Total pledges receivable at December 31, 2020 and 2019 were as follows

	<u>2020</u>	<u>2019</u>
Short-term pledges receivable	\$ 774,600	\$ 871,999
Long-term pledges receivable	\$ 850,000	\$ 1,052,500

At December 31, 2020 and 2019, one donor accounts for 37% and 42% of the pledges receivable, respectively.

E. PREPAID EXPENSES AND DEFERRED CHARGES

Prepaid expenses and deferred charges consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Prepaid insurance	\$ 920,390	\$ 796,444
Deferred charges	1,987,226	1,233,000
	<u>\$ 2,907,616</u>	<u>\$ 2,029,444</u>

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 \$4,825,420 and \$4,918,788 at December 31, 2020 and 2019, respectively.

Notes to Consolidated Financial Statements

E. PREPAID EXPENSES AND DEFERRED CHARGES - Continued

In 1996 and 1997 the Corporation paid approximately \$3,400,000 to construct a headquarters office building at the Olympic Training Center. The building is owned by the USOPC. In consideration for the Corporation's payment of the construction costs, the USOPC agreed that the Corporation 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 Corporation paid approximately \$3,000,000 for remodeling the headquarters office building, which was completed in 2019. An updated lease agreement is in progress.

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

Rent expense recorded in 2020 and 2019 amounted to \$357,648 and \$369,670, respectively, and interest income recorded in 2020 and 2019 amounted to \$264,280 and \$228,912, 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Software and website	\$ 10,146,132	\$ 9,722,423
Building and leasehold improvements	1,249,699	2,214,795
Furniture and equipment	2,199,739	2,338,501
Vehicles	<u>39,150</u>	<u>39,150</u>
	13,634,720	14,314,869
Less accumulated depreciation	<u>(9,751,226)</u>	<u>(9,964,403)</u>
	<u>\$ 3,883,494</u>	<u>\$ 4,350,466</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$1,553,138 and \$1,377,622, respectively.

Notes to Consolidated Financial Statements

G. DEFERRED REVENUE

Deferred revenue, which represents contract liabilities from contracts with customers, consists of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Current:		
Membership	\$ 8,942,183	\$ 14,182,251
Olympic Trials	2,130,000	
USOPC Olympics funding	1,231,200	
Corporate sponsorships	230,689	15,000
Other	<u>180,551</u>	<u>47,500</u>
	12,714,623	14,244,751
Noncurrent:		
Olympic Trials	<u> </u>	<u>1,748,240</u>
Total deferred revenue	<u>\$ 12,714,623</u>	<u>\$ 15,992,991</u>

H. REFUNDABLE ADVANCE

As the Corporation satisfies the barriers and conditions set forth in the grant contract, revenue will be recognized accordingly.

Refundable advances consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
USOPC special grant	<u>\$ 32,415</u>	<u> </u>

I. LINE OF CREDIT

On June 24, 2020, the Corporation obtained a \$3,000,000 line of credit with First Western Trust Bank. The variable interest rate is 0.250 percentage points under the prime rate as published in The Wall Street Journal. The initial interest rate is 3.0%. Payment of principal and interest is not due on the line of credit until the maturity date of June 24, 2022. The line of credit is secured by a pledge agreement secured by an investment account held at First Western Trust Bank. The outstanding balance on the line of credit was \$1,821,000 as of December 31, 2020.

Notes to Consolidated Financial Statements

J. NET ASSETS WITH DONOR RESTRICTIONS: TEMPORARY IN NATURE

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

	<u>2020</u>	<u>2019</u>
Purpose restrictions	\$ 2,311,935	\$ 1,537,290
Time restrictions	<u>530,500</u>	<u>809,500</u>
	<u>\$ 2,842,435</u>	<u>\$ 2,346,790</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>2020</u>	<u>2019</u>
Learn to Swim	\$ 358,852	\$ 367,213
National Team	352,649	415,625
Time restrictions	<u>304,000</u>	<u>370,000</u>
	<u>\$ 1,015,501</u>	<u>\$ 1,152,838</u>

K. NET ASSETS WITH DONOR RESTRICTIONS: PERPETUAL IN NATURE

During the years ended December 31, 2008, 2016, 2017 and 2020, the Foundation received perpetually restricted pledges of \$5,000,000, \$50,000, \$600,000, and \$25,000 respectively. Funds collected under the pledges are recognized as endowment funds. During the years ended December 31, 2019, the Foundation did not recognize any perpetually restricted contributions. The Foundation only recognizes contributions received as endowment funds. During the years ended December 31, 2020 and 2019, the Foundation received perpetually restricted contributions of \$150,000 and \$2,150,000, respectively, which were recognized as endowment funds. During the year ended December 31, 2020, the \$25,000 noted in the first sentence was a reallocation by one donor of their previously time-restricted contribution to the endowment. The \$25,000 is included in the \$150,000 contributions collected as noted above.

