

MACCABI USA, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

MACCABI USA, INC.

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Independent Auditors' Report

The Board of Directors of
Maccabi USA, Inc.

Opinion

We have audited the financial statements of Maccabi USA, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the changes in its net assets and its 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Financial Statements

The financial statements of the Organization as of and for the year ended December 31, 2023, were audited by Marcum LLP, whose report dated October 10, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

CBIZ CPAs P.C.

Washington, DC
November 13, 2025

MACCABI USA, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,048,339	\$ 2,424,555
Investments	5,000	5,000
Pledges receivable, net, current portion	704,172	676,872
Prepaid expenses and other	2,108,648	138,825
Receivable - funds held by third party	957,702	-
Due from related parties	<u>160,215</u>	<u>179,618</u>
Total Current Assets	<u>7,984,076</u>	<u>3,424,870</u>
Noncurrent Assets		
Pledges receivable, net of current portion and discount	46,583	356,169
Property and equipment, net	6,957	11,231
Operating right-of-use assets	231,022	303,830
Beneficial interest in trust	<u>1,889,889</u>	<u>1,733,625</u>
Total Noncurrent Assets	<u>2,174,451</u>	<u>2,404,855</u>
Total Assets	<u>\$ 10,158,527</u>	<u>\$ 5,829,725</u>

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

MACCABI USA, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	2024	2023
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 26,134	\$ 263,802
Note payable, current portion	3,799	6,699
Operating lease liabilities, current portion	<u>77,797</u>	<u>69,265</u>
Total Current Liabilities	<u>107,730</u>	<u>339,766</u>
Long-Term Liabilities		
Note payable, net of current portion	140,971	143,301
Operating lease liabilities, net of current portion	156,767	234,565
Deferred revenue	<u>3,087,493</u>	<u>2,664</u>
	<u>3,385,231</u>	<u>380,530</u>
Total Liabilities	<u>3,492,961</u>	<u>720,296</u>
Commitments		
Net Assets		
Without donor restrictions	240,390	801,172
With donor restrictions	<u>6,425,176</u>	<u>4,308,257</u>
Total Net Assets	<u>6,665,566</u>	<u>5,109,429</u>
Total Liabilities and Net Assets	<u>\$ 10,158,527</u>	<u>\$ 5,829,725</u>

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

MACCABI USA, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Program revenues	\$ 1,394,241	\$ --	\$ 1,394,241	\$ 4,388,933	\$ --	\$ 4,388,933
Contributions						
Support of games	33,317	1,000,604	1,033,921	74,744	1,579,749	1,654,493
General	179,784	346,882	526,666	202,255	267,666	469,921
Related party	18,495	756,505	775,000	257,580	610,412	867,992
Board member dues	10,601	--	10,601	3,824	--	3,824
Special events (net of direct donor benefit of \$127,408 in 2024 and \$169,305 in 2023)	266,455	163,308	429,763	330,576	74,312	404,888
Interest income	70,916	--	70,916	75,037	--	75,037
Other income	--	--	--	162,359	--	162,359
Change in value of beneficial interest in trust	--	259,781	259,781	--	274,541	274,541
Net assets released from restriction	410,161	(410,161)	--	507,440	(507,440)	--
Total Support and Revenue	2,383,970	2,116,919	4,500,889	6,002,748	2,299,240	8,301,988
Expenses						
Program services	2,022,646	--	2,022,646	5,069,609	--	5,069,609
Management and general	372,221	--	372,221	472,099	--	472,099
Fundraising	549,885	--	549,885	601,898	--	601,898
Total Expenses	2,944,752	--	2,944,752	6,143,606	--	6,143,606
Change in Net Assets	(560,782)	2,116,919	1,556,137	(140,858)	2,299,240	2,158,382
Net Assets, Beginning of Year	801,172	4,308,257	5,109,429	942,030	2,009,017	2,951,047
Net Assets, End of Year	\$ 240,390	\$ 6,425,176	\$ 6,665,566	\$ 801,172	\$ 4,308,257	\$ 5,109,429

