

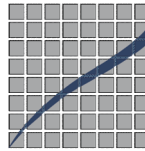
USA ULTIMATE AND USA ULTIMATE FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors

USA Ultimate and USA Ultimate Foundation

Colorado Springs, Colorado

Opinion

We have audited the accompanying consolidated financial statements of USA Ultimate and USA Ultimate Foundation (collectively, the "Organizations"), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

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 the report. We are required to be independent of the Organizations 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 the financial statements in accordance with US GAAP, and for 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations 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 in accordance with auditing standards generally accepted in the United States of America ("US GAAS") 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 US GAAS, 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 the Organizations' 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 the Organizations' 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 financial statements as a whole. The consolidating information as listed in the table of contents is presented for purposes of additional analysis of the financial statements rather than to present the financial position, changes in their net assets, and cash flows of the individual organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the financial statements as a whole.

BiggsKofford, P.C.

Colorado Springs, Colorado
May 14, 2025

USA ULTIMATE AND USA ULTIMATE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

ASSETS

Cash and equivalents	\$ 2,881,634
Accounts receivable, net	35,806
Investments	2,835,276
Prepaid expenses and other assets	52,406
Property and equipment, net	498,526
Operating lease right-of-use asset	86,554
Total assets	<u>\$ 6,390,202</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable and accrued liabilities	\$ 826,773
Deferred revenue	1,081,481
Operating lease liabilities	98,463
Total liabilities	<u>2,006,717</u>

Net assets:

Without donor restrictions:	
Operating	1,772,582
Equity in property and equipment, net	498,526
Board-designated	1,958,750
Total net assets without donor restrictions	4,229,858
With donor restrictions	153,627
Total net assets	<u>4,383,485</u>
Total liabilities and net assets	<u>\$ 6,390,202</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<u>SUPPORT AND REVENUE</u>			
Membership dues	\$ 2,884,931	\$ -	\$ 2,884,931
Competition and athlete programs	2,056,055	-	2,056,055
Sponsorship and licensing	372,815	-	372,815
Contributed nonfinancial assets	263,771	-	263,771
Contributions	25,901	37,254	63,155
Investment income	319,835	-	319,835
Other income	107,054	-	107,054
Sales revenue (net of cost of goods sold of \$26,283)	6,619	-	6,619
Total support and revenue	6,036,981	37,254	6,074,235
Net assets released from restrictions	43,857	(43,857)	-
<u>EXPENSES</u>			
Program services:			
Youth programs and coaching	753,018	-	753,018
Competition and athlete programs	1,553,926	-	1,553,926
National teams and international	1,126,300	-	1,126,300
Member services and community development	809,069	-	809,069
Marketing and communications	605,211	-	605,211
Total program services	4,847,524	-	4,847,524
Supporting activities:			
Equity, diversity, and inclusion	146,978	-	146,978
Board, safesport, and administrative	449,801	-	449,801
Fundraising	102,877	-	102,877
Total expenses	5,547,180	-	5,547,180
Change in net assets	533,658	(6,603)	527,055
Net assets, beginning of year	3,696,200	160,230	3,856,430
Net assets, end of year	<u>\$ 4,229,858</u>	<u>\$ 153,627</u>	<u>\$ 4,383,485</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