Notes to Consolidated Financial Statements

L. ENDOWMENTS

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

	<u>2020</u>	<u>2019</u>
Endowment funds	\$ 5,650,000	\$ 5,500,000
Pledges receivable	<u>25,000</u>	<u>150,000</u>
	<u>\$ 5,675,000</u>	<u>\$ 5,650,000</u>

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 Learn to Swim, National Team initiatives 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 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 as part of endowment net assets. Amounts are included with endowment net assets as the pledges receivable are collected. As of December 31, 2020 and 2019, perpetually restricted uncollected pledges were \$25,000 and \$150,000, respectively.

Notes to Consolidated Financial Statements

L. ENDOWMENTS - Continued

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Endowment net assets, January 1, 2019	\$ 12,069,287	\$ 3,254,229
Investment return:		
Investment income	331,547	55,089
Net appreciation (net realized and unrealized)	<u>1,899,855</u>	<u>315,682</u>
Total investment return	2,231,402	370,771
Contributions		2,150,000
Expenditures	<u>(600,000)</u>	<u>(275,000)</u>
Endowment net assets, December 31, 2019	13,700,689	5,500,000
Investment return:		
Investment income	189,695	34,973
Net appreciation (net realized and unrealized)	<u>1,200,234</u>	<u>221,277</u>
Total investment return	1,389,929	256,250
Contributions		150,000
Expenditures	<u>(3,470,000)</u>	<u>(256,250)</u>
Endowment net assets, December 31, 2020	<u>\$ 11,620,618</u>	<u>\$ 5,650,000</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. During the years ended December 31, 2020 and 2019 there were no net asset deficiencies present.

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.

Notes to Consolidated Financial Statements

L. ENDOWMENTS - Continued

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.

M. UNITED STATES SPORTS INSURANCE COMPANY INC. PROVISION FOR LOSSES

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

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

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

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

Notes to Consolidated Financial Statements

M. UNITED STATES SPORTS INSURANCE COMPANY INC. PROVISION FOR LOSSES - Continued

If on the fifth anniversary of the date of sale the estimated ultimate losses of USSIC are less the \$5,000,000 the Corporation 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. The unused balance on the LOC is \$3,200,000 as of December 31, 2020.

N. RELATED PARTY TRANSACTIONS

The USOPC provides grants to the Corporation for sports development, international competition, and team preparation. In addition, the USOPC designates a portion of their funding for athlete support, and this amount is paid directly to eligible athletes.

Total grants from the USOPC for the years ended December 31, 2020 and 2019 consist of the following project categories:

	<u>2020</u>	<u>2019</u>
NGB Funding	\$ 1,851,000	\$ 3,082,200
Direct athlete support	2,226,865	2,207,300
Other USOPC support	5,000	150,000
International relations	<u>7,946</u>	<u>16,000</u>
	<u>\$ 4,090,811</u>	<u>\$ 5,455,500</u>

During the years ended December 31, 2020 and 2019, NGB funding provided as value-in-kind was \$0 and \$60,000, respectfully. At December 31, 2020 and 2019, payables to the USOPC amounted to \$1,525 and \$529,522, respectively.

O. PENSION PLAN

The Corporation and the Foundation's 401(k) retirement plan covers all employees over 18 years of age with one year of service. During the years ended December 31, 2020 and 2019, contributions to the plan were \$688,683 and \$720,114, respectively.

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

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.

Notes to Consolidated Financial Statements

O. PENSION PLAN - Continued

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, 2020 and 2019, the vested balance in the Qualified Deferred Compensation account was \$101,974 and \$169,957, respectively.

