### USA VOLLEYBALL FOUNDATION

**Financial Statements** 

For the Years Ended December 31, 2024 and 2023



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#### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors USA Volleyball Foundation Colorado Springs, Colorado

#### Opinion

We have audited the accompanying financial statements of USA Volleyball Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USA Volleyball Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its 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 audits 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 Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 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 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 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 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 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 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

### Waugh & Goodwin, LLP

Colorado Springs, Colorado April 28, 2025

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

	<u>ASSETS</u>	<u>2024</u>		<u>2023</u>				
CURRENT ASSETS: Cash and cash equivalents Pledges and other receivables Total current assets	\$	68,732 30,000 98,732	\$	102,987 5,304 108,291				
PLEDGES RECEIVABLE LONG-TERM, NET	1	23,512						
LONG-TERM INVESTMENTS RESTRICTED INVESTMENTS	_	3,190,704 540,620		3,070,043				
TOTAL ASSETS	<u>\$</u>	3,853,568	<u>\$</u>	3,671,142				
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Grants payable to USAV	\$	132,545	\$	232,177				
NET ASSETS: Without donor restrictions With donor restrictions	_	3,126,891 594,132		2,946,157 492,808				
Total net assets	_	3,721,023		3,438,965				
TOTAL LIABILITIES AND NET ASSETS	\$	3,853,568	\$	3,671,142				

USA VOLLEYBALL FOUNDATION

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2024 and 2023

	2024										
	Without			Without							
		Donor		th Donor				Donor		th Donor	
	Rest	rictions	Res	trictions		Totals	Re	strictions	Rest	trictions	 Totals
REVENUE:											
Investment income, net of											
investment fees	\$	227,050	\$	37,811	\$	264,861	\$	363,452	\$	56,036	\$ 419,488
Contributions and grants		292,451		63,512		355,963	_	79,592			 79,592
Total revenue		519,501		101,323		620,824		443,044		56,036	499,080
EXPENSES:											
Program services:											
Programs and grants		181,588				181,588		183,000			183,000
Supporting services:											
Fundraising		157,178				157,178	_	101,824			 101,824
Total expenses		338,766				338,766		284,824			 284,824
CHANGE IN NET ASSETS		180,735		101,323		282,058		158,220		56,036	214,256
NET ASSETS, beginning of year	2	,946,156		492,809		3,438,965		2,787,936		436,773	 3,224,709
NET ASSETS, end of year	\$ 3	,126,891	\$	594,132	\$	3,721,023	\$	2,946,156	\$	492,809	\$ 3,438,965

## USA VOLLEYBALL FOUNDATION Statements of Functional Expenses For the Years Ended December 31, 2024 and 2023

	Programs & Grants Fundraising		Fundraising		2024 Totals		ograms & Grants	_ Fur	ndraising	 2023 Totals
Grants to USA Volleyball	\$	181,588	\$		\$	181,588	\$ 183,000	\$		\$ 183,000
Professional fees				73,000		73,000			20,350	20,350
Hall of Fame expenses				58,775		58,775			67,250	67,250
Printing and postage				16,288		16,288			1,066	1,066
Board meeting expenses				3,040		3,040			10,007	10,007
Bank charges				2,201		2,201				
Computer software				1,876		1,876			2,866	2,866
Insurance Dues, memberships & subscriptions				1,512 486		1,512 486	 		285	 285
Total	\$	181,588	\$	157,178	\$	338,766	\$ 183,000	\$	101,824	\$ 284,824

## USA VOLLEYBALL FOUNDATION Statements of Cash Flows

#### For the Years Ended December 31, 2024 and 2023

alay prova prov operating remining	<u>2024</u>		<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES: Change in net assets Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	\$ 282,058	\$	214,256
Unrealized gains on investments Decrease (increase) in operating assets:	(35,531)		(288,582)
Accounts receivable Increase (decrease) in operating liabilities:	(48,208)		(5,291)
Grants payable	 (99,632)		49,673
Total adjustments	 (183,371)		(244,200)
Net cash provided (used) by operating activities	98,687		(29,944)
CASH FLOWS FROM INVESTING ACTIVITIES:  Proceeds from sale of long-term investments Gross purchases of long-term investments Increase in restricted investments	1,408,061 1,493,191) (47,812)		1,990,108 (1,844,979) (56,035)
Net cash provided (used) by investing activities	 (132,942)		89,094
NET INCREASE (DECREASE) IN CASH	(34,255)		59,150
CASH AND CASH EQUIVALENTS, beginning of year	 102,987	_	43,837
CASH AND CASH EQUIVALENTS, end of year	\$ 68,732	\$	102,987

#### USA VOLLEYBALL FOUNDATION

#### Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

#### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

The 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 USA Volleyball and the Regional Volleyball Associations.

#### Cash and Cash Equivalents

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

#### Supplemental Cash Flow Disclosures

Cash flows from operating activities include no income taxes or interest paid during the years ended December 31, 2024 and 2023.

#### Accounts Receivable

During the year ended December 31, 2023, the Foundation implemented Accounting Standards Update (ASU) 2016-13, Financial Instruments Credit *losses* (Topic Measurement of Credit Losses on Financial Instruments. ASU was issued in June 2016 by the Financial Accounting Board Standards (FASB) and revises the 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.

