



**USA**  
F E N C I N G

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**UNITED STATES FENCING ASSOCIATION AND  
FOUNDATION**

**CONSOLIDATED FINANCIAL STATEMENTS**

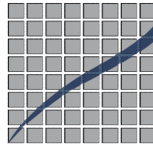
**JULY 31, 2024**

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**BiggsKofford**  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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Board of Directors

**United States Fencing Association and Foundation**  
Colorado Springs, Colorado

### Opinion

We have audited the accompanying financial statements of United States Fencing Association and Foundation (collectively, the "Organization"), which comprise the consolidated statement of financial position as of July 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United States Fencing Association and Foundation as of July 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 Organization 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.

### Correction of Error

As discussed in Note 16 to the financial statements, the Organization has restated its net assets as of August 1, 2023 as previously reported for the effects of consolidating the assets, liabilities, and net assets of the United States Fencing Foundation.

### 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 Organization'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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

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

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis 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 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
January 21, 2025

**UNITED STATES FENCING ASSOCIATION AND FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JULY 31, 2024**

**ASSETS**

|                                    |                     |
|------------------------------------|---------------------|
| Cash and equivalents               | \$ 1,388,405        |
| Accounts receivable, net           | 546,370             |
| Pledges receivable, net            | 56,089              |
| Prepaid expenses and other assets  | 1,070,425           |
| Investments                        | 5,362,437           |
| Property and equipment, net        | 16,621              |
| Operating lease right-of-use asset | 140,558             |
| <b>Total assets</b>                | <b>\$ 8,580,905</b> |

**LIABILITIES AND NET ASSETS**

Liabilities:

|                            |                  |
|----------------------------|------------------|
| Accounts payable           | \$ 1,429,476     |
| Accrued expenses           | 314,961          |
| Grants payable to athletes | 30,844           |
| Deferred revenue           | 2,358,031        |
| Operating lease liability  | 141,563          |
| <b>Total liabilities</b>   | <b>4,274,875</b> |

Net assets:

|   |                     |
|---|---------------------|
| Without donor restrictions:             |                     |
| Equity in property and equipment, net   | 16,621              |
| Board-designated                        | 4,906,878           |
| Operating                               | (1,129,117)         |
| <b>Total without donor restrictions</b> | <b>3,794,382</b>    |
| With donor restrictions                 | 511,648             |
| <b>Total net assets</b>                 | <b>4,306,030</b>    |
| <b>Total liabilities and net assets</b> | <b>\$ 8,580,905</b> |

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

**UNITED STATES FENCING ASSOCIATION AND FOUNDATION**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JULY 31, 2024**

|   | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>        |
|---|---------------------------------------|------------------------------------|---------------------|
| <b><u>SUPPORT AND REVENUE</u></b>           |                                       |                                    |                     |
| Registration fees                           | \$ 8,830,874                          | \$ -                               | \$ 8,830,874        |
| Membership dues                             | 2,668,294                             | -                                  | 2,668,294           |
| USOPC support                               | 990,000                               | -                                  | 990,000             |
| Royalties and sponsorship                   | 857,668                               | -                                  | 857,668             |
| Contributed nonfinancial assets             | 1,111,377                             | -                                  | 1,111,377           |
| Club insurance                              | 285,608                               | -                                  | 285,608             |
| Contributions and grants                    | 364,841                               | 97,500                             | 462,341             |
| Investment income                           | 574,732                               | 27,907                             | 602,639             |
| Other income                                | 627,360                               | -                                  | 627,360             |
| Special event income                        | 231,497                               | -                                  | 231,497             |
| Triomphe event income                       | 628,707                               | -                                  | 628,707             |
| Total support and revenue                   | <u>17,170,958</u>                     | <u>125,407</u>                     | <u>17,296,365</u>   |
| <b><u>RECLASSIFICATIONS</u></b>             |                                       |                                    |                     |
| Net assets released from restrictions       | <u>15,000</u>                         | <u>(15,000)</u>                    | <u>-</u>            |
| <b><u>EXPENSES</u></b>                      |                                       |                                    |                     |
| Program services:                           |                                       |                                    |                     |
| International                               | 4,808,023                             | -                                  | 4,808,023           |
| National                                    | 6,858,323                             | -                                  | 6,858,323           |
| Membership                                  | 790,859                               | -                                  | 790,859             |
| Total program services                      | <u>12,457,205</u>                     | <u>-</u>                           | <u>12,457,205</u>   |
| Supporting activities:                      |                                       |                                    |                     |
| General and administrative                  | 2,035,469                             | -                                  | 2,035,469           |
| Board of directors and committees           | 185,438                               | -                                  | 185,438             |
| Marketing and communications                | 842,093                               | -                                  | 842,093             |
| Development                                 | 1,159,023                             | -                                  | 1,159,023           |
| Total supporting activities                 | <u>4,222,023</u>                      | <u>-</u>                           | <u>4,222,023</u>    |
| Total expenses                              | <u>16,679,228</u>                     | <u>-</u>                           | <u>16,679,228</u>   |
| Change in net assets                        | 506,730                               | 110,407                            | 617,137             |
| Net assets, beginning of year (as restated) | <u>3,287,652</u>                      | <u>401,241</u>                     | <u>3,688,893</u>    |
| Net assets, end of year                     | <u>\$ 3,794,382</u>                   | <u>\$ 511,648</u>                  | <u>\$ 4,306,030</u> |