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

MACCABI USA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services					Management and General	Fundraising	Total
	Maccabiah Games	Mac @ Home	Pan Am	Other Programs	Total			
Personnel								
Salaries	\$ 383,131	\$ 1,422	\$ 31,397	\$ 297,001	\$ 712,951	\$ 128,067	\$ 188,500	\$ 1,029,518
Payroll taxes and employee benefits	67,322	250	5,517	52,188	125,277	22,503	33,122	180,902
Total Personnel Costs	<u>450,453</u>	<u>1,672</u>	<u>36,914</u>	<u>349,189</u>	<u>838,228</u>	<u>150,570</u>	<u>221,622</u>	<u>1,210,420</u>
Other Expenses								
Advertising and marketing	4,763	2,394	2,580	4,228	13,965	3,390	13,096	30,451
Alumni events	4,288	--	--	10,000	14,288	--	--	14,288
Bank fees	8,769	33	719	6,798	16,319	2,931	4,315	23,565
Depreciation	1,590	6	130	1,233	2,959	533	782	4,274
Direct fundraising costs	--	--	--	--	--	--	29,392	29,392
Insurance	42,488	158	3,482	32,936	79,064	14,202	20,904	114,170
IT support services	25,139	93	2,060	19,487	46,779	8,403	12,368	67,550
Maccabiah games	--	--	--	150	150	--	--	150
Membership fees	55,822	207	4,575	44,471	105,075	18,659	27,464	151,198
Newsletter	303	303	303	303	1,212	303	1,513	3,028
Office expenses	16,882	63	1,100	13,187	31,232	5,643	8,306	45,181
Other expenses	12,518	24	1,392	12,735	26,669	2,403	3,148	32,220
Pan Am Games	--	--	95,803	74,026	169,829	14	94	169,937
Postage and shipping	743	3	61	792	1,599	13,201	366	15,166
Professional fees	53,555	4,942	8,759	42,586	109,842	21,071	47,810	178,723
Registration fees	--	--	--	289,124	289,124	10,040	--	299,164
Occupancy lease	37,609	140	3,082	29,154	69,985	12,571	18,504	101,060
Special events	--	--	--	41,734	41,734	1,162	14,066	56,962
Support expenses	--	--	--	--	--	96,716	123,889	220,605
Team	1,880	1	11,730	81,491	95,102	8,486	120	103,708
Telephone	1,592	6	130	1,366	3,094	532	783	4,409
Travel and entertainment	2,730	10	224	16,622	19,586	1,391	1,343	22,320
Security	--	--	46,811	--	46,811	--	--	46,811
Total Expenses	<u>\$ 721,124</u>	<u>\$ 10,055</u>	<u>\$ 219,855</u>	<u>\$ 1,071,612</u>	<u>\$ 2,022,646</u>	<u>\$ 372,221</u>	<u>\$ 549,885</u>	<u>\$ 2,944,752</u>

