



**USA VOLLEYBALL
USA VOLLEYBALL FOUNDATION**

**Consolidated Financial Statements
& Supplemental Schedules**

For the Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USA Volleyball
Colorado Springs, Colorado

Opinion

We have audited the accompanying consolidated financial statements of USA Volleyball and USA Volleyball Foundation (non-profit organizations), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of USA Volleyball and USA Volleyball Foundation as of December 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events,

considered in the aggregate, that raise substantial doubt about USA Volleyball's and USA Volleyball Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USA Volleyball's and USA Volleyball Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Volleyball's and USA Volleyball Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

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

Waugh & Goodwin, LLP

Colorado Springs, Colorado
April 28, 2025

USA VOLLEYBALL
USA VOLLEYBALL FOUNDATION
Consolidated Statements of Financial Position
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash & cash equivalents	\$ 19,458,444	\$ 15,505,927
Accounts receivable, net of allowance for credit losses of \$438,625 and \$413,914	485,460	1,463,405
Pledges and donations receivable	30,000	5,304
Inventory		22,535
Deposits	14,500	14,500
Prepaid expenses	<u>2,780,590</u>	<u>2,632,086</u>
Total current assets	22,768,994	19,643,757
PLEDGES RECEIVABLE LONG-TERM, NET	23,512	
INVESTMENTS	37,267,578	32,089,744
RESTRICTED INVESTMENTS	540,620	492,808
RIGHT-OF-USE ASSETS	1,973,655	2,094,483
PREPAID EXPENSES - LONG-TERM	52,304	137,372
PROPERTY & EQUIPMENT, at cost:		
Land	471,141	471,141
Building & improvements	4,266,946	4,232,456
Office furniture	481,109	488,374
Office equipment	396,314	1,092,633
Program equipment	2,576,653	3,402,659
Less accumulated depreciation	<u>(5,010,668)</u>	<u>(6,242,329)</u>
Property & equipment, net	<u>3,181,495</u>	<u>3,444,934</u>
TOTAL ASSETS	<u>\$ 65,808,158</u>	<u>\$ 57,903,098</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,632,881	\$ 1,085,576
Accrued liabilities	2,340,824	2,667,920
Regional insurance fund	3,445,949	2,003,024
Deferred revenue	9,921,069	9,906,846
Lease liability	<u>261,606</u>	<u>224,480</u>
Total current liabilities	17,602,329	15,887,846
LONG-TERM LIABILITIES:		
Insurance litigation reserve	5,000,000	5,000,000
Deferred revenue	50,000	110,000
Lease liability	<u>1,769,653</u>	<u>1,906,165</u>
Total long-term liabilities	<u>6,819,653</u>	<u>7,016,165</u>
Total liabilities	24,421,982	22,904,011
NET ASSETS:		
Without donor restrictions	40,767,558	34,481,792
With donor restrictions	<u>618,618</u>	<u>517,295</u>
Total net assets	<u>41,386,176</u>	<u>34,999,087</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 65,808,158</u>	<u>\$ 57,903,098</u>

See Notes to Consolidated Financial Statements

USA VOLLEYBALL
USA VOLLEYBALL FOUNDATION
Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024
(With Consolidated Comparative Totals for the Year Ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Consolidated Totals	2023 Consolidated Totals
SUPPORT AND REVENUE:				
Membership & insurance	\$ 11,195,280	\$	\$ 11,195,280	\$ 10,797,311
Program & event participation fees	10,024,832		10,024,832	9,423,389
Tickets, subscriptions & other sales	6,620,651		6,620,651	6,079,206
Investment income (loss), net	3,800,842	37,811	3,838,653	3,273,887
Sponsorship & rights	3,680,865		3,680,865	3,227,505
Value-in-kind (VIK)	3,657,153		3,657,153	3,109,764
Housing royalties	2,446,895		2,446,895	2,523,071
Other program support & revenue	2,260,375		2,260,375	3,142,608
USOPC grants	2,052,048		2,052,048	2,070,900
Host funding	1,676,650		1,676,650	1,012,361
Product sales, less direct costs of \$1,372 and \$93,364	1,606,243		1,606,243	1,412,760
Grants & contributions	305,936	63,512	369,448	131,095
Employee Retention Credit				324,218
Total support and revenue	49,327,770	101,323	49,429,093	46,528,075
EXPENSES:				
Program services:				
Domestic events	13,354,677		13,354,677	11,185,062
National teams	9,859,373		9,859,373	9,961,453
Region services	6,550,207		6,550,207	6,245,196
High performance development	3,554,291		3,554,291	3,609,578
International events & programs	3,037,403		3,037,403	2,602,369
Total program services	36,355,951		36,355,951	33,603,658
Supporting services:				
National headquarters	4,532,343		4,532,343	6,129,972
Sponsorship, marketing & public relations	1,770,172		1,770,172	1,363,527
Fundraising	254,265		254,265	136,542
Governance	129,273		129,273	59,626
Total supporting services	6,686,053		6,686,053	7,689,667
Total expenses	43,042,004		43,042,004	41,293,325
CHANGE IN NET ASSETS	6,285,766	101,323	6,387,089	5,234,750
NET ASSETS, beginning of year	34,481,792	517,295	34,999,087	29,764,337
NET ASSETS, end of year	\$ 40,767,558	\$ 618,618	\$ 41,386,176	\$ 34,999,087

See Notes to Consolidated Financial Statements

USA VOLLEYBALL
USA VOLLEYBALL FOUNDATION
Consolidating Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024

