

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

United States Soccer Federation, Inc.

March 31, 2023 and 2022

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
United States Soccer Federation, Inc.

Opinion

We have audited the consolidated financial statements of United States Soccer Federation, Inc., (the "Entity"), which comprise the consolidated statements of financial position as of March 31, 2023 and 2022, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Entity as of March 31, 2023 and 2022, and the results of its changes in 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 of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 Entity 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.

Emphasis of matter

As discussed in Note 2 to the consolidated financial statements, the Entity has adopted Accounting Standards Codification Topic 842, Leases, as of April 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of management for the 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 the Entity's ability to continue as a going concern for one year after the date 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 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 US 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, 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 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 Entity'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity'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.

Grant Thornton LLP

Chicago, Illinois
February 14, 2024

United States Soccer Federation, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

March 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 20,443,525	\$ 37,654,544
Cash held in escrow	1,803,074	3,124,665
Accounts receivable, net	25,586,919	6,476,300
Prepaid expenses and advances	3,981,391	2,268,952
Investments		
Undesignated	89,550,826	113,674,625
Designated - option plan	2,333,016	3,034,034
Contract assets	1,759,559	3,459,261
Operating lease right-of-use assets	5,234,528	-
Property and equipment, net	<u>1,672,198</u>	<u>1,977,419</u>
Total assets	<u>\$ 152,365,036</u>	<u>\$ 171,669,800</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 49,910,139	\$ 34,660,734
Deferred revenue		
Commercial contracts	8,101,380	5,067,216
Games	2,947,159	596,989
Other	-	30,412
Operating lease liabilities	5,585,349	-
Deferred compensation - option plan	2,333,016	3,034,034
Long-term settlement obligation	11,000,000	16,500,000
Loan payable, net	<u>3,614,717</u>	<u>3,438,782</u>
Total liabilities	83,491,760	63,328,167
Net assets		
Net assets without donor restrictions	60,403,590	99,004,040
Net assets with donor restrictions	<u>8,469,686</u>	<u>9,337,593</u>
Total net assets	<u>68,873,276</u>	<u>108,341,633</u>
Total liabilities and net assets	<u>\$ 152,365,036</u>	<u>\$ 171,669,800</u>

The accompanying notes are an integral part of these consolidated financial statements.

United States Soccer Federation, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended March 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Registration and affiliation fees			
Youth	\$ 3,805,049	\$ -	\$ 3,805,049
Referee	2,125,370	-	2,125,370
Professional	1,916,128	-	1,916,128
Amateur	485,504	-	485,504
	<u>8,332,051</u>	<u>-</u>	<u>8,332,051</u>
Sponsorship, broadcast, licensing, and royalties	60,798,397	-	60,798,397
National Teams' game revenues	41,672,383	-	41,672,383
International game revenues	8,161,470	-	8,161,470
Sport development revenues	3,454,373	-	3,454,373
Coaching education	3,340,463	-	3,340,463
Open Cup	1,903,899	-	1,903,899
Olympic & Paralympic Committee funding	510,000	-	510,000
Contributed nonfinancial assets	6,594,581	-	6,594,581
Development and fundraising	6,488,924	100,000	6,588,924
Other	5,791,257	-	5,791,257
Net assets released from restrictions	967,907	(967,907)	-
	<u>148,015,705</u>	<u>(867,907)</u>	<u>147,147,798</u>
Total revenues			
Expenses			
National Teams	109,046,574	-	109,046,574
Management expenses	65,515,165	-	65,515,165
Referee program	3,555,978	-	3,555,978
Coaching program	6,739,134	-	6,739,134
National Board of Directors' and committees' expenses	616,127	-	616,127
Open Cup	1,757,699	-	1,757,699
Annual general meeting expenses	706,784	-	706,784
	<u>187,937,461</u>	<u>-</u>	<u>187,937,461</u>
Total expenses			
Change in net assets before investment return	(39,921,756)	(867,907)	(40,789,663)
Investment return, net	1,321,306	-	1,321,306
	<u>(38,600,450)</u>	<u>(867,907)</u>	<u>(39,468,357)</u>
CHANGE IN NET ASSETS			
Net assets, beginning of year	99,004,040	9,337,593	108,341,633
Net assets, end of year	<u>\$ 60,403,590</u>	<u>\$ 8,469,686</u>	<u>\$ 68,873,276</u>

The accompanying notes are an integral part of this consolidated financial statement.

United States Soccer Federation, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended March 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Registration and affiliation fees			
Youth	\$ 3,765,038	\$ -	\$ 3,765,038
Referee	2,312,569	-	2,312,569
Professional	1,657,568	-	1,657,568
Amateur	440,805	-	440,805
	<u>8,175,980</u>	<u>-</u>	<u>8,175,980</u>
Sponsorship, broadcast, licensing, and royalties	45,801,829	-	45,801,829
National Teams' game revenues	41,976,389	-	41,976,389
International game revenues	2,816,047	-	2,816,047
Sport development revenues	1,363,263	-	1,363,263
Coaching education	2,916,353	-	2,916,353
Open Cup	26,700	-	26,700
Olympic & Paralympic Committee funding	687,500	-	687,500
Contributed nonfinancial assets	1,748,211	-	1,748,211
Development and fundraising	3,126,341	483,590	3,609,931
Other	8,654,410	1,701,271	10,355,681
Net assets released from restrictions	459,696	(459,696)	-
	<u>117,752,719</u>	<u>1,725,165</u>	<u>119,477,884</u>
Total revenues			
Expenses			
National Teams	96,502,571	-	96,502,571
Management expenses	40,477,313	-	40,477,313
Referee program	2,822,605	-	2,822,605
Coaching program	4,481,181	-	4,481,181
National Board of Directors' and committees' expenses	357,380	-	357,380
Open Cup	168,720	-	168,720
Annual general meeting expenses	556,478	-	556,478
	<u>145,366,248</u>	<u>-</u>	<u>145,366,248</u>
Total expenses			
Change in net assets before investment return and reclassification	(27,613,529)	1,725,165	(25,888,364)
Investment return, net	4,109,727	-	4,109,727
Reclassification of donor restrictions	(1,000,000)	1,000,000	-
	<u>(24,503,802)</u>	<u>2,725,165</u>	<u>(21,778,637)</u>
CHANGE IN NET ASSETS			
Net assets, beginning of year	<u>123,507,842</u>	<u>6,612,428</u>	<u>130,120,270</u>
Net assets, end of year	<u>\$ 99,004,040</u>	<u>\$ 9,337,593</u>	<u>\$ 108,341,633</u>