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

**UNITED STATES FENCING ASSOCIATION AND FOUNDATION**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JULY 31, 2024**

|                              | PROGRAM SERVICES    |                     |                   |                      | SUPPORTING SERVICES        |                    |                              |                     |                     | Totals               |
|------------------------------|---------------------|---------------------|-------------------|----------------------|----------------------------|--------------------|------------------------------|---------------------|---------------------|----------------------|
|                              | International       | National            | Membership        | Total                | General and Administrative | BOD and Committees | Marketing and Communications | Development         | Total               |                      |
| Air travel                   | \$ 1,103,750        | \$ 646,366          | \$ 10,648         | \$ 1,760,764         | \$ 13,132                  | \$ 41,300          | \$ 26,551                    | \$ 13,527           | \$ 94,510           | \$ 1,855,274         |
| Hotel                        | 918,012             | 920,673             | 6,345             | 1,845,030            | 5,540                      | 28,095             | 23,449                       | 135,930             | 193,014             | 2,038,044            |
| Payroll                      | 493,769             | 340,655             | 345,316           | 1,179,740            | 510,819                    | -                  | 286,501                      | 199,710             | 997,030             | 2,176,770            |
| Professional services        | 561,563             | 565,334             | 152,594           | 1,279,491            | 421,477                    | 30,652             | 294,730                      | 101,725             | 848,584             | 2,128,075            |
| Rent                         | 88,478              | 495,244             | -                 | 583,722              | 82,207                     | -                  | 30,653                       | 136,586             | 249,446             | 833,168              |
| Honorarium                   | 166,440             | 801,814             | 2,250             | 970,504              | -                          | 1,100              | 300                          | 1,000               | 2,400               | 972,904              |
| Credit card and bank fees    | 10,244              | 965                 | 111               | 11,320               | 493,220                    | 38                 | 76                           | 13,098              | 506,432             | 517,752              |
| Per diem                     | 262,061             | 429,343             | -                 | 691,404              | -                          | 318                | 4,600                        | 100                 | 5,018               | 696,422              |
| Meals                        | 144,644             | 416,744             | 1,831             | 563,219              | 4,949                      | 19,960             | 13,658                       | 55,674              | 94,241              | 657,460              |
| Venue decorator              | 84,740              | 448,625             | -                 | 533,365              | -                          | -                  | -                            | 8,780               | 8,780               | 542,145              |
| Dues and fees                | 246,214             | 44,453              | 84,577            | 375,244              | 5,477                      | 6,762              | 17,740                       | 336,490             | 366,469             | 741,713              |
| Ground transportation        | 226,197             | 194,152             | 2,737             | 423,086              | 5,624                      | 1,844              | 9,740                        | 43,475              | 60,683              | 483,769              |
| Postage and freight          | 29,821              | 212,087             | 8,278             | 250,186              | 2,101                      | 542                | 143                          | 10,624              | 13,410              | 263,596              |
| Printing                     | 6,227               | 15,644              | 23,834            | 45,705               | 246                        | 3,432              | 15,967                       | 17,394              | 37,039              | 82,744               |
| Merchandise                  | 129,794             | -                   | 33,921            | 163,715              | 12,272                     | 36,976             | 3,489                        | 45,945              | 98,682              | 262,397              |
| Supplies                     | 36,161              | 56,013              | 33,365            | 125,539              | 47,998                     | 11,723             | 2,541                        | 7,876               | 70,138              | 195,677              |
| Insurance                    | 29,040              | 23,985              | 41,126            | 94,151               | 365,936                    | -                  | 2,900                        | -                   | 368,836             | 462,987              |
| Telephone                    | 91,411              | 134,042             | 1,809             | 227,262              | 20,544                     | -                  | 2,035                        | 1,520               | 24,099              | 251,361              |
| Rebates                      | -                   | -                   | 15,840            | 15,840               | -                          | -                  | -                            | -                   | -                   | 15,840               |
| Depreciation                 | -                   | -                   | -                 | -                    | 13,952                     | -                  | -                            | -                   | 13,952              | 13,952               |
| Awards and incentives        | 85,293              | -                   | -                 | 85,293               | -                          | -                  | -                            | 205                 | 205                 | 85,498               |
| Marketing                    | 4,649               | 918                 | 22,974            | 28,541               | 9,632                      | 1,300              | 94,818                       | 19,173              | 124,923             | 153,464              |
| Equipment                    | 48,877              | 1,076,950           | -                 | 1,125,827            | 11,171                     | -                  | -                            | 1,792               | 12,963              | 1,138,790            |
| Miscellaneous                | 40,638              | 34,316              | 3,303             | 78,257               | 9,172                      | 1,396              | 12,202                       | 8,399               | 31,169              | 109,426              |
| <b>Total expenses</b>        | <b>\$ 4,808,023</b> | <b>\$ 6,858,323</b> | <b>\$ 790,859</b> | <b>\$ 12,457,205</b> | <b>\$ 2,035,469</b>        | <b>\$ 185,438</b>  | <b>\$ 842,093</b>            | <b>\$ 1,159,023</b> | <b>\$ 4,222,023</b> | <b>\$ 16,679,228</b> |
| Percentage of total expenses | 28.8%               | 41.1%               | 4.8%              | 74.7%                | 12.2%                      | 1.1%               | 5.0%                         | 6.9%                | 25.3%               | 100%                 |