	USA Volleyball	USA Volleyball Foundaton	Eliminating Entries	2024 Consolidated Totals
SUPPORT AND REVENUE:				
Membership & insurance	\$ 11,195,280	\$	\$	\$ 11,195,280
Program & event participation fees	10,024,832			10,024,832
Tickets, subscriptions & other sales	6,620,651			6,620,651
Investment income, net	3,573,792	264,861		3,838,653
Sponsorship & rights	3,680,865			3,680,865
Value in kind	3,657,153			3,657,153
Housing royalties	2,446,895			2,446,895
Other program support & revenue	2,260,375			2,260,375
USOPC grants	2,052,048			2,052,048
Host funding	1,676,650			1,676,650
Product sales, less				
direct costs of \$1,372	1,606,243			1,606,243
Grants & contributions	13,485	355,963		369,448
USAVF grants	181,588		(181,588)	
Total support and revenue	48,989,857	620,824	(181,588)	49,429,093
EXPENSES:				
Program services:				
Domestic events	13,354,677			13,354,677
National teams	9,859,373			9,859,373
Region services	6,550,207			6,550,207
High performance development	3,554,291			3,554,291
International events & programs	3,037,403			3,037,403
Total program services	36,355,951			36,355,951
Supporting services:				
National headquarters	4,532,343			4,532,343
Sponsorship, marketing & public relations	1,770,172			1,770,172
Fundraising	97,087	338,766	(181,588)	254,265
Governance	129,273			129,273
Total supporting services	6,528,875	338,766	(181,588)	6,686,053
Total expenses	42,884,826	338,766	(181,588)	43,042,004
CHANGE IN NET ASSETS	6,105,031	282,058		6,387,089
NET ASSETS, beginning of year	31,560,122	3,438,965		34,999,087
NET ASSETS, end of year	\$ 37,665,153	\$ 3,721,023	\$	\$ 41,386,176

See Notes to Consolidated Financial Statements

USA VOLLEYBALL
USA VOLLEYBALL FOUNDATION
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services					Total Consolidated Program Services
	Domestic Events	National Teams	Region Services	High Performance Development	International Events & Programs	
Athlete support	\$	\$ 693,414	\$	\$	\$ 17,000	\$ 710,414
Athlete transition		5,000				5,000
Awards & medals	166,956			119	3,248	170,323
Bank, interest & credit card fees	616,248	1,983	326,644	36,320	8,355	989,550
Computer expense	129,988	74,819	43,837	25,336	137	274,117
Contract labor	1,303,101	453,281	31,504	454,481	83,954	2,326,321
Credit loss expense (recovery)	(2,789)					(2,789)
Depreciation expense						
Entry fees				8,250		8,250
Equipment	110,931	26,876	3,399	12,031	41,159	194,396
Equipment rental/maintenance	366,496	6,536			3,610	376,642
Equipment transportation	369,331				65,310	434,641
Event personnel & catering	212,132	163,683		124,815	36,718	537,348
Facilities	2,444,161	325		30,384	92,151	2,567,021
Flooring rental	393,386					393,386
Grants			20,000			20,000
Host fees	522,282			380,570	425,000	1,327,852
Housing	472,351	385,855		1,500	111,976	971,682
Insurance	16,823	16,079	4,106,050			4,138,952
Medical	338,869	180,616		2,988	13,319	535,792
Merchandising			1,372			1,372
Miscellaneous	169,999	65,201	15,343	158,243	42,919	451,705
Officials fees	1,853,933	6,239	62,000	8,575	10,300	1,941,047
Officials training & rating team			132,582			132,582
Payroll, benefits & taxes	894,139	3,620,172	1,291,928	1,099,276	215,724	7,121,239
Postage, shipping & drayage	239,556	7,940	996	14,233	3,032	265,757
Printing & copies	91,737	5,061	70	380	534	97,782
Prize money	10,000	63,154				73,154
Professional fees			163,163	10,300		173,463
Promotions & gifts	58,138	52,805	54,223	6,480	53,764	225,410
Property						
Purchases - apparel/lettering	11,245	982			131,604	143,831
Rent & janitorial	327,388	539,608				866,996
Security	640,745			14,286		655,031
Sport science		148,297			9,529	157,826
Supplies	19,763	18,899	1,412	11,590	28,168	79,832
Telephone				80	192	272
Tickets					477,843	477,843
Tournament scheduling	73,871					73,871
Travel, food & lodging	155,073	2,416,905	44,333	648,980	528,938	3,794,229
VIK usage	1,348,824	905,643	252,723	505,074	632,919	3,645,183
Total expenses by function	13,354,677	9,859,373	6,551,579	3,554,291	3,037,403	36,357,323
Less expenses shown net of revenue in the statement of activities			(1,372)			(1,372)
Total expenses reported in the statement of activities	\$ 13,354,677	\$ 9,859,373	\$ 6,550,207	\$ 3,554,291	\$ 3,037,403	\$ 36,355,951

USA VOLLEYBALL
USA VOLLEYBALL FOUNDATION
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2024

	Supporting Services				Total Consolidated Supporting Services	Total Expenses
	National Headquarters	Sponsorship, Marketing & Public Relations	Fundraising	Governance		
Athlete support	\$	\$	\$	\$	\$	\$ 710,414
Athlete transition						5,000
Awards & medals		4,066			4,066	174,389
Bank, interest & credit card fees	26,856	46	2,202		29,104	1,018,654
Computer expense	378,919	49,666	3,752		432,337	706,454
Contract labor	40,977				40,977	2,367,298
Credit loss expense (recovery)		27,500			27,500	24,711
Depreciation expense	370,094				370,094	370,094
Entry fees						8,250
Equipment	448	13,667			14,115	208,511
Equipment rental/maintenance						376,642
Equipment transportation						434,641
Event personnel & catering	157,708	20,021	58,775		236,504	773,852
Facilities		252			252	2,567,273
Flooring rental						393,386
Grants						20,000
Host fees						1,327,852
Housing						971,682
Insurance	260,814		3,024		263,838	4,402,790
Medical						535,792
Merchandising						1,372
Miscellaneous	65,294	71,881	3,861	82,882	223,918	675,623
Officials fees						1,941,047
Officials training & rating team						132,582
Payroll, benefits & taxes	2,675,111	1,395,749			4,070,860	11,192,099
Postage, shipping & drayage	4,007	4,685	16,399	187	25,278	291,035
Printing & copies	9,352	3,282	218	938	13,790	111,572
Prize money						73,154
Professional fees	192,413	79,535	146,505		418,453	591,916
Promotions & gifts	34,273	21,259	15,454		70,986	296,396
Property	205,543				205,543	205,543
Purchases - apparel/lettering						143,831
Rent & janitorial						866,996
Security						655,031
Sport science						157,826
Supplies	3,712	5,832	661	44	10,249	90,081
Telephone	30,292				30,292	30,564
Tickets						477,843
Tournament scheduling						73,871
Travel, food & lodging	69,080	68,211	3,414	45,222	185,927	3,980,156
VIK usage	7,450	4,520			11,970	3,657,153
Total expenses by function	4,532,343	1,770,172	254,265	129,273	6,686,053	43,043,376
Less expenses shown net of revenue in the statement of activities						(1,372)
Total expenses reported in the statement of activities	\$ 4,532,343	\$ 1,770,172	\$ 254,265	\$ 129,273	\$ 6,686,053	\$ 43,042,004