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

#### Accounts Receivable - continued

On January 1, 2023, the Foundation adopted the new accounting standard and all of the related amendments.

There was no impact of adoption of ASU 2016-13 on the accompanying financial statements. The Foundation does 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 collectible. Management provides for uncollectible amounts through an allowance so that the net amount reflects the amount that management expects to allowance, collect. In developing that management determines statistics for the probability of loss. based on the Foundation's statistics are historical adjusted collection experience, for management's expectations about current and future economic conditions. The Foundation has no allowance for credit losses for the years ended December 31, 2024 and 2023.

#### 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 Amortization of the discounts is included in Pledges receivable are written-off contribution revenue. when deemed uncollectible. Based on management's assessment the credit history with donors having outstanding balances and current relationships with them, consideration given to whether or not an allowance for doubtful accounts is necessary. No allowance for doubtful accounts was considered necessary at December 31, 2024 and 2023.

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

#### 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 with donor restrictions are reported as support and revenue if the restriction is met in the same year that the gift is received.

#### Revenue from Contracts with Customers

The Foundation has no revenue sources that would be considered contracts with customers.

#### Functional Expenses

The financial statements report certain categories of expenses that are attributed to either program or supporting functions. The expenses are allocated based on internal records and estimates made by the Foundation's management.

#### 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, the disclosure of contingent liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

#### Income Taxes

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax.

The Foundation's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date it was filed. Management of the Foundation believes that it does not have any uncertain tax positions that are material to the financial statements.

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

#### Date of Management's Review

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

#### B. AVAILABLE RESOURCES AND LIQUIDITY

The Foundation's financial assets available within one year of the Statements of Financial Position date for general expenditure are as follows:

Financial assets at year-end:	<u>2024</u>		<u>2023</u>
Cash and cash equivalents Accounts receivable Investments	\$ 68,732 30,000 3,731,324	\$	102,987 5,304 3,562,851
Total financial assets	3,830,056		3,671,142
Less amounts not available to be used within one year: Donor restricted net assets	 594,132		492,808
Financial assets available within one year	\$ 3,235,924	<u>\$</u>	3,178,334

As part of the Foundation'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.

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.

#### C. FAIR VALUE MEASUREMENTS

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

The level in the fair value hierarchy within which a fair 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 table presents the assets that are measured at fair value on a recurring basis at December 31, 2024 and 2023:

Assets at Fair Value as of December 31, 2024

	Level 1	Level 2	Level 3	Total
Equity securities: Mutual funds	\$ 3,690,863	ė	ė	\$ 3,690,863
USAVP stock	Ş 3,030,003	Ÿ	350	350
Money market	40,111			40,111
	\$ 3,730,974	\$	\$ 350	\$ 3,731,324

#### C. FAIR VALUE MEASUREMENTS - Continued

#### Assets at Fair Value as of December 31, 2023

	Level 1	Level 2	Level 3	Total
Equity securities: Mutual funds USAVP stock	\$ 3,468,962	\$	\$ 350	\$ 3,468,962 350
Money market	93,539			93,539
	<u>\$ 3,562,501</u>	\$	\$ 350	\$ 3,562,851

USAVP Stock had no observable price changes during the years ended December 31, 2024 and 2023.

Investment income consists of the following for the years ended December 31, 2024 and 2023:

	2024	<u>2023</u>
Interest and dividends Net realized and unrealized gains	\$ 19,620	\$ 101,435
and losses Less investment fees	272,132 (26,891)	335,464 (17,411)
Investment income	\$ 264,861	\$ 419,488

Investments are presented in the statement of financial position as follows:

	<u>2024</u>	2023
Long-term investments Restricted investments	\$ 3,190,70 540,62	4 \$ 3,070,043 0 492,808
	\$ 3,731,32	<u>\$ 3,562,851</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%.

#### D. PLEDGES RECEIVABLE - Continued

Total pledge receivable at December 31 are as follows:

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

#### E. NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	<u>2023</u>
Education	\$ 137,971	\$ 128,061
Sitting teams	90,132	83,659
Orange County youth development	74,361	69,019
Women's national team	68,634	61,460
Time restricted	53,512	
Boy's youth national team	43,791	40,645
Men's national team	40,580	35,420
Beach programs	27,964	21,467
Women's youth national team	20,994	19,486
Men's junior national team	16,026	14,875
Women's junior national team	10,846	10,067
Officals development	7,509	6,970
Indoor programs	1,235	1,146
Other programs - deaflympics	 577	 533
	\$ 594,132	\$ 492,808

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose.

During the years ended December 31, 2024 and 2023, there were no net assets released from restrictions.

#### F. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2024 and 2023, the Foundation provided grants to USA Volleyball for development activities and fundraising programs in the amount of \$181,588 and \$183,000, respectively.

At December 31, 2024 and 2023, the Foundation has recorded grants payable to USA Volleyball of \$132,545 and \$232,177, respectively, for amounts due for development activities and fundraising programs.

At December 31, 2024 and 2023, the Foundation has no accounts receivable from USA Volleyball.

#### G. UNCERTAINTIES

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