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



**UNITED STATES FENCING ASSOCIATION AND FOUNDATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED JULY 31, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|  |            |
|--|------------|
| Change in net assets   | \$ 617,137 |
| Adjustments to reconcile change in net assets to net cash flows from operating activities: |            |
| Depreciation   | 13,952     |
| Realized and unrealized (gains) losses on investments                                      | (506,072)  |
| Non-cash operating lease expense   | (58,074)   |
| Contributions restricted for long-term endowment or initiative                             | (100,000)  |
| (Increase) decrease in assets:   |            |
| Accounts receivable  | (138,872)  |
| Prepaid expenses and other assets  | (125,682)  |
| Increase (decrease) in liabilities:  |            |
| Accounts payable   | 432,365    |
| Accrued expenses   | 123,545    |
| Grants payable to athletes   | (7,000)    |
| Deferred revenue   | (112,199)  |
| Operating lease liability  | 58,142     |
| Net cash flows from operating activities   | 197,242    |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|  |          |
|--|----------|
| Purchase of investments                  | (64,772) |
| Purchases of property and equipment      | (1,405)  |
| Proceeds from sale of investments        | 234,032  |
| Net cash flows from investing activities | 167,855  |

**CASH FLOWS FROM FINANCING ACTIVITIES**

|  |              |
|--|--------------|
| Collection of pledges receivable         | 60,500       |
| Net cash flows from financing activities | 60,500       |
| Net change in cash and equivalents       | 425,597      |
| Cash and equivalents, beginning of year  | 962,808      |
| Cash and equivalents, end of year        | \$ 1,388,405 |

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

# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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#### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Organizations

United States Fencing Association ("Association") is the national governing body for fencing in the United States. The Association's mission and principal activities are to be responsible for the promotion and development of the sport of fencing in the United States. The Association's revenues and other support are derived principally from membership dues and event registration fees.

The United States Fencing Foundation ("Foundation") was incorporated as a Colorado nonprofit Foundation in 1986. The purpose of the Foundation is to provide financial support to the Association and other organizations.

##### 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 "Organization."

##### Basis of accounting

The accompanying 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").

##### New accounting pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses* ("ASC Topic 326"). This ASU revises how organizations account for credit losses for most financial assets. On August 1, 2023, the Organization adopted the requirements of ASC Topic 326. The adoption of ASC Topic 326 did not have a material impact on the Organization's financial statements.

##### 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 consolidated statement of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

See independent auditor's report.

# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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The Organization maintains its 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 Organization had deposits in excess of FDIC limits. This risk is managed by maintaining deposits with high-quality financial institutions. The Organization does not anticipate nonperformance by these institutions.

