



USA BOXING, INC.

Financial Statements

For the Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of USA Boxing, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 Boxing, Inc. as of December 31, 2024, and the changes in net assets and its cash flows for the year 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 Boxing, Inc. 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 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 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 USA Boxing, Inc.'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 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 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 Boxing, Inc.'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 Boxing, Inc.'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 Summarized Comparative Information

We have previously audited USA Boxing, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 17, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
July 23, 2025

USA BOXING, INC.
Statement of Financial Position
December 31, 2024
(With Comparative Totals for December 31, 2023)

	<u>ASSETS</u>	
	<u>2024</u>	<u>2023</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,999,826	\$ 4,016,823
Cash held for others	16,872	23,778
Accounts and grants receivable	258,631	159,525
Due from United States		
Amateur Boxing Foundation	147,219	36,699
Note Receivable from World Boxing - current	50,000	
Due from USOPC		70,366
Inventory	49,148	53,625
Prepaid expenses	<u>47,749</u>	<u>253,730</u>
Total current assets	3,569,445	4,614,546
RIGHT-OF-USE ASSETS	25,695	25,695
LONG-TERM INVESTMENTS	1,122,045	1,049,645
NOTE RECEIVABLE FROM WORLD BOXING - long-term	200,000	
PROPERTY AND EQUIPMENT:		
Training equipment	41,762	41,762
Vehicles	12,350	12,350
Less accumulated depreciation	<u>(48,566)</u>	<u>(42,853)</u>
Property and equipment - net	<u>5,546</u>	<u>11,259</u>
TOTAL ASSETS	<u>\$ 4,922,731</u>	<u>\$ 5,701,145</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 967,961	\$ 651,917
Accrued liabilities	252,527	235,907
Funds held in trust for others	16,873	23,778
Insurance deductible	100,000	100,000
Deferred revenue	1,313,123	1,348,282
Refundable advances	655	25,655
Due to USOPC	49,626	17,409
Lease liability	20,551	20,551
Current portion due to United States		
Amateur Boxing Foundation	<u>125,000</u>	<u>125,000</u>
Total current liabilities	2,846,316	2,548,499
LEASE LIABILITY - long-term	5,143	5,143
DUE TO UNITED STATES AMATEUR BOXING FOUNDATION	<u>294,991</u>	<u>419,991</u>
Total liabilities	3,146,450	2,973,633
NET ASSETS:		
Net assets without donor restrictions	<u>1,776,281</u>	<u>2,727,512</u>
Total net assets without donor restrictions	<u>1,776,281</u>	<u>2,727,512</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,922,731</u>	<u>\$ 5,701,145</u>

See Notes to Financial Statements

USA BOXING, INC.

Statement of Activities and Changes in Net Assets

For the Year Ended December 31, 2024

(With Comparative Totals for the Year Ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
REVENUE:		
Membership	\$ 5,583,009	\$ 5,051,051
USOPC grants	1,084,144	1,097,879
National event revenue	1,060,762	504,631
Other grants and contract revenue	986,989	1,105,625
Value-in-kind (VIK)	414,462	345,769
Merchandise and equipment sales	248,641	153,233
United States Amateur Boxing Foundation grants	203,500	244,769
Investment income (loss), net	79,382	100,351
Sponsorship and marketing	65,811	103,792
Other programs	35,047	36,629
Other contributions	25,443	27,342
Employee Retention Credit		411,731
USOPC Stakeholder Engagement Partnership		150,000
U.S. Olympic and Paralympic Team Trials Management fee		125,000
Total revenue	<u>9,787,190</u>	<u>9,457,802</u>
EXPENSES:		
Program services:		
Events	3,090,911	1,622,098
Development/high performance programs	2,499,891	2,586,664
Membership	2,202,841	2,006,385
Membership education and development	1,021,676	673,266
USA Boxing Foundation programs	38,564	41,894
Total program services	<u>8,853,883</u>	<u>6,930,307</u>
Supporting services:		
General and administrative	1,117,986	917,319
Marketing and communications	670,810	348,001
Board of Directors	95,742	93,004
Total supporting services	<u>1,884,538</u>	<u>1,358,324</u>
Total expenses	<u>10,738,421</u>	<u>8,288,631</u>
CHANGE IN NET ASSETS	(951,231)	1,169,171
NET ASSETS, beginning of year	<u>2,727,512</u>	<u>1,558,341</u>
NET ASSETS, end of year	<u>\$ 1,776,281</u>	<u>\$ 2,727,512</u>