See Notes to Consolidated Financial Statements

USA VOLLEYBALL
USA VOLLEYBALL FOUNDATION
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services					Total
	National Teams	Domestic Events	Region Services	High Performance Development	International Events & Programs	Consolidated Program Services
Athlete support	\$ 808,792	\$	\$	\$	\$	\$ 808,792
Athlete transition	15,000					15,000
Awards & medals		157,801			1,911	159,712
Bank, interest & credit card fees	542	506,418	495,405	43,257	30,580	1,076,202
Computer expense	244,957	131,457	73,837	41,062	155,477	646,790
Contract labor	464,428	1,475,353	34,052	509,049	214,293	2,697,175
Credit loss expense		12,356				12,356
Depreciation expense						
Entry fees				13,250		13,250
Equipment	55,448	52,534	7,213	12,059	21,451	148,705
Equipment rental/maintenance	10,436	274,281			2,249	286,966
Equipment transportation		310,024		1,428	35,821	347,273
Event personnel & catering	204,041	189,119		109,302	81,144	583,606
Facilities		1,237,414		38,010	377,822	1,653,246
Flooring rental		331,122				331,122
Grants			140,000			140,000
Host fees		522,355		334,743	228,906	1,086,004
Housing	386,371	204,718		2,379		593,468
Insurance	21,731	16,511	4,031,536			4,069,778
Medical	223,501	312,322		2,037	46	537,906
Merchandising			93,364			93,364
Miscellaneous	59,811	17,056	15,063	4,673	236,504	333,107
Officials fees	4,248	1,687,554	37,915	12,100	21,496	1,763,313
Officials training & rating team			107,661			107,661
Payroll, benefits & taxes	3,400,956	801,480	1,074,916	1,033,225	188,892	6,499,469
Postage, shipping & drayage	6,067	341,852	27,720	20,529	4,343	400,511
Printing & copies	5,029	73,577	2,127	524	19,036	100,293
Prize money	440,033					440,033
Professional fees	530		68,373	10,250		79,153
Promotions & gifts	9,435	88,364	17,867	3,681	6,260	125,607
Property						
Purchases - apparel/lettering	566	1,586			182,433	184,585
Rent & janitorial	503,453	227,708				731,161
Security		456,828		3,400	150,000	610,228
Sport science	178,674					178,674
Supplies	20,037	21,432	156	11,343	9,690	62,658
Telephone	170			110		280
Tournament scheduling		60,793				60,793
Travel, food & lodging	2,353,721	158,337	21,706	879,485	212,805	3,626,054
VIK usage	543,476	1,514,710	89,649	523,682	421,210	3,092,727
Total expenses by function	9,961,453	11,185,062	6,338,560	3,609,578	2,602,369	33,697,022
Less expenses shown net of revenue in the statement of activities			(93,364)			(93,364)
Total expenses reported in the statement of activities	\$ 9,961,453	\$ 11,185,062	\$ 6,245,196	\$ 3,609,578	\$ 2,602,369	\$ 33,603,658

USA VOLLEYBALL
USA VOLLEYBALL FOUNDATION
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2023

	Supporting Services				Total Consolidated Supporting Services	Total Expenses
	National Headquarters	Sponsorship, Marketing & Public Relations	Governance	Fundraising		
Athlete support	\$	\$	\$	\$	\$	\$ 808,792
Athlete transition						15,000
Awards & medals		3,794			3,794	163,506
Bank, interest & credit card fees	5,653	153			5,806	1,082,008
Computer expense	260,469	74,397		5,732	340,598	987,388
Contract labor						2,697,175
Credit loss expense		69,973			69,973	82,329
Depreciation expense	215,694				215,694	215,694
Entry fees						13,250
Equipment	517	18,336			18,853	167,558
Equipment rental/maintenance						286,966
Equipment transportation						347,273
Event personnel & catering	133,500	24,525		72,961	230,986	814,592
Facilities						1,653,246
Flooring rental						331,122
Grants						140,000
Host fees						1,086,004
Housing						593,468
Insurance	277,891				277,891	4,347,669
Medical						537,906
Merchandising						93,364
Miscellaneous	32,606	56,984	45,228	10,577	145,395	478,502
Officials fees						1,763,313
Officials training & rating team						107,661
Payroll, benefits & taxes	2,244,665	1,000,998			3,245,663	9,745,132
Postage, shipping & drayage	5,791	5,060	183	1,378	12,412	412,923
Printing & copies	7,557	10,591		898	19,046	119,339
Prize money						440,033
Professional fees	2,668,249	900		40,700	2,709,849	2,789,002
Promotions & gifts	34,044	34,165			68,209	193,816
Property	150,293				150,293	150,293
Purchases - apparel/lettering						184,585
Rent & janitorial						731,161
Security						610,228
Sport science						178,674
Supplies	7,089	3,438	317		10,844	73,502
Telephone	27,899				27,899	28,179
Tournament scheduling						60,793
Travel, food & lodging	41,018	60,213	13,898	4,296	119,425	3,745,479
VIK usage	17,037				17,037	3,109,764
Total expenses by function	6,129,972	1,363,527	59,626	136,542	7,689,667	41,386,689
Less expenses shown net of revenue in the statement of activities						(93,364)
Total expenses reported in the statement of activities	\$ 6,129,972	\$ 1,363,527	\$ 59,626	\$ 136,542	\$ 7,689,667	\$ 41,293,325

See Notes to Consolidated Financial Statements

USA VOLLEYBALL
USA VOLLEYBALL FOUNDATION
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 6,387,089	\$ 5,234,750
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	370,094	215,694
Realized and unrealized (gains) losses on investments	(1,991,922)	(2,060,875)
(Increase) decrease in operating assets:		
Accounts receivable, net of credit losses	977,945	(171,120)
Pledges and donations receivable, net	(48,208)	(5,291)
Inventory	22,535	12,625
Prepaid expenses	(63,436)	(849,873)
Right-of-use assets	120,828	(907,078)
Increase (decrease) in operating liabilities:		
Accounts payable	547,305	280,751
Accrued liabilities	(327,096)	910,311
Regional insurance fund	1,442,925	1,502,096
Deferred revenue	(45,777)	1,201,864
Insurance litigation reserve		2,625,271
Lease liability	(99,386)	907,308
Net cash provided by operating activities	7,292,896	8,896,433
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gross proceeds from sale of long-term investments	11,071,904	6,765,502
Gross purchases of long-term investments	(14,257,816)	(15,674,685)
Increase in restricted investments	(47,812)	(56,035)
Acquisition of property and equipment	(106,655)	(998,664)
Net cash used by investing activities	(3,340,379)	(9,963,882)
NET INCREASE (DECREASE) IN CASH	3,952,517	(1,067,449)
CASH AND CASH EQUIVALENTS, beginning of year	15,505,927	16,573,376
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 19,458,444</u>	<u>\$ 15,505,927</u>