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

MACCABI USA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services					Management and General	Fundraising	Total
	Maccabiah Games	Mac @ Home	Pan Am	Other Programs	Total			
Personnel								
Salaries	\$ 55,912	\$ 3,310	\$ 370,805	\$ 98,350	\$ 528,377	\$ 186,558	\$ 192,110	\$ 907,045
Payroll taxes and employee benefits	7,540	446	50,003	13,263	71,252	25,157	25,906	122,315
Total Personnel Costs	<u>63,452</u>	<u>3,756</u>	<u>420,808</u>	<u>111,613</u>	<u>599,629</u>	<u>211,715</u>	<u>218,016</u>	<u>1,029,360</u>
Other Expenses								
Advertising and marketing	2,971	2,820	6,796	3,093	15,680	703	11,794	28,177
Alumni events	278	--	--	3,693	3,971	--	42,874	46,845
Bank fees	7,231	428	47,958	12,720	68,337	24,129	24,847	117,313
Depreciation	292	17	1,940	514	2,763	977	1,005	4,745
Direct fundraising costs	--	--	--	--	--	--	28,025	28,025
Insurance	5,751	340	38,140	10,180	54,411	19,189	19,760	93,360
IT support services	--	--	--	--	--	52,151	--	52,151
Maccabiah games	31,646	--	--	--	31,646	--	--	31,646
Membership fees	9,246	547	61,321	16,264	87,378	30,852	31,770	150,000
Newsletter	480	480	480	480	1,920	--	1,922	3,842
Office expenses	3,010	211	28,229	6,260	37,710	39,201	12,227	89,138
Other expenses	650	5	23,887	3,418	27,960	3,251	10,165	41,376
Pan Am Games	--	--	254,407	--	254,407	--	--	254,407
Postage and shipping	802	47	5,318	1,410	7,577	2,675	2,755	13,007
Professional fees	12,857	6,377	51,650	18,085	88,969	27,083	47,544	163,596
Registration fees	--	--	2,348,385	--	2,348,385	--	--	2,348,385
Occupancy lease	5,005	296	33,195	8,804	47,300	16,701	17,198	81,199
Special events	192	--	--	57,569	57,761	147	24,037	81,945
Support expenses	--	--	8,700	141,797	150,497	21,200	99,517	271,214
Team	2,090	29	73,538	115,257	190,914	8,586	1,670	201,170
Telephone	337	20	2,238	594	3,189	1,126	1,160	5,475
Travel and entertainment	635	38	897,651	4,562	902,886	9,627	2,747	915,260
Security	--	--	37,539	--	37,539	--	--	37,539
Utilities	834	49	5,530	1,467	7,880	2,786	2,865	13,531
Winter Games	--	--	--	40,900	40,900	--	--	40,900
Total Expenses	<u>\$ 147,759</u>	<u>\$ 15,460</u>	<u>\$ 4,347,710</u>	<u>\$ 558,680</u>	<u>\$ 5,069,609</u>	<u>\$ 472,099</u>	<u>\$ 601,898</u>	<u>\$ 6,143,606</u>

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

MACCABI USA, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	203
Cash Flows From Operating Activities		
Change in net assets	\$ 1,556,137	\$ 2,158,382
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	4,274	4,745
Amortization of operating right-of-use assets	72,808	62,682
Accretion of operating lease liabilities	11,381	1,131
Change in the value of the beneficial interest in trust	(259,781)	(274,541)
Distributions from beneficial interest in trust	103,517	92,920
Changes in operating assets and liabilities		
Pledges receivable, net	282,286	(1,033,041)
Prepaid expenses and other	(1,969,823)	(15,077)
Receivable - funds held by third party	(957,702)	--
Accounts payable and accrued expenses	(237,668)	161,431
Deferred revenue	3,084,829	(55,845)
Operating lease liabilities	(80,647)	(72,756)
Net Cash Provided by Operating Activities	<u>1,609,611</u>	<u>1,030,031</u>
Cash Flows From Investing Activities		
Acquisition of equipment	--	(2,368)
Due from related parties	--	(179,618)
Net Cash Used in Investing Activities	<u>--</u>	<u>(181,986)</u>
Cash Flows From Financing Activities		
Due to related parties	19,403	(4,859)
Repayment of principal on notes payable	(5,230)	--
Net Cash Provided by (Used in) Financing Activities	<u>14,173</u>	<u>(4,859)</u>
Net Increase in Cash and Cash Equivalents	1,623,784	843,186
Cash and Cash Equivalents, Beginning of Year	<u>2,424,555</u>	<u>1,581,369</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,048,339</u>	<u>\$ 2,424,555</u>
Noncash Operating Activities		
Obtaining right-of-use asset in exchange for lease liability	\$ --	\$ 300,287