USA ULTIMATE AND USA ULTIMATE FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services						Supporting Activities			
	Youth Programs and Coaching	Competition and Athlete Programs	National Teams and International	Member Services and Community Development	Marketing and Communications	Total Program Services	Equity, Diversity, and Inclusion	Board, SafeSport, and Administrative	Fundraising	Total
Awards and gifts	\$ 15,848	\$ 42,163	\$ -	\$ -	\$ -	\$ 58,011	\$ -	\$ -	\$ -	\$ 58,011
Conferences and memberships	1,766	1,482	5,730	931	584	10,493	237	826	174	11,730
Depreciation	20,156	25,005	10,954	22,663	14,229	93,007	5,781	20,088	4,189	123,065
Employee benefits	31,090	38,571	16,897	34,957	21,948	143,463	8,918	30,983	6,461	189,825
Facilities and equipment rental	55,672	316,279	42,771	342	215	415,279	88	1,005	63	416,435
Information technology	7,143	8,861	3,882	8,032	5,043	32,961	2,049	7,117	2,790	44,917
Insurance	23,306	28,912	12,665	26,205	16,452	107,540	6,684	24,138	4,844	143,206
Meals and entertainment	37,714	131,256	124,562	1,012	6,143	300,687	1,146	3,561	183	305,577
Occupancy	18,303	22,706	9,947	20,580	12,921	84,457	5,250	18,241	3,805	111,753
Office	31,744	82,321	39,021	86,766	7,905	247,757	2,370	8,236	9,121	267,484
Payroll taxes	21,192	26,290	11,518	23,829	14,961	97,790	6,078	21,121	4,405	129,394
Professional fees	56,886	92,205	12,194	11,628	103,923	276,836	10,468	13,244	2,073	302,621
Programs and events	101,963	201,839	326,443	240,035	156,752	1,027,032	12,426	514	-	1,039,972
Salaries and wages	293,257	363,808	159,378	329,742	207,026	1,353,211	84,112	292,266	60,950	1,790,539
Travel	36,978	172,228	350,338	2,347	37,109	599,000	1,371	8,461	3,819	612,651
Total expenses	\$ 753,018	\$ 1,553,926	\$ 1,126,300	\$ 809,069	\$ 605,211	\$ 4,847,524	\$ 146,978	\$ 449,801	\$ 102,877	\$ 5,547,180
Percentage of total expenses	14%	28%	20%	15%	11%	88%	3%	8%	1%	100%

The accompanying notes and independent auditor's report
should be read with these financial statements.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 527,055
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	123,065
Amortization of operating right-of-use-asset	60,738
Realized and unrealized (gains) losses	(155,356)
(Increase) decrease in operating assets:	
Accounts receivable, net	10,336
Prepaid expenses and other assets	15,196
Increase (decrease) in operating liabilities:	
Accounts payable and accrued liabilities	(11,127)
Deferred revenue	66,537
Operating lease liabilities	(66,786)
Net cash flows from operating activities	<u>569,658</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments	(69,824)
Purchases of property and equipment	<u>(45,389)</u>
Net cash flows from investing activities	<u>(115,213)</u>
Net change in cash and equivalents	454,445
Cash and equivalents, beginning of year	<u>2,427,189</u>
Cash and equivalents, end of year	<u>\$ 2,881,634</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizations

Ultimate Players Association, dba USA Ultimate ("Association"), is the national governing body for the sport of Ultimate and is a member of the World Flying Disc Federation. The Association is responsible for the promotion and development of the sport of Ultimate in the United States.

USA Ultimate Foundation ("Foundation") was incorporated in 2014 with the sole purpose of raising funds and acquiring assets that enable the Association to support and grow the sport of Ultimate in the United States.

Principles of consolidation

The consolidated financial statements include the operations of the Association and the Foundation. All material transactions and balances between these entities have been eliminated. The Association and the Foundation are collectively referred to herein as the "Organizations."

Basis of accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and equivalents

For purposes of the financial statements, the Organizations consider all highly liquid investments with original maturities of three months or less to be cash equivalents.

See independent auditor's report.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Accounts receivable and allowance for credit losses

Accounts receivable are unsecured and reported at the amount management expects to collect. The Association maintains an allowance for credit losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. If the financial conditions of the Association's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required.

The allowance for credit losses totaled \$1,000 as of December 31, 2024.

Investments

Investments having a readily determinable fair value are carried at fair value. Interest and dividends are recorded on the accrual basis. Gains and losses are recognized when incurred and included in the consolidated statement of activities. Donated investments are recognized at the estimated fair value on the date of the donation.

Property and equipment

Acquisitions of property and equipment with an original cost of \$750 or greater and useful lives exceeding one year are capitalized and recorded at cost, or fair value, if donated. Property and equipment are depreciated using the straight-line method over estimated useful lives, or in the case of capitalized leased assets or leasehold improvements, the shorter of the useful life of the assets or the lease term, ranging from three to seven years.

Leases

Management determines if an arrangement is a lease at inception of the arrangement. Right-of-use assets represent the Association's right to use an underlying asset for the lease term, and lease liabilities represent the Association's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement of the lease based on the present value of lease payments over the lease term. The right-of-use assets also include any lease payments made and exclude lease incentives. The Association's lease terms may include options to extend or terminate the lease at management's discretion. Such options are included in the calculation of the right-of-use asset and lease liability, and are included in the future maturities of lease liabilities, if management determines they are reasonably certain to exercise the options. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term.

