



CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2024 and 2023

USA FOOTBALL, INC. AND AFFILIATES

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Independent Auditor's Report

Board of Directors
USA Football, Inc. and Affiliates

Opinion

We have audited the accompanying consolidated financial statements of USA Football, Inc. and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of USA Football, Inc. and Affiliates as of December 31, 2024, and the change in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of USA Football, Inc. and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Consolidated Financial Statements

The consolidated financial statements of USA Football, Inc. and Affiliates as of and for the year ended December 31, 2023, were audited by other auditors whose report dated June 7, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Football, Inc. and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USA Football, Inc. and Affiliates' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Football, Inc. and Affiliates' 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.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
August 11, 2025

USA FOOTBALL, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
Cash	\$ 7,165,421	\$ 8,289,897
Accounts receivable, net of allowance for credit losses of \$20,095 in 2024 and \$18,970 in 2023	918,899	848,874
Grants receivable	468,600	236,300
Prepaid expenses and other	610,923	569,395
Inventory	800,645	321,261
Investments - operating	7,613,388	8,329,899
Investments - held for endowment	7,404,454	6,959,330
Property and equipment, net	<u>53,147</u>	<u>299,251</u>
TOTAL ASSETS	<u><u>\$ 25,035,477</u></u>	<u><u>\$ 25,854,207</u></u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,946,449	\$ 1,516,959
Refundable advance	3,750,668	4,643,944
Deferred revenue	<u>267,179</u>	<u>52,219</u>
Total Liabilities	<u>5,964,296</u>	<u>6,213,122</u>
NET ASSETS		
Without donor restrictions	11,310,602	12,184,188
With donor restrictions	<u>7,760,579</u>	<u>7,456,897</u>
Total Net Assets	<u>19,071,181</u>	<u>19,641,085</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 25,035,477</u></u>	<u><u>\$ 25,854,207</u></u>

See accompanying notes.

USA FOOTBALL, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended December 31, 2024 and 2023

	Without Donor Restrictions	2024 With Donor Restrictions	Total	Without Donor Restrictions	2023 With Donor Restrictions	Total
REVENUE, GAINS, AND SUPPORT						
Revenue, Support and Other Revenue:						
Grants and contributions	\$ 10,794,446	\$ 344,669	\$ 11,139,115	\$ 11,492,838	\$ 87,683	\$ 11,580,521
Employee Retention Credit				585,844		585,844
Certifications	1,631,384		1,631,384	1,651,583		1,651,583
Sponsorships and royalties	1,664,477		1,664,477	1,746,464		1,746,464
Membership dues	860,693		860,693	394,108		394,108
Events and other programs	1,430,909		1,430,909	823,224		823,224
Contributed nonfinancial assets	598,642		598,642	214,177		214,177
Other income	232,601		232,601	252,756		252,756
Total Revenue, Support and Other Revenue	<u>17,213,152</u>	<u>344,669</u>	<u>17,557,821</u>	<u>17,160,994</u>	<u>87,683</u>	<u>17,248,677</u>
Investment return	1,171,984	723,497	1,895,481	1,197,480	565,063	1,762,543
Net assets released from restrictions	<u>764,484</u>	<u>(764,484)</u>		<u>58,712</u>	<u>(58,712)</u>	
Total Revenue, Gains, and Support	<u>19,149,620</u>	<u>303,682</u>	<u>19,453,302</u>	<u>18,417,186</u>	<u>594,034</u>	<u>19,011,220</u>
EXPENSES						
Program expenses	16,657,707		16,657,707	15,632,022		15,632,022
General and administrative	3,208,877		3,208,877	2,169,093		2,169,093
Fundraising	156,622		156,622			
Total Expenses	<u>20,023,206</u>		<u>20,023,206</u>	<u>17,801,115</u>		<u>17,801,115</u>
CHANGE IN NET ASSETS	(873,586)	303,682	(569,904)	616,071	594,034	1,210,105
NET ASSETS						
Beginning of Year	<u>12,184,188</u>	<u>7,456,897</u>	<u>19,641,085</u>	<u>11,568,117</u>	<u>6,862,863</u>	<u>18,430,980</u>
End of Year	<u>\$ 11,310,602</u>	<u>\$ 7,760,579</u>	<u>\$ 19,071,181</u>	<u>\$ 12,184,188</u>	<u>\$ 7,456,897</u>	<u>\$ 19,641,085</u>

See accompanying notes.