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

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 - NATURE OF ORGANIZATION

Maccabi USA, Inc., (the “Organization”), is the official sponsor of the United States team to the World Maccabiah Games in Israel, as well as other international Maccabi Games (the “Games”) in Latin America and Europe. Each team is comprised of Jewish athletes from the United States who represent their country in athletic competition and learn about the Jewish culture and heritage in the host country where the Games take place. It is the unique combination of sports and history that allows Maccabi USA to change the lives of all who participate in the Games. Athletes leave the competition with a feeling of accomplishment for their athletic ability, great new friends from around the world and, most important, a sense of pride for their unique culture and heritage. They feel a special connection with their fellow Jews from around the world and a strong connection to the State of Israel.

Maccabi USA distinguishes itself by:

- Sponsoring the United States Team to the World Maccabiah Games.
- Supporting programs such as the JCC Maccabi Games which introduce American Jewish youth to their heritage by sponsoring sports-related programs and activities.
- Supporting programs that enhance participation of American Jewish youth with their brethren throughout the world.
- Supporting athletic facilities and programs in Israel.
- Being a member of the Maccabi World Union and worldwide Maccabi movement.

To further its mission, Maccabi USA lends support to the Maccabi World Union, Israel Sports Center for Disabled, the International Jewish Sports Hall of Fame, Israel's Olympic athletes and more.

Maccabi USA is one of 50 territorial representatives of Maccabi World Union, the international governing organization. Maccabi World Union has a membership of more than 400,000 throughout the world. The Maccabi movement, with ties to the ideals of Zionism and named for Judah (The Hammer) Maccabee, symbolizes Jewish excellence in sport.

The Organization is supported primarily through contributions and program revenues associated with the athletic games.

Maccabi USA is officially recognized by the United States Olympic and Paralympic Committee as an Affiliate Organization and is an adjunct member of the Conference of Presidents of Major Jewish Organizations.

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements reflect the accounts of the Organization and have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

NET ASSETS

Net assets, revenues, and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor restrictions. The net assets whose use is restricted by the Board of Directors are also included within net assets without donor restrictions. The Organization had no board restricted net assets at December 31, 2024 and 2023.

Net Assets with Donor Restrictions

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events or purposes specified by the donor. Other donor-imposed restrictions are permanent in nature, where the donor stipulates that such resources be maintained in perpetuity. Generally, the donors of these assets permit the Organization to use all, or part of the income earned on related investments for general or specific purposes.

SUPPORT AND REVENUE RECOGNITION

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Board ("ASC"), *Revenue from Contracts with Customers* ("ASC 606"), the Organization determines the amount of revenue to be recognized through application of the following steps:

- Identification of the contract, or contracts with the customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Organization satisfies the performance obligations.

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUPPORT AND REVENUE RECOGNITION (CONTINUED)

Program Revenues

Program revenues include amounts paid by athletes to participate in the various Games. These revenues are recognized at a point in time during the year in which the Games are held. Accordingly, amounts received in advance are deferred until the event occurs. Application fees are recognized when the application is received regardless of when the Games will take place. Total program revenues recognized at a point in time for the years ended December 31, 2024 and 2023 were \$1,394,241 and \$4,388,933, respectively.

Contributions

In accordance with FASB ASC 958, *Not-for-profit Entities*, unconditional promises to give cash and other assets to the Organization are reported as contributions and recorded at fair value on the date the promise is received. All contributions are considered to be available for use without restriction unless specifically restricted by the donor. Contributions received for specific purposes or with donor stipulations are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, 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 statements of activities and changes in net assets as net assets released from restrictions. Restricted contributions received, whose restrictions are met in the same reporting period, are reflected as without restrictions.

