SIKICH

USA Diving, Inc.

Financial Statements and
Independent Auditor's Report

For the Years Ended December 31, 2025 and 2024

USA DIVING, INC.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
USA Diving, Inc.

Qualified Opinion

We have audited the accompanying financial statements of USA Diving, Inc. (USA Diving), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the effects of not consolidating a subsidiary, as described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of USA Diving as of December 31, 2025, and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

USA Diving is the sole corporate member of USA Diving Foundation, Inc. (Foundation). As described in Note 10 to the financial statements, USA Diving has not consolidated the Foundation for the years ended December 31, 2025 and 2024. In our opinion, accounting principles generally accepted in the United States of America require USA Diving to consolidate the Foundation. Based on audit procedures performed on the Foundation's investment balances and related consolidation entries, had the Foundation been consolidated, total assets and net assets as of December 31, 2025 would have increased by $3,935,722 and $3,934,244, respectively, and total assets and net assets as of December 31, 2024 would have increased by $4,406,731. The effects on other elements of the financial statements, including certain revenues, expenses, changes in net assets, and cash flows, have not been determined because it was not practicable to do so.

We conducted our audits 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 USA Diving 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 qualified audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Sikich CPA LLC

Indianapolis, Indiana
September 28, 2026

FINANCIAL STATEMENTS

USA DIVING, INC.

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 457,507	$ 726,684
Cash held on behalf of others	101,303	-
Investments	363,065	474,235
Accounts receivable	11,286	80,118
Contributions receivable	34,852	95,000
Due from USA Diving Foundation	95,500	50,000
Due from USOPC	402,101	-
Inventory	177,854	267,147
Prepaid expenses	16,999	22,591
Property and equipment, net	10,299	14,583
TOTAL ASSETS	$ 1,670,766	$ 1,730,358
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 177,157	$ 192,425
Accounts payable - related parties	-	19,725
Accrued liabilities	31,132	27,793
Funds held on behalf of others	101,303	-
Deferred revenue - membership dues	98,975	130,652
Notes payable	198,335	200,000
Total liabilities	606,902	570,595
NET ASSETS		
Net assets without donor restrictions	468,485	964,930
Net assets with donor restrictions	595,379	194,833
Total net assets	1,063,864	1,159,763
TOTAL LIABILITIES AND NET ASSETS	$ 1,670,766	$ 1,730,358

See accompanying notes to financial statements.

USA DIVING, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	$ 103,108	$ 57,188	$ 160,296
USOPC grants	762,900	400,000	1,162,900
Sponsorships	15,000	15,000	30,000
Contributed nonfinancial assets	144,644	-	144,644
Membership dues	693,383	-	693,383
Media revenue	37,500	-	37,500
Participant fees	456,001	-	456,001
Miscellaneous revenue	18,295	-	18,295
Investment return, net	38,616	-	38,616
Interest	16,175	-	16,175
Net assets released from restrictions	71,642	(71,642)	-
Total revenues and support	2,357,264	400,546	2,757,810
EXPENSES			
Program services:			
Member services	1,148,566	-	1,148,566
Competitive programs	1,510,163	-	1,510,163
Supporting services:			
Management and general	902,208	-	902,208
Fundraising	112,772	-	112,772
Total expenses	3,673,709	-	3,673,709
Change in net assets before transfers from affiliate	(1,316,445)	400,546	(915,899)
Transfers from affiliate	820,000	-	820,000
CHANGE IN NET ASSETS	(496,445)	400,546	(95,899)
NET ASSETS, BEGINNING OF YEAR	964,930	194,833	1,159,763
NET ASSETS, END OF YEAR	$ 468,485	$ 595,379	$ 1,063,864

See accompanying notes to financial statements.

USA DIVING, INC.

STATEMENT OF ACTIVITIES (Continued)