USA FOOTBALL, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program Expenses	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 6,117,704	\$ 1,213,441	\$ 95,055	\$ 7,426,200
Travel	1,287,861	50,430	17,352	1,355,643
Meetings	15,699	3,114	244	19,057
Entertainment	46,409	9,205	721	56,335
Information technology	858,864	170,355	13,345	1,042,564
Office operations	362,667	39,131	3,065	404,863
Dues, fees and subscriptions	104,456	20,719	1,623	126,798
Professional fees	350,270	1,395,077	5,442	1,750,789
Insurance	745,999	147,968	11,591	905,558
Consulting	1,400,891	24,571	1,925	1,427,387
Events	1,490,627			1,490,627
In-kind expenses	598,642			598,642
Equipment	343,966			343,966
Medical support	52,953			52,953
Apparel	85,703			85,703
Marketing, promotion and advertising	443,661	39,689	3,109	486,459
Depreciation	202,741	40,213	3,150	246,104
Grants and sponsorships	1,932,008			1,932,008
Cost of goods sold	75,043			75,043
Game tickets	24,600			24,600
Program fulfillment	116,943			116,943
Bad debt expense		43,905		43,905
Interest expense		11,059		11,059
TOTAL EXPENSES	\$ 16,657,707	\$ 3,208,877	\$ 156,622	\$ 20,023,206

See accompanying notes.

USA FOOTBALL, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	Program Expenses	General and Administrative	Total
Salaries and benefits	\$ 5,447,775	\$ 899,394	\$ 6,347,169
Travel	1,028,600	54,137	1,082,737
Meetings	17,927	2,960	20,887
Entertainment	46,977	7,756	54,733
Information technology	833,764	137,649	971,413
Office operations	300,810	24,593	325,403
Dues, fees and subscriptions	86,181	14,228	100,409
Professional fees	255,211	769,560	1,024,771
Insurance	667,509	110,202	777,711
Consulting	1,713,950	45,837	1,759,787
Events	1,263,296		1,263,296
In-kind expenses	214,177		214,177
Equipment	356,562	2,874	359,436
Medical support	42,314		42,314
Apparel	283,223		283,223
Marketing, promotion and advertising	489,886	51,034	540,920
Depreciation	292,345	48,264	340,609
Grants and sponsorships	1,968,657		1,968,657
Cost of goods sold	53,452		53,452
Game tickets	11,354		11,354
Program fulfillment	254,386		254,386
Interest expense	3,666	605	4,271
TOTAL EXPENSES	\$ 15,632,022	\$ 2,169,093	\$ 17,801,115

See accompanying notes.

USA FOOTBALL, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
OPERATING ACTIVITIES		
Change in net assets	\$ (569,904)	\$ 1,210,105
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	246,104	340,609
Net realized and unrealized gains on investments	(1,474,780)	(1,438,176)
(Increase) decrease in certain assets:		
Accounts receivable	(70,025)	(212,857)
Grants receivable	(232,300)	37,900
Prepaid expenses and other assets	(41,528)	616
Inventory	(479,384)	(22,507)
Operating lease right-of-use assets		33,273
Increase (decrease) in certain liabilities:		
Accounts payable and accrued expenses	429,490	(142,959)
Refundable advance	(893,276)	(1,196,690)
Deferred revenue	214,960	(49,047)
Operating lease liability		(33,273)
Net Cash Used by Operating Activities	<u>(2,870,643)</u>	<u>(1,473,006)</u>
INVESTING ACTIVITIES		
Purchases of investments	(6,049,326)	
Proceeds from sale of investments	7,939,633	709,767
Net Cash Provided by Investing Activities	<u>1,890,307</u>	<u>709,767</u>
FINANCING ACTIVITIES		
Borrowings on line of credit	500,000	500,000
Repayments on line of credit	(500,000)	(500,000)
Net Cash Provided by Financing Activities	<u>-</u>	<u>-</u>
NET DECREASE IN CASH AND EQUIVALENTS	(980,336)	(763,239)
CASH AND EQUIVALENTS		
Beginning of Year	<u>8,547,365</u>	<u>9,310,604</u>
End of Year	<u>\$ 7,567,029</u>	<u>\$ 8,547,365</u>
CASH AND EQUIVALENTS		
Cash	\$ 7,165,421	\$ 8,289,897
Cash equivalents included in investments	<u>401,608</u>	<u>257,468</u>
TOTAL CASH AND EQUIVALENTS	<u>\$ 7,567,029</u>	<u>\$ 8,547,365</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 11,059	\$ 4,271

See accompanying notes.

