

**NATIONAL ARCHERY ASSOCIATION
OF THE UNITED STATES**

d/b/a USA ARCHERY

Financial Statements

For the Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National Archery Association of the United States
d/b/a USA Archery
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of National Archery Association of the United States (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Archery Association of the United States as of December 31, 2025, 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. 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 National Archery Association of the United States 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 National Archery Association of the United States' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 National Archery Association of the United States' 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 National Archery Association of the United States' 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.

Report on Summarized Comparative Information

We have previously audited National Archery Association of the United States' 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 29, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
April 2, 2026

NATIONAL ARCHERY ASSOCIATION OF THE UNITED STATES
d/b/a USA ARCHERY
Statement of Financial Position
December 31, 2025
(With Comparative Totals for 2024)

| | <u>ASSETS</u> | |
|--|---------------------|---------------------|
| | <u>2025</u> | <u>2024</u> |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 688,406 | \$ 676,350 |
| Accounts receivable, net | 276,559 | 433,727 |
| Inventory | 103,834 | 91,869 |
| Prepaid expenses and deposits | 34,640 | 36,301 |
| Total current assets | 1,103,439 | 1,238,247 |
| LONG-TERM INVESTMENTS | 3,209,720 | 2,661,799 |
| RIGHT OF USE ASSET | 195,929 | 247,849 |
| PROPERTY AND EQUIPMENT: | | |
| Equipment | 427,061 | 519,137 |
| Software | 44,585 | 44,585 |
| Less accumulated depreciation | (375,690) | (447,086) |
| Property and equipment - net | 95,956 | 116,636 |
| TOTAL ASSETS | \$ 4,605,044 | \$ 4,264,531 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 193,666 | \$ 213,967 |
| Accrued liabilities | 121,168 | 155,628 |
| Current portion operating lease liability | 62,065 | 56,420 |
| Refundable advances | | 217,667 |
| Current portion of deferred revenue | 834,115 | 782,702 |
| Total current liabilities | 1,211,014 | 1,426,384 |
| LONG-TERM LIABILITIES: | | |
| Long-term portion of operating lease liability | 139,864 | 195,323 |
| Deferred revenue - long term | 132,757 | 133,186 |
| Total liabilities | 1,483,635 | 1,754,893 |
| NET ASSETS: | | |
| Without donor restrictions | 2,926,409 | 2,509,638 |
| With donor restrictions | 195,000 | |
| Total net assets | 3,121,409 | 2,509,638 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 4,605,044 | \$ 4,264,531 |

See Notes to Financial Statements

NATIONAL ARCHERY ASSOCIATION OF THE UNITED STATES
d/b/a USA ARCHERY
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2025
(With Comparative Totals for 2024)

| | Without Donor Restrictions | With Donor Restrictions | 2025 Totals | 2024 Totals |
|-------------------------------|-------------------------------|----------------------------|----------------|----------------|
| REVENUE: | | | | |
| Membership registrations | \$ 1,612,281 | \$ | \$ 1,612,281 | \$ 1,539,965 |
| Contributions and grants | 1,416,098 | 195,000 | 1,611,098 | 993,730 |
| USOPC grants | 1,431,564 | | 1,431,564 | 1,081,530 |
| Tournament revenue | 948,062 | | 948,062 | 841,829 |
| Certification revenue | 736,423 | | 736,423 | 740,265 |
| Inventory sales | 376,169 | | 376,169 | 507,729 |
| Cost of inventory sold | (290,963) | | (290,963) | (406,664) |
| Investment income (loss) | 302,635 | | 302,635 | 227,764 |
| Corporate sponsorships | 295,632 | | 295,632 | 323,050 |
| NAA Foundation grant | 250,000 | | 250,000 | 180,000 |
| In-kind donations | 110,436 | | 110,436 | 139,770 |
| Other income | 53,028 | | 53,028 | 71,268 |
| Website/marketing advertising | 534 | | 534 | 597 |
| Fundraising revenue | | | | 28,701 |
| Total revenue | 7,241,899 | 195,000 | 7,436,899 | 6,269,534 |
| EXPENSES: | | | | |
| Program services: | | | | |
| High performance | 1,673,239 | | 1,673,239 | 1,074,685 |
| Membership services | 1,346,717 | | 1,346,717 | 1,307,216 |
| National events and trials | 1,093,964 | | 1,093,964 | 972,072 |
| International events | 515,329 | | 515,329 | 520,002 |
| Coach development | 440,624 | | 440,624 | 457,961 |
| Grass roots development | 412,160 | | 412,160 | 418,038 |
| Paralympic team | 338,375 | | 338,375 | 313,859 |
| Total program services | 5,820,408 | | 5,820,408 | 5,063,833 |
| Supporting services: | | | | |
| General and administrative | 820,301 | | 820,301 | 774,499 |
| Direct marketing | 184,419 | | 184,419 | 129,444 |
| Total supporting services | 1,004,720 | | 1,004,720 | 903,943 |
| Total expenses | 6,825,128 | | 6,825,128 | 5,967,776 |
| CHANGE IN NET ASSETS | 416,771 | 195,000 | 611,771 | 301,758 |
| NET ASSETS, beginning of year | 2,509,638 | | 2,509,638 | 2,207,880 |
| NET ASSETS, end of year | \$ 2,926,409 | \$ 195,000 | \$ 3,121,409 | \$ 2,509,638 |

