

USTA Foundation Incorporated

Financial Statements Years Ended December 31, 2024 and 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



USTA Foundation Incorporated

Financial Statements
Years Ended December 31, 2024 and 2023

USTA Foundation Incorporated

Contents

Independent Auditor's Report	3-4
Financial Statements	
Statements of Financial Position as of December 31, 2024 and 2023	5
Statements of Activities for the Years Ended December 31, 2024 and 2023	6
Statements of Functional Expenses for the Years Ended December 31, 2024 and 2023	7
Statements of Cash Flows for the Years Ended December 31, 2024 and 2023	8
Notes to Financial Statements	9-18



Independent Auditor's Report

The Board of Directors
USTA Foundation Incorporated
Purchase, New York

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 the 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted 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 the 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 the 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.

BDO USA, P.C.

March 28, 2025

USTA Foundation Incorporated

Statements of Financial Position (dollars in thousands)

<i>December 31,</i>	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 13,726	\$ 16,010
Investments, at fair value (Note 3)	7,591	6,644
Contributions and accounts receivable (Note 4)	1,314	1,364
Prepaid expenses and other assets	82	54
Total Current Assets	22,713	24,072
Contributions Receivable , net of discount and less current portion (Note 4)	962	1,931
Investments Held for Donor Endowment , at fair value	327	301
Total Assets	\$ 24,002	\$ 26,304
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,304	\$ 2,585
Deferred income	38	144
Scholarships payable (Note 5)	565	417
Total Current Liabilities	2,907	3,146
Scholarships Payable , net of discount and less current portion (Note 5)	794	592
Total Liabilities	3,701	3,738
Commitments and Contingencies (Notes 1, 5, 8, and 10)		
Net Assets		
Without donor restrictions:		
General	2,018	2,898
Board-designated (Note 2)	12,854	13,640
Total Without Donor Restrictions	14,872	16,538
With donor restrictions (Note 6 and 7)	5,429	6,028
Total Net Assets	20,301	22,566
Total Liabilities and Net Assets	\$ 24,002	\$ 26,304

See accompanying notes to financial statements.

USTA Foundation Incorporated

Statements of Activities (dollars in thousands)

Year ended December 31,

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues						
Special events inclusive of contributions:						
Special events revenue	\$ 2,723	\$ -	\$ 2,723	\$ 2,911	\$ -	\$ 2,911
Less: direct cost to donors	(752)	-	(752)	(808)	-	(808)
Total Special Events	1,971	-	1,971	2,103	-	2,103
Grants and contributions	5,496	1,459	6,955	8,264	1,233	9,497
Contributed services	4,625	-	4,625	4,190	-	4,190
In-kind contributions	91	-	91	15	-	15
Net assets released from restrictions (Note 6)	2,092	(2,092)	-	2,941	(2,941)	-
Total Operating Revenues	14,275	(633)	13,642	17,513	(1,708)	15,805
Operating Expenses						
Program services:						
Grants and supporting program expenses	13,390	-	13,390	13,992	-	13,992
Total Program Services	13,390	-	13,390	13,992	-	13,992
Support services:						
General and administrative	1,614	-	1,614	1,426	-	1,426
Fundraising	2,475	-	2,475	2,424	-	2,424
Total Support Services	4,089	-	4,089	3,850	-	3,850
Total Operating Expenses	17,479	-	17,479	17,842	-	17,842
Deficiency of Operating Revenues Over Operating Expenses	(3,204)	(633)	(3,837)	(329)	(1,708)	(2,037)
Non-Operating Other Income						
Net investment income	1,538	34	1,572	1,705	42	1,747
Changes in Net Assets	(1,666)	(599)	(2,265)	1,376	(1,666)	(290)
Net Assets, beginning of year	16,538	6,028	22,566	15,162	7,694	22,856
Net Assets, end of year	\$ 14,872	\$ 5,429	\$ 20,301	\$ 16,538	\$ 6,028	\$ 22,566

See accompanying notes to financial statements.