See Notes to Financial Statements

USA BOXING, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	Program Services					
	Events	Development/ High Performance Programs	Membership	Membership Education & Development	USA Boxing Foundation Programs	Total Program Services
Accounting	\$	\$	\$ 395	\$	\$	\$ 395
Advertising	2,688	50				2,738
Apparel and accessories		872				872
Awards and trophies	51,737		735			52,472
Background screening			366,038			366,038
Boxing supplies and equipment rental	100,214	36,596	7,180	3,778	500	148,268
Contract labor	152,891	132,558	19,158	8,000		312,607
COVID-19 supplies and expenses						
Credit loss expense						
Depreciation		5,713				5,713
Dues and fees	2,429	33,719	347,994		(197)	383,945
Education, training, and seminars	182	4,294			(108)	4,368
Employee benefits	7,875	109,131	45,496			162,502
Equipment purchases						
Facilities	28,111	836				28,947
Gifts and protocol	64,312	195	2,968			67,475
Grants				931,113		931,113
Insurance		12,010	928,204			940,214
Legal						
Merchandise costs						
Office supplies	1,356	6,744	4,692	232	586	13,610
Other expense	1,174		527			1,701
Payroll taxes	31,471	92,581	28,828	3,035		155,915
Pension	30,091	66,480	26,975			123,546
Phone, fax, and video	94,279	8,426	538			103,243
Postage and shipping	35,140	2,926	24,881		36	62,983
Printing and copying	24,193	853	31,062	2,288	1,110	59,506
Professional services	10,163		18,954			29,117
Rent	24,505	6,805				31,310
Salaries	350,086	1,016,149	335,816	68,728		1,770,779
Scholarships					30,050	30,050
Stipends		101,997				101,997
Tickets and entertainment		34,797	1,402		8	36,207
Travel	2,065,702	797,056	10,998	4,502	6,579	2,884,837
VIK distribution	12,312	29,103				41,415
Total expenses reported in the statement of activities	<u>\$ 3,090,911</u>	<u>\$ 2,499,891</u>	<u>\$ 2,202,841</u>	<u>\$ 1,021,676</u>	<u>\$ 38,564</u>	<u>\$ 8,853,883</u>

	Supporting Services					
	General and Administrative	Fundraising Marketing and Communication	Board of Directors	Total Supporting Services	2024 Total Expenses	2023 Total Expenses
Accounting	\$ 17,600	\$	\$	\$ 17,600	\$ 17,995	\$ 17,775
Advertising		8,521		8,521	11,259	7,551
Apparel and accessories					872	43,904
Awards and trophies					52,472	47,449
Background screening					366,038	236,597
Boxing supplies and equipment rental	11,441	3,510		14,951	163,219	483,504
Contract labor	115,336	17,700	1,356	134,392	446,999	409,176
COVID-19 supplies and expenses						486
Credit loss expense						55,421
Depreciation					5,713	10,767
Dues and fees	61,683	4,120	46	65,849	449,794	457,410
Education, training, and seminars	10			10	4,378	8,999
Employee benefits	47,070	24,380		71,450	233,952	178,483
Equipment purchases						5,793
Facilities		15		15	28,962	168,358
Gifts and protocol	13,744			13,744	81,219	121,695
Grants					931,113	
Insurance					940,214	919,406
Legal	113,745			113,745	113,745	89,723
Merchandise costs						1,725
Office supplies	6,156	2,784	1,984	10,924	24,534	11,358
Other expense	1,426			1,426	3,127	8,512
Payroll taxes	36,409	18,186	4,553	59,148	215,063	176,684
Pension	53,613	5,734		59,347	182,893	173,270
Phone, fax, and video	39,633	382		40,015	143,258	94,099
Postage and shipping	1,417	2,026	379	3,822	66,805	92,307
Printing and copying	2,566	6,656	30	9,252	68,758	39,982
Professional services					29,117	41,125
Rent	28,005	13,611		41,616	72,926	181,508
Salaries	357,972	192,704	59,515	610,191	2,380,970	2,092,127
Scholarships					30,050	32,000
Stipends					101,997	30,500
Tickets and entertainment	3,904	2,405	3,723	10,032	46,239	3,671
Travel	206,256	49,956	24,156	280,368	3,165,205	1,756,423
VIK distribution		318,120		318,120	359,535	290,843
Total expenses reported in the statement of activities	\$ 1,117,986	\$ 670,810	\$ 95,742	\$ 1,884,538	\$ 10,738,421	\$ 8,288,631