See Notes to Financial Statements

NATIONAL ARCHERY ASSOCIATION OF THE UNITED STATES
d/b/a USA ARCHERY
Statement of Functional Expenses
For the Year Ended December 31, 2025
(With Comparative Totals for 2024)

| | High Performance | National Events & Trials | Membership Services | Grassroots Development | International Events | Coach Development | Paralympic Team | Total Program Services |
|--|---------------------|-----------------------------|------------------------|---------------------------|-------------------------|----------------------|--------------------|------------------------------|
| Salaries & wages | \$ 613,112 | \$ 270,947 | \$ 534,247 | \$ 215,459 | \$ | \$ 126,444 | \$ 60,733 | \$ 1,820,942 |
| Travel & meetings | 435,393 | 123,044 | 32,802 | 15,986 | 333,424 | 7,059 | 75,695 | 1,023,403 |
| Other contract services | 101,355 | 241,303 | 91,750 | 1,956 | 3,750 | 182,735 | 83,731 | 706,580 |
| Awards & grants | 5,000 | 167,531 | 167,225 | 68,618 | 4,000 | 7,345 | 16,600 | 436,319 |
| Employee benefits | 95,499 | 51,281 | 113,318 | 29,896 | | 28,137 | 7,607 | 325,738 |
| Stipends/honorariums | 190,750 | | 5,120 | | 136,206 | 850 | 3,300 | 336,226 |
| Product costs | | | 274,228 | | | | | 274,228 |
| Payroll taxes | 51,192 | 23,602 | 49,914 | 13,924 | | 13,262 | 4,941 | 156,835 |
| Insurance | | | 86,635 | | | 45,173 | | 131,808 |
| Rental & maintenance | | 18,021 | | | | | | 18,021 |
| Bad debt | | | | | | | | |
| VIK | 29,000 | 81,436 | | | | | | 110,436 |
| Field usage & equipment | 42,945 | 37,170 | | 20,000 | | | 5,138 | 105,253 |
| Merchant fees | 4,116 | 7,715 | 55,941 | 10,939 | 3,692 | 18,785 | 1,174 | 102,362 |
| Apparel/uniforms | 29,168 | | 1,530 | 86 | 27,574 | | 19,639 | 77,997 |
| Printing & postage | 841 | 17,002 | 40,113 | 7,145 | 2,203 | 1,249 | 1,202 | 69,755 |
| Books, subscriptions, reference | 2,383 | 3,257 | 32,697 | 5,110 | | 3,035 | | 46,482 |
| Other program costs | | 10,332 | | | | | 43,181 | 53,513 |
| Membership processing/management fees | | 60 | 53,400 | | | | | 53,460 |
| Supplies | 13,913 | 10,085 | 4,698 | 2,237 | 461 | | 11,173 | 42,567 |
| Legal fees | 22,544 | | 26,172 | 500 | | | | 49,216 |
| Payroll service fees | 12,051 | 5,735 | 12,089 | 3,456 | | 3,237 | 1,196 | 37,764 |
| Depreciation & amortization | 6,883 | 10,850 | 10,929 | 1,127 | | 1,411 | 538 | 31,738 |
| IT support | 7,453 | 4,213 | 8,950 | 3,229 | 755 | 1,605 | | 26,205 |
| Internet/cable | | 3,241 | 21,732 | 217 | | 13 | | 25,203 |
| Registration & license fees | | 30 | 830 | 650 | | | | 1,510 |
| Telephone & telecommunications | 3,209 | 992 | 66 | 1,167 | 642 | | 83 | 6,159 |
| Web hosting & design | | | 10,809 | | | | | 10,809 |
| Marketing & promotion | | 533 | 1,475 | 3,542 | 2,024 | | 2,024 | 9,598 |
| Membership & dues | 4,393 | | 735 | 70 | | 250 | | 5,448 |
| Advertising | | | | 5,801 | | | | 5,801 |
| Storage | | 5,514 | | | | | | 5,514 |
| Conference, convention, & meetings | 1,952 | | | | | | | 1,952 |
| Gifts | | | 157 | | 317 | | | 474 |
| Staff development | | | | 1,000 | | | | 1,000 |
| Bank charges & wire fees | | | | 10 | 281 | | 70 | 361 |
| Seminars & course fees | | | | | | | 350 | 350 |
| Staff background screening | 50 | 70 | 35 | 35 | | | | 190 |
| Fees for service | | | 83 | | | | | 83 |
| Other costs | 37 | | | | | 34 | | 71 |
| Inventory write down | | | | | | | | |
| Total expenses | <u>\$ 1,673,239</u> | <u>\$ 1,093,964</u> | <u>\$ 1,637,680</u> | <u>\$ 412,160</u> | <u>\$ 515,329</u> | <u>\$ 440,624</u> | <u>\$ 338,375</u> | <u>\$ 6,111,371</u> |
| Less expenses netted against revenue on statement of activities | | | <u>(290,963)</u> | | | | | <u>(290,963)</u> |
| | <u>\$ 1,673,239</u> | <u>\$ 1,093,964</u> | <u>\$ 1,346,717</u> | <u>\$ 412,160</u> | <u>\$ 515,329</u> | <u>\$ 440,624</u> | <u>\$ 338,375</u> | <u>\$ 5,820,408</u> |