USTA Foundation Incorporated

Statements of Functional Expenses

(dollars in thousands)

Year ended December 31,

	2024					2023					
	Supporting Services				Total	Supporting Services				Total	
	Program	General and	Fundraising	Total	Operating	Program	General and	Fundraising	Total	Operating	
	Services	Administrative		Supporting	Expenses	Services	Administrative		Supporting	Expenses	
				Services					Services		
Grants and scholarships	\$ 9,034	\$ -	\$ -	\$ -	\$ 9,034	\$ 10,004	\$ -	\$ -	\$ -	\$ 10,004	
Travel	726	100	275	375	1,101	580	77	235	312	892	
Contributed services	1,959	1,191	1,475	2,666	4,625	1,751	1,136	1,303	2,439	4,190	
Tickets and pavers	-	-	460	460	460	-	-	436	436	436	
In-kind contributions	64	-	27	27	91	40	-	-	-	40	
Professional services	1,401	206	137	343	1,744	1,425	121	282	403	1,828	
Other expenses ⁽¹⁾	206	117	101	218	424	192	92	168	260	452	
Total Expenses	\$ 13,390	\$ 1,614	\$ 2,475	\$ 4,089	\$ 17,479	\$ 13,992	\$ 1,426	\$ 2,424	\$ 3,850	\$ 17,842	

⁽¹⁾ Other expenses include programmatic costs for travel to/from for hosting a number of events (learning, training, etc.).

See accompanying notes to financial statements.

USTA Foundation Incorporated

Statements of Cash Flows (dollars in thousands)

<i>Year ended December 31,</i>	2024	2023
Cash Flows from Operating Activities		
Changes in net assets	\$ (2,265)	\$ (290)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Decrease in discount on contribution receivable	(31)	(23)
Net change in unrealized gain on investments	(671)	(888)
Changes in operating assets and liabilities:		
Decrease in contributions receivable	937	1,244
Decrease (increase) in accounts receivable	113	(125)
Increase in prepaid expenses and other assets	(28)	(29)
(Decrease) increase in accounts payable and accrued liabilities	(281)	1,208
Decrease in deferred income	(106)	(71)
Increase in scholarships payable	350	432
Net Cash (Used in) Provided by Operating Activities	(1,982)	1,458
Cash Flows from Investing Activities		
Purchase of investments	(1,394)	-
Proceeds from sale of investments	1,092	(157)
Net Cash Used in Investing Activities	(302)	(157)
Net (Decrease) Increase in Cash and Cash Equivalents	(2,284)	1,301
Cash and Cash Equivalents, beginning of year	16,010	14,709
Cash and Cash Equivalents, end of year	\$ 13,726	\$ 16,010

See accompanying notes to financial statements.

USTA Foundation Incorporated

Notes to Financial Statements (dollars in thousands)

1. Organization

USTA Foundation Incorporated (the Foundation) is a New York not-for-profit corporation organized by the United States Tennis Association Incorporated (USTA), whose purpose is to:

- Provide and support educational activities for under-resourced youth who participate in tennis programs.
- Provide academic and athletic scholarships to under-resourced youth who participate in tennis programs.
- Support the growth of tennis programs for youth in community programs, educational facilities, and public facilities to improve the quality of life, promote good character, responsible citizenship, and good health.
- Support community programs, educational institutions, and public facilities to help foster the development and growth of tennis programs for youth, and tennis education in general.

The USTA is the sole voting member of the Foundation. However, the Foundation's Board of Directors is an independent body whose majority is comprised of non-USTA Board members. It is the responsibility of the Foundation's Board of Directors to help set policy and oversee day-to-day operations of the Foundation.

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code).

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States (GAAP). Management of the Foundation makes estimates and judgments in preparing financial statements in accordance with such accounting principles. Those estimates and judgments affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. The significant estimates used by management include the allowances for doubtful accounts receivable, the valuation of investments, and discount on contribution receivables. Actual results may vary from the reported results.

2. Summary of Significant Accounting Policies

Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position, and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

With Donor Restrictions - This class includes net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either

USTA Foundation Incorporated

Notes to Financial Statements (dollars in thousands)

expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. When such stipulations end or are fulfilled, such donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities. Net assets resulting from contributions and other inflows of assets whose use by the Foundation are limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled, or otherwise removed by actions of the Foundation, are classified as net assets with donor restrictions - perpetual in nature. At December 31, 2024 and 2023, the Foundation had net assets with donor restrictions that were perpetual in nature of \$299 for each year. Please see Note 7 for endowment related donor restrictions.

