




Women's Sports Foundation

Independent Auditor's Report and Financial Statements

December 31, 2023 and 2022



**Women's Sports Foundation
Contents
December 31, 2023 and 2022**

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Independent Auditor's Report

Board of Trustees
Women's Sports Foundation
New York, New York

Opinion

We have audited the financial statements of Women's Sports Foundation, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Women's Sports Foundation as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Women's Sports Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and 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 Women's Sports Foundation's ability to continue as a going concern within one year after the date that these 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Women's Sports Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Women's Sports Foundation's ability to continue as a going concern for a reasonable period of time.

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

Forvis Mazars, LLP

**New York, New York
June 20, 2024**

**Women's Sports Foundation
Statements of Financial Position
December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 890,957	\$ 1,924,063
Investments	4,533,966	2,776,325
Contributions receivable	3,977,750	3,778,817
Prepaid expenses and other assets	111,360	104,521
Right-of-use asset - operating	453,484	174,613
Right-of-use asset - finance	300,337	388,240
Property and equipment, net	23,151	62,588
	<u>10,291,005</u>	<u>9,209,167</u>
Total assets	<u>\$ 10,291,005</u>	<u>\$ 9,209,167</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 525,001	\$ 426,931
Grants payable	83,000	580,000
Operating lease liabilities	462,270	184,805
Finance lease liabilities	333,507	408,851
	<u>1,403,778</u>	<u>1,600,587</u>
Total liabilities	<u>1,403,778</u>	<u>1,600,587</u>
Net Assets		
Without donor restrictions	2,559,109	1,903,114
With donor restrictions	6,328,118	5,705,466
	<u>8,887,227</u>	<u>7,608,580</u>
Total net assets	<u>8,887,227</u>	<u>7,608,580</u>
Total liabilities and net assets	<u>\$ 10,291,005</u>	<u>\$ 9,209,167</u>

Women's Sports Foundation
Statement of Activities
Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Revenues and Other Support			
Contributions and grants	\$ 3,041,569	\$ 2,510,485	\$ 5,552,054
Contributed nonfinancial assets	407,755	-	407,755
Special event benefit, net of direct cost of \$515,152	1,781,034	-	1,781,034
Net investment return	162,473	83,808	246,281
Miscellaneous income	3,422	-	3,422
Net assets released from restrictions	1,971,641	(1,971,641)	-
	<u>7,367,894</u>	<u>622,652</u>	<u>7,990,546</u>
Operating Expenses			
Program services			
Community impact	2,690,407	-	2,690,407
Advocacy	1,569,048	-	1,569,048
Research	782,839	-	782,839
	<u>5,042,294</u>	<u>-</u>	<u>5,042,294</u>
Supporting services			
Management and general	617,085	-	617,085
Fundraising	1,052,520	-	1,052,520
	<u>1,669,605</u>	<u>-</u>	<u>1,669,605</u>
	<u>6,711,899</u>	<u>-</u>	<u>6,711,899</u>
Change in Net Assets	655,995	622,652	1,278,647
Net Assets, Beginning of Year	<u>1,903,114</u>	<u>5,705,466</u>	<u>7,608,580</u>
Net Assets, End of Year	<u>\$ 2,559,109</u>	<u>\$ 6,328,118</u>	<u>\$ 8,887,227</u>