The accompanying notes are an integral part of this consolidated financial statement.

United States Soccer Federation, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31,

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (39,468,357)	\$ (21,778,637)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	305,221	326,348
Realized and unrealized investment loss (gain)	1,583,269	(3,424,452)
Imputed interest on loan payable	175,935	140,053
Discount on loan payable	-	(1,701,271)
Operating leases	350,821	-
Changes in operating assets and liabilities:		
Cash held in escrow	1,321,591	(205,058)
Accounts receivable	(19,110,619)	(469,062)
Prepaid expenses and advances	(1,712,439)	(160,217)
Contract assets	1,699,702	3,744,819
Accounts payable and accrued expenses	15,249,405	15,076,150
Deferred revenue	5,353,922	698,781
Deferred compensation - option plan	(701,018)	(26,006)
Long-term settlement obligation	(5,500,000)	16,500,000
Net cash (used in) provided by operating activities	(40,452,567)	8,721,448
Cash flows from investing activities:		
Purchases of investments	(7,536,839)	(1,460,379)
Proceeds from sales of investments	30,778,387	5,065,844
Net cash provided by investing activities	23,241,548	3,605,465
Cash flows from financing activities:		
Proceeds from issuance of debt	-	5,000,000
Net cash provided by financing activities	-	5,000,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(17,211,019)	17,326,913
Cash and cash equivalents, beginning of year	37,654,544	20,327,631
Cash and cash equivalents, end of year	\$ 20,443,525	\$ 37,654,544
Supplemental cash flow information:		
Non-cash operating lease liabilities arising from obtaining right-of-use assets	\$ 6,142,287	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

United States Soccer Federation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023 and 2022

NOTE 1 - NATURE OF OPERATIONS

United States Soccer Federation, Inc. (USSF or Federation) was incorporated in New York on June 29, 1914, as a nonprofit corporation. The purpose of USSF is to promote and govern the game of soccer at all levels in the United States of America.

USSF is affiliated through membership with the Fédération Internationale de Football Association (FIFA), which is the world-governing body of soccer and is comprised of the various national soccer associations. FIFA is responsible for promoting and governing the game of soccer throughout the world. USSF is recognized as the National Governing Body of Soccer in the United States of America by FIFA and the United States Olympic and Paralympic Committee (USOPC), as provided by the Ted Stevens Olympic and Amateur Sports Act, and operates various national team programs, including the Men's National Team (USMNT) and Women's National Team (USWNT).

CA2016 Local Organizing Committee LLC (CA2016 LOC), a single-member LLC formed on October 29, 2014. The sole member of CA2016 LOC is USSF. USSF established CA2016 LOC for the purpose of organizing and promoting the Copa America Centenario 2016 tournament held in the United States. Under the Amended & Restated Local Organizing Committee Agreement between CA2016 LOC and Confederation of North, Central America and Caribbean Association Football (Concacaf), Concacaf designated CA2016 LOC as the official and exclusive local organizing committee (LOC) to host and stage the tournament. In consideration for performing the LOC services under the agreement, CA2016 LOC received net ticketing and stadium revenues generated by the tournament games. These revenues are consolidated with USSF's financial statements pursuant to the principles discussed in Note 2. CA2016 LOC was dissolved on December 29, 2021.

CA2016 Marketing, Inc. (CA2016 Marketing) was incorporated and formed by CA2016 LOC on February 12, 2016, to provide marketing and administrative services for the Copa America Centenario 2016 tournament. The sole owner of the entity is CA2016 LOC. CA2016 Marketing was dissolved on December 29, 2021.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of USSF and CA2016 LOC, which in turn includes the accounts of CA2016 Marketing (collectively referred to hereinafter as USSF). Inter-entity transactions and balances have been eliminated in consolidation.

Basis of Presentation

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of American (U.S. GAAP). These consolidated financial statements report amounts separately by class of net assets. The separate classes of net assets are defined as net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions include all resources that are not subject to donor-imposed restrictions. Net assets with donor restrictions include resources that are subject to donor stipulations that limit the use of the contributed assets. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions are recorded as net assets without donor restrictions unless specifically restricted by the donor. Contributions that are with donor restrictions are reported as an increase in net assets without donor restrictions if the restriction is met in the reporting period in which the contribution is recognized. All other contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is

United States Soccer Federation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This ASU requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2021. Management adopted ASU 2016-02 effective April 1, 2022, using the current period method of adjustment. As of April 1, 2022, USSF recorded operating lease liabilities and right-of-use (ROU) assets of \$3,083,792.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This ASU allows for the presentation and disclosure of contributions of nonfinancial assets to be more transparent in not-for-profit entities' financial statements. The new guidance requires not-for-profit entities to add a separate line item to the statement of activities, and to include various disaggregated disclosures by category, for contributions of nonfinancial assets. Management adopted ASU 2020-07 effective April 1, 2022 and has applied ASU 2020-07 retrospectively to all periods presented.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments, Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the existing incurred loss impairment model with an expected credit loss model and requires a financial asset measured at amortized cost to be presented at the net amount expected to be collected. The guidance will be effective for USSF beginning April 1, 2023. Early adoption is permitted. Management is currently evaluating the effect that ASU 2016-13 will have on its consolidated financial statements and related disclosures.