USA FOOTBALL, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USA Football, Inc. (USAF) is a not-for-profit organization located in Indianapolis, Indiana. USAF's primary goal is to lead development of the sport of football, inspire participation and promote a positive experience for youth, high school and other amateur players. USAF provides a variety of educational programs and innovative tools for coaches, officials, administrators, players and parents.

Heads Up Football, LLC (LLC) was created by USAF during 2016. The LLC was formed to operate the Heads Up Football program.

USAF also controls a dormant supporting organization, USA Football Foundation, Inc., which had no assets, revenues or net assets as of and for the years ended December 31, 2024 and 2023.

The Organization leads, convenes, collaborates and/or supports football stakeholders in these core areas:

- *Educate*: USAF is a thought-leader for the sport of football at the grassroots level. USAF works at the forefront of understanding youth sports participation and to advance football development, coaching, league administration, and related topics to serve families across the sport.
- *Consult*: USAF provides league commissioners, coaches, players, parents, and game officials the resources, information, knowledge, and tools that each individual needs for a successful and positive youth football experience.
- *Promote*: USAF strives to amplify the 21st-Century standards that USAF delivers to youth football communities, including the fairness and whole-child benefits of participation, facilitating activations, promotions, and media campaigns to propel USAF's child-first mission.
- *Advocate*: As USAF is one of the sport's top stewards within the grassroot level, USAF strives to serve as the leading voice for children's well-being through the sport of football.
- *High Performance*: USAF promotes access to many entry levels into the sport. USAF aspires to develop with not only the education of its participants, but the skills needed to perform in a high-level on the field and off.

Principles of Consolidation: The consolidated financial statements include the accounts of USA Football, Inc. and its wholly-owned subsidiary, Heads Up Football, LLC, of which the Organization is the sole member and USA Football Foundation, Inc. (collectively, the Organization). All material intra-entity accounts and transactions have been eliminated in consolidation.

Basis of Presentation: The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- **Net Assets Without Donor Restrictions** are not subject to donor-imposed restrictions and may be used at the discretion of the Organization's management and Board of Directors. This net asset category includes Board-designated net assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Net Assets With Donor Restrictions** are subject to stipulations imposed by donors. Some of the Organization's donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities. Restrictions expire when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Gifts associated with the acquisition of long-lived assets are released from restriction when the assets are placed in service.

Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

Cash and Equivalents consist of cash in demand deposit accounts and highly liquid investments purchased with an original maturity of three months or less. The Organization maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. The Organization has not experienced any losses from its bank accounts.

Accounts Receivable are uncollateralized amounts due for certifications, events, and program services provided generally requiring payment within 30 days from the invoice date and which do not bear interest. Accounts receivable are recorded at invoiced amounts, net of an allowance for credit losses. The allowance is determined using historical loss information by aging category adjusted for current economic conditions and reasonable and supportable forecasts. Accounts receivable are charged off against the allowance when management believes there is no possibility of recovery. At December 31, 2024 and 2023, the allowance was \$20,095 and \$18,970, respectively. Accounts receivable, net as of December 31, 2022 totaled \$636,017.

Grants Receivable: Unconditional grants receivable are expected to be collected within one year and are recorded at net realizable value. Conditional grants receivable are recognized when the conditions on which they depend are substantially met.

Grants receivable are reviewed for collectability and a provision for doubtful accounts is recorded based on management's judgment and analysis of the creditworthiness of the donors, historical experience, economic conditions, and other relevant factors. Management determined that no allowance was necessary at December 31, 2024 and 2023.

Inventory consists of merchandise and football equipment for use and for resale to certified coaches, organizations and other customers. Inventory is stated at the lower of cost or net realizable value, with cost determined by weighted-average cost method.

Investment Valuation and Income Recognition: Investments are initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are stated at fair value. See Note 3 for discussion of fair value measurements.