See Notes to Consolidated Financial Statements

USA VOLLEYBALL
USA VOLLEYBALL FOUNDATION

Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizations

USA Volleyball (the Corporation) is a nonprofit corporation organized in 1928 and originally incorporated in the State of California in 1970 and re-incorporated in the State of Colorado in 2010. Effective December 31, 2010, the two corporations merged, and the Colorado Corporation became the surviving entity. The principal purposes of the Corporation are to foster and conduct area, regional, state and national amateur instructional beach volleyball, indoor volleyball, and sitting volleyball programs and to represent the beach volleyball, indoor volleyball, and sitting volleyball interests of the nation to the United States Olympic and Paralympic Committee (USOPC), to the Federation Internationale de Volleyball (FIVB) and to the World ParaVolley.

The Corporation is the National Governing Body of the sports of beach volleyball, indoor volleyball, and sitting volleyball. The Corporation recognizes and sets general policy for Regional Volleyball Associations (RVAs). These RVAs are separate legal entities whose operations are controlled by their own elected boards.

USA Volleyball Foundation (the Foundation) was incorporated as a nonprofit corporation in the State of Colorado on July 18, 1996. The purpose of the Foundation is to raise funds and acquire assets in order to encourage, improve, and promote volleyball in the United States by providing financial support to the Corporation and the RVAs.

The Corporation has a controlling financial interest over the Foundation, based on its organizational structure. According to ASC 958-810-25-2, a controlling financial interest over a related (but separate) nonprofit entity through sole-corporate membership requires consolidation. The entities are collectively referred to as the Organizations.

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

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

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organizations.
- Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other purposes specified by the donor. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. The expenses are allocated based on internal records and estimates made by the Organizations' management.

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

The Corporation and the Foundation qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and, accordingly, they are not subject to federal income tax on income related to their exempt purpose. Accordingly, no income tax provisions have been recorded.

The Corporation and 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 filed. Management of the Organizations believe that they do not have any uncertain tax positions that are material to the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Organizations' checking, savings, and petty cash accounts.

The Corporation considers all liquid financial instruments and cash and cash equivalents held for long-term investment purposes, regardless of original length to maturity, as investments and are reported as such in the accompanying statements of financial position.

The Organizations maintain cash balances at various commercial banks. At times during the years ended December 31, 2024 and 2023, balances on deposit exceeded Federal Deposit Insurance Corporation (FDIC) insured limits of \$250,000. In the event of a bank or brokerage firm failure, the Organizations may only be able to recover the amounts insured.

Supplemental Cash Flow Information

During the years ended December 31, 2024 and 2023, the Organizations paid no interest and no income taxes.

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts Receivable

During the year ended December 31, 2023, the Organizations implemented Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU was issued in June 2016 by the Financial Accounting Standards Board (FASB) and revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. On January 1, 2023, the Organizations adopted the new accounting standard and all of the related amendments.

There was no impact of adoption of ASU 2016-13 on the accompanying consolidated financial statements. The Organizations do not expect ASU 2016-13 to have a significant impact on its financial condition or results of operations on an ongoing basis.

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. Management provides for probable uncollectible amounts through an allowance so that the net amount reflects the amount that management expects to collect. In developing that allowance, management determines statistics for the probability of loss. These statistics are based on the Corporation's historical collection experience, adjusted for management's expectations about current and future economic conditions. The Corporation has recorded an allowance for credit losses in the amount of \$438,625 and \$413,914 during the years ended December 31, 2024 and 2023, respectively.

The gross amount of the Corporation's accounts receivable from contracts with customers was \$308,290, \$1,332,568 and \$1,273,117 as of December 31, 2024, 2023 and 2022, respectively.

Based on the Foundation's experience with customers having outstanding balances, it has concluded that any losses on balances outstanding at year-end will not be material. Therefore, no allowance for credit losses is considered necessary.

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Pledges Receivable

Pledges receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Pledges receivable are written off when deemed uncollectible. Based on management's assessment of the credit history with donors having outstanding balances and current relationships with them, consideration is given to whether or not an allowance for doubtful accounts is necessary. No allowance for credit losses for uncollectible pledges was considered necessary at December 31, 2024 and 2023.

Inventory

Inventory is stated at the lower of first in-first out (FIFO) cost or net realizable value. The inventory consists of promotional and educational items for give-a-ways and e-commerce.

Prepaid Expenses and Deferred Charges

Event expenses paid for in a fiscal year prior to the occurrence of a scheduled event are deferred and recognized as expenses in the fiscal year in which such events occur.

Property and Equipment

Property and equipment consist of assets used in the operations of the Corporation. The Corporation capitalizes items that have a useful life greater than one year and exceed \$5,000 in cost. They are recorded at cost or, if donated, at the estimated fair market value at the date of donation.

Depreciation is recorded using the straight-line method over an estimated life as follows:

	<u>Years</u>
Equipment	3-10
Furniture	5-10
Building improvements	10
Building	30

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment - continued

Depreciation expense was \$370,094 and \$215,694 for the years ended December 31, 2024 and 2023, respectively.

Compensated Absences

The Corporation has accrued amounts for accumulated compensated absences of employees. At December 31, 2024 and 2023, the balances of this accrual were \$364,880 and \$358,515, respectively.

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 USOPC and Employee Retention Credits.

Value-in-Kind

The Corporation received various types of value-in-kind (VIK) contributions that supported the Corporation's program and supporting services. The Corporation recognizes VIK contribution revenue and a corresponding VIK distribution expense in an amount approximating the respective fair value at the time of the donation. Information on the fair value of VIK contributions is often provided by the respective sponsor.

VIK distribution expense has been allocated to the respective program and supporting services based upon usage in the accompanying statements of functional expenses.