Women's Sports Foundation
Statement of Activities
Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Revenues and Other Support			
Contributions and grants	\$ 2,990,354	\$ 3,658,136	\$ 6,648,490
Contributed nonfinancial assets	216,250	-	216,250
Special event benefit, net of direct cost of \$1,219,828	1,709,608	-	1,709,608
Net investment return	(217,296)	(103,327)	(320,623)
Speakers fee	31,000	-	31,000
Miscellaneous income	10,198	-	10,198
Net assets released from restrictions	2,267,503	(2,267,503)	-
	<u>7,007,617</u>	<u>1,287,306</u>	<u>8,294,923</u>
Operating Expenses			
Program services			
Community impact	3,255,587	-	3,255,587
Advocacy	1,422,881	-	1,422,881
Research	562,079	-	562,079
	<u>5,240,547</u>	<u>-</u>	<u>5,240,547</u>
Supporting services			
Management and general	615,312	-	615,312
Fundraising	947,105	-	947,105
	<u>1,562,417</u>	<u>-</u>	<u>1,562,417</u>
	<u>6,802,964</u>	<u>-</u>	<u>6,802,964</u>
Change in Net Assets	204,653	1,287,306	1,491,959
Net Assets, Beginning of Year	<u>1,698,461</u>	<u>4,418,160</u>	<u>6,116,621</u>
Net Assets, End of Year	<u>\$ 1,903,114</u>	<u>\$ 5,705,466</u>	<u>\$ 7,608,580</u>

**Women's Sports Foundation
Statement of Functional Expenses
Year Ended December 31, 2023**

	Program Services				Supporting Services			Total
	Community Impact	Advocacy	Research	Total	Management and General	Fundraising	Direct Cost of Special Event	
Salaries	\$ 1,010,097	\$ 814,683	\$ 388,889	\$ 2,213,669	\$ 208,804	\$ 424,421	\$ -	\$ 2,846,894
Payroll taxes and employee benefits	242,026	168,066	93,845	503,937	43,631	101,694	-	649,262
Occupancy	102,458	63,440	29,385	195,283	18,885	38,387	-	252,555
Professional fees	148,148	94,472	193,114	435,734	242,433	376,482	-	1,054,649
Donated goods and services	295,086	42,985	19,910	357,981	12,795	36,979	-	407,755
Production and printing	52,180	24,330	9,313	85,823	5,985	12,166	-	103,974
Communication and media	24,750	14,050	5,358	44,158	47,214	7,000	-	98,372
Grant expense	452,258	178,609	-	630,867	-	-	-	630,867
Insurance	10,401	7,223	3,346	20,970	2,150	4,370	-	27,490
Office supplies	6,520	4,449	1,948	12,917	1,252	2,545	-	16,714
Meetings and conferences	2,882	2,061	927	5,870	685	1,211	-	7,766
Travel and transportation	258,261	95,193	8,731	362,185	5,611	11,406	-	379,202
Event productions	-	-	-	-	-	-	515,152	515,152
Telephone	1,958	1,360	630	3,948	405	823	-	5,176
Leased equipment	23,765	16,503	7,644	47,912	4,913	9,986	-	62,811
Bad debt	-	-	-	-	10,000	-	-	10,000
Miscellaneous	11,436	8,166	4,302	23,904	2,362	4,805	-	31,071
Depreciation and amortization	48,181	33,458	15,497	97,136	9,960	20,245	-	127,341
Total expenses	2,690,407	1,569,048	782,839	5,042,294	617,085	1,052,520	515,152	7,227,051
Less expenses deducted directly from revenues								
Direct cost of special event	-	-	-	-	-	-	(515,152)	(515,152)
Total expenses reported by function on the statement of activities	\$ 2,690,407	\$ 1,569,048	\$ 782,839	\$ 5,042,294	\$ 617,085	\$ 1,052,520	\$ -	\$ 6,711,899