For leases that do not state or imply an interest rate, the Association elected to use a risk-free rate based on asset composition.

See independent auditor's report.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

The Association elected to account for all leases with original terms of 12 months or fewer as short-term leases, which are expensed over the term of the lease and do not require recognition of right-of-use assets or lease liabilities.

Deferred revenue

Membership dues are deferred and recognized over the periods to which the fees relate. In addition, other funds received in advance are deferred and recognized when earned as conditions are met.

Net assets

The financial statements present information regarding the financial position and statements of activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions consist of resources available for use in operations, those resources invested in property and equipment, and resources restricted by the board of directors as to future use. Net assets with donor restrictions consist of resources restricted by donors as to purpose or by the passage of time.

Contributions and grants

In accordance with US GAAP, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions, if applicable. Contribution revenue is recognized when cash is received, when unconditional promises are made, or when ownership of contributed assets is transferred to the Organizations. The Organizations report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Contributed nonfinancial assets

Contributed nonfinancial assets are recorded at the respective fair values of the goods or services received at the date of donation. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by US GAAP.

See independent auditor's report.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Revenue recognition

Membership dues

Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing membership to its members. Membership dues consist of annual, two-year, three-year, five-year, and lifetime registrations. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term, or 15 years for lifetime memberships. Membership dues are nonrefundable.

Competition and athlete programs

The Association receives revenue from fees and sales related to competition and athlete programs. These activities include competitions, athlete programs, national teams, sport development, sanctioning, education, merchandise sales, and other similar activities. Revenue is recognized at the time the performance obligations are met, which is when services are provided, or good are provided or delivered to the customer.

Sponsorship and licensing

The Association recognizes revenue from contracts with sponsors and suppliers of the Association. Revenue is recognized over time as performance obligations in such contracts are rendered. Management has determined that the performance obligations within all executed contracts are substantially the same in each year and are satisfied ratably over the term of the agreement.

Contract assets and liabilities

The timing of revenue recognition, billings, and cash collections results in accounts receivable (contract assets), and deferred revenue (contract liabilities). Accounts receivable are recorded when the right to consideration becomes unconditional. Changes in the contract asset and liability balances during the year ended December 31, 2024 were not materially impacted by other factors.

Contract balances consist of the following for the years ended December 31,:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Accounts receivable, net	\$ 35,806	\$ 46,142	\$ 31,892
Deferred revenue	1,081,481	1,014,944	1,144,299

See independent auditor's report.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Functional expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. These expenses require allocation on a reasonable basis that is consistently applied. Any costs that could be directly assigned to a specific function are allocated to that function. The expenses that are allocated include personnel expenses, which are allocated based on an estimate of time and effort spent.

Income taxes

The Organizations are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("Code") and are not a private foundation under Section 509(a)(2) of the Code. The Organizations evaluates the effect of uncertain tax positions, if any, and provides for those positions in accordance with the provisions of FASB ASC Topic 450, *Contingencies*. No tax accrual for uncertain tax positions has been recorded as management believes there are no uncertain tax positions for the Organizations.

Subsequent events

Management has evaluated subsequent events through the date of the independent auditor's report, the date on which the financial statements were available to be issued.

See independent auditor's report.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available to meet cash needs for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date comprise the following as of December 31, 2024:

Financial assets at year end:	
Cash and equivalents	\$ 2,881,634
Accounts receivable, net	35,806
Investments	<u>2,835,276</u>
Total financial assets at year end	5,752,716
Less amounts unavailable for general expenditures within one year due to:	
Net assets with donor restrictions	(153,627)
Board-designated	<u>(1,958,750)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,640,339</u>

As part of the Organizations' liquidity management plans, they have a policy to structure their financial assets to be available as its general expenditures, liabilities and other obligations come due.

3. INVESTMENTS AND FAIR VALUE MEASUREMENT

US GAAP defines fair value and establishes a framework for measuring fair value and disclosure regarding fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Therefore, the term "price" refers to the exit price as opposed to the entry price, which is the price paid to acquire the asset or received to assume the liability. US GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value.

US GAAP describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities that are based on inputs not quoted in active markets that can be corroborated by observable market data

See independent auditor's report.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated statement of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Certificates of deposit are classified as Level 2, as the value of the funds are estimated using quoted prices for similar assets or liabilities that are based on inputs not quoted in active markets.