#### Accounts receivable and allowance for credit losses

Accounts receivable consist of amounts due from membership dues and registration fees and are stated at the amount the Organization expects to collect. The Organization maintains an allowance for credit losses for estimated 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. As of July 31, 2024, the allowance for credit losses totaled \$1,000, and there was no change in the allowance during the year.

#### Pledges receivable

Pledges receivable consist of unconditional promises-to-give and are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount on those amounts is computed using estimated risk-free rates as of July 31, 2024. Amortization of the discount is included in contributions in the accompanying statement of activities.

Pledges receivable were discounted using a risk-free rate of 4.19% as of July 31, 2024. The Organization also maintains an allowance for uncollectable pledges receivable. As of July 31, 2024, the allowance for uncollectable pledges receivable totaled \$2,801.

#### 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

All acquisitions of property and equipment in excess of \$2,000 that materially prolong the useful lives of assets 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 as follows:

|                        |         |
|------------------------|---------|
| Tournament equipment   | 5 years |
| Furniture and fixtures | 5 years |
| Computer equipment     | 3 years |

See independent auditor's report.

# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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#### Leases

Management determines if an arrangement is a lease at inception of the arrangement. Operating leases are included in operating lease right-of-use assets and lease liabilities in the accompanying consolidated statement of financial position.

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date 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 Organization'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.

The Organization elected certain practical expedients permitted under the transition guidance that allowed the Organization not to reassess: (1) whether expired or previously existing contracts are or contain leases, (2) lease classification for expired or previously existing leases, and (3) initial direct costs for expired or previously existing leases.

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

The Organization elected to account for all leases with original terms of 12 months or less 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 consolidated financial statements present information regarding the financial position and statement 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 for future use. Net assets with donor restrictions consist of resources restricted by donors as to purpose or by the passage of time. As of July 31, 2024, board-designated net assets consist of investments held with the USOE to be used to support the Association's athletes and teams.

See independent auditor's report.

# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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#### Revenue recognition

##### *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 Organization. The Organization reports 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 statements of activities as net assets released from restrictions.

##### *Donated services and materials*

Donated services and materials are recorded as both contributions and expenditures in the accompanying consolidated statements of activities at their estimated fair values. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations.

##### *Program revenues*

The Organization receives revenue from membership dues, club insurance, registration fees, events, and magazine and advertisement sales. Revenue from these sources is considered to be contracts with customers under ASC Topic 606. The Organization has elected to use a portfolio approach as a practical expedient to account for contracts with customers as a group rather than individually since the financial statement effects are not expected to materially differ from an individual contract approach. Revenue is recognized as performance obligations are met. The transaction price is equal to the fee agreed upon within the fixed price contracts.

For annual membership dues and club insurance, revenue is recognized over the one-year term of the membership. The Organization performs an analysis of membership payments and allocates the amounts that do not relate to the annual membership. Management expects to recognize revenue from the deferred transaction price in the year for which the control of goods and services are rendered to the member as this is when the performance obligation is satisfied.

For lifetime membership dues, revenue is recognized ratably over the membership's fixed 10-year term. The portion of the unrecognized revenue remains deferred revenue until the performance obligations are met. Management believes this is the most faithful depiction of the Organization's performance as it most closely reflects the value transferred to the member.

See independent auditor's report.

# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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For events during the year, revenue includes registration fees, sponsorships, ticket sales, and other incentives. The revenue is recognized as a point-in-time sale when the event occurs.

For all other revenues, performance obligations are met when services are rendered or when goods are exchanged.

The timing of revenue recognition, billings, and cash collections results in deferred revenue and accounts receivable by portfolio. Contract assets and liabilities consist of the following as of July 31,:

|  | <u>2024</u> | <u>2023</u> |
|--|-------------|-------------|
| Accounts receivable, net                     | \$ 546,370  | \$ 407,498  |
| Deferred membership dues and tournament fees | 2,171,523   | 2,150,743   |

#### 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 payroll, which is allocated based on time and effort. All remaining expenses are allocated based on the purpose of the expense.

#### Advertising

The Organization expenses advertising costs as incurred. Advertising expense for the year ended July 31, 2024 totaled \$153,464.

#### Income taxes

The Association and Foundation are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("Code") and are not private foundations under Section 509(a)(2) of the Code. The Organization 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 Organization.

#### Subsequent events

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

See independent auditor's report.

# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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## 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 statement of financial position date comprise the following as of July 31, 2024:

|   |                         |
|---|-------------------------|
| Financial assets at year end:   |                         |
| Cash and equivalents  | \$ 1,388,405            |
| Accounts receivable, net  | 546,370                 |
| Pledges receivable, net   | 56,089                  |
| Investments   | <u>5,362,437</u>        |
| <br>Total financial assets  | <br>7,353,301           |
| <br>Less amounts unavailable for general expenditures<br>within one year due to:              |                         |
| Board designated net assets   | (4,906,878)             |
| Net assets with donor restrictions  | <u>(511,648)</u>        |
| <br>Financial assets available to meet cash needs for<br>general expenditures within one year | <br><u>\$ 1,934,775</u> |

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

## 3. PLEDGES RECEIVABLE

Pledges receivable consist of the following as of July 31, 2024:

|                                     |                      |
|-------------------------------------|----------------------|
| Weapons Specific                    | \$ 19,562            |
| Other                               | <u>40,000</u>        |
| <br>Total pledges receivable        | <br>59,562           |
| <br>Less:                           |                      |
| Discount on pledges receivable      | (672)                |
| Allowance for uncollectable pledges | <u>(2,801)</u>       |
| <br>Pledges receivable, net         | <br><u>\$ 56,089</u> |

See independent auditor's report.

# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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Amounts due:

|                      |                  |
|----------------------|------------------|
| Within one year      | \$ 50,998        |
| In one to five years | <u>8,564</u>     |
|                      | <u>\$ 59,562</u> |

#### 4. INVESTMENTS AND FAIR VALUE MEASUREMENT

##### USOE investment pool

The Organization's investments are held in an investment pool owned and maintained by the United States Olympic Endowment ("USOE"). All investments are in the name of the USOE. The USOE invests in investment securities that are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that change in the values of investments will occur in the near term and that such changes could materially affect the recorded amount of investments in the Organization's financial statements.

The Organization may terminate its investment agreement with the USOE effective at the end of any calendar month upon providing at least a 90-day written notice or upon shorter notice acceptable to the USOE if the USOE determines that adequate liquidity exists in the portfolio to permit early termination.

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

**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

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# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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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:

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 July 31, 2024:

|                        | <b>Level 2</b> |
|------------------------|----------------|
| USOE pooled investment | \$ 5,362,437   |

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

|                            |      |
|----------------------------|------|
| Alternative investments*   | 39%  |
| Domestic equity securities | 36%  |
| International equities     | 15%  |
| Domestic bonds             | 8%   |
| Cash and equivalents       | 2%   |
|                            | 100% |

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

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

|  |            |
|--|------------|
| Interest and dividends                     | \$ 96,567  |
| Net realized and unrealized gains (losses) | 506,072    |
|  | \$ 602,639 |

See independent auditor's report.

# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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#### 5. PROPERTY AND EQUIPMENT

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

|                          |            |
|--------------------------|------------|
| Tournament equipment     | \$ 172,310 |
| Computer equipment       | 16,454     |
| Furniture and fixtures   | 4,425      |
|                          | 193,189    |
| Accumulated depreciation | (176,568)  |
|                          | \$ 16,621  |

Depreciation expense for the year ended July 31, 2024 totaled \$13,952.

#### 6. LEASES

The Organization leases office facilities and equipment under long-term, non-cancelable operating lease agreements. The leases expire on various dates through December 2026. The lease agreements require monthly payments ranging from \$477 to \$5,027.

Operating lease expense is included in rent and equipment expenses in the accompanying consolidated statement of functional expenses and totaled \$61,952 for the year ended July 31, 2024. Short-term lease expense totaled \$638,947 for the year ended July 31, 2024.

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

| July 31,                          | Operating  |
|-----------------------------------|------------|
| 2025                              | \$ 63,569  |
| 2026                              | 59,587     |
| 2027                              | 25,134     |
|                                   | 148,290    |
| Total minimum lease payments      | 148,290    |
| Less amount representing interest | (6,727)    |
|                                   | \$ 141,563 |

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

|  |            |
|--|------------|
| Right-of-use assets obtained in exchange for new lease liabilities | \$ 165,548 |
| Weighted-average remaining lease term (years)                      | 2.36       |
| Weighted-average discount rate                                     | 4.04%      |

See independent auditor's report.

# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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#### 7. DEFERRED REVENUE

Deferred revenue consists of the following as of July 31, 2024:

|                           |                     |
|---------------------------|---------------------|
| Membership dues           | \$ 1,936,504        |
| USOPC grants              | 186,508             |
| Tournament fees and other | <u>235,019</u>      |
| Total                     | <u>\$ 2,358,031</u> |

#### 8. LINE OF CREDIT

The Organization has available a revolving line of credit with a financial institution in the amount of \$500,000. The line of credit expires in May 2025, unless extended. Borrowings under the line of credit bear interest at the financial institution's prime rate. Borrowings are collateralized by all assets of the Organization. As of and for the year ended July 31, 2024, there was no activity or outstanding balance due.