**Women's Sports Foundation
Statement of Functional Expenses
Year Ended December 31, 2022**

	Program Services				Supporting Services			Total
	Community Impact	Advocacy	Research	Total	Management and General	Fundraising	Direct Cost of Special Events	
Salaries	\$ 1,206,788	\$ 617,782	\$ 241,455	\$ 2,066,025	\$ 218,767	\$ 302,988	\$ -	\$ 2,587,780
Payroll taxes and employee benefits	195,249	124,724	60,982	380,955	55,252	76,523	-	512,730
Occupancy	142,102	51,396	25,129	218,627	22,768	31,534	-	272,929
Professional fees	264,999	136,301	152,623	553,923	188,846	385,289	-	1,128,058
Donated services	57,500	98,750	-	156,250	-	60,000	-	216,250
Production and printing	53,836	37,145	4,656	95,637	4,218	5,842	-	105,697
Communication and media	30,793	16,575	17,562	64,930	38,892	9,354	-	113,176
Grant expense	934,885	164,836	-	1,099,721	-	-	-	1,099,721
Insurance	11,040	7,053	3,448	21,541	3,124	4,327	-	28,992
Office supplies	5,913	4,075	1,847	11,835	1,673	2,317	-	15,825
Meetings and conferences	1,676	1,071	523	3,270	474	1,352	-	5,096
Travel and transportation	225,681	82,938	14,930	323,549	13,527	18,735	-	355,811
Event productions	-	-	-	-	-	-	1,219,828	1,219,828
Telephone	3,625	2,316	1,132	7,073	1,026	1,421	-	9,520
Leased equipment	23,913	15,276	7,469	46,658	6,767	9,372	-	62,797
Bad debt	-	-	-	-	32,500	-	-	32,500
Miscellaneous	10,775	7,188	3,209	21,172	2,908	4,027	-	28,107
Depreciation and amortization	86,812	55,455	27,114	169,381	24,570	34,024	-	227,975
Total expenses	3,255,587	1,422,881	562,079	5,240,547	615,312	947,105	1,219,828	8,022,792
Less expenses deducted directly from revenues								
Direct cost of special events	-	-	-	-	-	-	(1,219,828)	(1,219,828)
Total expenses reported by function on the statement of activities	\$ 3,255,587	\$ 1,422,881	\$ 562,079	\$ 5,240,547	\$ 615,312	\$ 947,105	\$ -	\$ 6,802,964

Women's Sports Foundation
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Activities		
Change in net assets	\$ 1,278,647	\$ 1,491,959
Items not requiring (providing) operating cash flows		
Depreciation and amortization	127,341	227,975
Noncash operating lease expense	(1,406)	3,753
Bad debt expense	10,000	32,500
Net realized and unrealized (gain) loss on investments	(159,085)	403,404
Changes in		
Contributions receivable	(208,933)	(1,030,094)
Prepaid expenses and other assets	(6,839)	12,791
Accounts payable and accrued expenses	98,070	(53,108)
Grants payable	(497,000)	213,835
	<u>640,795</u>	<u>1,303,015</u>
Net cash provided by operating activities		
Investing Activities		
Purchases of investments	(3,477,111)	(292,202)
Proceeds from sales of investments	1,878,554	380,413
Purchase of property and equipment	-	(37,017)
	<u>(1,598,557)</u>	<u>51,194</u>
Net cash (used in) provided by investing activities		
Financing Activities		
Principal payments on finance lease liabilities	(75,344)	(53,360)
	<u>(75,344)</u>	<u>(53,360)</u>
Net cash used in financing activities		
Net Change in Cash and Cash Equivalents	(1,033,106)	1,300,849
Cash and Cash Equivalents, Beginning of Year	<u>1,924,063</u>	<u>623,214</u>
Cash and Cash Equivalents, End of Year	<u>\$ 890,957</u>	<u>\$ 1,924,063</u>
Supplemental Cash Flows Information		
Cash paid for interest	\$ 8,798	\$ 8,643
Right-of-use assets obtained in exchange for new operating lease liabilities	519,027	-
Right-of-use assets obtained in exchange for new finance lease liabilities	-	461,398

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Women's Sports Foundation (Foundation) exists to enable girls and women to reach their potential in sport and life. The Foundation is an ally, an advocate, and a catalyst. Founded by Billie Jean King in 1974, the Foundation is one of the first organizations to recognize the powerful connection between sports access, equity, and society. The Foundation has been changing the game for 50 years through its research, advocacy, and community programming, investing over \$100 million to help girls and women play, compete, and lead – in sports and beyond – without barriers. A leader and champion of the entire women's sports ecosystem, the Foundation amplifies the vital societal and cultural impact that is made when girls and women play sports. All girls. All women. All sports® To learn more about the Foundation, visit www.WomensSportsFoundation.org.