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Value-in-Kind - continued

The Corporation received the following gifts-in-kind during the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Apparel & equipment	\$ 2,601,298	\$ 1,916,124
Travel & lodging	<u>1,055,855</u>	<u>1,193,640</u>
	<u>\$ 3,657,153</u>	<u>\$ 3,109,764</u>

The Foundation did not receive any gifts-in-kind during the years ending December 31, 2024 and 2023.

The Corporation's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Corporation. If an asset is provided that does not allow the Corporation to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. The Corporation did not sell any gifts-in-kind received during the years ending December 31, 2024 and 2023.

The Corporation receives a substantial amount of donated services in carrying out the Corporation's mission. The Corporation recognizes donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation. During the years ended December 31, 2024 and 2023, \$0 was recorded for contributed services.

Revenue from Contracts with Customers

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

Sponsorship and Rights - The Corporation recognizes revenue from contracts with both sponsors and suppliers. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Corporation will recognize revenue over time.

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Sponsorship and Rights - continued

The Corporation 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. Therefore, sponsorship and rights revenue from contracts with customers will be recognized on a straight-line basis over the term of the agreement.

Program and Event Participation Fees - The Corporation receives revenue from registration fees for events. Revenue is recognized when the performance obligation is met, which is at the time of the event.

Tickets, Subscriptions, and Other Sales - The Corporation receives revenue from gate receipts at events, court rentals, and photography fees. These revenues are recognized when performance obligations are met.

Housing Royalties - The Corporation receives housing royalties and rebates from contracts with customers. Revenue is recognized when the amount is determinable, which is generally when payment is received.

Host Incentives - Revenue from contracts with host cities for events is recognized when the performance obligation is met.

Other Program Support and Revenue - The Corporation receives revenue from contracts with customers for common area maintenance, host fees, match payments, credit card royalties, prize money, and internet services. The revenue is recognized when performance obligations are met. The Corporation receives other miscellaneous revenues which are recorded when received.

Date of Management's Review

In preparing the financial statements, Management of the Organizations has evaluated events and transactions for potential recognition or disclosure through April 28, 2025, the date the financial statements were available to be issued.

Notes to Consolidated Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY

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

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 17,880,471	\$ 15,505,927
Accounts receivable, net	485,460	1,463,405
Investments, not including Region		
Insurance Fund & USAVP stock	<u>37,807,198</u>	<u>31,478,889</u>
Total financial assets	56,173,129	48,448,221
Less amounts not available to be		
used within one year:		
Donor restricted net assets	<u>618,618</u>	<u>517,295</u>
Financial assets available		
within one year	<u>\$ 55,554,511</u>	<u>\$ 47,930,926</u>

As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

In accordance with its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

The Corporation also has a \$847,056 line of credit available to meet cash flow needs (Note M).

The Foundation receives a majority of its support without donor restrictions; such support has historically represented approximately 10% of annual program funding needs, with the remainder funded by investment income without donor restrictions and appropriated earnings. In addition, the Foundation receives occasional contributions with donor restrictions to use in accordance with the associated purpose or time restrictions.

The Foundation has donor restricted investments of \$540,620 and \$492,808 as of December 31, 2024 and 2023, respectively. Income from donor restricted contributions is restricted for specific purposes, and, therefore, is not available for general expenditure.

Notes to Consolidated Financial Statements

C. FAIR VALUE MEASUREMENTS

The Organizations apply 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 Organizations have 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 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, 2024 and 2023:

<u>Assets at Fair Value as of December 31, 2024</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt securities:				
Fixed income	\$	\$ 5,407,291	\$	\$ 5,407,291
Equity securities:				
Mutual funds	30,249,186			30,249,186
Stocks	1,562,929			1,562,929
USAVP stock			1,000	1,000
Cash held in investments	547,681			547,681
Money market	40,111			40,111
	<u>\$ 32,399,907</u>	<u>\$ 5,407,291</u>	<u>\$ 1,000</u>	<u>\$ 37,808,198</u>

Notes to Consolidated Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

<u>Assets at Fair Value as of December 31, 2023</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt securities:				
Fixed income	\$	\$ 5,204,068	\$	\$ 5,204,068
Equity securities:				
Mutual funds	22,687,535			22,687,535
Stocks	2,472,443			2,472,443
USAVP stock			1,000	1,000
Cash held in investments	2,174,757			2,174,757
Money market	42,749			42,749
	<u>\$ 27,377,484</u>	<u>\$ 5,204,068</u>	<u>\$ 1,000</u>	<u>\$ 32,582,552</u>

USAVP Stock is valued at the initial investment. This stock had no observable price changes during the years ended December 31, 2024 and 2023.

Investment income is recorded in the accompanying statement of activities and consists of the following for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest & dividends	\$ 1,718,592	\$ 973,436
Less investment fees	(143,993)	(95,888)
Net realized & unrealized gains	<u>2,264,054</u>	<u>2,396,339</u>
Investment income (loss)	<u>\$ 3,838,653</u>	<u>\$ 3,273,887</u>

D. PLEDGES RECEIVABLE

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 rate used was 5%. Total pledges receivable at December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Amounts due in:		
Less than one year	\$ 30,000	\$ 5,000
One to five years	<u>27,500</u>	<u></u>
Total	57,500	5,000
Unamortized discount	<u>(3,988)</u>	<u></u>
Net pledges receivable	<u>\$ 53,512</u>	<u>\$ 5,000</u>

Notes to Consolidated Financial Statements

E. DEFERRED REVENUE

Deferred revenue, which is a liability from contracts with customers, includes registration fees, deferred awards, and other fees from RVAs received in advance of the year in which they should be recognized. For the year ended December 31, 2023, the beginning of year deferred revenue was \$8,814,982.