The Association's investment in the USOE investment pool is stated at the fair value provided by the USOE. Certain alternative investments in the USOE investment pool are stated at the estimated net asset values of the underlying investments. The Association's investment in this portfolio is classified as Level 2.

Fair value of assets measured on a recurring basis is as follows as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ 1,186,912	\$ 1,186,912
USOE pooled investment	-	1,648,364	1,648,364
Total investments	<u>\$ -</u>	<u>\$ 2,835,276</u>	<u>\$ 2,835,276</u>

The allocation of the USOE investment pool to the Association consisted of the following for the year ended December 31, 2024:

Alternative investments*	36.45%
Domestic equity securities	13.23%
International equities	38.21%
Domestic bonds	7.21%
Cash and equivalents	<u>4.90%</u>
	<u>100%</u>

*Alternative investments include hedge equity funds, private equity funds, real estate funds, and limited partnerships.

See independent auditor's report.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Total investment income consists of the following for the year ended December 31, 2024:

Interest and dividends	\$ 164,479
Net realized and unrealized gains (losses)	<u>155,356</u>
Investment income, net	<u><u>\$ 319,835</u></u>

4. PROPERTY AND EQUIPMENT

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

Computers and software	\$ 1,258,919
Furniture and equipment	<u>103,587</u>
	1,362,506
Accumulated depreciation	<u>(863,980)</u>
Property and equipment, net	<u><u>\$ 498,526</u></u>

Depreciation expense related to property and equipment totaled \$123,065 for the year ended December 31, 2024.

5. LEASES

The Association leases office space under a long-term, non-cancelable operating lease agreement that expires on May 31, 2026. The lease agreement requires monthly payments ranging from \$213 to \$234. The lease also require the Association to pay other costs as defined in the lease agreement, which are not included in the operating lease right-of-use asset and lease liability.

Operating lease expense totaled \$67,431 for the year ended December 31, 2024.

Future maturities of lease liabilities are as follows for the years ending December 31,:

2025	\$ 69,501
2026	<u>29,318</u>
Total minimum lease payments	98,819
Less amount representing interest	<u>(356)</u>
Present value of lease liabilities	<u><u>\$ 98,463</u></u>

See independent auditor's report.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Other information with respect to leases is as follows as of and for the year ended December 31, 2024:

Right-of-use assets obtained for lease liabilities	\$	-
Weighted-average remaining years in lease terms		2.42
Weighted-average discount rate		4.80%

6. NET ASSETS

Net assets with donor restrictions consist of the following as of December 31, 2024:

Subject to expenditure for specified purpose:

Play it Forward	\$	58,622
Girls Ultimate		67,913
Delrico Johnson Fund		12,033
Pufahl/Farricker Spirit Awards		9,730
Bakko Spirit Award		5,329

Total net assets with donor restrictions	\$	153,627
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Board-designated net assets consist of the following as of December 31, 2024:

Operating reserve	\$	1,594,050
Strategic surplus		364,700

Total board-designated net assets	\$	1,958,750
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7. IN-KIND CONTRIBUTIONS

For the years ended December 31, 2024, contributed nonfinancial assets recognized in the consolidated statement of activities included the following:

Discs	\$	107,960
Uniforms		155,811
	\$	263,771

Contributed discs and uniforms are valued using estimated U.S. wholesale prices of identical or similar products using pricing data under a "like-kind" methodology considering the goods' condition and utility for use at the time of the contribution. Contributed discs and uniforms are used in program services.

See independent auditor's report.

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All gifts-in-kind received during the year ended December 31, 2024 were received without donor restrictions.

8. CONCENTRATIONS

Cash and equivalents

The Organizations maintain their cash and equivalents in bank deposit accounts in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At certain times during the year the Organizations had deposits in excess of FDIC limits. This risk is managed by maintaining deposits with high-quality financial institutions. The Organizations do not anticipate nonperformance by these institutions.

9. RETIREMENT PLAN

The Association sponsors a SIMPLE IRA Plan ("Plan") covering all eligible employees. Employees may make contributions to the Plan up to the maximum allowed by the Internal Revenue Code and the Association provides a safe harbor match. The Association's contributions to the Plan for the year ended December 31, 2024 totaled \$42,230.

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See independent auditor's report.