See Notes to Financial Statements

USA BOXING, INC.
Statement of Cash Flows
For the Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (951,231)	\$ 1,169,171
Adjustments to reconcile the change in net assets to net cash provided (used) by operating activities:		
Depreciation	5,713	10,767
Net realized and unrealized (gains) losses on investments	(43,092)	(71,317)
Decrease (increase) in assets:		
Accounts receivable	(99,106)	(110,904)
Due from United States Amateur Boxing Foundation	(110,520)	(36,699)
Due from USOPC	70,366	(50,806)
Inventory	4,477	8,921
Prepaid expenses	205,981	(217,905)
Other assets		2,000
Right-of-use assets		2,047
Increase (decrease) in liabilities:		
Accounts payable	316,044	340,620
Accrued liabilities	16,620	49,115
Funds held in trust for others	(6,905)	12,256
Deferred revenue	(35,159)	265,168
Refundable advances from USOPC	(25,000)	(7,800)
Due to USOPC	32,217	1,157
Lease liability	<u> </u>	<u>(2,100)</u>
Net cash provided (used) by operating activities	(619,595)	1,363,691
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of long- term investments	273,116	827,530
Purchases of long-term investments	(302,424)	(847,889)
Note receivable from World Boxing	<u>(250,000)</u>	<u> </u>
Net cash used by investing activities	(279,308)	(20,359)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable due to United State Amateur Boxing Foundation		250,000
Repayment of amounts due to United States Amateur Boxing Foundation	<u>(125,000)</u>	<u>(100,009)</u>
Net cash provided (used) by financing activities	<u>(125,000)</u>	<u>149,991</u>
NET INCREASE (DECREASE) IN CASH	(1,023,903)	1,493,323
CASH AND CASH EQUIVALENTS, beginning of year	<u>4,040,601</u>	<u>2,547,278</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 3,016,698</u>	<u>\$ 4,040,601</u>

See Notes to Financial Statements

USA BOXING, INC.
Notes to Financial Statements
For the Year Ended December 31, 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

USA Boxing, Inc. (the Corporation) is the national governing body for boxing, making it responsible for the promotion and development of amateur boxing in the United States.

Prior-Year Comparisons

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

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

Income Tax

The Corporation 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. Accordingly, no income tax provision has been recorded.

The Corporation'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 Corporation believes that it does not have any uncertain tax positions that are material to the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in the Corporation's checking, money market, and sweep accounts held at commercial banks.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents - continued

The Corporation considers all liquid investments with original maturities of three months or less, and which are not held for long-term investment purposes, to be cash equivalents. Cash and highly liquid financial instruments held for long-term investment purposes, regardless of original length to maturity, are reported as investments and excluded from this definition.

In the unlikely event of a bank or brokerage firm failure, the Corporation might only be able to recover the amounts insured.

Supplemental Cash Flow Disclosures

The Corporation paid no interest or income taxes during the years ended December 31, 2024 and 2023.

Accounts and Grants Receivable

During the year ended December 31, 2023, the Corporation 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 Corporation 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 Corporation 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 and include amounts from contracts with customers, grants, contributions, and other miscellaneous amounts. When necessary, accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts and Grants Receivable - continued

The Corporation considers its accounts and grants receivable to be fully collectible; accordingly, based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that an allowance for credit losses is not necessary at December 31, 2024 and 2023.