Without Donor Restrictions - This class includes the part of net assets that is not restricted by donor-imposed stipulations.

Board Designated Net Assets

In addition, the Board of Directors designates a portion of general net assets without donor restrictions for specific purposes. Funds designated in 2024 and 2023 of \$12,854 and \$13,640 respectively, are set aside to fund one year of operating expenses in the event of an emergency (e.g., pandemic) and or to fund programmatic opportunities identified in the strategic plan the Foundation is embarking in 2025. For 2024 and 2023 these amounts are calculated based on statements of activities total expenses of \$17,479 and \$17,842, respectively, less contributed services expenses (expenses paid directly by USTA for staff compensation and overhead) as shown in the statements of functional expenses of \$4,625 and \$4,190, respectively.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Foundation's ongoing program services. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

The Foundation considers money market accounts with financial institutions with maturities of less than 90 days when purchased to be cash equivalents. At various times during the year, the Foundation may have cash deposits at financial institutions that exceed federally insured limits. These financial institutions have strong credit ratings, and management believes that credit risk related to these deposits is minimal.

Contributions and Accounts Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

USTA Foundation Incorporated

Notes to Financial Statements (dollars in thousands)

Investments

The Foundation has investments in mutual funds, which are invested primarily in investment-grade bonds and equity securities. The Foundation has ownership interest in the mutual fund but not in the individual securities held by the fund. The assets of each mutual fund consist primarily of shares of the underlying holdings. Each mutual fund net asset value (NAV) is the value of a single share that is actively traded on national securities exchanges. The mutual funds are valued on a daily basis at the close of business day. These funds are valued primarily on the basis of market quotation or on the basis of information furnished by a nationally recognized pricing service, based on observable market data, and are classified as Level 1 within the fair value hierarchy. Investments in mutual funds are measured at fair value based on quoted market prices in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Fair Value Measurements

Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, provides for a fair value hierarchy that prioritized the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that USTA has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the assets or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Revenue Recognition

Contributions and unconditional promises to give are recorded as revenue when either unsolicited cash or other assets are received or when donors make a promise to give. Contributions and promises to give are classified within public support and revenue as with or without donor restrictions.

USTA Foundation Incorporated

Notes to Financial Statements (dollars in thousands)

Conditional promises to give, including those received under multi-year grant agreements, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before the Foundation is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise. A transfer of assets from a donor that contains donor conditions is accounted for as deferred revenue until the conditions have been substantially met or explicitly waived by the donor.

Special events income is reported net of the cost of direct donor benefits. Income and expense are directly attributable to a fundraising activity or event held by the Foundation to raise additional funds other than contributions.

In-Kind Contributions

In 2024 and 2023, the Foundation received in-kind contributions of the United States Open Tennis Championship (US Open) tickets and sporting event tickets that were used for the Foundation's events and cultivation. The Foundation valued these in-kind contributions at what it would cost to procure similar items. In 2024 and 2023, the Foundation recognized \$91 and \$15, respectively, of in-kind revenues and in-kind expenses for these items as the US Open tickets and sporting event tickets were used for auctions and cultivation.

Contributed Services

USTA provides program, fundraising, administrative, and other services to the Foundation, as well as the use of certain facilities and other administrative expenses, without charge. For the years ended December 31, 2024 and 2023, the value of these services and facilities totaled \$4,625 and \$4,190, respectively. The services and facilities included, but were not limited to, salaries, rent/occupancy costs, health and life benefits, and other shared services (accounting, legal, etc.). These contributed services and facilities are reported in the statements of activities as contributed services revenue and offsetting contributed program services, contributed fundraising, and contributed general and administrative expenses. The contributed services relating to salaries and related benefits, and other shared services were valued based on standard industry pricing for similar services and were valued at \$4,044 and \$3,609 for the years ended December 31, 2024 and 2023. The contributed services for rent/occupancy costs and other administrative expenses were valued based on the prevailing fair market value of similar space and were valued at \$581 for the years ended December 31, 2024 and 2023. This disclosure is based on the requirements for recognition of contributed services as stated under GAAP. For the years ended December 31, 2024 and 2023, there is no cash cost to the Foundation for any contributed services.