Investment return reported in the statements of activities consists of interest and dividend income and realized and unrealized capital gains and losses, net of external and direct internal investment expenses. Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date. Purchases and sales of investments are recorded on the trade date. Gains and losses on the sale of investments are determined using the specific-identification method.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment are stated at cost for purchased assets, or at fair value at the date of donation for donated assets, less accumulated depreciation. Depreciation of property and equipment is provided on a straight-line basis over the lesser of the estimated useful lives or the related lease term as follows:

Office furniture & equipment	3-7 years
Leasehold improvements	5 years
Digital assets	5 years

Long-lived Assets, including the Organization’s property and equipment assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to the future net undiscounted cash flows expected to be generated by the related asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair market value of the assets. No adjustments to the carrying amount of property and equipment were required in 2024 or 2023.

Leases: The Organization determines if an arrangement is a lease at inception. The Organization recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding obligation to make lease payments. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The present value is calculated using the rate implicit in the lease. If the rate is not readily determinable from the lease, the Organization estimates an applicable incremental borrowing rate. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not recognize an asset and liability for leases with a term of 12 months or less. The Organization does not separate lease and non-lease components for all leases.

The Organization had operating leases for office space and storage space that expired in 2023. Total lease cost in 2023 was \$53,360. At December 31, 2024, the Organization had a short-term lease for office space and storage space. Total lease cost in 2024 was \$78,555.

Deferred Revenue from fees for sponsorships or event registrants is deferred and recognized over the periods to which the fees relate. Total deferred revenue was \$267,179, \$52,219, and \$101,266 at December 31, 2024, 2023, and 2022, respectively.

Revenue Recognition: The Organization’s revenue primarily consists of revenue from grants and contributions, contributed nonfinancial assets, certifications, sponsorships and royalties, membership dues, and events and other programs. These revenue streams contain exchange and contribution transactions.

Under exchange transactions, a contract is determined to exist when it has approval and commitment from both parties, the rights and payment terms are identified, the contract is determined to have commercial substance, and collectability is reasonably certain. Contracts, at inception, are evaluated to determine the existence of each separate and distinct performance obligation. The contracts are evaluated to determine the estimated transaction price or amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing goods or services. Contracts are generally in the form of signed agreements which clearly identify the Organization’s performance obligations and explicitly state the transaction prices of each respective performance obligation.

Revenue from exchange transactions is recognized as described below:

Certifications: Certification revenue is recognized at the point in time when the certification program is sold.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sponsorships and Royalties: Sponsorship and royalty revenue is recognized at either a point in time or over time depending on the nature of the performance obligation. Sponsorship agreements are evaluated for an exchange element based on the value of benefits provided, and a contribution element for the difference between the total paid by the sponsor and the estimated value of the exchange transactions. The value of the exchange transaction is determined based on the standalone selling price of the goods or services the sponsor receives included in the related agreements. The value of the exchange elements of these transactions was \$1,504,642 in 2024 and \$1,746,464 in 2023, respectively. Royalty revenue is recognized at the point in time in which the royalty is earned. Sponsorship and royalty revenue recognized at a point in time was \$1,504,643 and \$1,746,464 in 2024 and 2023, respectively. Sponsorship revenue recognized over time was \$159,835 in 2024. No sponsorship revenue was recognized over time in 2023.

Membership Dues are nonrefundable and consist solely of an exchange transaction that is recognized over the term of the membership period, which covers one calendar year.

Events and Other Programs: Revenue for events and other programs is recognized at the point in time the event or program occurs and the performance obligations are met.

Revenue from contribution transactions is recognized as described below:

Grants and Contributions are recognized as support when they are received or unconditionally promised. Grants and contracts are classified as contributions in instances in which a resource provider is not itself receiving commensurate value for the resources provided. Contributions are considered conditional when the agreement with the resource provider includes a barrier that must be overcome and either a right of return of assets transferred or right of release of a promisor's obligation to transfer assets. Conditional contributions are not recognized as revenue until the conditions are substantially met. Cash received prior to when conditions are substantially met are recognized as deferred revenue in the consolidated statements of financial position.

The Organization had outstanding conditional contributions of \$38,350,000 and \$10,500,000 at December 31, 2024 and 2023, respectively, which were conditional on requirements in accordance with the respective grant agreement and applicable regulations. See Note 9 for description of the conditional contribution from the NFL Foundation, a related party.

Contributed Nonfinancial Assets: Contributions of services are recorded at estimated fair value when received if they create or enhance a nonfinancial asset or if such services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. Other contributions of nonfinancial assets are recorded at estimated fair value when received.