Cash and Cash Equivalents

USSF considers all unrestricted highly liquid financial instruments with an original maturity of three months or less to be cash equivalents. USSF maintains its cash in bank deposit accounts which at times may exceed federally insured limits. USSF has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk in cash.

Cash Held in Escrow

USSF receives cash deposits from the organizers of impending international games. After the international games to which the deposits relate are played and game reports filed, USSF distributes the deposits, plus other fees received, to the appropriate recipients as provided in its Bylaws and Polices. These funds are distributed based on a predetermined percentage of the total ticket sales for each respective international game according to its International Matches Policy. One of the recipients of such distributions is USSF.

Accounts Receivable, Net

Accounts receivable, net are comprised primarily of Men's and Women's National Teams' game revenue, player registration fees, and contractual sponsorship, television and licensing revenue. USSF makes ongoing estimates relating to the collectability of its accounts receivable and maintains an allowance for expected losses resulting from the inability of its customers to make required payments. In addition to judgments about the creditworthiness of significant customers based on ongoing credit evaluations, USSF considers historical levels of credit losses, as well as macroeconomic and industry trends, such as the

United States Soccer Federation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

impacts of COVID-19, to determine the amount of the allowance. The allowance for doubtful accounts was approximately \$1,094,000 and \$94,000 as of March 31, 2023 and 2022, respectively.

Investments

Investments are stated at fair value. Investments include fixed income securities, such as corporate bonds, U.S. treasury notes, U.S. government agency obligations, equity and fixed income mutual funds and invested cash and cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value because of the short maturity of these instruments.

USSF's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to these risk factors, it is possible that changes in the value of investments could occur in the near term that could materially affect the amounts reported in the consolidated financial statements.

Contract Assets

Contract assets represent accrued revenues that have not yet been billed to the customers due to certain contractual terms. Contract assets decreased \$1,699,702 and \$3,744,819 for the years ended March 31, 2023 and 2022, respectively. There were no impairments recorded on contract assets as of March 31, 2023 and 2022.

Property and Equipment, Net and Long-lived Assets

Property and equipment, including leasehold improvements and software development costs, are recorded at cost net of accumulated depreciation and amortization. Significant property and equipment purchases are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. Depreciation and amortization are provided on a straight-line basis over estimated useful lives of five years for furniture, equipment and vehicles, three years for computer equipment and software development costs, 20 years for building and building improvements and the shorter of the useful life or the lease term for leasehold improvements.

USSF reviews its long-lived assets, including ROU assets, for impairment on an annual basis to determine whether events or changes in circumstances indicate whether the carrying amount of an asset may not be recoverable. USSF did not recognize any impairment charges during the years ended March 31, 2023 or 2022.

Deferred Revenue

Deferred revenue represents amounts received from customers prior to the related recognition of revenue.

Deferred Revenue - Games

Deferred revenue - games is generally comprised of receipts for the sales of tickets prior to the occurrence of the event. Deferred revenue - games increased \$2,350,159 and \$488,917 for the years ended March 31, 2023 and 2022, respectively.

Deferred Revenue - Commercial contracts

Amounts received from commercial contracts in advance of satisfying performance obligations represent contract liabilities under ASC 606 and are recorded in Deferred revenue - commercial contracts. Deferred revenue - commercial contracts increased \$3,034,164 and \$1,489,706 for the years ended March 31, 2023 and 2022, respectively.

United States Soccer Federation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

Leases

USSF adopted ASU 2016-02, *Leases (Topic 842)*, as of April 1, 2022. After the adoption of this standard, USSF determined if an arrangement contains a lease at inception based on whether there is an identified asset and whether USSF controls the use of the identified asset throughout the period of use. USSF classified leases as either financing or operating. ROU assets are recognized at the lease commencement date and represent USSF's right to use an underlying asset for the lease term and lease liabilities represent USSF's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. The present value of lease payments is discounted based on the risk-free rate for all classes of underlying assets. The lease term used in determining the discount rate starts at the transition date. The lease term is the remaining lease term on the transition date. Leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position.

USSF's operating lease ROU assets are measured based on the corresponding operating lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of USSF's ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairments consistent with USSF's long-lived asset policy.

USSF elected the practical expedient to not separate lease components from nonlease components for all leases within the portfolio. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments that depend on an index or rate are included in the lease payments and are measured using the prevailing index or rate at the measurement date. Variable lease payments not based on an index or a rate are excluded from lease payments and are expensed as incurred.

Operating leases are presented separately as operating lease ROU assets and operating lease liabilities in the accompanying consolidated statements of financial position.

Prior to the adoption of Accounting Standards Codification (ASC) 842, USSF recognized rent expense on a straight-line basis over the term of the lease. The difference between cash rent payments and the recognition of rent expense was recorded as a deferred rent liability included in accounts payable and accrued expenses on the consolidated statements of financial position.

Long-Term Settlement Obligation

Long-term settlement obligation includes payment from a legal settlement with due dates beyond one year from the financial statement date.