The Foundation is funded primarily by contributions, grants, and special events. The following is a summary of programs provided by the Foundation:

Community Impact: Create the Change

Engagement and retention of girls in sport is a top priority. This is particularly critical because girls drop out of sports during adolescence at twice the rate of boys. Moreover, in communities where there are multiple barriers to participation (*i.e.*, limited resources, transportation and financial obstacles, cultural and language barriers, among others), girls are far less likely to play. The Foundation provides tools and technical assistance to support coaches, parents, administrators, and community leaders to strengthen recruitment, engagement, and quality of programming for girls.

The centerpiece of our community impact work is The Foundation's Sports 4 Life program with its founding partner espnW that helps increase participation and retention of African American, Hispanic, and Native American girls, ages 11 to 18, in developmental youth sports programs. To date, the Foundation has awarded more than \$2,300,000 in grants to 219 community-based organizations around the country, touching the lives of over 80,000 girls. In 2021, the Foundation launched We Play Interactive™, a digital resource and community for coaches and program leaders who work with girls (replacing its award-winning curriculum, "GoGirlGo!" that has reached over one million girls). Through We Play Interactive, girls elevate their voices, tap into their power, and discover the joy that comes from physical activity and sport. The Foundation's Travel & Training Fund is a national program that provides accomplished female athletes with funding to reduce financial obstacles and put training and competitive goals within reach. Since 1984, the Foundation awarded over \$2.5 million in grants to more than 1,500 athletes. The Foundation's Athlete Ambassador Program engages elite athletes as role models for the girls served. The ambassadors attend the Foundation's national events or are paired with the Foundation's community partners in their local communities to share inspiring personal stories, offer clinics focused on health, leadership, and responsibility, and provide motivation for girls to see themselves as athletes, regardless of their level of play. The Foundation's Athlete Leadership Connection is designed by athletes for athletes and uses leadership development and career training as a springboard for success off the field of play.

Advocacy: Shape the Future

The Foundation has been serving as the collective voice for girls and women since its inception. Protecting Title IX, promoting gender equity, and empowering others to take action is the cornerstone of the Foundation's work. In partnership with others, the Foundation works throughout the year to advocate at the national, state, and grassroots levels for gender equality, focusing on developmental youth and high school sports as well as collegiate and elite athletics. The Foundation is particularly dedicated to the needs of underserved girls, including girls of color, those with disabilities, members of the LGBTQ+ community, and girls living in low socioeconomic communities with limited

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resources. The Foundation's advocacy efforts include promoting leadership opportunities for women and addressing gender bias and discrimination in all areas of sport through public policy, coalition building, improved access, opportunity, and public education.

The Foundation advocates for equal access to sports through enforcement of Title IX and other policies shaping legislation and opportunity in schools and communities. At the grassroots level, the Foundation educates the public about policies and tactics to attain gender equity in sports and empower them to take action. At the national level, the Foundation is viewed as the authority on gender equity through sports while ensuring intersectional voices are amplified. The Foundation promotes increased presence and visibility of female role models in women's sports. The National Girls and Women in Sports Day®, powered by the Foundation, for over 35 years celebrates the extraordinary achievements of women in sports every February on Capitol Hill and in all 50 states with more than 400 local grassroots events. Additionally, the Foundation established Tara VanDerveer Fund for the Advancement of Women in Coaching and Scott Pioli & Family Fund for Women Football Coaches and Scouts providing mentorship and support for aspiring female coaches.