| | General & Administrative | Direct Marketing | Total Supporting Services | 2025 Total Expenses | 2024 Total Expenses |
|--|-----------------------------|---------------------|---------------------------------|---------------------------|---------------------------|
| Salaries & wages | \$ 361,405 | \$ 21,414 | \$ 382,819 | \$ 2,203,761 | \$ 1,901,814 |
| Travel & meetings | 53,361 | 1,010 | 54,371 | 1,077,774 | 839,445 |
| Other contract services | 121,760 | | 121,760 | 828,340 | 843,004 |
| Awards & grants | | 13,400 | 13,400 | 449,719 | 522,930 |
| Employee benefits | 45,366 | 1,639 | 47,005 | 372,743 | 284,064 |
| Stipends/honorariums | | | | 336,226 | 259,557 |
| Product costs | | | | 274,228 | 368,589 |
| Payroll taxes | 28,853 | 2,243 | 31,096 | 187,931 | 164,707 |
| Insurance | 40,540 | 2,800 | 43,340 | 175,148 | 151,555 |
| Rental & maintenance | 101,019 | | 101,019 | 119,040 | 94,855 |
| Bad debt | 497 | 112,490 | 112,987 | 112,987 | 830 |
| VIK | | | | 110,436 | 139,770 |
| Field usage & equipment | | | | 105,253 | 71,504 |
| Merchant fees | 2,287 | 276 | 2,563 | 104,925 | 112,001 |
| Apparel/uniforms | 6,020 | 35 | 6,055 | 84,052 | 61,489 |
| Printing & postage | 3,830 | 972 | 4,802 | 74,557 | 91,682 |
| Books, subscriptions, reference | 11,201 | 8,250 | 19,451 | 65,933 | 52,424 |
| Other program costs | | | | 53,513 | 70,494 |
| Membership processing/management fees | | | | 53,460 | 61,839 |
| Supplies | 8,705 | 21 | 8,726 | 51,293 | 15,439 |
| Legal fees | | | | 49,216 | 27,769 |
| Payroll service fees | 7,014 | 180 | 7,194 | 44,958 | 58,609 |
| Depreciation & amortization | 8,662 | | 8,662 | 40,400 | 39,826 |
| IT support | 4,673 | | 4,673 | 30,878 | 36,485 |
| Internet/cable | 4,800 | | 4,800 | 30,003 | 27,119 |
| Registration & license fees | 383 | 18,186 | 18,569 | 20,079 | 11,013 |
| Telephone & telecommunications | 7,362 | 739 | 8,101 | 14,260 | 14,091 |
| Web hosting & design | | | | 10,809 | 8,665 |
| Marketing & promotion | | | | 9,598 | 8,818 |
| Membership & dues | 1,000 | | 1,000 | 6,448 | 1,390 |
| Advertising | | 534 | 534 | 6,335 | 277 |
| Storage | | | | 5,514 | 6,479 |
| Conference, convention, & meetings | 8 | 210 | 218 | 2,170 | 579 |
| Gifts | 1,385 | | 1,385 | 1,859 | 1,631 |
| Staff development | | | | 1,000 | 738 |
| Bank charges & wire fees | 100 | 20 | 120 | 481 | 9,235 |
| Seminars & course fees | | | | 350 | |
| Staff background screening | 70 | | 70 | 260 | 455 |
| Fees for service | | | | 83 | (1,878) |
| Other costs | | | | 71 | 3,221 |
| Inventory write down | | | | | 11,926 |
| Total expenses | \$ 820,301 | \$ 184,419 | \$ 1,004,720 | \$ 7,116,091 | \$ 6,374,440 |
| Less expenses netted against revenue on statement of activities | | | | (290,963) | (406,664) |
| | \$ 820,301 | \$ 184,419 | \$ 1,004,720 | \$ 6,825,128 | \$ 5,967,776 |