Special Events

Special events revenue include revenue generated from ticket sales and revenue received in sponsorships. Revenue earned from attendance at fundraising events is recognized at the time of the event. Revenue from sponsorships is considered contribution revenue as they are generally nonreciprocal transactions, therefore, they are recognized when the agreement is signed. Revenue from ticket sales are considered an exchange transaction for the value received. Amounts received in advance of the event are recorded as deferred revenue (contract liability) until the event is held. Expenses incurred in connection with an event that provide direct benefit to the donors offset special event revenue in the statements of activities and changes in net assets. For the year ended December 31, 2024, the revenue from special events amounted to \$557,171, of which \$127,408 was earned as a benefit to the donor. For the year ended December 31, 2023, the revenue from special events amounted to \$574,193, of which \$169,305 was earned as a benefit to the donor.

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in banks and money market funds held in investment portfolios. In addition, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less, which are not intended to be held for investment purposes, to be cash equivalents.

INVESTMENTS

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair value in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are recorded as received at the present value of their net realizable value, using interest rates applicable to the years in which the promises are received to discount these amounts (see Note 4). Amortization of discounts is included in contribution revenue. The Organization uses an allowance method to determine uncollectible promises receivable. No allowance for uncollectible accounts is considered necessary at December 31, 2024 and 2023.

RECEIVABLE – FUNDS HELD BY THIRD PARTY

The Organization utilized a third-party payment processor on its behalf for fees paid to the Organization related to the Games, for which cash received by the third party had not yet been transferred to the Organization's bank account. These amounts are reported as a receivable in the accompanying statement of financial position. The Organization received these funds in full after year-end.

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets ranging from 3 to 5 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reported in the statements of activities and changes in net assets. The cost of maintenance and repairs is charged to expense as incurred.

IMPAIRMENT OF LONG-LIVED ASSETS

The Organization reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of an asset and its eventual disposition is less than the carrying amount. Impairment, if any, is assessed using discounted cash flows. At December 31, 2024 and 2023, management did not consider the value of the long-lived assets to be impaired.

BENEFICIAL INTEREST IN TRUST

The Organization is the beneficiary of an irrevocable trust held and administered by an independent trustee. Under the terms of the trust, the Organization has the irrevocable right to receive annual distributions of the trust assets through the year 2039 at which point the trust will be dissolved and the remaining assets distributed to the beneficiaries. The fair value of the beneficial interest in a trust was recognized as an asset and as a contribution with donor restrictions at the date the trust is established. The Organization's estimate of fair value at each reporting date is based on fair value information about the trust's assets received from trustees. Trust assets consist of, but are not limited to, cash and cash equivalents and marketable securities. These assets are not subject to control or direction of the Organization. Distributions from the trust are reported as a reduction of the trust asset. Gains and losses are reflected as the change in value of perpetual trust in the statements of activities and changes in net assets.

IN-KIND CONTRIBUTIONS

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received as contributions with offsetting expenses. In addition, the Organization received donated services from a variety of unpaid volunteers. The value of these services is not reflected in the accompanying financial statements as these services do not meet the criteria for recognition as contributed services.

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES

The Organization classifies leases in accordance with FASB ASC 842, *Leases* (“ASC 842”). Under ASC 842, the Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The Organization elected the short-term lease recognition exemption for all leases that qualify. Consequently, for those leases that qualify, the Organization will not recognize right-of-use assets or lease liabilities on the statements of financial position. The Organization generally does not have access to the rate implicit in the lease, and therefore the Organization utilizes a risk-free rate as the discount rate.

ADVERTISING COSTS

Advertising costs are charged to expense as incurred. Advertising costs were \$30,451 and \$28,177 for the years ended December 31, 2024 and 2023, respectively.

INCOME TAXES

The Organization is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(3), and is exempt from state income taxes. The Organization is not a private foundation.

FUNCTIONAL EXPENSES

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statements of functional expenses. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services (i.e. fundraising and management and general activities). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited. All expenses are allocated based on total salary and benefit costs, whose distribution to programs is determined based on the estimates of time and effort incurred by personnel.