Research: Understand the Facts

Research serves as a springboard for all of the Foundation's work. The Foundation has maintained a comprehensive agenda of signature research projects publishing over 50 research reports to date. Our evidence-based public interest research on girls and women in sports and physical activity anchors all of our policy outreach and fuels our initiatives. It fosters public discourse on the vital importance of sport participation to the health and well-being of girls, diversity and inclusiveness in sport, and leadership opportunities for women. Data combined with experiences on the ground help to identify best practices and inform our programming. The Foundation conducts rigorous evaluation to assess impact against clearly defined benchmarks.

Recently conducted research includes: 50 Years of Title IX: We Are Not Done Yet, which examines Title IX through the lens of intersectionality, explores emerging issues, and looks ahead to what is needed to accelerate the pace of change for the next 50 years; Beyond X's and O's, revealing gender disparities within collegiate coaching; Coaching Through a Gender Lens: Maximizing Girls' Play and Potential, examining the intersection between girls' development and sport experience with coaching strategies and practice; and Keeping Girls in the Game: Factors that Influence Sport Participation, one of the first studies of its kind to systematically examine processes influencing youth entry, retention, and dropout from sports.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Use of Estimates

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

Cash and Cash Equivalents

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. On December 31, 2023 and 2022, cash equivalents consisted primarily of money market accounts with brokers.

Uninvested cash and cash equivalents included in investment accounts, including endowment accounts, are not considered to be cash and cash equivalents.

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On December 31, 2023, the Foundation's cash accounts exceeded federally insured limits by approximately \$620,000.

Investments and Net Investment Return

The Foundation measures securities at fair value.

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction. Other investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Items with a cost of \$1,000 or greater and an estimated useful life of one year or greater are capitalized. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Equipment	3 to 7 years
Furniture and fixtures	7 years
Leasehold improvements	4 1/2 years
Website	3 years

Long-Lived Asset Impairment

The Foundation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2023 and 2022.

Grants Payable

Grants payable are recorded as a liability and related expense when the Board of Trustees approves the grant.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions.

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Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor- or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Foundation overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, 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.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Grants

The *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), and subsequent legislation, provides a refundable employee retention tax credit to eligible employers who meet either a gross receipts test or a government mandate test. The tax credit is equal to a specified percentage of qualified wages paid to employees subject to certain limits. The Foundation has elected to account for these employee retention credits (ERCs) in accordance

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with Accounting Standards Codification (ASC) 958-605. The Foundation has determined it qualifies for the tax credit and has claimed ERCs of \$0 and \$227,542, respectively, during the years ended December 31, 2023 and 2022. The ERCs are included in contributions and grants on the statements of activities.

Special Events

The Foundation conducts special events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by the participants at the events. All proceeds received are recorded as special events revenues in the accompanying statements of activities.

Leases

The Foundation determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Foundation determines lease classification as operating or finance at the lease commencement date.

The Foundation combines lease and nonlease components, such as common area and other maintenance costs, and accounts for them as a single lease component in calculating the ROU assets and lease liabilities for its office space and equipment.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Foundation has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the Foundation is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Foundation has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income.

The Foundation files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and fundraising categories based on the direct allocation of the costs incurred for the programs or support services, and allocation of the salaries of each employee based on the amount of their time spent on the programs.

Note 2. Fair Value Measurements and Disclosures

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of 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; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall on December 31, 2023 and 2022:

	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2023				
Investments				
Equities				
Domestic	\$ 456,955	\$ 456,955	\$ -	\$ -
Fixed income				
Government obligations	2,376,499	2,258,388	118,111	-
Corporate bonds	188,772	188,772	-	-
Mutual funds	1,423,920	1,423,920	-	-
Total investments reported in the fair value hierarchy	4,446,146	\$ 4,328,035	\$ 118,111	\$ -
Cash and cash equivalents	87,820			
Total investments	\$ 4,533,966			