In February 2022, USSF and the USWNT players reached a settlement agreement to resolve an equal pay dispute. The payment terms include amounts due of \$5,500,000 each, for the years ending March 31, 2024, March 31, 2025, and March 31, 2026. Amounts due within one year are \$5,500,000 as of March 31, 2023 and 2022, and are included in accounts payable and accrued expenses in the accompanying consolidated financial statements.

Revenue Recognition

Revenue from contracts with customers is recognized when USSF's related performance obligations are satisfied, either over time or at a point in time. Collections in advance of revenue recognition are recorded as deferred revenue. Received in-kind goods and services are recorded at estimated fair value as contributed nonfinancial assets. Contributions are recognized as revenue upon receipt and are recorded based on the existence and/or nature of any donor restrictions.

United States Soccer Federation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

Registration and Affiliation Fees

In addition to the scheduled membership fees provided in the USSF policy, all member organizations of USSF that register players are required to pay a referee or player registration fee for services provided by USSF. Registration fees for individual players are determined by whether a player is registered as a youth, adult amateur, or professional player. Organization members pay to USSF \$1.00 for each registered youth player and \$2.00 for each registered adult player. As of January 1, 2023, the registration fee was amended to \$1.00 for each registered youth or adult player.

Professional Leagues pay according to schedules provided in the USSF Bylaws and Policies, ranging from \$1,333 - \$2,000 per team in addition to a league fee that ranges from \$40,000 to \$350,000, plus a range of \$2,000 to \$30,000 for each team over 10, in each case depending on the division level of the applicable league. In addition to membership fees and registration fees, referees pay yearly registration fees. Registration and affiliation fees are recognized over the applicable period.

Sponsorship, Broadcast, Licensing, and Royalty Revenue

USSF records revenue from sponsorship, television licensing and royalty agreements as performance obligations are satisfied, according to the terms of the agreements.

Sponsorship contracts involve USSF providing recognition and other certain benefits to customers in exchange for compensation. Revenue is recognized over time as USSF performs its obligations under the contract.

Broadcast contracts are those whereby USSF provides the rights to a customer to broadcast certain USSF events in exchange for compensation. Revenue is recognized over time as USSF performs its obligations under the contract.

Licensing contracts involve USSF providing the rights to certain assets of USSF for use by the customer in exchange for compensation. Revenue is recognized over time as USSF performs its obligations under the contract.

Royalty contracts with customers provide the customer with the ability to sell products with USSF marks in exchange for royalty compensation. Revenue is recognized at a point in time when the royalty amounts were generated.

National Teams' Games

National Teams games' revenue is recognized at a point in time when the applicable game is played.

Revenues and expenses for Senior National Teams generally increase as each team takes part in different major competitions such as FIFA World Cups, World Cup Qualifying, Olympics, Olympic Qualifying, and the Concacaf Gold Cup. The men's FIFA World Cup took place in the fiscal year ended March 31, 2023. The next women's FIFA World Cup is scheduled for the fiscal year ended March 31, 2024.

Revenues earned for USMNT events were \$25,170,662 and \$27,131,814 for the years ended March 31, 2023 and 2022, respectively, which includes FIFA World Cup prize money. Revenues earned for USWNT events were \$14,706,859 and \$13,119,152 for the years ended March 31, 2023 and 2022, respectively. The USMNT played 14 matches and 25 matches in the fiscal years ended March 31, 2023 and 2022, respectively. The USWNT played 20 matches and 22 matches in the fiscal years ended March 31, 2023 and 2022, respectively.

See Note 12 for a summary of National Teams' expenses.

United States Soccer Federation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

International Games

International Games are international soccer competitions held inside the United States organized by an Organizational Member, Club, or FIFA Match Agent and sanctioned by USSF. USSF earns a match fee, which is a percentage of gross revenue from the international soccer competition that varies based on the nature of the competition. Revenue is recognized at a point in time in the period in which the competition occurred. USSF holds certain cash amounts received from these competitions in escrow for reconciliation and distribution to appropriate parties as per its Bylaws and Policies. These parties include but are not limited to: National Associations, National Affiliates, Other Affiliates, State Associations who register adult and youth amateur players, Concacaf, and USSF itself.

Sport Development

Sport development revenue includes grant-based funding from FIFA and Concacaf. The grant programs, which require U.S. Soccer to meet minimum standards and undergo regular audits, are specific to supporting the business operations of the Federation and to advance the development of soccer in the United States. Grant revenue is recognized when earned and revenue from registration revenue is recognized over the applicable term.

Coaching Education

Coaches pay fees associated with coaching educational courses. These fees are recognized at the point in time when the session is held.

Lamar Hunt U.S. Open Cup™

Dating back to 1914, the Lamar Hunt U.S. Open Cup™ is the oldest soccer competition in the United States and is among the oldest in the world. Open to all affiliated amateur and professional teams in the United States who qualify, the annual Lamar Hunt U.S. Open Cup™ is a single-elimination tournament organized and run by USSF. Revenue from the tournament is recognized from team entry and hosting fees when the applicable games are played.

Olympic & Paralympic Committee Funding

The USOPC provides grants to USSF to support its mission as the National Governing Body of Soccer in the United States. Funding from the USOPC is recognized when earned.