All the officers who are not compensated, as well as a number of other volunteers, have contributed significant amounts of time to the Foundation. These financial statements do not reflect a value for these contributed services, as they do not meet the requirements for recognition, under GAAP.

Methods Used for Allocation of Expenses

The majority of expenses can generally be directly identified with program activities to which they relate and are identified accordingly. Other expenses have been allocated between program services, fundraising, and general and administrative expenses, as determined by management. These expenses include management fees, professional services, and administrative expenses.

USTA Foundation Incorporated

Notes to Financial Statements (dollars in thousands)

These expenses are allocated based on the time allocation of staff's salary with 42% allocated to program services, 32% to fundraising, and 26% to administrative expenses.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Code and, therefore, has made no provision for income taxes in the accompanying financial statements. The Foundation has filed all applicable returns when required. For the years ended December 31, 2024 and 2023, there were no interest or penalties required to be recorded or disclosed in the financial statements. In addition, the Foundation has not taken an unsubstantiated tax position that would require provision of a liability.

3. Investments, at Fair Value

The following is a summary of investments:

<i>December 31,</i>	2024		2023	
Investments held for operations:				
Mutual funds	\$	7,591	\$	6,644
Total Investments Available for Operations	\$	7,591	\$	6,644
Investments held for donor endowment:				
Mutual funds	\$	327	\$	301
Total Investments Held for Endowments	\$	327	\$	301

As of December 31, 2024 and 2023, all investments were considered Level 1 investments.

4. Contributions and Accounts Receivable

Unconditional promises to give are as follows:

<i>December 31,</i>	2024		2023	
Due within 1 year	\$	1,272	\$	1,209
Due within 2 to 5 years		1,000		2,000
Total Due		2,272		3,209
Less: discounts to net present value		(38)		(69)
Contributions Receivable	\$	2,234	\$	3,140

The long-term contribution receivable is discounted at 0.78%.

As of December 31, 2024 and 2023, the Foundation's accounts receivable consisted of receivables from third parties in the amounts of \$42 and \$155, respectively.

USTA Foundation Incorporated

Notes to Financial Statements (dollars in thousands)

5. Scholarships Payable

The net present value of the scholarships payable was calculated using a discount rate equal to the risk-free interest rate, which is the U.S. Treasury note interest rate in effect at the time the scholarships payable amounts are paid, equal in duration to the length of time over which the scholarships are expected to be paid.

The following represents future payments due:

Year ending December 31,

2025	\$	565
2026		509
2027		291
Total		1,365
Net present value discount		(6)
Net Present Value	\$	1,359

6. Net Assets

Net assets with donor restrictions were available for the following purposes:

<i>December 31,</i>	2024	2023
College scholarships	\$ 1,443	\$ 1,475
ACE curriculum	-	4
Judy Levering Leadership Initiative	56	71
Program grants	712	650
Tennis training scholarships (Evert)	237	237
Excellence program	114	96
West Coast Facility Project	3	6
Tennis and Education	333	-
Restricted for future periods	1,962	2,931
Tiafoe Fund	240	250
Other	2	7
	5,102	5,727

Subject to the Foundation's spending policy and appropriation:

Investments held with donor restrictions, which, once appropriated, are expended to support:

Scholarships	28	2
Investments held in perpetuity	299	299
Total Net Assets with Donor Restrictions	\$ 5,429	\$ 6,028

USTA Foundation Incorporated

Notes to Financial Statements (dollars in thousands)

Net assets with donor restrictions were released for the following purposes:

<i>December 31,</i>	2024	2023
Multi-year pledge	\$ 969	\$ 977
College scholarships	321	610
ACE curriculum	4	37
Tiafoe Fund	160	-
Judy Levering Leadership Initiative	71	59
Program grants	453	438
Excellence Program	96	29
West Coast Project	6	33
Tennis and Education	-	750
Other	12	8
Total	\$ 2,092	\$ 2,941

7. Endowments

The endowment consists of funds that were established to support scholarships. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Management of the Foundation's endowment is governed by law in New York State based on the New York Prudent Management of Institutional Funds Act (NYPMIFA). As a result, amounts are classified in the donor-restricted endowment funds as net assets with donor restrictions because they are subject to time and purpose restrictions that must be met before they can be reclassified to net assets without donor restrictions. The Board of Directors of the Foundation has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts designated as donor-restricted, (b) the original value of subsequent gifts designated as donor-restricted, and (c) accumulations to the donor-restricted funds made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds. In accordance with NYPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) the duration and preservation of the various funds; (2) the purposes of the donor-restricted endowment funds; (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 Foundation; (7) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment funds, giving due consideration to the effect that such alternatives may have on the institution; and (8) the Foundation's investment policies.