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	<u>Total</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
December 31, 2022				
Investments				
Equities				
Domestic	\$ 527,494	\$ 527,494	\$ -	\$ -
Fixed income				
Government obligations	728,080	595,795	132,285	-
Corporate bonds	179,395	179,395	-	-
Mutual funds	<u>1,308,326</u>	<u>1,308,326</u>	<u>-</u>	<u>-</u>
Total investments reported in the fair value hierarchy	2,743,295	<u>\$ 2,611,010</u>	<u>\$ 132,285</u>	<u>\$ -</u>
Cash and cash equivalents	<u>33,030</u>			
Total investments	<u>\$ 2,776,325</u>			

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2023 and 2022.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

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Note 3. Contributions Receivable

Contributions receivable consisted of the following:

	<u>2023</u>	<u>2022</u>
Due in one year	\$ 3,210,711	\$ 2,169,781
Due in two to five years	866,500	1,656,500
	4,077,211	3,826,281
Less discount to present value	<u>(99,461)</u>	<u>(47,464)</u>
	<u>\$ 3,977,750</u>	<u>\$ 3,778,817</u>

Discount rates ranged from .84% to 4.13% and .13% to 4.63% for 2023 and 2022, respectively.

Note 4. Property and Equipment

	<u>2023</u>	<u>2022</u>
Equipment	\$ 51,043	\$ 51,043
Furniture and fixtures	195,368	195,368
Leasehold improvement	53,811	53,811
Website	<u>426,550</u>	<u>426,550</u>
	726,772	726,772
Less accumulated depreciation and amortization	<u>(703,621)</u>	<u>(664,184)</u>
	<u>\$ 23,151</u>	<u>\$ 62,588</u>

Note 5. Leases

Nature of Leases

The Foundation has entered into the following lease arrangements:

Finance Leases

This lease mainly consists of equipment. Termination of the leases generally is prohibited unless there is a violation under the lease agreement.

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Operating Leases

The Foundation had a lease for office space that expired during 2023. During 2023, the Foundation entered into a new lease for office space that expires in 2026. This lease requires the Foundation to pay all executory costs (property taxes, maintenance, and insurance). Lease payments have an escalating fee schedule, which increases 3% each year. Termination of the lease is generally prohibited unless there is a violation under the lease agreement.

The Foundation has leases for office equipment that expire in various years from 2024 to 2025. Termination of the leases is generally prohibited unless there is a violation under the lease agreements.

Short-Term Leases

The Foundation leases certain equipment on a short-term basis. The expected lease terms are less than 12 months.

All Leases

The Foundation has no material related-party leases.

The Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The lease cost and other required information for the years ended December 31, 2023 and 2022 are:

	<u>2023</u>	<u>2022</u>
Lease cost		
Finance lease cost		
Amortization of right-of-use asset	\$ 87,903	\$ 73,253
Interest on lease liabilities	8,798	8,643
Operating lease cost	253,694	278,276
Short-term lease cost	-	12,965
	<u> </u>	<u> </u>
Total lease cost	<u>\$ 350,395</u>	<u>\$ 373,137</u>

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	<u>2023</u>	<u>2022</u>
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	\$ 8,948	\$ 7,831
Financing cash flows from finance leases	75,193	53,360
Operating cash flows from operating leases	240,317	274,523
Right-of-use assets obtained in exchange for new finance lease liabilities	-	461,398
Right-of-use assets obtained in exchange for new operating lease liabilities	519,027	-
Weighted-average remaining lease term		
Finance leases	3.42 years	4.42 years
Operating leases	2.17 years	1.64 years
Weighted-average discount rate		
Finance leases	2.39%	2.39%
Operating leases	3.37%	0.78%

Future minimum lease payments and reconciliation to the statements of financial position at December 31, 2023 and 2022 are as follows:

	<u>Finance Leases</u>	<u>Operating Leases</u>
2024	\$ 91,588	\$ 218,034
2025	99,702	214,229
2026	108,542	47,014
2027	47,805	-
Total future undiscounted lease payments	347,637	479,277
Less interest	(14,130)	(17,007)
Lease liabilities	<u>\$ 333,507</u>	<u>\$ 462,270</u>

Note 6. Revenue from Contracts with Special Events Attendees

Special Events Revenue

Revenue from special events is reported at the amount that reflects the consideration to which the Foundation expects to be entitled in exchange for the direct cost of the benefits received by the participant at the event.