#### 9. NET ASSETS

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

|  |                   |
|--|-------------------|
| Women's Sabre                            | \$ 68,220         |
| Men's Sabre                              | 12,592            |
| Women's Foil                             | 114,209           |
| Men's Foil                               | 29,167            |
| Women's Epee                             | 34,032            |
| Men's Epee                               | 50,997            |
| Parafencing                              | 120,108           |
| Accumulated endowment earnings           | <u>82,323</u>     |
| Total net assets with donor restrictions | <u>\$ 511,648</u> |

#### 10. ENDOWMENTS

The Organization's endowment consists of funds received for men's, women's and paralympic disciplines.

See independent auditor's report.

# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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The Organization has interpreted the state Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As of July 31, 2024, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purpose of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization

Endowment net asset composition by type is as follows for the years ended July 31,:

|                                 | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b> |
|---------------------------------|---------------------------------------|------------------------------------|--------------|
| Donor restricted contributions  | \$ -                                  | \$ 197,000                         | \$ 197,000   |
| Accumulated investment earnings | -                                     | 82,323                             | 82,323       |
|                                 | \$ -                                  | \$ 279,323                         | \$ 279,323   |

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of July 31, 2024, there were no funds with deficiencies.

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# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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The Organization has adopted investment and spending policies for the endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

The Organization uses an endowment spending-rate formula to determine the maximum amount to spend from the Endowment each year as determined by the Board of Directors. In establishing this policy, the Organization considers the long-term expected return on the Endowment and sets the rate with the objective of maintaining the purchasing power of the Endowment over time.

As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment net asset composition by type and changes in endowment assets are as follows for the year ended July 31, 2024:

|                                 | <b>With Donor<br/>Restrictions</b> |
|---------------------------------|------------------------------------|
| Endowment assets, July 31, 2023 | \$ 251,416                         |
| Investment return, net          | 27,907                             |
| Endowment assets, July 31, 2024 | \$ 279,323                         |

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of July 31, 2024, there were no funds with deficiencies.

#### **11. CONTRIBUTED NONFINANCIAL ASSETS**

For the year ended July 31, 2024, contributed nonfinancial assets recognized within the consolidated statement of activities included the following:

|                             |              |
|-----------------------------|--------------|
| Tournament equipment        | \$ 1,062,500 |
| Air travel, room, and board | 48,877       |
| Total                       | \$ 1,111,377 |

See independent auditor's report.

# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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The Organization recognized the above contributed nonfinancial assets in the accompanying consolidated statements of activities and functional expenses for the year ended July 31, 2024. None of the contributed nonfinancial assets were received with donor restrictions.

Contributed equipment is 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 equipment are used for the Organization’s national events.

Contributed air travel, room and board, are utilized for the Association’s international and national programs, in which the Association sponsors various teams and tournaments, preparing athletes for Olympic, Paralympic, and world championship level competition.

In addition to the contributed nonfinancial assets recognized in the accompanying financial statements, the Organization received donated services during the year ended July 31, 2024 that are not reflected in the accompanying financial statements as they do not meet the criteria for recognition under US GAAP.

## 12. COMMITMENTS

The Association has entered into multiple software-related commitments, expiring on various dates through September 2025. These commitments do not meet the recognition criteria under ASC Topic 842, *Leases*. Future minimum payments under the above commitments are expected to be as follows for the years ending:

| <u>July 31,</u> |                   |
|-----------------|-------------------|
| 2025            | \$ 129,000        |
| 2026            | <u>21,500</u>     |
|                 | <u>\$ 150,500</u> |

## 13. RELATED PARTY TRANSACTIONS

The Organization is a member of the USOPC. The USOPC serves as the National Olympic Committee and National Paralympic Committee for the United States and was formed to support the US Olympic and Paralympic athletes. The Organization is dependent upon grants from the USOPC in order to maintain its programs at current levels. The USOPC provides grants to the Organization for sports development, international competition, and team preparation. During the year ended July 31, 2024, the USOPC provided grants to the Organization in the amount of \$990,000 and provided in-kind contributions totaling \$48,877. As of July 31, 2024, \$122,616 was included in accounts payable to the USOPC.

See independent auditor's report.