Advertising Costs are expensed as incurred and totaled \$486,459 in 2024 and \$540,920 in 2023.

Functional Allocation of Expenses: The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Directly identifiable expenses are charged to the specific program or supporting service benefited. Expenses related to more than one function are allocated among program and support services based on estimates of time spend by Organization staff. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes: The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income tax for 2024 and 2023.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organization files U.S. federal and Indiana information returns. The Organization is no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2021. Management believes that the Organization's income tax filing positions will be sustained on audit and does not anticipate any adjustments that will result in a material change.

Reclassifications: Certain amounts in the 2023 consolidated financial statements have been reclassified to conform to the presentation of the 2024 consolidated financial statements.

Subsequent Events: Management has evaluated the consolidated financial statements for subsequent events occurring through August 11, 2025, the date the consolidated financial statements were available to be issued. See Note 13 and Note 15.

NOTE 2 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available for general expenditure within one year of December 31, 2024 and 2023 were as follows:

	2024	2023
Cash	\$ 7,165,421	\$ 8,289,897
Accounts receivable, net	918,899	848,874
Grants receivable	468,600	236,300
Investments - operating	7,613,388	8,329,899
Investments - held for endowment	<u>7,404,454</u>	<u>6,959,330</u>
	<u>23,570,762</u>	<u>24,664,300</u>
Funds subject to purpose and time restrictions	(356,125)	(497,567)
Donor-restricted endowment funds	(7,404,454)	(6,959,330)
Board designated net assets	<u>(7,166,037)</u>	<u>(8,039,621)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 8,644,146</u>	<u>\$ 9,167,782</u>

The Organization's endowment funds consist of a donor-restricted endowment. Income from donor-restricted endowments is available for general use upon appropriation by the Board of Directors, in accordance with spending policy endowment.

The Organization's Board of Directors has designated a portion of its resources without donor restrictions for specific purposes. Those amounts are identified as board-designated in the above table. These funds are set aside for these purposes but remain available and may be spent at the discretion of the Board of Directors.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Organization has categorized its assets and liabilities that are measured at fair value into a three-level fair value hierarchy. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

The three levels of the fair value hierarchy are described as follows:

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

Level 2 – Inputs to the valuation methodology may 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; and/or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset 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. In situations where there is little or no market activity for the asset or liability, the Organization makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Following is a description of the valuation methodologies used by the Organization for assets and liabilities that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Mutual Fund Shares and Money Market Fund Shares: Valued at the daily closing price as reported by the funds. These funds are required to publish their daily net asset value (NAV) and to transact at that price. These funds are deemed to be actively traded.

Common Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

U.S. Government Securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of the Organization's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2024 and 2023:

2024	Level 1	Level 2	Total
Assets			
Money market mutual funds	\$ 215,723		\$ 215,723
Mutual funds	1,352,514		1,352,514
Common stocks	11,058,439		11,058,439
Corporate bonds		\$2,171,918	2,171,918
Government securities		33,363	33,363
Total Assets at Fair Value	<u>\$12,626,676</u>	<u>\$2,205,281</u>	<u>\$14,831,957</u>

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

2023	Level 1	Level 2	Total
Assets			
Money market mutual funds	\$ 44,903		\$ 44,903
Mutual funds	647,562		647,562
Common stocks	11,398,201		11,398,201
Corporate bonds		\$2,133,014	2,133,014
Government securities		<u>852,984</u>	<u>852,984</u>
 Total Assets at Fair Value	 <u>\$12,090,666</u>	 <u>\$2,985,998</u>	 <u>\$15,076,664</u>

NOTE 4 - INVESTMENTS

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

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Deposit cash	\$ 185,885	\$ 185,885	\$ 212,565	\$ 212,565
Money market mutual funds	215,723	215,723	44,903	44,903
Mutual funds	1,357,250	1,352,514	629,050	647,562
Common stocks	8,691,338	11,058,439	8,886,578	11,398,201
Corporate bonds	2,176,918	2,171,918	2,176,346	2,133,014
Government securities	<u>33,345</u>	<u>33,363</u>	<u>836,728</u>	<u>852,984</u>
 Total Investments	 <u>\$12,660,459</u>	 <u>\$15,017,842</u>	 <u>\$12,786,170</u>	 <u>\$15,289,229</u>

The Organization's investment return consisted of the following for 2024 and 2023:

	2024	2023
Interest and dividends	\$ 535,529	\$ 424,002
Realized gains	1,347,758	193,644
Unrealized gains	127,022	1,244,532
Investment fees	<u>(114,828)</u>	<u>(99,635)</u>
 Total Investment Return	 <u>\$1,895,481</u>	 <u>\$1,762,543</u>

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

The Organization does not intend to sell, and more likely than not will not be required to sell, any securities in an unrealized loss position before recovery of the amortized cost basis. None of the contractual terms of the debt securities allow for the settlement at a price less than the amortized cost bases of the investments. Additionally, U.S. government securities are not impacted by changes in credit quality given the explicit or implicit guarantees provided by the U.S. government. While unrealized losses on corporate bonds were partially caused by changes in credit quality, the Organization does not expect these investments to be settled at prices less than amortized cost.

NOTE 5 - PROPERTY AND EQUIPMENT

At December 31, 2024 and 2023, property and equipment consisted of the following:

	2024	2023
Office equipment	\$ 33,055	\$ 33,055
Office furniture	7,129	7,129
Digital assets	1,769,115	1,769,115
Leasehold improvements	<u>36,326</u>	<u>36,326</u>
	1,845,625	1,845,625
Less: Accumulated depreciation	<u>(1,792,478)</u>	<u>(1,546,374)</u>
Property and Equipment, net	<u>\$ 53,147</u>	<u>\$ 299,251</u>

NOTE 6 - ENDOWMENT

The Organization's endowment consists of a donor-restricted endowment fund established to fund operating expenses.

Interpretation of Relevant Law

The Organization is subject to the Indiana Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions, because those assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. The Organization 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 Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

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

- The duration and preservation of the fund
- The purposes of the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

The endowment net asset composition by type of fund consisted of the following as of December 31, 2024 and 2023:

2024	With Donor Restrictions	Total
Donor-restricted Endowment Funds:		
Original gifts and amounts required to be maintained in perpetuity by donors	\$3,000,000	\$3,000,000
Accumulated investment gains	<u>4,404,454</u>	<u>4,404,454</u>
Total Endowment Funds	<u>\$7,404,454</u>	<u>\$7,404,454</u>

NOTE 6 - ENDOWMENT (CONTINUED)

2023	With Donor Restrictions	Total
Donor-restricted Endowment Funds:		
Original gifts and amounts required to be maintained in perpetuity by donors	\$3,000,000	\$3,000,000
Accumulated investment gains	<u>3,959,330</u>	<u>3,959,330</u>
Total Endowment Funds	<u>\$6,959,330</u>	<u>\$6,959,330</u>

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of gifts donated to the donor-restricted endowment or the level that the donors otherwise require the Organization to retain as a fund of perpetual duration. There were no underwater endowment funds at December 31, 2024 and 2023.

Investment and Spending Policies

The Organization has adopted investment and spending policies for the endowment that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments. The target minimum rate of return is the Consumer Price Index plus 4% over three to five years. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

The Organization has a spending policy of appropriating for expenditure each year 4% of the January 1 fair value of the endowment of the year in which expenditure is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization'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. The Organization is precluded from spending from underwater funds as directed by the donor.

Activity in the endowment by net asset class for 2024 and 2023 is summarized as follows:

	With Donor Restrictions	Total
Endowment at December 31, 2022	\$6,394,267	\$6,394,267
Investment return	<u>565,063</u>	<u>565,063</u>
Endowment at December 31, 2023	6,959,330	6,959,330
Investment return	723,497	723,497
Appropriations for expenditure	<u>(278,373)</u>	<u>(278,373)</u>
Endowment at December 31, 2024	<u>\$7,404,454</u>	<u>\$7,404,454</u>

NOTE 7 - DEBT AND CREDIT ARRANGEMENTS

The Organization has a revolving line of credit agreement with a bank which allows for maximum borrowings of \$500,000 and expires on November 30, 2025. The Organization is subject to various financial and nonfinancial covenants under the agreement. The interest rate on the line of credit is the prime rate plus 1.75% (9.25% at December 31, 2024). There were no borrowings outstanding on the line of credit as of December 31, 2024 and 2023.

The Organization has a loan management account wherein the maximum amount shall not exceed \$5,000,000. The maximum amount cap remains subject to change in the bank's discretion and does not constitute a loan commitment by the bank. There were no borrowings against the loan management account during 2024 and 2023.