Receivables from contracts with customers at the beginning and end of 2024 were \$138,156 and \$257,223, respectively. A portion of these receivables is included in amounts due from USOPC. Additionally, accounts and grants receivable include unconditional grants receivable of \$15,000 and \$80,000 at December 31, 2024 and 2023, 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 United States Olympic & Paralympic Committee (USOPC), Employee Retention Credits, and other grants and contract revenue.

Revenue from Contracts with Customers

Membership

Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing membership to its members. The Corporation currently has memberships in the following categories with various fees and services provided: Athlete, Nonathlete, Life, Clubs, and memberships for Local Boxing Committees (LBCs).

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Membership - continued

The Board of Directors may establish such rules and procedures for the matter and method of payment of fees, collection of delinquent fees, and the proration or refund of fees, as the Board shall deem necessary or appropriate.

No privilege of membership shall be available until all fees are paid in full. The Corporation also recognizes membership revenue from annual background screenings and sanction fees received from LBCs.

Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term. Membership dues are non-refundable.

Merchandise, Equipment Sales and Royalties

During the year ended December 31, 2020, the Corporation maintained an inventory of merchandise and boxing equipment and sold these items to members and nonmembers through their website and at national events. During the year ended December 31, 2021, the Corporation entered into an exclusive consignment agreement with a third party for current and future merchandise sales through 2024 and began receiving commissions and royalties on the sale of merchandise. Subsequent to December 31, 2024, a new agreement was signed for merchandise sales through 2028. The commissions are recognized as merchandise sales revenue, and the royalties, if received during a respective year, are recognized separately in the accompanying statement of activities. The Corporation still maintains an inventory of boxing equipment and grants the equipment to members and nonmembers.

National Event Revenue

The Corporation receives revenue from sales related to various events and challenges held for members. The revenue is recognized at the time of the event, which recognizes the completion of the Corporation's performance obligations.

All participants in national events including boxers, coaches, officials, and ringside doctors must be members of the Corporation to participate in Corporation activities and national events. Each event has a specified registration fee.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Other Programs

Included in other programs is various income from contracts with customers. The Corporation recognizes this revenue as it is received. The Corporation also recognizes revenue from contracts with the USOPC. As previously mentioned, USOPC grants are considered contributions by the Corporation. The USOPC media agreement and the U.S. Olympic & Paralympic Team Trials Management fee are considered revenues from contracts with customers. See Note F for more information regarding the related party revenue streams.

Sponsorship and Marketing

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

Grants and Contracts

During the years ended December 31, 2024 and 2023, the Corporation recognized grant and contract revenue resulting from agreements entered into during the year with government agencies, corporations, and other organizations that fund specific activities which support the mission of the Corporation that were undertaken during the year.

The grants and contracts received by the Corporation during the years ended December 31, 2024 and 2023, are of two primary types: conditional contributions and unconditional contributions. Revenue from an agreement is a contribution if its primary purpose is to enable the Corporation to provide a service to the general public rather than to serve the direct needs of the granting or contracting party. In other words, the agreement is a conditional or unconditional contribution if any benefit to the granting or contracting party is indirect and insubstantial as compared to the public benefit.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Grants and Contracts - continued

An agreement is considered a conditional contribution if the agreement contains donor-imposed conditions including both (1) a barrier that must be overcome and (2) either a right of return of assets transferred or a right of release of the promisor's obligation to transfer assets. If a contract does not include either of those things, then the respective revenue is considered an unconditional contribution.

During the year ended December 31, 2024, USA Boxing recognized total grant and contract revenue of \$986,989. The total amount includes \$671,489 of conditional contributions and \$315,500 of unconditional contributions.

During the year ended December 31, 2023, USA Boxing recognized total grant and contract revenue of \$1,105,625. The total amount includes \$930,625 of conditional contributions and \$175,000 of unconditional contributions.