# UNITED STATES FENCING ASSOCIATION AND FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JULY 31, 2024

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#### 14. RETIREMENT PLAN

The Organization sponsors a 401(k) retirement 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 Organization matches 100% of contributions up to 4% of employee earnings. The Organization's contributions to the Plan for the year ended July 31, 2024 totaled \$58,000.

#### 15. CONCENTRATIONS

As of July 31, 2024, 57% of the Organization's gross accounts receivable balance was due from two customers.

#### 16. RESTATEMENT

Management determined that the financial statements as of and for the year ended July 31, 2023 should have included the financial position and results of operations of the Foundation, and has corrected the error in the accompanying financial statements as follows:

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions |
|---|-------------------------------|----------------------------|
| Net assets, July 31, 2023, as previously reported | \$ 1,121,933                  | \$ -                       |
| Effect of consolidating the Foundation            | 2,165,719                     | 401,241                    |
| Net assets, July 31, 2023, as restated            | \$ 3,287,652                  | \$ 401,241                 |

\* \* \* \* \*

See independent auditor's report.

## **SUPPLEMENTARY INFORMATION**



**UNITED STATES FENCING ASSOCIATION AND FOUNDATION**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JULY 31, 2024**

|   | <u>Association</u>  | <u>Foundation</u>   | <u>Pre-Consolidated<br/>Total</u> | <u>Eliminations</u> | <u>Consolidated<br/>Total</u> |
|---|---------------------|---------------------|-----------------------------------|---------------------|-------------------------------|
| <b>ASSETS</b>                           |                     |                     |                                   |                     |                               |
| Cash and equivalents                    | \$ 1,152,034        | \$ 236,371          | \$ 1,388,405                      | \$ -                | \$ 1,388,405                  |
| Accounts receivable, net                | 496,163             | 50,207              | 546,370                           | -                   | 546,370                       |
| Pledges receivable, net                 | -                   | 56,089              | 56,089                            | -                   | 56,089                        |
| Prepaid expenses and other assets       | 1,070,425           | -                   | 1,070,425                         | -                   | 1,070,425                     |
| Investments                             | 2,497,950           | 2,864,487           | 5,362,437                         | -                   | 5,362,437                     |
| Property and equipment, net             | 16,621              | -                   | 16,621                            | -                   | 16,621                        |
| Operating lease right-of-use asset      | 140,558             | -                   | 140,558                           | -                   | 140,558                       |
| Due (to) from other Organization        | 466,942             | (466,942)           | -                                 | -                   | -                             |
| <b>Total assets</b>                     | <b>\$ 5,840,693</b> | <b>\$ 2,740,212</b> | <b>\$ 8,580,905</b>               | <b>\$ -</b>         | <b>\$ 8,580,905</b>           |
| <b>LIABILITIES AND NET ASSETS</b>       |                     |                     |                                   |                     |                               |
| Liabilities:                            |                     |                     |                                   |                     |                               |
| Accounts payable                        | \$ 1,429,476        | \$ -                | \$ 1,429,476                      | \$ -                | \$ 1,429,476                  |
| Accrued expenses                        | 314,756             | 205                 | 314,961                           | -                   | 314,961                       |
| Grants payable to athletes              | 30,844              | -                   | 30,844                            | -                   | 30,844                        |
| Deferred revenue                        | 2,352,906           | 5,125               | 2,358,031                         | -                   | 2,358,031                     |
| Operating lease liability               | 141,563             | -                   | 141,563                           | -                   | 141,563                       |
| <b>Total liabilities</b>                | <b>4,269,545</b>    | <b>5,330</b>        | <b>4,274,875</b>                  | <b>-</b>            | <b>4,274,875</b>              |
| Net assets:                             |                     |                     |                                   |                     |                               |
| Without donor restrictions:             |                     |                     |                                   |                     |                               |
| Equity in property and equipment, net   | 16,621              | -                   | 16,621                            | -                   | 16,621                        |
| Board-designated                        | 2,497,950           | 2,408,928           | 4,906,878                         | -                   | 4,906,878                     |
| Operating                               | (943,423)           | (185,694)           | (1,129,117)                       | -                   | (1,129,117)                   |
| <b>Total without donor restrictions</b> | <b>1,571,148</b>    | <b>2,223,234</b>    | <b>3,794,382</b>                  | <b>-</b>            | <b>3,794,382</b>              |
| With donor restrictions                 | -                   | 511,648             | 511,648                           | -                   | 511,648                       |
| <b>Total net assets</b>                 | <b>1,571,148</b>    | <b>2,734,882</b>    | <b>4,306,030</b>                  | <b>-</b>            | <b>4,306,030</b>              |
| <b>Total liabilities and net assets</b> | <b>\$ 5,840,693</b> | <b>\$ 2,740,212</b> | <b>\$ 8,580,905</b>               | <b>\$ -</b>         | <b>\$ 8,580,905</b>           |

See independent auditor's report.