NOTE 8 - NET ASSETS

Net Assets Without Donor Restrictions

Net assets without donor restrictions consisted of the following as of December 31, 2024 and 2023:

	2024	2023
Board-designated for operating reserve	\$ 5,594,949	\$ 6,468,533
Board-designated for R&D reserve fund	785,544	785,544
Board-designated for disaster recovery fund	785,544	785,544
Undesignated	<u>4,144,565</u>	<u>4,144,567</u>
Total Net Assets Without Donor Restriction	<u>\$11,310,602</u>	<u>\$12,184,188</u>

Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2024 and 2023:

	2024	2023
Subject to Expenditures for Specified Purpose:		
Sport development	\$ 221,808	\$ 413,917
Helmet and equipment replacement	109,317	83,650
Indiana athlete development	25,000	
Subject to Endowment Spending Policy and Appropriation:		
Original endowment gift	3,000,000	3,000,000
Endowment appreciation	<u>4,404,454</u>	<u>3,959,330</u>
Total Net Assets With Donor Restrictions	<u>\$7,760,579</u>	<u>\$7,456,897</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time or other events specified by donors as follows for 2024 and 2023:

	2024	2023
Satisfaction of purpose restrictions:		
Sport development	\$192,110	
Helmet and equipment replacement	294,001	\$58,712

NOTE 8 - NET ASSETS (CONTINUED)

	2024	2023
Earnings from endowment funds:		
General support of the Organization	<u>\$278,373</u>	<u>\$</u>
 Total Net Assets Released from Restrictions	 <u>\$764,484</u>	 <u>\$58,712</u>

NOTE 9 - RELATED PARTY TRANSACTIONS

On June 11, 2019, the NFL, NFL Foundation, and the Organization signed a two-year, \$19,000,000 collaborative agreement to support the Organization's youth and high school football programs wherein the second year installment of \$9,500,000 was conditional upon completion of certain measurable metrics related to the first year installment. The Organization met the requirements to receive the second installment and has received the full \$19,000,000. The funding supports the Organization's programs including Learn to Play, Football Development Model, Heads Up Football and NFL Flag from April 1, 2019 through March 31, 2021. During 2022, the NFL Foundation agreed to rollover funds and extend the time period through March 31, 2024. During 2024, the NFL Foundation agreed to rollover additional funds into a new collaborative agreement signed on April 1, 2024 (see below). Revenue of \$251,658 and \$706,655 was recognized during 2024 and 2023, respectively, due to meeting required provisions of the grant agreement. At December 31, 2023, \$1,534,797 of funding under this agreement is reflected in refundable advance. No funding under this agreement was included as a refundable advance at December 31, 2024, with the exception of the rollover funds included as part of the new agreement as discussed below. The refundable advance will be recognized into revenue as the Organization meets required grant provisions.

On August 5, 2021, the NFL, NFL Foundation and the Organization signed a three year, \$28,500,000 collaborative agreement to support the Organizations' youth and high school football programs wherein the second and third year installments of \$9,500,000 are conditional upon the completion of certain measurable metrics related to the previous year installment. The funding supports the Organization's programs including Learn to Play, Football Development Model, and Heads Up Football from April 1, 2021 through March 31, 2024. During 2023, receipts of \$9,500,000 were received under the agreement. No amounts remained to be received under the agreement at December 31, 2024 and 2023. Revenue of \$2,780,841 and \$9,990,008 was recognized during 2024 and 2023, respectively, due to meeting required provisions of the grant agreement. At December 31, 2024 and 2023, \$4,485 and \$2,741,366 of funding under this agreement is reflected as a refundable advance, respectively. The refundable advance will be recognized into revenue as the Organization meets required grant provisions.

On April 1, 2024, the NFL, NFL Foundation, and the Organization signed a five-year, \$47,500,000 collaborative agreement to support the Organizations' youth and high school football programs wherein the second through fifth installments of \$9,500,000 are conditional upon the completion of certain measurable metrics related to the previous year installment. The agreement also provides for \$400,000 of rollover funding annually from the prior collaborative agreement that expired on March 31, 2024. The funding supports the Organization's flag and tackle programs from April 1, 2024 through March 31, 2029. During 2024, receipts of \$9,500,000 were received under this grant. Revenue of \$7,202,117 was recognized during 2024 due to meeting required provisions of the grant agreement. At December 31, 2024, \$2,297,883 is reflected as a refundable advance. Rollover funding of \$1,196,847 is included as a refundable advance at December 31, 2024 related to this agreement.