P. INVESTMENT IN JOINT VENTURE

The Corporation is a party to a joint venture agreement with Omaha Sports Commission (OSC) for the purpose of operating, promoting, and managing 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 USOPC and certain sponsors will accrue solely to the benefit of the Corporation 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>2020</u>	<u>2019</u>
Cash	\$ 133,791	\$ 323,892
Accounts Receivable	152,250	30,262
Other assets	908,654	424,750
Property and equipment, net	<u>78,274</u>	<u>112,264</u>
Total assets	<u>\$ 1,272,969</u>	<u>\$ 891,168</u>
Liabilities	\$ 1,160,000	\$ 663,250
Equity	<u>112,969</u>	<u>227,918</u>
Total liabilities and equity	<u>\$ 1,272,969</u>	<u>\$ 891,168</u>

Notes to Consolidated Financial Statements

Q. PPP GRANT AND LOAN

In April 2020, the Corporation received a loan in the amount of \$1,627,968 from First Western Trust through the PPP. Under the terms of this program, a portion or all of the loan may be forgiven by the Small Business Administration if certain payroll criteria are met and funds are used for payroll, rent, mortgage interest, or utilities.

The Corporation received forgiveness of \$1,445,651 subsequent to December 31, 2021, and this amount is reported as a PPP grant in the accompanying financial statements. The portion of the loan that was not forgiven has a maturity of five years and an interest rate of 1%. Loan payments are deferred for ten months. The Corporation is anticipating forgiveness of the remaining balance therefore the entire balance is reflected as a current liability. The balance of the PPP loan was \$182,316 at December 31, 2020.

R. CONTINGENCIES

Occasionally, in the normal conduct of business, the Organization may be named defendant in a lawsuit or other form of legal action. In the opinion of management, any pending or threatened claims against the Organization, as of December 31, 2020, are either without merit, will not exceed insurance limits or will be covered by the letter of credit discussed in Note M.

S. UNCERTAINTIES

During the year ended December 31, 2020, the outbreak of a novel strain of coronavirus (COVID-19 outbreak) has been recognized as a pandemic by the World Health Organization, and became increasingly widespread in the United States. The COVID-19 outbreak has had a notable impact on general economic conditions, including, but not limited to, the uncertainty in global financial markets, temporary closures of many businesses, suspension or cancelation of events, "shelter in place" and other governmental regulations, and job losses. The extent to which the COVID-19 outbreak will continue to affect the operations, collections or financial results of the Organization is uncertain.

USA SWIMMING, INC.
USA SWIMMING FOUNDATION, INC.
Consolidating Statement of Financial Position
December 31, 2020
(With Consolidated Totals for 2019)

ASSETS

	<u>USAS</u>	<u>USASF</u>	<u>Eliminations</u>	Consolidated Totals <u>2020</u>	Consolidated Totals <u>2019</u>
CURRENT ASSETS:					
Cash and cash equivalents	\$ 2,309,779	\$ 2,385,689	\$	\$ 4,695,468	\$ 5,635,525
Accounts receivable	1,686,603	155,232		1,841,835	1,610,983
Due from USA Swimming Foundation, Inc.	1,068,919		(1,068,919)		
Short-term pledges receivable		774,600		774,600	871,999
Prepaid expenses and deferred charges	<u>2,858,129</u>	<u>49,487</u>		<u>2,907,616</u>	<u>1,776,279</u>
Total current assets	7,923,430	3,365,008	(1,068,919)	10,219,519	9,894,786
PROPERTY AND EQUIPMENT	13,404,757	229,963		13,634,720	14,314,869
Less accumulated depreciation	<u>(9,521,263)</u>	<u>(229,963)</u>		<u>(9,751,226)</u>	<u>(9,964,403)</u>
Property and equipment - net	3,883,494			3,883,494	4,350,466
LONG-TERM INVESTMENTS	36,604,393	18,242,539		54,846,932	53,696,826
LONG-TERM PLEDGES RECEIVABLE, net		850,000		850,000	1,052,500
OTHER ASSETS:					
Prepaid rent	4,825,420			4,825,420	4,918,788
Noncurrent prepaid expenses					253,165
Deposit	140,000			140,000	140,000
Olympic trials joint venture	56,482			56,482	113,957
Swim-A-Thon		<u>120,000</u>		<u>120,000</u>	<u>120,000</u>
Total other assets	<u>5,021,902</u>	<u>120,000</u>		<u>5,141,902</u>	<u>5,545,910</u>
TOTAL ASSETS	<u>\$ 53,433,219</u>	<u>\$ 22,577,547</u>	<u>\$ (1,068,919)</u>	<u>\$ 74,941,847</u>	<u>\$ 74,540,488</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 757,693	\$ 5,525	\$ (1,068,919)	\$ 763,218	\$ 2,422,870
Due to USA Swimming, Inc.		1,068,919			
Accrued expenses and other liabilities	1,354,915	10,862		1,365,777	1,667,483
Refundable advances	32,415			32,415	
PPP Loan	182,316			182,316	
Deferred revenue	<u>12,563,108</u>	<u>151,515</u>		<u>12,714,623</u>	<u>14,244,751</u>
Total current liabilities	14,890,447	1,236,821	(1,068,919)	15,058,349	18,335,104