The donor-restricted assets are invested in a manner that is intended to produce results that exceed the price and yield results of the Triple A rated short-term money market instruments while assuming a minimum level of investment risk. The Foundation appropriates the actual interest income return from the donor-restricted asset and may supplement non-restricted funds for specific scholarship grants. There are no net assets without donor restrictions associated with the donor-restricted funds.

USTA Foundation Incorporated

Notes to Financial Statements (dollars in thousands)

Endowment net assets composition by type are as follows:

Year ended December 31, 2024

	Without Donor Restrictions		With Donor Restrictions		Total
Donor-restricted endowment funds:					
Original donor-restricted gift amount required to be maintained in perpetuity	\$	-	\$	299	\$ 299
Accumulated investment gain		-		28	28
Total	\$	-	\$	327	\$ 327

Year ended December 31, 2023

	Without Donor Restrictions		With Donor Restrictions		Total
Donor-restricted endowment funds:					
Original donor-restricted gift amount required to be maintained in perpetuity	\$	-	\$	299	\$ 299
Accumulated investment gain		-		2	2
Total	\$	-	\$	301	\$ 301

Below are the changes in endowment net assets:

Year ended December 31, 2024

	Without Donor Restrictions		With Donor Restrictions		Total
Endowment Net Assets , beginning of year	\$	-	\$	301	\$ 301
Net investment gain				34	34
Appropriation of endowment assets for expenditures		-		(8)	(8)
Endowment Net Assets , end of year	\$	-	\$	327	\$ 327

Year ended December 31, 2023

	Without Donor Restrictions		With Donor Restrictions		Total
Endowment Net Assets , beginning of year	\$	-	\$	268	\$ 268
Net investment gain				42	42
Appropriation of endowment assets for expenditures		-		(9)	(9)
Endowment Net Assets , end of year	\$	-	\$	301	\$ 301

USTA Foundation Incorporated

Notes to Financial Statements (dollars in thousands)

8. Related Party Transactions

The Foundation is affiliated with USTA by virtue of USTA being its sole voting member. As mentioned in Note 2, USTA provides services and the use of certain facilities to the Foundation, the value of which is estimated to be \$4,625 and \$4,190 for the years ended December 31, 2024 and 2023, respectively. These contributed services and facilities are reported in the statements of activities as contributed services revenue and offsetting contributed program, contributed fundraising services, and contributed general and administrative expenses.

9. Liquidity

The following represents the Foundation's financial assets:

<i>December 31,</i>	2024	2023
Cash and cash equivalents	\$ 13,726	\$ 16,010
Contributions and accounts receivable	1,314	1,364
Investments, at fair value	7,591	6,644
Total Financial Assets	22,631	24,018
Less: amounts not available to be used within one year:		
Net assets with donor restrictions	(5,429)	(6,028)
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	\$ 17,202	\$ 17,990

As part of the Foundation's liquidity plan, short-term excess cash is invested in money market mutual funds and long-term cash is invested in stocks and mutual funds, as further described in Note 3.

10. Commitments and Contingencies

West Coast Facility

The Foundation made a pledge of \$5,000 to an independent 501(c)(3) organization for the creation and operation of a transformational youth center supporting access to high-quality academic, athletic and wellness programs in Los Angeles for underserved youth. The pledge is payable upon the facility meeting certain conditions. In 2024 and 2023, the Foundation made a contribution of \$1,000 each year, leaving the remaining balance of \$3,000 commitment as follows:

<i>Year ending December 31,</i>	
2025	\$ 1,000
2026	1,000
2027	1,000
Total	\$ 3,000

USTA Foundation Incorporated

Notes to Financial Statements (dollars in thousands)

11. Subsequent Events

The Foundation has evaluated subsequent events through March 28, 2025, the date these financial statements were available to be issued. No modifications of the financial statements were necessary as a result of the subsequent events evaluation.