Annual allocations under the multi-year collaboration are subject to conditions that are approved over the term of the agreement, including allotments with cost reimbursement terms. The NFL, through the NFL Foundation and the NFL Youth Football Fund, have provided grants and other support to the Organization in the amount of \$10,393,276 and \$10,696,663 for the years ended December 31, 2024 and 2023, respectively. These grants supported the Organization's programs including Heads Up Football, youth and high school equipment grants, helmet reconditioning grants and general operations.

NOTE 9 - RELATED PARTY TRANSACTIONS (CONTINUED)

The Organization had a combined receivable balance from the NFL Foundation and NFL Youth Football Fund of \$529,410 and \$338,429 as of December 31, 2024 and 2023, respectively. These receivables are included within accounts receivable, net and grants receivable on the consolidated statements of financial position.

The Organization received contributions from Board members of \$31,550 in 2024, of which \$25,000 was included in accounts receivable on the consolidated statement of financial position at December 31, 2024. No Board member contributions were received for the year ended December 31, 2023.

NOTE 10 - RETIREMENT PLAN

The Organization sponsors a 401(k) retirement savings plan (the Plan) for all of its qualified employees. All plan participants are permitted to make salary reduction contributions to the Plan. The Organization matches up to 100% of each employee's contribution up to 6% of eligible compensation. The Organization may also make a discretionary contribution to the Plan, determined annually based on eligible earnings of participants. For the years ended December 31, 2024 and 2023, the discretionary contributions totaled 1.5% of eligible compensation, respectively. The Organization made contributions to the 401(k) Plan of \$273,543 in 2024 and \$203,513 in 2023.

NOTE 11 - CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, 2024 and 2023, contributed nonfinancial assets recognized in the consolidated statements of activities consisted of the apparel valued at \$598,642 and \$214,177, respectively. Contributed apparel was used in the Organization's youth, high school and other amateur football programs. In valuing contributed apparel, the Organization estimated the fair value based on estimates of wholesale values that would be received for selling similar products in the United States.

NOTE 12 - EMPLOYEE RETENTION CREDIT

The Consolidated Appropriations Act, 2021 (CAA) eliminated the restriction that prevented Paycheck Protection Program (PPP) loan borrowers from claiming the Employee Retention Credit (ERC), which was made available under the CARES Act, and allowed for the ERC to be claimed retroactively by eligible employers. The ERC under the CARES Act is a fully refundable tax credit for eligible employers equal to 50% of qualified wages up to \$10,000 paid to each retained employee between March 13 and December 31, 2020. The CAA and American Rescue Plan Act of 2021 extended the availability of the ERC through December 31, 2021, allowing for a fully refundable tax credit for eligible employers equal to 70% of qualified wages up to \$10,000 paid to each retained employee per quarter during 2021. In 2023, the Organization claimed a retroactive credit of \$585,844 relating to calendar year 2020 and 2021. Management treated these credits as contributions and determined that conditions related to the credits were substantially met during the year ended December 31, 2023. Therefore, the Organization recorded contributions in 2023 for the amount of the credits, all of which was received in 2023.

NOTE 13 - CONTINGENCIES

The Organization is subject to various lawsuits that arose primarily in the ordinary course of its activities. In the opinion of management, the ultimate settlement of litigation, claims, and disputes in process will not have a material affect on the financial position, changes in net assets and cash flows of the Organization.

In July 2025, the Organization entered into a settlement agreement for an outstanding claim. Under the terms of the settlement agreement the Organization was released from any further claims under the complaint.

NOTE 14 - CONCENTRATIONS

The NFL Foundation provided 89% and 94% of total grants and contributions in 2024 and 2023, respectively. Three sponsors and two sponsors provided 84% and 94% of total sponsorship and royalty revenue in 2024 and 2023, respectively. The NFL Foundation represented 100% of total grants receivable at December 31, 2024 and 2023, respectively. Two partners, including the NFL Foundation, represented 67% and 28% of total accounts receivable at December 31, 2024 and 2023, respectively.

NOTE 15 - SUBSEQUENT EVENTS

Effective April 17, 2025, the Organization became the National Governing Body of American Football in the United States as appointed by the U.S. Olympic and Paralympic Committee.