At December 31, 2024 and 2023, deferred revenue consists of the following:

	<u>2024</u>	<u>2023</u>
Membership registrations	\$ 6,358,576	\$ 6,143,423
Event fees	3,562,493	3,685,999
Host city funding	50,000	175,000
Miscellaneous	<u> </u>	<u>12,424</u>
	<u>\$ 9,971,069</u>	<u>\$ 10,016,846</u>

F. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2024 and 2023, net assets with donor restrictions are restricted for the following purposes:

	<u>2024</u>	<u>2023</u>
Education	\$ 137,971	\$ 128,061
Sitting teams - Foundation	90,133	83,659
Orange County youth development	74,360	69,019
Women's national team	68,635	61,460
Time restrictions	53,512	
Boy's youth national team	43,790	40,645
Men's national team	40,580	35,420
Beach programs	27,966	21,467
Men's sitting team - Corporation	24,487	24,487
Women's youth national team	20,994	19,486
Men's junior national team	16,026	14,875
Women's junior national team	10,845	10,067
Koorhan Memorial Fund	4,481	4,159
Officials development	3,029	2,811
High performance - indoor	1,235	1,146
Other programs - deaflympics	<u>574</u>	<u>533</u>
	<u>\$ 618,618</u>	<u>\$ 517,295</u>

During the years ended December 31, 2024 and 2023, there were no net assets released from donor restrictions by the passage of time or by incurring expenses satisfying the restricted purpose specified by the donors.

Notes to Consolidated Financial Statements

G. RELATED PARTIES

During the years ended December 31, 2024 and 2023, the USOPC provided funding to the Corporation under the following project categories:

	<u>2024</u>	<u>2023</u>
NGB Funding	\$ 1,638,000	\$ 1,537,000
Paralympic support	350,000	325,000
Other special grants	54,048	87,820
International relations	10,000	11,080
Sport performance grant	<u> </u>	<u>110,000</u>
	<u>\$ 2,052,048</u>	<u>\$ 2,070,900</u>

Rights fees and broadcast and streaming revenue are considered revenue from contracts with customers.

As part of the Corporation's agreement with the USOPC, stipends are paid directly to athletes in the following categories:

	<u>2024</u>	<u>2023</u>
Beach	\$ 450,000	\$ 450,000
Indoor	450,000	450,000
Paralympic	<u>100,000</u>	<u>100,000</u>
	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

The USOPC provided funding in the form of Airbnb value-in-kind, in the amount of \$75,850 and \$20,356, for the years ended December 31, 2024 and 2023, respectively.

The Corporation is economically dependent upon grants from the USOPC in order to maintain some of its programs at current levels.

H. INTERCOMPANY TRANSACTIONS

The Corporation receives grants from the Foundation. These intercompany grants and any amounts owed to/from the Organizations have been eliminated in the consolidated financial statements.

Notes to Consolidated Financial Statements

H. INTERCOMPANY TRANSACTIONS - Continued

The Corporation received grants from the Foundation of \$181,588 and \$183,000 during the years ended December 31, 2024 and 2023, respectively.

During the years ended December 31, 2024 and 2023, on behalf of the Foundation, the Corporation paid \$96,052 and \$34,718 of various administrative and fundraising expenses, and \$58,775 and \$60,209 of expenses related directly to the Hall of Fame events held by the Foundation, respectively. These expenses have not been eliminated from the respective consolidated financial statements.

I. RETIREMENT PLAN

The Corporation has a 403(b) retirement plan available to all eligible personnel. The plan enables employees to make contributions on either a tax deferred salary reduction basis or an after-tax basis if the Roth provision is elected, of a percentage of their compensation. The Corporation matches contributions up to 8% of base compensation for employees who have made a voluntary contribution and have completed 90 days of employment.

Employee contributions are immediately vested. Employer contributions are fully vested on the first day of the month following completion of two years of employment. Employer contributions under this plan were \$441,568 and \$410,661 for the years ended December 31, 2024 and 2023, respectively.

J. COMMITMENTS AND CONTINGENCIES

The Corporation has entered into annual agreements with its players that call for monthly stipends to the players in exchange for their participation on the Corporation's volleyball teams. The Corporation paid \$693,414 and \$808,792, respectively, during the years ended December 31, 2024 and 2023, as monthly stipends. These payments are in addition to the support payments paid to athletes directly by the USOPC as discussed in Note G.

The Corporation also provides athlete transition funding for vested athletes who separate from the national teams. Eligible athletes become vested after four years of qualified participation. The Corporation has accrued \$360,000 and \$460,000 at December 31, 2024 and 2023, respectively, to pay these obligations. The Corporation incurred \$5,000 and \$15,000 of athlete transition funding expense for the years ended December 31, 2024 and 2023, respectively.

Notes to Consolidated Financial Statements

J. COMMITMENTS AND CONTINGENCIES - Continued

The Corporation evaluates contingencies on an ongoing basis and has established provisions for matters in which losses are probable and the amount of loss can be reasonably estimated.

The Corporation is involved in various legal proceedings and claims that arise out of the ordinary course of business. The outcomes of these claims and legal proceedings are subject to significant uncertainty. Insurance and legal settlement liabilities are included in the insurance litigation reserve line item on the consolidated statements of financial position. The Corporation believes the recorded reserves in the consolidated financial statements are adequate in light of the probable and estimable liabilities. The Corporation has accrued liabilities contingencies as follows:

Unasserted Claims:

The Corporation has accrued \$2,000,000 related to claims that have not yet been asserted but, based on available information and legal consultation, management believes are possible and for which a reasonable estimate of the loss can be made.

Asserted Claim:

The Corporation is currently defending against a claim asserted by a third party. Based on the progression of this claim and the advice of legal counsel, management considers it probable that a loss will be incurred. A liability of \$3,000,000 has been recorded as the best estimate of the probable loss resulting from the resolution of this claim.

These provisions are based on management's current knowledge, analysis of potential outcomes based on past experience, the advice from legal professionals, and involve significant judgement and estimation. The actual outcomes of these matters and the final insurance recoveries could vary significantly from the amounts recorded.

K. LEASES

The Corporation has operating leases for office space, training centers, warehouses, athlete/staff residential housing, and equipment.

Notes to Consolidated Financial Statements

K. LEASES - Continued

The Corporation assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As the Corporation's leases do not provide an implicit rate, the Corporation uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments in determination of the respective right-of-use (ROU) assets and liabilities.

Under ASU 2016-02, the Corporation has made an accounting policy election to apply the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with a term of 12 months or less that do not include an option to purchase the underlying asset, are not recorded on the balance sheet as ROU assets or lease liabilities. The Corporation has elected to expense the cost of the short-term leases on the straight-line basis in the accompanying Statements of Activities.