Contributed Nonfinancial Assets

USSF receives contributions of equipment, travel costs, services, and other nonfinancial assets. Contributed Nonfinancial Assets consisted of the following for the years ended March 31:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 4,913,161	\$ 1,748,211
Travel	909,170	-
Services	<u>772,250</u>	<u>-</u>
Total	<u>\$ 6,594,581</u>	<u>\$ 1,748,211</u>

Contributed nonfinancial assets are reported as contributions and valued based upon estimates of fair market or wholesale values and reported as an expense when utilized. No contributed nonfinancial assets contained donor-imposed restrictions for the fiscal years ended March 31, 2023 or 2022. USSF estimates the fair value of contributed equipment on the basis of estimated wholesale values that USSF would have

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otherwise paid for the same assets. These assets are used in accordance with the operation of the National Teams. USSF estimates the fair value of travel costs and services on the basis of prices USSF would have otherwise paid for the same or similar travel costs and services. USSF uses these assets in the operation of its National Teams and within its Commercial activities. USSF does not monetize these nonfinancial assets as these are meant for the direct use of USSF.

Development and Fundraising

In support of its non-profit mission, USSF actively seeks philanthropic contributions from individuals and family foundations. The process to cultivate these donations includes many different opportunities that may have a revenue component, including VIP experiences for USMNT and USWNT events, the World Cup Patrons Program, fundraisers, and networking events held throughout the United States.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Management bases these estimates and assumptions upon historical experience, existing known circumstances, authoritative accounting pronouncements and other factors that management believes to be reasonable. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior year consolidated financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on the reported changes in net assets.

In February 2022, USSF received an amended donor agreement identifying a purpose restriction of a gift previously recorded without restrictions. This has been recorded as a reclassification of donor restrictions on the 2022 consolidated statement of activities below the change in net assets.

NOTE 3 - SPONSORSHIP, BROADCAST, LICENSING, AND ROYALTY CONTRACTS

USSF entered into a marketing representation agreement with Soccer United Marketing (SUM), which concluded on December 31, 2022. Under the agreement, third-party sponsorship, television, and licensing revenues from certain categories are paid to SUM, and SUM pays USSF annual guaranteed compensation. Revenue under the agreement approximated \$20,934,000 and \$29,913,000 for the years ended March 31, 2023 and 2022, respectively. USSF was due receivables of \$1,744,000 and \$1,312 from SUM at March 31, 2023 and 2022, respectively.

Effective January 1, 2023, USSF either assumed existing contracts within the marketing representation agreement with SUM or entered into contracts with customers representing itself.

For the year ended March, 31, 2023, three customers comprised 48% of total revenues which includes the SUM contract and FIFA World Cup prize money. For the year ended March 31, 2022, two customers comprised 40% of total revenues.

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March 31, 2023 and 2022

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

USSF follows ASC 820, *Fair Value Measurements*, which defines fair value, establishes a framework for measuring fair value in U.S. GAAP and expands disclosures about fair value measurements.

Fair value measurement is based on a hierarchy of observable or unobservable inputs. The standard describes three levels of inputs that may be used to measure fair value.

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 - Inputs to the valuation methodology other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and the fair value can be determined through the use of models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity of the asset and liability and the reporting entity makes estimates and assumptions relating to the pricing of the asset or liability including assumptions regarding risk.

The following tables set forth, by level within the fair value hierarchy, USSF's financial assets that were accounted for at fair value on a recurring basis as of March 31, 2023 and 2022. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level input that is significant to the fair value measurement. USSF's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect its placement within the fair value hierarchy levels. Certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

	Fair Value as of March 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Equity mutual funds	\$ 7,524,332	\$ 7,524,332	\$ -	\$ -
Fixed income mutual funds	13,924	13,924	-	-
Cash and cash equivalents	67,719,764	67,719,764	-	-
		<u>\$ 75,258,020</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at NAV:				
United States Olympic & Paralympic Endowment Investment	<u>16,625,822</u>			
Total investments	<u>\$ 91,883,842</u>			

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	Fair Value as of March 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Equity mutual funds	\$ 8,656,475	\$ 8,656,475	\$ -	\$ -
Fixed income mutual funds	135,941	135,941	-	-
Cash and cash equivalents	96,014,658	96,014,658	-	-
		<u>\$ 104,807,074</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at NAV:				
United States Olympic & Paralympic Endowment Investment	<u>11,901,585</u>			
Total investments	<u>\$ 116,708,659</u>			

A description of the valuation techniques applied to the major categories of investments measured at fair value is outlined below.

Equity and fixed income mutual funds are valued based on the NAV as computed once per day based on the quoted market prices of the securities in the fund's portfolio and are generally categorized in Level 1 of the fair value hierarchy.

The U.S. Olympic & Paralympic Endowment Investment represents USSF's investment in a pooled account with the United States Olympic & Paralympic Endowment. The underlying securities of the pooled investment account are comprised of cash, common stocks, corporate bonds, mutual funds, U.S. Treasury notes, convertible securities, hedge equity funds, limited partnerships, real estate funds, private equity funds, bond fund trusts and fund of funds. The fair value of this investment has been estimated using the NAV per share of the investment as reported by the investment fund. Redemptions can be made at any time at NAV, upon 90 days' notice. USSF does not have any open commitments to make additional investments to the fund at March 31, 2023 or 2022.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31:

	2023	2022
Building	\$ 417,759	\$ 417,759
Building improvements	1,003,764	1,003,764
Furniture and equipment	2,891,169	2,891,169
Software development	4,305,204	4,305,204
Vehicles	82,037	82,037
Leasehold improvements	<u>5,922,145</u>	<u>5,922,145</u>
	14,622,078	14,622,078
Less: accumulated depreciation and amortization	<u>(12,949,880)</u>	<u>(12,644,659)</u>
Total	<u>\$ 1,672,198</u>	<u>\$ 1,977,419</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

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Depreciation and amortization expense was \$305,221 and \$326,348 for the years ended March 31, 2023 and 2022, respectively.