Inventory

Inventory is stated at the lower of cost (first-in, first-out method) or net realizable value. Items which are anticipated to be utilized as grants to other organizations are carried at cost. Inventory consists of the following items at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Boxing equipment	\$ 49,148	\$ 53,625
Total	<u>\$ 49,148</u>	<u>\$ 53,625</u>

Furniture and Equipment

Furniture and equipment is recorded at cost. All acquisitions of furniture and equipment with an initial cost in excess of \$10,000 and an economic life of greater than one year are capitalized. Depreciation is recorded using the straight-line method over estimated useful lives of three to five years. Depreciation expense was \$5,713 and 10,767 for the years ended December 31, 2024 and 2023.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Value-In-Kind

The Corporation receives various types of value-in-kind (VIK) contributions that support the Corporation's program and supporting services. The Corporation recognizes value-in-kind contribution revenue and a corresponding VIK distribution expense or respective natural expense classification in an amount approximating the respective fair value at the time of the donation. Information on the fair value of value-in-kind contributions is often provided by the respective sponsor. VIK distribution expense and respective natural expense classifications have been allocated to the respective program and supporting services based upon usage in the accompanying statements of functional expenses.

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

	<u>2024</u>	<u>2023</u>
Apparel	\$ 303,908	\$ 247,567
Travel & lodging	74,651	63,881
Equipment	18,174	19,837
Dietary/Health & Nutrition	<u>17,729</u>	<u>14,484</u>
Total	<u>\$ 414,462</u>	<u>\$ 345,769</u>

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 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. A substantial number of volunteers donated time to the Corporation's program services and its fundraising activities; however, the estimated value was not recorded because they did not meet the criteria described above.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Corporation. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Certain costs and expenses are allocated among the various programs and supporting service expenses based on salary, time and effort spent, and dedicated resources.

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 revenues and expenses. Actual results could differ from those estimates.

Date of Management's Review

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through July 23, 2025, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Corporation regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to effectively invest funds by protecting and strengthening the financial position of the Corporation.

The Corporation has various sources of liquidity at its disposal, including cash and cash equivalents, accounts receivable, and investments. The Corporation has an investment policy that states that the Board of Directors is responsible for the management of Corporation property, including cash and cash equivalents. The statement governs the investment of all the Corporation's cash and cash equivalents and outlines the Corporation's strategy and operational plans for investing. The Corporation looks to create a mechanism to provide further benefits to its athletes on par with other leading Olympic boxing nations through its investments.

Notes to Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

In addition to financial assets available to meet general expenditures over the next 12 months, the Corporation strives to produce a conservative budget and anticipates collecting revenue from conducting its program services to adequately cover operating expenses.

The following table reflects the Corporation's financial assets as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,999,826	\$ 4,016,823
Accounts receivable	258,631	159,525
Due from USOPC		70,366
Due from USABF	147,219	36,699
Investments	<u>1,122,045</u>	<u>1,049,645</u>
Total financial assets available within one year	<u>\$ 4,527,721</u>	<u>\$ 5,333,058</u>

C. FAIR VALUE MEASUREMENTS

The Corporation applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation 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.

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents 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>
Equity securities:				
Mutual funds	\$ 900,963	\$	\$	\$ 900,963
Exchange traded funds	205,576			205,576
Money market	15,506			15,506
	<u>\$ 1,122,045</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,122,045</u>

<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>
Equity securities:				
Mutual funds	\$ 820,090	\$	\$	\$ 820,090
Exchange traded funds	218,703			218,703
Money market	10,852			10,852
	<u>\$ 1,049,645</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,049,645</u>

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

	<u>2024</u>	<u>2023</u>
Net realized and unrealized gains (losses)	\$ 43,092	\$ 71,317
Interest and dividends	44,879	39,559
Investment fees	<u>(8,589)</u>	<u>(10,525)</u>
	<u>\$ 79,382</u>	<u>\$ 100,351</u>

Notes to Financial Statements

D. DEFERRED REVENUE

Deferred revenue, a contract with customers liability, consists of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Membership fees	\$ 1,309,643	\$ 1,343,232
Event registration fees	<u>3,480</u>	<u>5,050</u>
	<u>\$ 1,313,123</u>	<u>\$ 1,348,282</u>

E. REFUNDABLE ADVANCES

In accordance with FASB ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08), the Corporation classified conditional promises to give subject to donor-imposed conditions received in prior years as refundable advances at December 31, 2024 and 2023. As the Corporation satisfies the barriers and conditions set forth in the grant contracts, revenue will be recognized accordingly.