See Notes to Financial Statements

NATIONAL ARCHERY ASSOCIATION OF THE UNITED STATES
d/b/a USA ARCHERY

Notes to Financial Statements

For the Year Ended December 31, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

National Archery Association of the United States (the Association) is the national governing body for the sport of archery, making it responsible for the conduct and administration of archery in the United States.

Income Taxes

The Association qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. Accordingly, no income tax provision has been recorded.

The Association's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date it was filed. Management of the Association believes that it does not have any uncertain tax positions that are material to the financial statements.

Accounts Receivable

Accounts receivable include amounts from contracts with customers, contributions postmarked before the end of the year and other miscellaneous amounts. Receivables from contracts with customers at the beginning and end of 2025 were \$95,536 and \$212,891, respectively.

Accounts receivable are stated at the amount the Association expects to collect from balances outstanding at year-end. Based on the Association's experience with individuals and entities having outstanding balances, it has concluded that an allowance for credit losses on balances outstanding at year-end of \$112,490 and \$0 were necessary at December 31, 2025 and 2024, respectively.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers

Membership registrations - The Association's membership dues are renewed based on the member's anniversary date. The Association offers annual, three-year, and life memberships which are recognized as revenue over the duration of the membership period.

Corporate sponsorship - The Association recognizes revenue from contracts with both sponsors and suppliers of National Archery Association of the United States. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Association will recognize revenue over time. The Association has concluded that the performance obligations within these contracts are substantially the same in each year and are satisfied ratably over the term of the agreement. Therefore, partnership marketing revenue from contracts with customers will be recognized on a straight-line basis over the term of the agreement.

In-kind revenue - Sponsorship income in the form of in-kind goods is reported as revenue and expense in the fiscal year it is received. The Association received \$110,436 and \$139,770 of in-kind revenue during the years ended December 31, 2025 and 2024, respectively.

Tournament revenue - The Association receives revenue from registration fees for sporting events, which are recognized at the time of the event. The Association also receives revenue for coach credentials and premium seating. This revenue is also recognized at the time of the event.

Sales revenue - The Association receives a royalty from a third party for the sale of merchandise at events. The revenue is variable based on the terms of the agreement and related sales. The revenue is recognized upon receipt of the royalty. The Association also sells equipment and program merchandise through their website. This revenue is recognized when the sale occurs.

Coaching and judge certification revenue - Coach certification revenue is recognized when application for certification is received.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfied program restrictions.

Contributions and grants with donor restrictions are reported as support and revenue without donor restrictions if the restriction is met in the same year that the gift is received.