**UNITED STATES FENCING ASSOCIATION AND FOUNDATION**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JULY 31, 2024**

|                                      | <u>Association</u>  | <u>Foundation</u>   | <u>Pre-Consolidated<br/>Total</u> | <u>Eliminations</u> | <u>Consolidated<br/>Total</u> |
|--------------------------------------|---------------------|---------------------|-----------------------------------|---------------------|-------------------------------|
| <b><u>SUPPORT AND REVENUE</u></b>    |                     |                     |                                   |                     |                               |
| Registration fees                    | \$ 8,830,874        | \$ -                | \$ 8,830,874                      | \$ -                | \$ 8,830,874                  |
| Membership dues                      | 2,668,294           | -                   | 2,668,294                         | -                   | 2,668,294                     |
| USOPC support                        | 990,000             | -                   | 990,000                           | -                   | 990,000                       |
| Royalties and sponsorship            | 857,668             | -                   | 857,668                           | -                   | 857,668                       |
| Contributed nonfinancial assets      | 1,111,377           | -                   | 1,111,377                         | -                   | 1,111,377                     |
| Club insurance                       | 285,608             | -                   | 285,608                           | -                   | 285,608                       |
| Contributions and grants             | 362,418             | 200,696             | 563,114                           | (100,773)           | 462,341                       |
| Investment income                    | 296,993             | 305,646             | 602,639                           | -                   | 602,639                       |
| Other income                         | 566,188             | 61,172              | 627,360                           | -                   | 627,360                       |
| Special event income                 | -                   | 231,497             | 231,497                           | -                   | 231,497                       |
| Triomphe event income                | -                   | 628,707             | 628,707                           | -                   | 628,707                       |
| <b>Total support and revenue</b>     | <b>15,969,420</b>   | <b>1,427,718</b>    | <b>17,397,138</b>                 | <b>(100,773)</b>    | <b>17,296,365</b>             |
| <b><u>EXPENSES</u></b>               |                     |                     |                                   |                     |                               |
| Program services:                    |                     |                     |                                   |                     |                               |
| International                        | 4,808,023           | -                   | 4,808,023                         | -                   | 4,808,023                     |
| National                             | 6,858,323           | 100,773             | 6,959,096                         | (100,773)           | 6,858,323                     |
| Membership                           | 790,859             | -                   | 790,859                           | -                   | 790,859                       |
| <b>Total program services</b>        | <b>12,457,205</b>   | <b>100,773</b>      | <b>12,557,978</b>                 | <b>(100,773)</b>    | <b>12,457,205</b>             |
| Supporting activities:               |                     |                     |                                   |                     |                               |
| General and administrative           | 2,035,469           | -                   | 2,035,469                         | -                   | 2,035,469                     |
| Board of directors and committees    | 185,438             | -                   | 185,438                           | -                   | 185,438                       |
| Marketing and communications         | 842,093             | -                   | 842,093                           | -                   | 842,093                       |
| Development                          | -                   | 1,159,023           | 1,159,023                         | -                   | 1,159,023                     |
| <b>Total supporting activities</b>   | <b>3,063,000</b>    | <b>1,159,023</b>    | <b>4,222,023</b>                  | <b>-</b>            | <b>4,222,023</b>              |
| <b>Total expenses</b>                | <b>15,520,205</b>   | <b>1,259,796</b>    | <b>16,780,001</b>                 | <b>(100,773)</b>    | <b>16,679,228</b>             |
| <b>Change in net assets</b>          | <b>449,215</b>      | <b>167,922</b>      | <b>617,137</b>                    | <b>-</b>            | <b>617,137</b>                |
| <b>Net assets, beginning of year</b> | <b>1,121,933</b>    | <b>2,566,960</b>    | <b>3,688,893</b>                  | <b>-</b>            | <b>3,688,893</b>              |
| <b>Net assets, end of year</b>       | <b>\$ 1,571,148</b> | <b>\$ 2,734,882</b> | <b>\$ 4,306,030</b>               | <b>\$ -</b>         | <b>\$ 4,306,030</b>           |

See independent auditor's report.