NOTE 6 - LOAN PAYABLE, NET

In June 2021, USSF signed a zero-interest loan contract with FIFA as part of the FIFA COVID-19 Relief Plan. The loan amount of \$5,000,000 has a maturity date of December 31, 2032. USSF calculated total imputed interest on the loan using a 5% interest rate and recorded restricted contribution revenue and a discount on the loan of \$1,701,271 for the year ended March 31, 2022. Amounts are released into Net assets without donor restrictions over the duration of the loan. The unamortized discount on the loan was \$1,385,283 and \$1,561,218 as of March 31, 2023 and 2022, respectively.

The payment schedule of the loan contract is as follows.

<u>Year Ending March 31,</u>	<u>Amount</u>
2027	\$ 700,000
2028	700,000
2029	700,000
2030	700,000
2031	700,000
Thereafter	<u>1,500,000</u>
Total	<u>\$ 5,000,000</u>

Imputed interest expense was \$175,935 and \$140,053 for the years ended March 31, 2023 and 2022, respectively.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions include contributions subject to donor-imposed restrictions as to purpose that will be met by actions of USSF, or that expire by the passage of time.

The following table summarizes net assets with donor restrictions as of March 31:

	<u>2023</u>	<u>2022</u>
Development Academy Clubs	\$ 4,683,333	\$ 4,683,333
Scholarships	528,217	637,739
STEM High Performance Roles	337,853	1,020,303
Talent ID	1,000,000	1,000,000
Imputed interest on loan (time-restricted)	1,385,283	1,561,218
Other	<u>535,000</u>	<u>435,000</u>
	<u>\$ 8,469,686</u>	<u>\$ 9,337,593</u>

Net assets released from restriction were \$682,450 and \$319,643 related to STEM High Performance Roles for the years ended March 31, 2023 and 2022, respectively. Net assets released from restriction were \$175,935 and \$140,053 related to imputed interest on loan for the years ended March 31, 2023 and 2022, respectively. Net assets released from restriction were \$109,522 and \$0 related to scholarships for the years ended March 31, 2023 and 2022, respectively.

United States Soccer Federation, Inc.

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March 31, 2023 and 2022

NOTE 8 - LIQUIDITY AND AVAILABILITY

USSF regularly monitors liquidity to meet its operating needs and other contractual commitments. As part of USSF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, USSF invests cash in excess of operating requirements.

USSF's financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows:

	2023	2022
Cash and cash equivalents	\$ 20,443,525	\$ 37,654,544
Accounts receivable, net	25,586,919	6,476,300
Undesignated investments	89,550,826	113,674,625
Less: net assets with donor restrictions	<u>(8,469,686)</u>	<u>(9,337,593)</u>
Total financial assets available within one year	<u>\$ 127,111,584</u>	<u>\$ 148,467,876</u>

NOTE 9 - INCOME TAXES

USSF qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and, accordingly, is only subject to federal or state income taxes on specific types of income from activities that are unrelated to its exempt purpose. USSF had no material income from unrelated activities and has no material income taxes due as of March 31, 2023 and 2022.

CA2016 LOC is a single member limited liability company that is exempt from federal income tax under Section 501(c)(3) of the IRC. CA2016 Marketing is a taxable corporation whose sole stockholder is CA2016 LOC.

USSF's application of the accounting standards regarding uncertain tax positions had no material effect on its financial position as management believes USSF has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. USSF would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Legal Matters

USSF is currently involved in multiple legal actions. Management believes that there are no pending legal proceedings against or involving USSF where the outcome can be predicted and the financial impact be estimated.

Frisco Stadium, LP

USSF entered into a long-term agreement with Frisco Stadium, LP (FSLP) for the use of Pizza Hut Park's training and educational facilities for the benefit of USSF national teams and other organizational members. The agreement became effective October 16, 2006, and continues through December 31, 2025, with an automatic renewal to December 31, 2026, available without any action on behalf of the parties. USSF made four payments to FSLP to offset construction costs totaling \$5,000,000. The payments are being amortized to expense over the term of the agreement. The unamortized balance recorded as prepaid expense amounted to \$755,384 and \$1,030,040 at March 31, 2023 and 2022, respectively.

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Leases

USSF has entered into a long-term agreement with Anschutz Southern California Sports Complex for the use of the National Training Center, which became effective February 20, 2002, and will continue for 25 years from that date. The agreement consists of a building lease with an annual lodging guarantee. The agreement provides for USSF to pay an annual fee over the entire term of the lease, amounting to \$250,000 per year over the first three years of the lease, after which the fee is subject to annual Consumer Price Index increases. In conjunction with the agreement, USSF was originally required to make capital improvements to the facility totaling at least \$6,000,000, but the total was subsequently reduced due to construction changes. As of March 31, 2023 and 2021, USSF has capitalized leasehold improvements approximating \$5,922,000, which are being amortized over the shorter of the useful life of the improvement or the life of the lease.

USSF entered into a long-term lease agreement with Kansas Training Development for the use of the Pinnacle National Development Center, which became effective January 23, 2018, and will continue for 20 years from that date. The agreement provides for USSF to pay an annual base rent of \$100,000 and additional rent based on a percentage share of annual operating expenses over the entire term of the lease.

USSF entered into a lease for additional parking and office space in Chicago, IL, effective November 1, 2021. The lease is for a period of two years, with annual rent approximating \$218,000.