Contributions include United States Olympic and Paralympic Committee (USOPC) grants, National Archery Association Foundation, Inc. (NAAF) grants and US Performance Center (USPC) grants.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Association's checking and money market accounts. The Association maintains its cash and cash equivalents at commercial banks. In the unlikely event of a bank failure, the Association might only be able to recover the insured amounts.

Inventory

Inventory is stated at the lower of cost (first-in, first-out method) or net realizable value and consists of program merchandise, apparel and accessories.

Depreciation

Property and equipment are recorded at cost as of the date of acquisition or fair value as of the date of receipt in the case of gifts. Depreciation and amortization are recorded using the straight-line method over estimated useful lives of three to five years. Depreciation and amortization expense for the years ending December 31, 2025 and 2024, was \$42,175 and \$39,826, respectively.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Donated Assets, Property and Equipment, and Services

The Association's policy related to donated assets is to utilize the assets given to carry out the mission of the Association. If an asset is provided that does not allow the Association to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. The Association did not sell any donated assets received during the years ending December 31, 2025 and 2024.

Donated services are recognized as contributions if the services: (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Association.

The Association also receives donated services from other contributors and volunteers that are not measurable and therefore are excluded from the financial statements.

Supplemental Cash Flow Disclosures

During the years ended December 31, 2025 and 2024, the Association paid \$1 and \$11, respectively, of interest and no income taxes.

Use of Estimates in Preparation of Financial Statements

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

Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Association. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel expenses are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services made by the Association's management.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Prior-Year Comparisons

The financial statements include certain prior year summarized comparative information in total but not by net asset and functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Certain reclassifications have been made to the prior-year amounts in order to conform to the current year's financial statement format.

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 2, 2026, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Association regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Association has cash and cash equivalents as a current source of liquidity at its disposal.

In addition to currently held financial assets available to meet general expenditures over the next 12 months, the Association operates under a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

Notes to Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

The table below presents financial assets available for general expenditures with one year at December 31:

| | <u>2025</u> | <u>2024</u> |
|---|---------------------|-----------------------------|
| Cash and cash equivalents | \$ 688,406 | \$ 676,350 |
| Investments | 3,209,720 | 2,661,799 |
| Accounts and grants receivable | <u>276,559</u> | <u>433,727</u> |
| | 4,174,685 | 3,771,876 |
| Less amounts with donor restrictions | <u>(195,000)</u> | <u> </u> |
| Total financial assets available within one year | <u>\$ 3,979,685</u> | <u>\$ 3,771,876</u> |

Although the Association does not intend to liquidate its investments for general expenditures, the funds are available, if necessary, subject to any restrictions imposed by an individual investment within the investment portfolio.

C. FAIR VALUE MEASUREMENTS

The Association applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes 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 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy are as follows:

- Level 1 Quoted prices in active markets for identical assets or liabilities, accessible to the Association at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs that are not corroborated by market data.

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

| <u>Assets at Fair Value as of December 31, 2025</u> | | | | |
|---|----------------|---------------------|----------------|---------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Money market | \$ 640 | \$ | \$ | \$ 640 |
| Certificates of deposit | | 1,201,178 | | 1,201,178 |
| United States Olympic & Paralympic Endowment investment portfolio | | <u>2,007,591</u> | | <u>2,007,591</u> |
| | <u>\$ 640</u> | <u>\$ 3,208,769</u> | <u>\$</u> | <u>\$ 3,209,409</u> |

| <u>Assets at Fair Value as of December 31, 2024</u> | | | | |
|---|----------------|---------------------|----------------|---------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Money market | \$ 420 | \$ | \$ | \$ 420 |
| Certificates of deposit | | 900,873 | | 900,873 |
| United States Olympic & Paralympic Endowment investment portfolio | | <u>1,760,506</u> | | <u>1,760,506</u> |
| | <u>\$ 420</u> | <u>\$ 2,661,379</u> | <u>\$</u> | <u>\$ 2,661,799</u> |

The Association has placed its investments in a pooled investment fund sponsored and managed by the United States Olympic & Paralympic Endowment (USOPE). The USOPE invests on behalf of the USOPC and various national sports organizations recognized by the USOPC.

As of December 31, 2025, the USOPE portfolio was invested in the following types of securities:

| | |
|---------------------------|----------------|
| Alternative investments | 36.69% |
| Domestic equities | 35.31 |
| Domestic bonds | 7.38 |
| International equities | 14.67 |
| Cash and cash equivalents | <u>5.95</u> |
| | <u>100.00%</u> |

The alternative investments include hedge equity funds, private equity funds, real estate funds and limited partnerships.

