

USTA Foundation Incorporated

Financial Statements
Years Ended December 31, 2025 and 2024

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, 2025 and 2024

USTA Foundation Incorporated

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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, 2025 and 2024, 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, 2025 and 2024, 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 27, 2026

USTA Foundation Incorporated

Statements of Financial Position (dollars in thousands)

December 31,	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 15,576	\$ 13,726
Investments, at fair value (Note 3)	8,925	7,591
Contributions and accounts receivable (Note 4)	1,607	1,314
Prepaid expenses and other assets	292	82
Total Current Assets	26,400	22,713
Contributions Receivable , net of discount and less current portion (Note 4)	-	962
Investments Held for Donor Endowment , at fair value (Notes 3, 6, and 7)	344	327
Total Assets	\$ 26,744	\$ 24,002
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,772	\$ 2,304
Deferred income	658	38
Scholarships payable (Note 5)	751	565
Total Current Liabilities	5,181	2,907
Deferred Income , net of current portion	300	-
Scholarships Payable , net of discount and less current portion (Note 5)	782	794
Total Liabilities	6,263	3,701
Commitments and Contingencies (Notes 5, 8, and 10)		
Net Assets		
Without donor restrictions:		
General	116	2,018
Board-designated (Note 2)	14,187	12,854
Total Without Donor Restrictions	14,303	14,872
With donor restrictions (Notes 6 and 7)	6,178	5,429
Total Net Assets	20,481	20,301
Total Liabilities and Net Assets	\$ 26,744	\$ 24,002

See accompanying notes to financial statements.

USTA Foundation Incorporated

Statements of Activities (dollars in thousands)

Year ended December 31,

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues						
Special events inclusive of contributions:						
Special events revenue	\$ 2,815	\$ -	\$ 2,815	\$ 2,723	\$ -	\$ 2,723
Less: direct cost to donors	(744)	-	(744)	(752)	-	(752)
Total Special Events	2,071	-	2,071	1,971	-	1,971
Grants and contributions	7,334	2,949	10,283	5,496	1,459	6,955
Contributed services	5,239	-	5,239	4,625	-	4,625
In-kind contributions	143	-	143	91	-	91
Net assets released from restrictions (Note 6)	2,239	(2,239)	-	2,092	(2,092)	-
Total Operating Revenues	17,026	710	17,736	14,275	(633)	13,642
Operating Expenses						
Program services:						
Grants and supporting program expenses	14,267	-	14,267	13,390	-	13,390
Total Program Services	14,267	-	14,267	13,390	-	13,390
Support services:						
General and administrative	1,628	-	1,628	1,614	-	1,614
Fundraising	3,531	-	3,531	2,475	-	2,475
Total Support Services	5,159	-	5,159	4,089	-	4,089
Total Operating Expenses	19,426	-	19,426	17,479	-	17,479
(Deficiency) Excess of Operating Revenues Over Operating Expenses	(2,400)	710	(1,690)	(3,204)	(633)	(3,837)
Non-Operating Other Income						
Net investment income	1,831	39	1,870	1,538	34	1,572
Changes in Net Assets	(569)	749	180	(1,666)	(599)	(2,265)
Net Assets, beginning of year	14,872	5,429	20,301	16,538	6,028	22,566
Net Assets, end of year	\$ 14,303	\$ 6,178	\$ 20,481	\$ 14,872	\$ 5,429	\$ 20,301

See accompanying notes to financial statements.

USTA Foundation Incorporated

**Statements of Functional Expenses
(dollars in thousands)**

Year ended December 31,

	2025					2024				
	Supporting Services			Total Supporting Services	Total Operating Expenses	Supporting Services			Total Supporting Services	Total Operating Expenses
	Program Services	General and Administrative	Fundraising			Program Services	General and Administrative	Fundraising		
Grants and scholarships	\$ 10,401	\$ -	\$ -	\$ -	\$ 10,401	\$ 9,034	\$ -	\$ -	\$ -	\$ 9,034
Travel	514	102	429	531	1,045	726	100	275	375	1,101
Contributed services	2,267	1,222	1,750	2,972	5,239	1,959	1,191	1,475	2,666	4,625
Tickets and pavers	-	-	866	866	866	-	-	460	460	460
In-kind contributions	143	-	-	-	143	64	-	27	27	91
Professional services	768	223	190	413	1,181	1,401	206	137	343	1,744
Other expenses ⁽¹⁾	174	81	296	377	551	206	117	101	218	424
Total Expenses	\$ 14,267	\$ 1,628	\$ 3,531	\$ 5,159	\$ 19,426	\$ 13,390	\$ 1,614	\$ 2,475	\$ 4,089	\$ 17,479

⁽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>	2025	2024
Cash Flows from Operating Activities		
Changes in net assets	\$ 180	\$ (2,265)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Decrease in discount on contribution receivable	(38)	(31)
Net change in unrealized gain on investments	(1,116)	(671)
Changes in operating assets and liabilities:		
Decrease in contributions receivable	1,129	937
(Increase) decrease in accounts receivable	(422)	113
(Increase) in prepaid expenses and other assets	(210)	(28)
Increase (decrease) in accounts payable and accrued liabilities	1,468	(281)
Increase (decrease) in deferred income	920	(106)
Increase in scholarships payable	174	350
Net Cash Provided by (Used in) Operating Activities	2,085	(1,982)
Cash Flows from Investing Activities		
Purchase of investments	(235)	(1,394)
Proceeds from sale of investments	-	1,092
Net Cash Used in Investing Activities	(235)	(302)
Net Increase (Decrease) in Cash and Cash Equivalents	1,850	(2,284)
Cash and Cash Equivalents, beginning of year	13,726	16,010
Cash and Cash Equivalents, end of year	\$ 15,576	\$ 13,726

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.