RECLASSIFICATIONS

Certain 2023 amounts have been reclassified to conform to the 2024 presentation. These reclassifications have no effect on the previously reported changes in net assets.

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through November 13, 2025, the date on which the financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	December 31,	
	2024	2023
Cash and cash equivalents	\$ 4,048,339	\$ 2,424,555
Investments, Israel bonds	5,000	5,000
Pledges receivable, current portion	704,172	676,872
Receivable - funds held by third party	957,702	-
Due from related parties	<u>160,215</u>	<u>179,618</u>
Total Financial Assets Available Within One Year	5,875,428	3,286,045
Less: amounts unavailable for general expenditures within one year, due to restricted by donor with purpose restrictions	<u>(4,488,704)</u>	<u>(2,218,463)</u>
Total Financial Assets Available to Management for General Expenditure Within One Year	<u>\$ 1,386,724</u>	<u>\$ 1,067,582</u>

The Organization's financial assets available to meet cash needs for general expenditures within one year represents funding for ongoing operational requirements and program expenditures in fiscal year 2025.

LIQUIDITY MANAGEMENT

The Organization, with oversight of the Board of Directors, maintains any excess funds in an interest bearing cash account. To help manage unanticipated liquidity needs, the Organization has a line of credit of \$750,000, that it can draw on to meet short-term cash needs (see Note 6).

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 4 - PLEDGES RECEIVABLE, NET

The pledges are expected to be collected as follows:

	December 31,	
	2024	2023
Less than one year	\$ 704,172	\$ 676,872
One to five years	<u>55,499</u>	<u>419,291</u>
	759,671	1,096,163
Less: Present value discount	<u>(8,916)</u>	<u>(63,122)</u>
	<u>\$ 750,755</u>	<u>\$ 1,033,041</u>

There are no remaining long-term assessments as of year-end; therefore, no discounting to present value was necessary.

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

	December 31,	
	2024	2023
Computer equipment	\$ 9,527	\$ 11,188
Computer software	44,654	44,654
Equipment	<u>13,690</u>	<u>31,638</u>
	67,871	87,480
Less accumulated depreciation	<u>(60,914)</u>	<u>(76,249)</u>
	<u>\$ 6,957</u>	<u>\$ 11,231</u>

Depreciation expense for 2024 and 2023 was \$4,274 and \$4,745, respectively. During the year ended December 31, 2024, the Organization disposed of fully depreciated property and equipment totaling \$19,609.

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 6 - LINE OF CREDIT

The Organization has a revolving line of credit allowing for maximum borrowings of \$750,000 which is due to expire on November 6, 2026. Interest is calculated at a variable rate equal to the greater of the prime rate plus 1.00% or 6.5%. The effective rate as of December 31, 2024 and 2023 was 8.50% and 9.50%, respectively. Interest is payable monthly and the line of credit is unsecured. The outstanding balance was \$0 as of December 31, 2024 and 2023.

NOTE 7 - NOTES PAYABLE

On August 6, 2020, the Organization qualified for and received a loan from the SBA under section 7(b) of the Small Business ACT, as amended, for an aggregate principal amount of \$150,000 (the "SBA Loan"). The SBA Loan bears interest at a fixed rate of 2.75% per annum, with the first 30 months of interest and payments deferred, and has a term of 30 years. Monthly installment payments, including principal and interest, of \$641 commenced after the end of deferral period. The SBA Loan may be accelerated upon the occurrence of an event of default.