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

Some investments are exposed to various risks that may cause their reported fair values to fluctuate from period to period and could materially affect the recorded amount of investments in the Association's financial statements. Investments in equity securities fluctuate in value in response to many factors, such as the activities and financial condition of individual companies, general business and industry market conditions, and the state or perceived direction of the economy.

The values of debt securities fluctuate in response to changing interest rates, credit worthiness of issuers, and overall economic policies that impact market conditions. The values of certain investments, such as hedge funds, can fluctuate in response to direct market conditions and other factors that may or may not have a high correlation to overall market direction.

Though the market values of investments are subject to fluctuation, management believes that the investment policy is prudent for the long-term welfare of the Association.

Investment income (loss) consists of the following at December 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--------------------------------|-------------------|-------------------|
| Interest and dividends | \$ 33,484 | 28,672 |
| Unrealized gains on securities | 208,079 | 147,396 |
| Realized gains on securities | <u>60,680</u> | <u>51,696</u> |
| | <u>\$ 302,243</u> | <u>\$ 227,764</u> |

D. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2025 and 2024, the USOPC provided grants to the Association as follows:

| | <u>2025</u> | <u>2024</u> |
|-------------------------------|---------------------|---------------------|
| Olympic funding | \$ 1,155,000 | \$ 849,966 |
| Paralympic funding | 209,500 | 200,000 |
| Other support | 62,064 | 13,064 |
| International relations grant | 5,000 | 6,000 |
| Team trials | <u> </u> | <u>12,500</u> |
| | <u>\$ 1,431,564</u> | <u>\$ 1,081,530</u> |

Notes to Financial Statements

D. RELATED PARTY TRANSACTIONS - Continued

The USOPC provides training facilities, meals, and lodging primarily for the Association's resident athletes at the Chula Vista Elite Athlete Training Center (CVEATC). The USOPC support provided directly for the CVEATC usage for the year ended December 31, 2024, is estimated to be \$201,000. This amount has not been recorded in the financial statements.

The USOPC also provides VIK for use of AirBnB facilities. The amount of VIK, included in travel in Note H, was \$0 and \$72,830 for the years ended December 31, 2025 and 2024, respectively.

NAAF provided the Association with grants of \$250,000 and \$180,000 for the years ended December 31, 2025 and 2024, respectively.

The Association receives significant economic benefits from grants provided by Easton Sports Development Foundation, the USOPC and the NAAF in order to maintain its programs at current levels. The amount of funding from each of these organizations is dependent upon an annual grant application process.

During the years ended December 31, 2025 and 2024, the Association paid stipends and awards to several Board Members in the amount of \$11,071 and \$6,959, respectively, for coaching and officiating services, athlete stipends and awards. These payments are made pursuant to the Association's normal compensation practices.

E. DEFERRED REVENUE

Deferred revenue consists of the following at December 31:

| | <u>2025</u> | <u>2024</u> |
|--------------------------|-------------------|-------------------|
| Membership dues | \$ 966,872 | \$ 910,488 |
| Tournament registrations | | <u>5,400</u> |
| | <u>\$ 966,872</u> | <u>\$ 915,888</u> |

Notes to Financial Statements

F. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of and for the years ended December 31, 2025 and 2024 consist of the following:

| | <u>2025</u> | <u>2024</u> |
|-----------------------|-------------------|--------------------------------|
| Colorado youth sports | \$ <u>195,000</u> | \$ <u> </u> |

During the years ended December 31, 2025 and 2024, there were no releases from restrictions for net assets with donor restrictions.

G. EMPLOYEE BENEFIT PLAN

The Association has adopted a Simple IRA employee retirement plan. The plan covers all employees who are at least 21 years of age and meet plan criteria. The Association matches employee contributions up to 3% of their total wages.

For the years ended December 31, 2025 and 2024, the Association contributed \$44,984 and \$32,574, respectively.