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 and scholarships payable. 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, 2025 and 2024, 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 2025 and 2024 of \$14,187 and \$12,854, 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 2025 and 2024, these amounts are calculated based on statements of activities total expenses of \$19,426 and \$17,479, respectively, less contributed services expenses (expenses paid directly by USTA for staff compensation and overhead) as shown in the statement of functional expenses of \$5,239 and \$4,625, 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 net investment income 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 grants and contributions as with or without donor restrictions.

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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 direct cost to donors. 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 2025 and 2024, 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 2025 and 2024, the Foundation recognized \$143 and \$91, 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, 2025 and 2024, the value of these services and facilities totaled \$5,239 and \$4,625, 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 \$4,658 and \$4,044 for the years ended December 31, 2025 and 2024, respectively. 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 both years. This disclosure is based on the requirements for recognition of contributed services as stated under GAAP. For the years ended December 31, 2025 and 2024, 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 43% allocated to program services, 34% to fundraising, and 23% 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, 2025 and 2024, 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>	2025		2024	
Investments held for operations:				
Mutual funds	\$	8,925	\$	7,591
Total Investments Available for Operations	\$	8,925	\$	7,591
Investments held for donor endowment:				
Mutual funds	\$	344	\$	327
Total Investments Held for Endowments	\$	344	\$	327

As of December 31, 2025 and 2024, all investments were considered Level 1 investments.

4. Contributions and Accounts Receivable

Unconditional promises to give are as follows:

<i>December 31,</i>	2025		2024	
Due within 1 year	\$	1,143	\$	1,272
Due within 2 to 5 years		-		1,000
Total Due		1,143		2,272
Less: discounts to net present value		-		(38)
Contributions Receivable	\$	1,143	\$	2,234

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

As of December 31, 2025 and 2024, the Foundation's accounts receivable consisted of receivables from third parties in the amounts of \$464 and \$42, respectively.

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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,

2026	\$	751
2027		533
2028		255
Total		1,539
Net present value discount		(6)
Net Present Value	\$	1,533

6. Net Assets

Net assets with donor restrictions are predominantly (93%) for key mission related strategic priorities of the Foundation.

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

<i>December 31,</i>		2025		2024
College scholarships	\$	1,938	\$	1,443
Program grants		1,534		712
Restricted for future periods		1,000		1,962
Excellence program		445		114
Tiafoe Fund		367		240
Tennis training scholarships (Evert)		263		237
Tennis and Education		161		333
Judy Levering Leadership Initiative		56		56
West Coast Facility Project		3		3
Other		67		2
		5,834		5,102

Subject to the Foundation's spending policy and appropriation:

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

Scholarships	45	28
Investments held in perpetuity	299	299
Total Net Assets with Donor Restrictions	\$ 6,178	\$ 5,429

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>		2025		2024
Multi-year pledge	\$	962	\$	969
Program grants		540		453
College scholarships		253		321
Tennis and Education		172		-
Tiafoe Fund		140		160
Excellence Program		114		96
Judy Levering Leadership Initiative		56		71
ACE curriculum		-		4
West Coast Project		-		6
Other		2		12
Total	\$	2,239	\$	2,092

7. Endowments

In 2025, the Foundation Board of Directors approved the establishment of a formal endowment for future expansion.

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

USTA Foundation Incorporated

Notes to Financial Statements (dollars in thousands)

scholarship grants. There are no net assets without donor restrictions associated with the donor-restricted funds.

Endowment net assets composition by type are as follows:

Year ended December 31, 2025

	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	-	45	45
Total	\$ -	\$ 344	\$ 344

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

Below are the changes in endowment net assets:

Year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets , beginning of year	\$ -	\$ 327	\$ 327
Net investment gain	-	39	39
Appropriation of endowment assets for expenditures	-	(22)	(22)
Endowment Net Assets , end of year	\$ -	\$ 344	\$ 344

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

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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 \$5,239 and \$4,625 for the years ended December 31, 2025 and 2024, 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>		2025		2024
Cash and cash equivalents	\$	15,576	\$	13,726
Contributions and accounts receivable		1,607		1,314
Investments, at fair value		8,925		7,591
Total Financial Assets		26,108		22,631
Less: amounts not available to be used within one year:				
Net assets with donor restrictions		(6,178)		(5,429)
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	\$	19,930	\$	17,202

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 2025 and 2024, the Foundation recorded a contribution of \$1,000 for each year, respectively, in the statements of activities operating expenses program services as grants and supporting program expenses. As of December 31, 2025, the remaining commitment is as follows:

<i>Year ending December 31,</i>		
2026	\$	1,000
2027		1,000
Total	\$	2,000

USTA Foundation Incorporated

Notes to Financial Statements (dollars in thousands)

11. Subsequent Events

The Foundation has evaluated subsequent events through March 27, 2026, 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.