SUPPLEMENTARY INFORMATION

USA ULTIMATE AND USA ULTIMATE FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	<u>USA Ultimate</u>	<u>USA Ultimate Foundation</u>	<u>Total Pre-Consolidated</u>	<u>Eliminations</u>	<u>Total Consolidated</u>
<u>ASSETS</u>					
Cash and equivalents	\$ 2,351,100	\$ 530,534	\$ 2,881,634	\$ -	\$ 2,881,634
Accounts receivable, net	35,806	-	35,806	-	35,806
Due from related party	24,849	-	24,849	(24,849)	-
Investments	2,835,276	-	2,835,276	-	2,835,276
Prepaid expenses and other assets	52,406	-	52,406	-	52,406
Property and equipment, net	498,526	-	498,526	-	498,526
Operating lease right-of-use asset	86,554	-	86,554	-	86,554
Total assets	<u>\$ 5,884,517</u>	<u>\$ 530,534</u>	<u>\$ 6,415,051</u>	<u>\$ (24,849)</u>	<u>\$ 6,390,202</u>
<u>LIABILITIES AND NET ASSETS</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 826,773	\$ -	\$ 826,773	\$ -	\$ 826,773
Deferred revenue	1,081,481	-	1,081,481	-	1,081,481
Due to related party	-	24,849	24,849	(24,849)	-
Operating lease liabilities	98,463	-	98,463	-	98,463
Total liabilities	<u>2,006,717</u>	<u>24,849</u>	<u>2,031,566</u>	<u>(24,849)</u>	<u>2,006,717</u>
Net assets:					
Without donor restrictions:					
Operating	1,420,524	352,058	1,772,582	-	1,772,582
Equity in property and equipment, net	498,526	-	498,526	-	498,526
Board-designated	1,958,750	-	1,958,750	-	1,958,750
Total net assets without donor restrictions	<u>3,877,800</u>	<u>352,058</u>	<u>4,229,858</u>	<u>-</u>	<u>4,229,858</u>
With donor restrictions	<u>-</u>	<u>153,627</u>	<u>153,627</u>	<u>-</u>	<u>153,627</u>
Total net assets	<u>3,877,800</u>	<u>505,685</u>	<u>4,383,485</u>	<u>-</u>	<u>4,383,485</u>
Total liabilities and net assets	<u>\$ 5,884,517</u>	<u>\$ 530,534</u>	<u>\$ 6,415,051</u>	<u>\$ (24,849)</u>	<u>\$ 6,390,202</u>

See independent auditor's report.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	USA Ultimate	USA Ultimate Foundation	Total Pre-Consolidated	Eliminations	Total Consolidated
<u>SUPPORT AND REVENUE</u>					
Membership dues	\$ 2,884,931	\$ -	\$ 2,884,931	\$ -	\$ 2,884,931
Competition and athlete programs	2,056,055	-	2,056,055	-	2,056,055
Sponsorship and licensing	372,815	-	372,815	-	372,815
Contributed nonfinancial assets	263,771	-	263,771	-	263,771
Contributions	52,638	63,155	115,793	(52,638)	63,155
Investment income	306,304	13,531	319,835	-	319,835
Other income	107,054	-	107,054	-	107,054
Sales revenue (net of cost of goods sold of \$26,283)	6,619	-	6,619	-	6,619
Total support and revenue	6,050,187	76,686	6,126,873	(52,638)	6,074,235
<u>EXPENSES</u>					
Program services:					
Youth programs and coaching	753,018	52,638	805,656	(52,638)	753,018
Competition and athlete programs	1,553,926	-	1,553,926	-	1,553,926
National teams and international	1,126,300	-	1,126,300	-	1,126,300
Member services and community development	809,069	-	809,069	-	809,069
Marketing and communications	605,211	-	605,211	-	605,211
Total program services	4,847,524	52,638	4,900,162	(52,638)	4,847,524
Supporting activities:					
Equity, diversity, and inclusion	146,978	-	146,978	-	146,978
Board, SafeSport, and administrative	448,015	1,786	449,801	-	449,801
Fundraising	64,447	38,430	102,877	-	102,877
Total expenses	5,506,964	92,854	5,599,818	(52,638)	5,547,180
Change in net assets	543,223	(16,168)	527,055	-	527,055
Net assets, beginning of year	3,334,577	521,853	3,856,430	-	3,856,430
Net assets, end of year	\$ 3,877,800	\$ 505,685	\$ 4,383,485	\$ -	\$ 4,383,485

See independent auditor's report.