LONG-TERM LIABILITIES:

Non-current deferred revenue					1,748,240
Line of credit	<u>1,821,000</u>			<u>1,821,000</u>	
Total liabilities	16,711,447	1,236,821	(1,068,919)	16,879,349	20,083,344

NET ASSETS:

Without donor restrictions	36,721,772	1,673		36,723,445	31,558,665
Without donor restrictions - board designated		12,821,618		12,821,618	14,901,689
With donor restrictions		<u>8,517,435</u>		<u>8,517,435</u>	<u>7,996,790</u>
Total net assets	<u>36,721,772</u>	<u>21,340,726</u>		<u>58,062,498</u>	<u>54,457,144</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 53,433,219</u>	<u>\$ 22,577,547</u>	<u>\$ (1,068,919)</u>	<u>\$ 74,941,847</u>	<u>\$ 74,540,488</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, 2020
(With Consolidated Totals for 2019)

	<u>USAS</u>	<u>USASF</u>	<u>Eliminations</u>	<u>Consolidated Totals 2020</u>	<u>Consolidated Totals 2019</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS: REVENUE AND SUPPORT:					
Membership	\$ 20,656,479	\$	\$	\$ 20,656,479	\$ 22,481,679
Investment income	3,984,746	1,415,408		5,400,154	8,305,590
USOPC grants	4,090,811			4,090,811	5,455,500
Partnership marketing	2,089,289	520,750		2,610,039	5,800,825
PPP grant	1,445,651			1,445,651	
Sport and events, net of special event expenses of \$240,826 and \$613,768	369,616	116,438		486,054	1,546,648
Contributions	884,580	385,899	(882,649)	387,830	943,967
Other income	454,902		(270,000)	184,902	147,986
Consumer revenue	60,431	819		61,250	290,267
Swim-A-Thon		51,509		51,509	358,711
Satisfied program restrictions		<u>1,015,501</u>		<u>1,015,501</u>	<u>1,152,838</u>
Total revenue and support	34,036,505	3,506,324	(1,152,649)	36,390,180	46,484,011
EXPENSES:					
Program services:					
National Team	5,347,183			5,347,183	10,699,841
Commercial	4,334,823			4,334,823	6,119,539
Foundation Programs	392,446	5,069,329	(1,341,095)	4,120,680	1,878,744
Sport Development	3,714,410			3,714,410	4,544,537
Risk Management	2,935,396			2,935,396	3,195,456
Events and Member Services	<u>2,815,305</u>			<u>2,815,305</u>	<u>7,859,791</u>
Total program services	19,539,563	5,069,329	(1,341,095)	23,267,797	34,297,908

Supporting services:					
Business Affairs	7,242,748			7,242,748	5,905,757
Executive	1,211,839			1,211,839	1,600,768
Finance	852,274			852,274	1,157,805
Fundraising		934,813	(204,000)	730,813	1,353,677
Total supporting services	<u>9,306,861</u>	<u>934,813</u>	<u>(204,000)</u>	<u>10,037,674</u>	<u>10,018,007</u>
Total expenses	<u>28,846,424</u>	<u>6,004,142</u>	<u>(1,545,095)</u>	<u>33,305,471</u>	<u>44,315,915</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	5,190,081	(2,497,818)	392,446	3,084,709	2,168,096
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:					
Contributions		677,000		677,000	1,603,010
Investment income		859,146		859,146	681,817
Satisfied program restrictions		(1,015,501)		(1,015,501)	(1,152,838)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		<u>520,645</u>		<u>520,645</u>	<u>1,131,989</u>
CHANGE IN NET ASSETS	5,190,081	(1,977,173)	392,446	3,605,354	3,300,085
TRANSFER OF EQUITY		392,446	(392,446)		
NET ASSETS, beginning of year	<u>31,531,691</u>	<u>22,925,453</u>		<u>54,457,144</u>	<u>51,157,059</u>
NET ASSETS, end of year	<u>\$ 36,721,772</u>	<u>\$ 21,340,726</u>	<u>\$</u>	<u>\$ 58,062,498</u>	<u>\$ 54,457,144</u>