Refundable advances consist of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
USOPC special grant	\$ <u>655</u>	\$ <u>25,655</u>
	<u>\$ 655</u>	<u>\$ 25,655</u>

F. RELATED PARTY TRANSACTIONS

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

	<u>2024</u>	<u>2023</u>
NGB funding	\$ 830,500	\$ 825,579
Coaching education	200,000	200,000
Value-in-kind	74,651	63,881
Sports Psychology grant	25,000	32,800
Other grants	19,644	21,500
International relations grant	<u>9,000</u>	<u>18,000</u>
	<u>\$ 1,158,795</u>	<u>\$ 1,161,760</u>

The USOPC also paid stipends of \$396,986 and \$365,921 directly to athletes during the years ended December 31, 2024 and 2023, respectively.

Notes to Financial Statements

F. RELATED PARTY TRANSACTIONS - Continued

During the year ended December 31, 2012, the Corporation entered into a digital licensing agreement with the USOPC. The initial term of the agreement was January 1, 2013 through December 31, 2016. During the year ended December 31, 2023, the program was renamed USOPC Stakeholder Engagement Partnership. The Corporation signed an amended agreement with the USOPC that extended the term of the agreement through December 31, 2023. The Corporation earned \$150,000 during the year ended December 31, 2024.

The USOPC provides the Corporation with certain office facilities pursuant to a lease that began May 1, 2010 and originally expired April 30, 2015. This lease was extended for an additional term through December 31, 2021, with automatic annual renewals unless either party informs the other in writing no less than 60 days prior to the end of the then current lease term year (Note I). No amount is charged for common areas, however, \$7,426 for the years ended December 31, 2024 and 2023, has been reflected in the financial statements as value-in-kind revenue and rent expense for the Corporation's share of common area facilities.

The USOPC provided the Corporation's High Performance team with annual credit for the Chula Vista Elite Athlete Training Center through the annual Performance Partnership Agreement. This credit has been reflected in the financial statements as value-in-kind revenue and travel expense; \$47,500 has been recorded during each of the years ended December 31, 2024 and 2023.

The Corporation owed the USOPC \$49,626 and \$17,409 at December 31, 2024 and 2023, respectively. The USOPC owed the Corporation \$0 and \$70,366 at December 31, 2024 and 2023, respectively.

The Corporation recorded \$655 and \$25,655 as refundable advances from the USOPC at December 31, 2024 and 2023, respectively, representing unspent grant funds (Note E).

The USOPC provided funding in the form of Airbnb value-in-kind, in the amount of \$19,724 and \$8,955, during the years ended December 31, 2024 and 2023, respectively.

The Corporation may, from time to time, compensate athlete representatives who serve on the Board of Directors pursuant to normal stipend practices in place for the Corporation. No Board Members receive compensation for their service on the Board of Directors.

Notes to Financial Statements

G. UNITED STATES AMATEUR BOXING FOUNDATION

The United States Amateur Boxing Foundation (the Foundation) was formed as a separate entity to operate for the benefit and support of the Corporation. The purpose of the Foundation is to raise funds and acquire assets that will enable the Corporation to encourage, improve and promote amateur boxing in the United States.

The financial statements of the Foundation have not been consolidated with the Corporation since the Corporation does not control a majority of the appointments to the Foundation's Board of Directors.

The Foundation's by-laws allow for 50% of the five-year rolling average net income to be set aside as funds available for distribution to the Corporation.