Maturities of lease liabilities, and the Weighted Averages for the leases recorded on the Consolidated Statements of Financial Position are as follows as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
2024	\$	320,862
2025	352,464	328,464
2026	359,297	335,297
2027	362,296	338,296
2028	393,636	369,636
2029	288,637	264,637
Thereafter	<u>645,982</u>	<u>621,982</u>
Total lease payments	2,402,312	2,579,174
Less: interest	<u>(371,053)</u>	<u>(448,529)</u>
Present value of lease liabilities	<u>\$ 2,031,259</u>	<u>\$ 2,130,645</u>
	<u>2024</u>	<u>2023</u>
Weighted Average Remaining Lease Term	7.10 years	8.08 years
Weighted Average Discount Rate	4.75%	4.75%

The Corporation leases office space in Torrance, California, under an initial operating lease that started on November 1, 2013, and continued through February 28, 2021. In July 2015, the lease was amended to include additional space. In September 2020, the lease was amended a second time to extend the lease through February 28, 2030, and modify the base rent amount. Beginning September 2020 this amended lease requires

Notes to Consolidated Financial Statements

K. LEASES - Continued

monthly payments of \$9,874, and the lease amount will be adjusted by three percent each year starting March 2023.

This lease includes monthly variable lease payments for Common Area Operating Expenses. The most recent amendment of this lease includes an option to terminate for both the Corporation and the lessor. The option allows the Corporation to terminate the lease without penalty prior to the expiration date, if the Corporation notifies the lessor no less than one year from any potential vacate date. The Corporation has determined that they are not reasonably certain to terminate this lease and therefore have not considered the termination option in the respective ROU asset and liability calculations.

The Corporation leases warehouse space in Colorado Springs under an operating lease that commenced October 1, 2013 and continued through September 30, 2023. This lease required monthly payments of \$5,250 and increased each year according to the lease payment schedule. During 2015, the Corporation leased additional warehouse space commencing July 1, 2015, and continued through September 30, 2023. This lease required monthly payments of \$2,290 and increased each year according to the lease payment schedule. This lease also included monthly variable utility payments.

In September 2023, the Corporation entered into a new lease for both warehouse spaces mentioned above in Colorado Springs. This new lease commenced October 1, 2023, and continues through September 30, 2033. The lease requires monthly payments of \$10,627 through September 30, 2024, and increases each year according to the agreed upon lease schedule. This is a triple net lease, including monthly variable payments for various operating expenses such as utilities on a monthly basis as part of the agreed upon rent.

In August 2022, the Corporation sub-leased office space in Anaheim through September 2024, with base rent payments of \$19,000 and \$20,000 per month. During the year ended December 31, 2024, this lease was amended with base rent payments of \$26,250 per month through September 30, 2025. This lease has been accounted for under the short-term lease recognition exemption, and the ROU asset and liability has not been recorded on the accompanying consolidated statement of financial position.

On July 1, 2017, the Corporation entered into a lease agreement with the University of Central Oklahoma to lease eight apartments. The lease expired December 31, 2020.

Notes to Consolidated Financial Statements

K. LEASES - Continued

In January 2021, the lease was extended through December 31, 2028.

The annual cost of the apartments is \$61,200, or \$5,100 per month. The rental rate may be increased annually to reflect increases in utility rates. The landlord agrees to notify the tenant by December 1 of each year of any increase to the rental rate due to utility costs. There have not been any base rent increases as of December 31, 2024.

During the year ended December 31, 2024, the Corporation entered into a lease agreement for warehouse space in Ohio. The lease commenced on January 1, 2024, and was originally through December 31, 2026. In June 2024, this lease was extended through December 31, 2030. The annual cost of the warehouse is \$24,000, or \$2,000 per month. Provided the Corporation is not in default under this lease beyond any applicable period for curing, tenant shall, at all times during the lease term have the option to lease additional footage in the building at the rate of \$0.40 per square foot monthly. Additionally, the landlord has agreed to provide additional services to potentially be utilized by the tenant, including in and out handling charge of \$125 per semi trailer, Bill of Lading fee of \$6 per three part copy, and any other material handling, sorting, or labeling of material at the rate of \$45 per hour.

During the year ended December 31, 2023, the Corporation has leased ten apartment units for athlete and staff member housing in California. The rent payments range from \$3,438 to \$6,161 monthly and the leases have expiration dates from August 2023 to April 2024. The leases have not been extended by the Corporation subsequent to the year ended December 31, 2023. These leases have been accounted for under the short-term lease recognition exemption under ASU 2016-02.

During the year ended December 31, 2024, the Corporation has leased ten apartment units for athlete and staff member housing in California. The rent payments range from \$3,350 to \$6,161 monthly and the leases have expiration dates from May 2024 to April 2025, with eight of them expiring during the year ending December 31, 2024. The remaining outstanding leases have not been extended by the Corporation subsequent to the year ended December 31, 2024. These leases have been accounted for under the short-term lease recognition exemption under ASU 2016-02.

Notes to Consolidated Financial Statements

K. LEASES - Continued

The following table represents lease expense for the years ended December 31, 2024 and 2023. Variable costs include those specifically mentioned as part of lease arrangements outlined above.

	<u>2024</u>	<u>2023</u>
Operating lease rent, included in program service expenses	\$ 421,829	\$ 337,324
Variable payments, included in program service expenses	123,063	94,686
Variable payments, included in supporting service expenses	70,614	73,548
Short-term leases, included in program service expenses	<u>509,094</u>	<u>451,260</u>
Total lease cost	<u>\$ 1,124,600</u>	<u>\$ 956,818</u>
	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in measurement of lease liabilities for operating leases	<u>\$ 400,387</u>	<u>\$ 421,599</u>
Right-of-use assets obtained in exchange for new operating lease liabilities	<u>\$ 143,251</u>	<u>\$ 1,142,482</u>

L. AFFILIATES

The Corporation has trade receivables of \$82,030 and \$120,287 due from affiliates and RVAs at December 31, 2024 and 2023, respectively. The Corporation has trade accounts payable of \$0 and Regional Insurance Fund payable of \$3,445,949 and \$2,003,024 due to RVAs as of December 31, 2024 and 2023, respectively.

M. LINE OF CREDIT

During the year ended December 31, 2011, the Corporation entered into an agreement to obtain a line of credit. The credit available to the Corporation was \$847,056 and \$1,185,880 as of December 31, 2024 and 2023, respectively. There was no outstanding balance at December 31, 2024 and 2023. The line of credit carried an interest rate of 4.00% on outstanding balances until December 1, 2021, when it changed to 4.75%, and has a maturity date of December 1, 2026.