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Performance Obligations and Transaction Price Allocated to Remaining Performance Obligations

Performance obligations are determined based on the nature of the services provided by the Foundation.

Revenue for performance obligations satisfied over time is generally recognized over the duration of the related special event.

Transaction Price

The Foundation determines the transaction price based on standard charges for goods and services provided.

For the years ended December 31, 2023 and 2022, the Foundation recognized revenue of \$127,530 and \$101,400, respectively, from goods and services that transfer to the attendee over time.

Note 7. Pension Plan

The Foundation has a defined contribution pension plan covering substantially all employees. The plan is non-contributory by the employees. The Foundation makes discretionary contributions to the plan. Employees are 100% vested into the plan after two years of services. Pension expense was \$119,730 and \$87,696 for 2023 and 2022, respectively.

The Foundation offers its employees a voluntary tax deferred annuity plan under Section 403(b) of the Internal Revenue Code. The Foundation does not make contributions to this plan.

Note 8. Contributed Nonfinancial Assets

For the years ended December 31, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities included:

	<u>2023</u>	<u>2022</u>
Design services	\$ 138,600	\$ 216,250
Fitness and hydration products	226,136	-
Media services	25,000	-
Other	18,019	-
	<u>\$ 407,755</u>	<u>\$ 216,250</u>

The nonfinancial assets listed above were recognized within revenue. The Foundation estimated the fair value on the basis of estimates of market values that would be paid to the goods and service provider if the Foundation purchased these goods and services in the United States. Contributed nonfinancial assets did not have donor-imposed restrictions.

Design Services

Design services were donated to the Foundation by a creative marketing agency who provides development, design, and pre-production services. The design services were utilized within the community impact and advocacy programs, as well as fundraising.

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Fitness and Hydration Products

The Foundation's national partner provided Foundation with fitness and hydration monitoring products. These products are utilized by the Foundation to support its athlete community.

Media Services

Media services were donated to the Foundation by a local media corporation which provides television and other media services. These media services were utilized within the community impact and promotion of our programs.

Other Contributed Items

The Foundation's corporate and individual supporters donated various goods or donated their services that were used by the Foundation during its fundraising events.

Note 9. Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions on December 31, 2023 and 2022 are restricted for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose		
Community Impact	\$ 227,891	\$ 70,424
Advocacy	676,141	691,887
Research	281,043	249,000
Contributions receivable, the proceeds of which have been restricted by donors for:		
Community Impact	2,196,887	600,000
Advocacy	500,000	1,009,449
Research	105,000	355,980
	<u>3,986,962</u>	<u>2,976,740</u>
Subject to the passage of time		
Contributions receivable that are not restricted by donors but which are unavailable for expenditure until due	<u>1,206,152</u>	<u>1,635,106</u>
	<u>1,206,152</u>	<u>1,635,106</u>

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	<u>2023</u>	<u>2022</u>
Endowments		
Subject to appropriation and expenditure when a specified event occurs		
Restricted by donors for:		
Community Impact	\$ 143,038	\$ 109,819
Advocacy	13,554	5,389
	<u>156,592</u>	<u>115,208</u>
Not subject to spending policy or appropriation		
Required to be maintained in perpetuity by donor	<u>978,412</u>	<u>978,412</u>
	<u>978,412</u>	<u>978,412</u>
	<u>\$ 6,328,118</u>	<u>\$ 5,705,466</u>