During the years ended December 31, 2024 and 2023, grants totaling \$203,500 and \$244,769 were distributed to the Corporation, respectively. Upon receipt of grant requests from the Corporation, the Foundation may approve grants to the Corporation, but cannot exceed the amount that is available for distribution. The Foundation owed the Corporation \$147,219 and \$36,699 for grants awarded at December 31, 2024 and 2023, respectively.

As of December 31, 2024, amounts due to United States Amateur Boxing Foundation consist of the following:

Note payable, due in annual installments of \$100,000, beginning December 31, 2009, continuing until paid in full. This note is non-interest bearing.	\$ 195,000
Less current portion	<u>(100,000)</u>
Long-term portion	<u>\$ 95,000</u>

Note payable, due in annual installments of \$25,000, beginning by December 31, 2024, through December 31, 2027. Required payments then increase to annual installments of \$75,000 for each of the years ending December 31, 2028 and 2029. This note is non-interest bearing.	\$ 224,991
Less current portion	<u>(25,000)</u>
Long-term portion	<u>\$ 199,991</u>

Notes to Financial Statements

G. UNITED STATES AMATEUR BOXING FOUNDATION - Continued

Future minimum payments for the years ended December 31 under the current payment terms are as follows:

2025	\$	125,000
2026		120,000
2027		25,000
2028		75,000
2029		74,991

H. PENSION PLAN

The Corporation has a 403(b)-retirement savings plan covering eligible employees. Employees may voluntarily contribute to the plan, subject to statutory limitations. The Corporation contributes 5% of compensation for employees with one to five years of full-time employment and 10% of compensation for employees with over five years of full-time employment. All contributions vest immediately.

During the years ended December 31, 2024 and 2023, the Corporation contributed \$182,892 and \$173,554, respectively, to the plan.

I. LEASES

During the year ended December 31, 2022, the Corporation adopted Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The Corporation has operating leases for office space and warehouse space.

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 has elected to use the risk-free discount rate based on the three-year Treasury bond rate as of the later of the initial date of the lease term in determination of the respective right-of-use (ROU) assets and liabilities.

As discussed in Note F, the Corporation has leased its office space from the USOPC under an operating lease through December 31, 2021, with automatic annual renewals. This lease requires monthly payments of \$1,715 per month. This lease includes monthly variable lease payments for printing and copy services used on a monthly basis. The lease includes an option to terminate for both the Corporation and the lessor.

Notes to Financial Statements

I. LEASES - Continued

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 60 days 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 calculation.

During the year ended December 31, 2018, the Corporation entered into a lease for warehouse space to store its merchandise and boxing equipment under a 24-month operating lease through March 31, 2020. This lease has had multiple amendments and during the year ended December 31, 2022, a lease amendment was signed that extended the lease through January 31, 2023, and required monthly payments of \$2,100. This lease also includes monthly variable utility payments as part of the agreed upon rent. During the years ended December 31, 2024 and 2023, this lease has continued on a month-to-month basis.

This lease has not been included in the determination of the respective right-of-use (ROU) assets and liabilities as of December 31, 2024 and 2023. The Corporation does not have an enforceable lease liability outside of that respective month's usage. Therefore, lease costs from February 2023 through December 31, 2024 have been accounted for under the short-term lease recognition exemption.

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 Statement of Activities.

Notes to Financial Statements

I. LEASES - Continued

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

	<u>2024</u>	<u>2023</u>
2024	\$	\$ 20,579
2025	20,579	5,145
2026	<u>5,145</u>	<u></u>
Total lease payments	25,724	25,724
Less: interest	<u>(30)</u>	<u>(30)</u>
Present value of lease liabilities	<u>\$ 25,694</u>	<u>\$ 25,694</u>
	<u>2024</u>	<u>2023</u>
Weighted Average Remaining Lease Term	1.25 years	1.25 years
Weighted Average Discount Rate	4.38%	0.17%

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

	<u>2024</u>	<u>2023</u>
Operating lease rent, included in program service expenses	\$	\$ 1,050
Operating lease rent, included in supporting service expenses	20,579	21,629
Variable payments, included in program service expenses	4,907	12,450
Variable payments, included in supporting service expenses	1,214	2,345
Short-term leases, included in program service expenses	28,360	10,206
Short-term leases, included in supporting service expenses	<u>13,611</u>	<u>10,206</u>
Total lease cost	<u>\$ 68,671</u>	<u>\$ 57,886</u>