H. DONATED GOODS AND SERVICES

The fair value of donated goods and services included as contributions in the financial statements and the corresponding expense categories for the years ended December 31, 2025 and 2024, are as follows:

| | <u>2025</u> | <u>2024</u> |
|----------------------------------|-------------------|-------------------|
| Services: | | |
| Travel and facilities | \$ <u>59,000</u> | \$ <u>76,830</u> |
| | 59,000 | 76,830 |
| Tangible goods: | | |
| Field equipment | <u>51,436</u> | <u>62,940</u> |
| | <u>51,436</u> | <u>62,940</u> |
| Total in-kind goods and services | \$ <u>110,436</u> | \$ <u>139,770</u> |

Notes to Financial Statements

I. LEASES

The Association assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As the Association's leases do not provide an implicit rate, the Association uses its risk-free interest rate based on the information available at the commencement date in determining the present value of lease payments in determination of the respective right-of-use (ROU) assets and liabilities.

Under ASU 2016-02, the Association has made an accounting policy election to apply the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with a term of 12 months or less that do not include an option to purchase the underlying asset, are not recorded on the balance sheet as ROU assets or lease liabilities. The Association has elected to expense the cost of the short-term leases on the straight-line basis in the accompanying Statement of Activities.

The Association has a financing lease for a copier which is recorded as equipment and a capital lease obligation in the accompanying statement of financial position. The copier lease requires monthly payments of \$141 through January 2025.

The asset is amortized over its estimated useful life. Amortization expense reported in the statements of activities includes \$1,410 and \$1,692 for the equipment under capital lease for the years ended December 31, 2025 and 2024, respectively.

The assets included in the statement of financial position are:

| | <u>2025</u> |
|--------------------------|----------------|
| Capitalized equipment | \$ 6,582 |
| Accumulated amortization | <u>(6,582)</u> |
| | <u>\$</u> |

In September 2020, the Association signed a 38-month operating lease. Lease payments are due in the amount of \$3,671 per month through December 2021 with annual increases due each January. Additional payments for operating expenses, including repairs, landscaping, utilities, and insurance are required under the lease.

Notes to Financial Statements

I. LEASES - Continued

A new lease for this space was signed in October 2023 for five years with monthly payments of \$5,250 beginning in January 2024. Annual increases begin each January. The lease term extends through December 2028. Additional payments for operating expenses are required.

The Association leased another copier in March 2025. The lease requires monthly payments of \$141 for 60 months.

The following summarizes the line items in the statement of activities which include the components of lease expense for the years ended December 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--|------------------|------------------|
| Operating lease rent, included in general and administrative expenses | \$ 66,163 | \$ 63,004 |
| Variable payments, included in program service expenses | <u>28,824</u> | <u>19,394</u> |
| Total lease cost | <u>\$ 94,987</u> | <u>\$ 82,398</u> |

The following summarizes lease term and discount rate for operating and financing leases as of December 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--|-------------|-------------|
| Operating Leases: | | |
| Weighted Average Remaining Lease Term | 3.0 years | 4.0 years |
| Weighted Average Discount Rate | 3.84% | 3.84% |
| Financing Leases: | | |
| Weighted Average Remaining Lease Term | | 0.08 years |
| Weighted Average Discount Rate | | 1.04% |

Notes to Financial Statements

I. LEASES - Continued

Maturities of operating lease liabilities as of December 31:

| | | |
|------------------------------------|----|-----------------|
| 2026 | \$ | 68,533 |
| 2027 | | 70,538 |
| 2028 | | 72,603 |
| 2029 | | 1,692 |
| 2030 | | <u>423</u> |
| Total lease payments | | 213,789 |
| Less: interest | | <u>(11,860)</u> |
| Present value of lease liabilities | \$ | <u>201,929</u> |

Supplemental cash flow information for the years ended December 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|---|------------------|------------------|
| Operating cash flows: | | |
| Cash paid for amounts included in measurement of lease liabilities for operating leases | <u>\$ 66,163</u> | <u>\$ 63,004</u> |
| Right-of-use assets obtained in exchange for new operating lease liabilities | <u>\$ 7,655</u> | <u>\$</u> |
| Financing cash flows: | | |
| Cash paid for amounts included in measurement of lease liabilities for financing leases | <u>\$ 141</u> | <u>\$ 1,681</u> |
| Cash paid for interest on financing leases | <u>\$ 1</u> | <u>\$ 11</u> |

J. UNCERTAINTIES

With the rising cost of inflation and potential recession, it is uncertain what effect these factors may have on operations of the Association in the coming year.