USSF entered into a lease for National Headquarters office space commencing on January 1, 2023 in Chicago, IL. The lease term is five years with USSF having two options to extend the term by one year each. Annual base rent is approximately \$765,000 and estimated annual operating expenses are approximately \$625,000. The lease agreement provides up to ten months of abated rent and operating expenses.

Total lease expenses related to these agreements was \$1,352,708 and \$659,385 for the years ended March 31, 2023 and 2022, respectively.

Future undiscounted lease payments for USSF's operating lease liabilities are as follows as of March 31, 2023:

<u>Years Ending March 31,</u>	
2024	\$ 895,983
2025	1,145,134
2026	1,163,885
2027	1,158,512
2028	702,010
Thereafter	<u>1,083,333</u>
Total minimum lease payments	6,148,857
Less: present value discount	<u>(563,508)</u>
Operating lease liabilities	<u>\$ 5,585,349</u>
Weighted-average remaining lease term (in years)	7.07
Weighted-average discount rate	2.60%
Cash paid for amounts included in the measurement of lease liabilities	\$ 681,505

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The following table summarizes the future minimum lease payments for the USSF under the previous lease standard, ASC 840.

The estimated future minimum lease payments for USSF (including estimated operating expenses and abated rent) at March 31, 2022, were as follows:

<u>Year Ending March 31,</u>	<u>Amount</u>
2023	\$ 676,999
2024	1,151,990
2025	1,833,764
2026	1,874,518
2027	1,916,243
2028 and thereafter	<u>2,194,563</u>
Total	<u>\$ 9,648,077</u>

Grant Commitments

USSF may award conditional grants to its member organizations to benefit players, coaches, and referees across the U.S. Soccer landscape. These grants are recognized as expenses and amounts payable when conditions under the grant agreements are satisfied. Grants awarded but not yet recognized were \$3,440,387 and \$0 as of March 31, 2023 and 2022, respectively.

NOTE 11 - RELATED PARTIES

The U.S. Soccer Federation Foundation (the Foundation) was organized on June 10, 1991, as a 501(c)(3) organization to assume the net assets of World Cup USA 1994. The Foundation's purpose is to manage the surplus funds from World Cup USA 1994 in order to create a permanent legacy for soccer in the United States through the funding of projects designated for long-term growth of the game and in support of USSF's vision to make soccer a preeminent sport recognized for excellence in participation, spectator appeal, international competition and gender equity. USSF and the Foundation share at least one common board member.

The National Soccer Hall of Fame Museum (the Hall of Fame), a Texas not-for-profit qualified under Section 501(c)(3) and a supporting organization of USSF pursuant to Section 509(a)(3), maintains the historical archives of soccer in the United States and promotes soccer through educational and cultural outreach. USSF appoints the members of the Board of the Hall of Fame.

Professional Referee Organization LLC (PRO) was formed on April 27, 2012 and commenced operations in November 2012. PRO was formed for the purpose of administering a professional soccer referee program in the United States, and to improve the quality of professional refereeing in North America through training administered by the program. USSF is a member of the LLC agreement along with Major League Soccer, LLC (MLS). The agreement provides for an annual contribution based on a percentage of defined Shared Expenses, subject to a cap. The contribution requirement is determined on PRO's calendar-year basis based on budgeted amounts and USSF Board approval. The Federation incurred \$2,212,398 and \$1,836,322 of expenses related to PRO during the years ended March 31, 2023 and 2022, respectively, which are included in the referee program expense on the consolidated statements of activities.

As described in Note 3, USSF was party to a marketing representation agreement with SUM. The CEO of SUM, and commissioner of MLS, is also a board member of USSF by virtue of being elected by the Pro Council of U.S. Soccer.

United States Soccer Federation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

NOTE 12 - FUNCTIONAL EXPENSES AND NATIONAL TEAMS

The following table summarizes functional expenses for the years ended March 31:

	2023		
	Programs	Management and General	Total
Salaries and wages	\$ 63,996,932	\$ 9,098,094	\$ 73,095,026
Employee benefits	3,531,427	1,545,741	5,077,168
Payroll taxes	3,681,588	666,863	4,348,451
Professional services	2,687,900	12,212,718	14,900,618
Travel	33,039,186	1,628,606	34,667,792
Advertising and promotions	3,658,032	283,719	3,941,751
Office supplies	96,393	15,101	111,494
Occupancy	1,459,057	1,074,559	2,533,616
Information technology	6,208,765	1,781,469	7,990,234
Conferences, conventions, and meetings	1,996,831	-	1,996,831
Depreciation and amortization	297,012	8,209	305,221
Insurance	548	2,507,533	2,508,081
Equipment and maintenance	1,376,124	670,831	2,046,955
Professional referee organization	2,212,398	-	2,212,398
Commercial expenses	3,530,689	-	3,530,689
Donated equipment	4,913,161	-	4,913,161
Other event operations	6,820,761	104,867	6,925,628
Financial expenses and bad debt	1,146,677	4,584,051	5,730,728
Grants and contributions	1,594,708	17,811	1,612,519
Shipping and freight	1,994,835	74,450	2,069,285
Ticket revenue share	4,634,977	-	4,634,977
COVID-19 related expenses	78,246	223	78,469
Other	1,327,829	1,378,540	2,706,369
	<u>\$ 150,284,076</u>	<u>\$ 37,653,385</u>	<u>\$ 187,937,461</u>

United States Soccer Federation, Inc.