Notes to Financial Statements

I. LEASES - Continued

Supplemental cash flow information for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in measurement of lease liabilities for operating leases	\$ 20,579	\$ 22,679
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 19,931	\$ 25,695

J. CONTINGENCIES

The Corporation, at times, has claims made against their accident and liability insurance policies for injuries sustained. As of December 31, 2024 and 2023, a reserve of \$100,000 has been recorded for insurance deductibles for potential future claims that the Corporation estimates may not be covered by insurance.

K. 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 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 received acknowledgment from the Internal Revenue Service (IRS) that it had substantially met the qualifications for the Employee Retention Tax Credit, and a grant and respective interest was recognized in the amount of \$411,731 as of the date of acceptance by the IRS in the accompanying Statement of Activities.

Notes to Financial Statements

L. COMMITMENTS

During the year ended December 31, 2023, the Corporation (USA Boxing) terminated its membership in the International Boxing Association (IBA), the international federation for the sport of Olympic-style boxing which was officially removed from the Olympic Movement in June of 2024. The official removal of the IBA by the International Olympic Committee (IOC) effectively removed the sport from participation in future Olympic programming. During the year ending on December 31, 2024, USA Boxing continued to work with other national federations to successfully develop World Boxing as the next International Federation for Olympic-style boxing.

USA Boxing has committed full support to World Boxing's continued efforts to seek provisional recognition by the IOC and as the International Federation for the sport of Olympic-style boxing, Paralympic Boxing (Adaptive) and Esport Boxing for the 2028 Olympics. USA Boxing has continued to develop and grow World Boxing in solidifying a permanent position as a core sport within the Olympic Movement.

In February 2025, World Boxing gained IOC recognition as the International Federation for Olympic-style boxing, which is a requirement for any sport to be included in an Olympic program. In March 2025, the IOC made the decision to include Olympic-style boxing in the Los Angeles 2028 Olympic Games, which is a requirement of the Ted Stevens Olympic Sports Act, United States Olympic and Paralympic Committee bylaws, as well as USA Boxing's corporate governance and bylaws. The continued success of World Boxing is critical to maintaining the sport's presence within the Olympic Movement on the pathway to the Los Angeles 2028 Olympic Games and beyond.

During the years ended December 31, 2024 and 2023, USA Boxing spent approximately \$875,000 and \$196,000, respectively, to develop and implement the necessary governance structure of World Boxing, including various professional fees, international meetings and competition and travel related to the creation of the International Federation. The failure of recognition and inclusion in the LA28 Games would have had an immediate catastrophic, negative impact on USA Boxing's financial position; including an immediate loss of over \$5.2 million in cash and VIK from 2025 through 2028, immediate termination of at least 10 full-time employees, canceling of Elite and Youth camps and international competitions, loss of office space, negative impacts on current and potential sponsors and partnerships, as well as drop in USA Boxing membership, which is critical in providing annual revenue for

Notes to Financial Statements

L. COMMITMENTS - Continued

the Corporation. It is anticipated that there will be additional costs for this ongoing support in 2025.

The professional expenses specifically are considered credits towards USA Boxing's 2024 annual contributions. All national federations for the sport of Olympic-style boxing have been asked to contribute towards the cost of establishing this organization.

One of USA Boxing's Board of Directors members is also on the World Boxing Executive Board. Additionally, the CEO of USA Boxing also serves as the acting Secretary General of World Boxing.

M. SUBSEQUENT EVENTS

During the year ended December 31, 2023, USA Boxing offered a revolving line of credit to World Boxing for the maximum loan amount of \$250,000. The purpose of this loan is to assist World Boxing with its costs in establishing the new International Federation. No amounts were drawn by World Boxing under arrangement until 2024. At December 31, 2024, \$250,000 was outstanding.

N. UNCERTAINTIES

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