Future maturities of the notes payable are as follows:

Year Ending December 31,	Amount
2025	\$ 3,799
2026	3,905
2027	4,013
2028	4,125
2029	4,240
Thereafter	<u>124,688</u>
	<u>\$ 144,770</u>

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

	December 31,	
	2024	2023
Subject to expenditure for specified purposes		
Maccabiah Games	\$ 3,650,957	\$ 1,777,771
Israeli Olympic Baseball	25,045	28,152
Maccabi Media	193,730	167,764
Other	665,555	600,945
Subject to the passage of time		
Beneficial interest in trust	<u>1,889,889</u>	<u>1,733,625</u>
	<u>\$ 6,425,176</u>	<u>\$ 4,308,257</u>

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

	December 31,	
	2024	2023
Subject to expenditure for specified purposes		
Maccabiah Games	\$ 101,157	\$ 131,770
Israeli Olympic Baseball	23,221	98,930
Maccabi Media	62,612	18,731
Other	119,654	165,089
Subject to the passage of time		
Beneficial interest in trust	<u>103,517</u>	<u>92,920</u>
	<u>\$ 410,161</u>	<u>\$ 507,440</u>

NOTE 9 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that 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).

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 - FAIR VALUE MEASUREMENTS (CONTINUED)

The three levels of the fair value hierarchy under U.S. GAAP 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 include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the 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.

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

ISRAEL BONDS

The fair value of these securities is estimated based on models considering the estimated cash flows and expected yield. These securities have a contractual term.

BENEFICIAL INTEREST IN TRUST

The fair value is estimated based on the unadjusted fair value of the trust assets reported by the trustee. Because the Organization does not have the ability to direct the trustee to redeem them, they are classified as Level 3 investments in the fair value hierarchy.

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes investment assets measured at fair value:

	Investments at Fair Value at December 31, 2024			
	Level 1	Level 2	Level 3	Total
Israel bonds	\$ --	\$ 5,000	\$ --	\$ 5,000
Beneficial interest in trust	<u>--</u>	<u>--</u>	<u>1,889,889</u>	<u>1,889,889</u>
Total Assets in the Fair Value Hierarchy	<u>\$ --</u>	<u>\$ 5,000</u>	<u>\$ 1,889,889</u>	<u>\$ 1,894,889</u>
	Investments at Fair Value at December 31, 2023			
	Level 1	Level 2	Level 3	Total
Israel bonds	\$ --	\$ 5,000	\$ --	\$ 5,000
Beneficial interest in trust	<u>--</u>	<u>--</u>	<u>1,733,625</u>	<u>1,733,625</u>
Total Assets in the Fair Value Hierarchy	<u>\$ --</u>	<u>\$ 5,000</u>	<u>\$ 1,733,625</u>	<u>\$ 1,738,625</u>

The following table reconciles the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) of the beneficial interest in trust:

	December 31,	
	2024	2023
Beneficial interest in trust		
Beginning balance	\$ 1,733,625	\$ 1,552,004
Distribution from trust	(103,517)	(92,920)
Change in fair value of trust	<u>259,781</u>	<u>274,541</u>
	<u>\$ 1,889,889</u>	<u>\$ 1,733,625</u>

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 10 - COMMITMENTS

OPERATING LEASES

The Organization is obligated under various lease agreements for office space and equipment. These leases expire at various times through December 2027.

Variable payments are not determinable at the lease commencement and are not included in the measurement of the lease assets and liabilities. The lease agreements do not include any material residual value guarantees or restrictive covenants.

The following summarizes the line items in the statements of financial position which include amounts for operating leases:

	December 31,	
	2024	2023
Operating Right-of-Use Assets	<u>\$ 231,022</u>	<u>\$ 303,830</u>
Operating lease liabilities, current portion	\$ 77,797	\$ 69,265
Operating lease liabilities, net of current portion	<u>156,767</u>	<u>234,565</u>
Total Operating Lease Liabilities	<u>\$ 234,564</u>	<u>\$ 303,830</u>

The components of operating lease costs included in occupancy lease in the statements of functional expenses are as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Operating lease cost		
Fixed lease expense	\$ 84,189	\$ 63,813
Variable lease costs	<u>16,871</u>	<u>17,386</u>
	<u>\$ 101,060</u>	<u>\$ 81,199</u>