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March 31, 2023 and 2022

	2022		
	Programs	Management and General	Total
Salaries and wages	\$ 37,482,088	\$ 5,681,020	\$ 43,163,108
Employee benefits	2,664,597	910,316	3,574,913
Payroll taxes	2,154,258	304,178	2,458,436
Professional services	2,668,264	12,869,941	15,538,205
Legal settlement	24,000,000	-	24,000,000
Travel	21,045,083	795,985	21,841,068
Advertising and promotions	2,594,892	131,747	2,726,639
Office supplies	68,140	25,004	93,144
Occupancy	819,836	654,163	1,473,999
Information technology	4,336,036	1,022,347	5,358,383
Conferences, conventions, and meetings	601,768	52,003	653,771
Depreciation and amortization	93,777	232,571	326,348
Insurance	11,768	1,654,586	1,666,354
Equipment and maintenance	978,577	609,491	1,588,068
Professional referee organization	1,836,322	-	1,836,322
Commercial expenses	1,223,919	100,000	1,323,919
Donated equipment	1,748,211	-	1,748,211
Other event operations	4,962,179	25,859	4,988,038
Financial expenses and bad debt	1,339,640	812,175	2,151,815
Grants and contributions	868,986	26,500	895,486
Shipping and freight	1,331,895	31,677	1,363,572
Ticket revenue share	1,935,778	-	1,935,778
COVID-19 related expenses	1,934,594	74,525	2,009,119
Other	1,182,764	1,468,788	2,651,552
	<u>\$ 117,883,372</u>	<u>\$ 27,482,876</u>	<u>\$ 145,366,248</u>

Certain expenses are attributable to one or more programs or supporting functions of USSF. Those expenses, such as salaries and benefits, are allocated based on employee hours and specific identification when possible.

United States Soccer Federation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

National Teams' expenses were as follows for the years ended March 31:

	2023	2022
Men's Senior National Team	\$ 41,507,057	\$ 26,945,409
Women's Senior National Team - Legal Settlement	-	24,000,000
Women's Senior National Team	24,497,937	20,446,002
Youth National Teams and Player Development	21,573,815	9,558,925
National Team Admin, Coaching, and Technical - All	8,008,932	7,376,025
Event Management	1,966,237	2,428,590
Extended National Teams	3,765,146	1,780,619
Equipment and Supplies	4,913,161	1,748,211
National Women's Soccer League (Administration Expenses)	-	800,000
Equipment Management	1,051,041	778,475
National Training Center	644,865	558,915
Opponent Team Appearances	1,118,383	81,400
	\$ 109,046,574	\$ 96,502,571

Revenues and expenses for Senior National Teams generally increase as each team takes part in different major competitions such as FIFA World Cups, World Cup Qualifying, Olympics, Olympic Qualifying, and the Concacaf Gold Cup. The men's FIFA World Cup took place in fiscal year ended March 31, 2023. The next women's FIFA World Cup is scheduled for the fiscal year ended March 31, 2024.

Expenses incurred for USMNT events were \$41,507,057 and \$26,945,409 for the years ended March 31, 2023 and 2022, respectively, which includes FIFA World Cup prize money. Expenses incurred for USWNT events were \$24,497,937 and \$20,446,002 for the years ended March 31, 2023 and 2022, respectively. The USMNT played 14 matches and 25 matches in the fiscal years ended March 31, 2023 and 2022, respectively. The USWNT played 20 matches and 22 matches in the fiscal years ended March 31, 2023 and 2022, respectively.

NOTE 13 - EMPLOYEE BENEFITS

USSF provides benefits under The U.S. Soccer Federation Option Plan (the "Option Plan"), effective January 1, 1999, which is designed to accumulate retirement funds for two past CEOs/Secretary's Generals. The Option Plan allows the participant to defer up to 100% of compensation for the right to buy a variety of mutual funds equal to the deferred compensation they would have otherwise received. The Option Plan is administered by USSF. The fair value of the underlying securities purchased to cover the options was \$2,333,016 and \$3,034,034 as of March 31, 2023 and 2022, respectively. The balance is reflected as an investment and a liability within the consolidated statements of financial position, and changes in fair value are recorded as investment income and expense. Until such time as the Internal Revenue Services regulations are amended or changed, no further options of this type will be granted. Subsequent to March 31, 2023, the plan was terminated and all balances were distributed to the participants.

USSF has a 401(k) defined-contribution plan (the "Plan") that is available to eligible employees who meet the Plan's eligibility criteria, excluding employees covered by collective bargaining agreements or otherwise excluded by the terms of the Plan. The Plan permits Plan participants to defer a portion of their salary on a pre-tax basis to contribute to the Plan. The Federation makes discretionary matching contributions of 50%, up to 6% of eligible compensation, or a maximum of 3% of eligible compensation. In addition, the Federation makes a non-elective safe harbor contribution to all participant accounts of 3% of eligible compensation. Contributions by the Federation were \$1,466,000 and \$1,033,388 for the years ended March 31, 2023 and 2022, respectively.

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March 31, 2023 and 2022

NOTE 14 - LABOR AGREEMENTS

The players on the Men's and Women's Senior National Teams are each covered by separate collective bargaining agreements (CBA). The Men's National Team CBA expired on December 31, 2018, and a successor CBA was signed in the fiscal year ended March 31, 2023, for the effective period of January 1, 2019 to December 31, 2028. The Women's Senior National Team CBA expired on December 31, 2021, and a successor CBA was signed in the fiscal year ended March 31, 2023 for the effective period of January 1, 2022 to December 31, 2028.

NOTE 15 - SUBSEQUENT EVENTS

The Federation evaluated its March 31, 2023 consolidated financial statements for subsequent events through February 14, 2024, the date the consolidated financial statements were available to be issued. Other than disclosed in Note 13, no subsequent events have occurred that would require recognition or disclosure in these consolidated financial statements.