Notes to Consolidated Financial Statements

M. LINE OF CREDIT - Continued

The line of credit stipulates that the Corporation must occupy at least 51% of the office property and maintain a minimum initial tangible net worth of \$1,300,000. The minimum tangible net worth requirement increases by \$100,000 on December 1 of each year, beginning on December 1, 2017.

The Corporation's building is subject to a deed of trust dated December 9, 2011.

The Corporation's business assets are components of the Corporation's borrowing base calculation, which governs the availability of future advances on the line of credit.

The Corporation's business assets are subject to a UCC filing lien related to this line of credit as prescribed by the commercial security agreement dated December 9, 2011.

N. UNCERTAINTIES

With the rising cost of inflation and potential risk of recession, it is uncertain what effect these factors may have on operations of the Organizations in the coming years.

O. EMPLOYEE RETENTION CREDITS

The 2021 Coronavirus Aid, Relief, and Economic Security (CARES) act included a provision that created the employee retention credit, a refundable tax credit against certain employment wages and taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States Government which extended the credit through September 30, 2021 and expanded the credit to allow it to be equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee was \$10,000 of qualified wages per quarter.

During the year ended December 31, 2023, the Corporation determined it was eligible for the Employee Retention Credit and submitted amended payroll tax returns. The Corporation has determined that as of December 31, 2023, the criteria for recognition of this conditional grant had been met. Due to this determination, the Corporation has recorded \$324,218 in relation to the Employee Retention Credit in the accompanying statement of activities and changes in net assets.

Notes to Consolidated Financial Statements

O. EMPLOYEE RETENTION CREDITS - Continued

The Corporation has received acknowledgement from the Internal Revenue Service (IRS) that it had substantially met the qualifications for the Employee Retention Tax Credit. The funds were received in November 2023.

USA VOLLEYBALL
USA VOLLEYBALL FOUNDATION
Consolidating Statement of Financial Position
December 31, 2024

	USA Volleyball	USA Volleyball Foundation	Eliminating Entries	2024 Consolidated Totals
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash & cash equivalents	\$ 19,389,712	\$ 68,732	\$	\$ 19,458,444
Accounts receivable, net of allowance for credit losses of \$438,625	485,460			485,460
Pledges and donations receivable		30,000		30,000
Due from the USAVF	132,545		(132,545)	
Deposits	14,500			14,500
Prepaid expenses	2,780,590			2,780,590
Total current assets	22,802,807	98,732	(132,545)	22,768,994
PLEDGES RECEIVABLE LONG-TERM, NET		23,512		23,512
INVESTMENTS	34,076,874	3,190,704		37,267,578
RESTRICTED INVESTMENTS		540,620		540,620
RIGHT-OF-USE ASSETS	1,973,655			1,973,655
PREPAID EXPENSES - LONG-TERM	52,304			52,304
PROPERTY & EQUIPMENT, at cost:				
Land	471,141			471,141
Building & improvements	4,266,946			4,266,946
Office furniture	481,109			481,109
Office equipment	396,314			396,314
Program equipment	2,576,653			2,576,653
Less accumulated depreciation	(5,010,668)			(5,010,668)
Property & equipment, net	3,181,495			3,181,495
TOTAL ASSETS	\$ 62,087,135	\$ 3,853,568	\$ (132,545)	\$ 65,808,158
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 1,632,881	\$ 132,545	\$ (132,545)	\$ 1,632,881
Accrued liabilities	2,340,824			2,340,824
Regional insurance fund	3,445,949			3,445,949
Deferred revenue	9,921,069			9,921,069
Lease liability	261,606			261,606
Total current liabilities	17,602,329	132,545	(132,545)	17,602,329
LONG-TERM LIABILITIES:				
Insurance litigation reserve	5,000,000			5,000,000
Deferred revenue	50,000			50,000
Lease liability	1,769,653			1,769,653
Total long-term liabilities	6,819,653			6,819,653
Total liabilities	24,421,982	132,545	(132,545)	24,421,982
NET ASSETS:				
Without donor restrictions	37,640,666	3,180,403		40,821,069
With donor restrictions	24,487	540,620		565,107
Total net assets	37,665,153	3,721,023		41,386,176
TOTAL LIABILITIES AND NET ASSETS	\$ 62,087,135	\$ 3,853,568	\$ (132,545)	\$ 65,808,158

See Notes to Consolidated Financial Statements

USA VOLLEYBALL
USA VOLLEYBALL FOUNDATION
Consolidating Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024

	USA Volleyball	USA Volleyball Foundaton	Eliminating Entries	2024 Consolidated Totals
SUPPORT AND REVENUE:				
Membership & insurance	\$ 11,195,280	\$	\$	\$ 11,195,280
Program & event participation fees	10,024,832			10,024,832
Tickets, subscriptions & other sales	6,620,651			6,620,651
Investment income, net	3,573,792	264,861		3,838,653
Sponsorship & rights	3,680,865			3,680,865
Value in kind	3,657,153			3,657,153
Housing royalties	2,446,895			2,446,895
Other program support & revenue	2,260,375			2,260,375
USOPC grants	2,052,048			2,052,048
Host funding	1,676,650			1,676,650
Product sales, less direct costs of \$1,372	1,606,243			1,606,243
Grants & contributions	13,485	355,963		369,448
USAVF grants	181,588		(181,588)	
Total support and revenue	48,989,857	620,824	(181,588)	49,429,093
EXPENSES:				
Program services:				
Domestic events	13,354,677			13,354,677
National teams	9,859,373			9,859,373
Region services	6,550,207			6,550,207
High performance development	3,554,291			3,554,291
International events & programs	3,037,403			3,037,403
Total program services	36,355,951			36,355,951
Supporting services:				
National headquarters	4,532,343			4,532,343
Sponsorship, marketing & public relations	1,770,172			1,770,172
Fundraising	97,087	338,766	(181,588)	254,265
Governance	129,273			129,273
Total supporting services	6,528,875	338,766	(181,588)	6,686,053
Total expenses	42,884,826	338,766	(181,588)	43,042,004
CHANGE IN NET ASSETS	6,105,031	282,058		6,387,089
NET ASSETS, beginning of year	31,560,122	3,438,965		34,999,087
NET ASSETS, end of year	\$ 37,665,153	\$ 3,721,023	\$	\$ 41,386,176

See Notes to Consolidated Financial Statements