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2023</u>	<u>2022</u>
Expiration of time restrictions	\$ 653,000	\$ 233,300
Satisfaction of purpose restrictions		
Community Impact	303,371	1,713,364
Advocacy	750,000	273,993
Research	222,957	41,000
	<u>1,929,328</u>	<u>2,261,657</u>
Restricted purpose spending-rate distributions and appropriations		
Community Impact	37,194	-
Advocacy	5,119	5,846
	<u>42,313</u>	<u>5,846</u>
	<u>\$ 1,971,641</u>	<u>\$ 2,267,503</u>

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Note 10. Endowment

The Foundation's governing body is subject to the *State of New York Prudent Management of Institutional Funds Act* (NYPMIFA). As a result, the Foundation classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

Additionally, in accordance with NYPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

The Foundation's endowment consists of approximately 15 individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The composition of net assets by type of endowment fund on December 31, 2023 and 2022 was:

	With Donor Restrictions	
	2023	2022
Donor-restricted endowment funds		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 978,412	\$ 978,412
Accumulated investment gains	156,703	115,208
Total	<u>\$ 1,135,115</u>	<u>\$ 1,093,620</u>

Change in endowment net assets for the years ended December 31, 2023 and 2022 was:

	With Donor Restrictions	
	2023	2022
Endowment net assets, beginning of year	\$ 1,093,620	\$ 1,202,793
Investment return, net	83,808	(103,327)
Appropriation of endowment assets for expenditures	(42,313)	(5,846)
Endowment net assets, end of year	<u>\$ 1,135,115</u>	<u>\$ 1,093,620</u>

Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Foundation must hold in perpetuity or for donor-specified periods. The Foundation expects its endowment funds to provide an average rate of return of in excess of 5% annually over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a spending policy of appropriating for expenditure each year 5% of its endowment fund's average fair value over the prior three years through the year-end preceding the year in which expenditure is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 5% annually. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Underwater Endowments

The governing body of the Foundation has interpreted NYPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of

- a) the original value of initial and subsequent gift amounts donated to the fund and
- b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Foundation has interpreted NYPMIFA to permit not spending from underwater funds in accordance with the prudent measures required under the law.

On December 31, 2023 and 2022, the Foundation has no underwater funds.

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Note 11. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023 and 2022, comprise the following:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 890,957	\$ 1,924,063
Investments	4,533,966	2,776,325
Contributions receivable	<u>3,977,750</u>	<u>3,778,817</u>
Total financial assets	9,402,673	8,479,205
Less donor-imposed restrictions	<u>(6,328,118)</u>	<u>(5,705,466)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,074,555</u>	<u>\$ 2,773,739</u>

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days' operating expenses. The Foundation has a policy to target a year-end balance of reserves of net assets without donor restrictions to meet 30 to 45 days of expected expenditures. To achieve these targets, the Foundation forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves annually. During the years ended December 31, 2023 and 2022, the level of liquidity and reserves was managed within the policy requirements.

Note 12. Related-Party Transactions

The Foundation annually appoints an elite athlete as the Board President. The Foundation provided the President an \$18,000 annual stipend for speaking, travel, and other related services in 2023 and 2022 while promoting the Foundation.

Note 13. Significant Estimates and Concentrations

GAAP require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions Receivable

On December 31, 2023 and 2022, the Foundation had contributions receivable of approximately 82% from four donors and 74% from three donors, respectively.

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Contributions

During the years ended December 31, 2023 and 2022, the Foundation received approximately 38% and 39% of contributions from two donors, respectively.

Special Events

During the year ended December 31, 2023, the Foundation received 22% of revenue from one special event. During the year ended December 31, 2022, the Foundation received approximately 21% of revenue from two special events.

Investments

The Foundation invests in various investment securities. Investment securities 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 changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

Note 14. Subsequent Events

Subsequent events have been evaluated through June 20, 2024, which is the date the financial statements were available to be issued.