The following summarizes the cash flow information related to operating leases for the years ended December 31, 2024 and 2023:

Cash paid for amounts included in the measurement of lease liabilities:

	2024	2023
Operating cash flows from operating lease	\$ 80,647	\$ 72,756

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 10 - COMMITMENTS (CONTINUED)

OPERATING LEASES (CONTINUED)

Weighted average lease term and discount rate are as follows at December 31, 2024 and 2023:

	2024	2023
Weighted average remaining lease term - operating	2.99 years	3.97 years
Weighted average discount rate - operating	4.23%	4.23%

The maturities of the operating lease liabilities as of December 31, 2024, were as follows:

2025	\$ 85,907
2026	84,996
2027	<u>77,913</u>
Total Lease Payments	248,816
Less amount representing interest	<u>(14,252)</u>
Present Value of Future Minimum Lease Payments	234,564
Less current maturities	<u>(77,797)</u>
Long-Term Lease Liabilities	<u>\$ 156,767</u>

EMPLOYMENT AGREEMENTS

On occasion, the Organization will enter into employment contracts with key employees. The contracts typically provide for minimum guaranteed compensation, as well as certain employee benefits.

Future minimum employment commitments required under employment contracts are as follows:

Year Ending December 31,	Amount
2025	\$ 255,840
2026	<u>131,040</u>
	<u>\$ 386,880</u>

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 11 - RETIREMENT PLAN

The Organization has a 403(b) retirement plan. The plan covers all employees meeting certain eligibility requirements. Employees voluntarily make contributions to the Plan based upon limits established under the Internal Revenue Code. In addition, the Organization may make nonelective contributions as defined by the plan. These contributions for the years ended December 31, 2024 and 2023 totaled \$52,055 and \$15,237, respectively.

NOTE 12 - RELATED PARTY TRANSACTIONS

The Organization has common board members with the Endowment Fund of Maccabi USA Sports for Israel Inc. ("Endowment Fund"). For the years ended December 31, 2024 and 2023, the Organization received grants and contributions from the Endowment Fund totaling approximately \$775,000 and \$868,000, respectively.

As of December 31, 2024 and 2023, the Organization had a due from related parties balance of \$160,215 and \$179,618, respectively, related to the Endowment Fund.

As of December 31, 2024 and 2023, the Organization had a pledge receivable from related party balance of \$254,880 and \$257,580, respectively, related to the Endowment Fund.

NOTE 13 - CONCENTRATION OF CREDIT RISK

CASH

The Organization maintains cash at various financial institutions. At times, cash in these accounts may exceed the Federal Deposit Insurance Corporation limit of \$250,000. The Organization has not experienced any losses in such accounts.

MACCABI USA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 - CONCENTRATION OF CREDIT RISK (CONTINUED)

BENEFICIAL INTEREST IN TRUST

A significant portion of the Organization's assets are the beneficial interest in trust. This asset is exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with this asset, it is at least reasonably possible that changes in the values of the underlying investments will occur in the near term and that such changes could materially affect the balance in the beneficial interest in trust and the amount reported in the financial statements.

NOTE 14 - UNCERTAIN TAX POSITIONS

Management of the Organization considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability or discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities, including changes to the Organization's status as a not-for profit entity. Management believes that the Organization met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore no provision for income taxes has been provided in these financial statements.

NOTE 15 - CARES ACT

The employee retention credit ("ERC") provides employers a refundable federal tax credit equal to 70% of the first \$10,000 of qualified wages and benefits paid to employees. Contributions to qualified medical plans also constitute creditable amounts. The credit is available to offset all federal employment withholdings owed in a particular quarter including both the employer and employee share of social security, Medicare taxes and withholdings for federal income taxes. To the extent that the credit exceeds employment withholdings, the employer may request a refund of prior taxes paid. The Organization received \$162,359 in ERC during the year ended December 31, 2023, which is recorded as other income on the statement activities and changes in net assets.