For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	$ 174,157	$ 5,784	$ 179,941
USOPC grants	1,005,116	-	1,005,116
Passed through USA Diving Foundation	632,550	-	632,550
Management fees	450,000	-	450,000
Sponsorships	84,011	-	84,011
Contributed nonfinancial assets	249,239	-	249,239
Membership dues	758,704	-	758,704
Media revenue	37,500	-	37,500
Participant fees	723,902	-	723,902
Miscellaneous revenue	53,678	-	53,678
Investment return, net	63,414	-	63,414
Interest	27,791	-	27,791
Net assets released from restrictions	32,452	(32,452)	-
Total revenues and support	4,292,514	(26,668)	4,265,846
EXPENSES			
Program services:			
Member services	1,405,347	-	1,405,347
Competitive programs	2,010,873	-	2,010,873
Supporting services:			
Management and general	879,701	-	879,701
Fundraising	250,499	-	250,499
Total expenses	4,546,420	-	4,546,420
Change in net assets before transfers from affiliate	(253,906)	(26,668)	(280,574)
Transfers from affiliate	326,900	-	326,900
CHANGE IN NET ASSETS	72,994	(26,668)	46,326
NET ASSETS, BEGINNING OF YEAR	891,936	221,501	1,113,437
NET ASSETS, END OF YEAR	$ 964,930	$ 194,833	$ 1,159,763

See accompanying notes to financial statements.

USA DIVING, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025

	Program Services			Supporting Services			
	Member Services	Competitive Programs	Total Programming	Management and General	Fundraising	Total Supporting	Total
Salaries	$ 252,363	$ 297,251	$ 549,614	$ 262,731	$ 68,250	$ 330,981	$ 880,595
Employee benefits	59,874	62,013	121,887	65,749	26,033	91,782	213,669
Awards and recognition	51,939	77,567	129,506	-	-	-	129,506
Education	4,531	-	4,531	2,251	-	2,251	6,782
Event venues	109,419	601	110,020	47,500	12,736	60,236	170,256
Financial service fees	-	-	-	32,228	-	32,228	32,228
Insurance	366,030	91,508	457,538	15,271	-	15,271	472,809
Marketing and advertising	-	-	-	7,053	2,100	9,153	9,153
Office expenses	-	11,956	11,956	58,722	-	58,722	70,678
Performance support	65,890	262,340	328,230	-	-	-	328,230
Professional services	53,652	6,309	59,961	321,180	-	321,180	381,141
Travel	184,868	700,618	885,486	89,523	3,653	93,176	978,662
TOTAL EXPENSES	$ 1,148,566	$ 1,510,163	$ 2,658,729	$ 902,208	$ 112,772	$ 1,014,980	$ 3,673,709

See accompanying notes to financial statements.

USA DIVING, INC.

STATEMENT OF FUNCTIONAL EXPENSES (Continued)

For the Year Ended December 31, 2024

	Program Services			Supporting Services			
	Member Services	Competitive Programs	Total Programming	Management and General	Fundraising	Total Supporting	Total
Salaries	$ 297,322	$ 308,381	$ 605,703	$ 216,862	$ 74,200	$ 291,062	$ 896,765
Employee benefits	68,008	63,922	131,930	50,766	32,277	83,043	214,973
Awards and recognition	11,004	16,505	27,509	-	-	-	27,509
Education	18,560	-	18,560	7,973	-	7,973	26,533
Event venues	272,824	7,674	280,498	36,560	10,129	46,689	327,187
Financial service fees	-	-	-	48,921	-	48,921	48,921
Insurance	386,247	96,562	482,809	9,708	-	9,708	492,517
Marketing and advertising	-	-	-	30,804	24,383	55,187	55,187
Office expenses	-	13,122	13,122	43,544	-	43,544	56,666
Performance support	76,266	626,836	703,102	-	-	-	703,102
Professional services	60,065	7,374	67,439	338,344	106,600	444,944	512,383
Travel	215,051	870,497	1,085,548	91,181	2,910	94,091	1,179,639
Other	-	-	-	5,038	-	5,038	5,038
TOTAL EXPENSES	$ 1,405,347	$ 2,010,873	$ 3,416,220	$ 879,701	$ 250,499	$ 1,130,200	$ 4,546,420

See accompanying notes to financial statements.

USA DIVING, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (95,899)	$ 46,326
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense	4,284	4,284
Realized/unrealized gain on investments	(41,892)	(67,776)
(Increase) decrease in		
Accounts receivable	68,832	1,497
Contributions receivable	60,148	(95,000)
Due from related parties	(447,601)	(12,500)
Inventory	89,293	(40,318)
Prepaid expenses	5,592	146,024
Increase (decrease) in		
Accounts payable	(15,268)	42,025
Accounts payable - related parties	(19,725)	7,871
Accrued liabilities	3,339	4,920
Funds held on behalf of others	101,303	-
Deferred revenue	(31,677)	13,292
Deferred revenue from USOPC	-	(225,000)
Net cash and cash equivalents from operating activities	(319,271)	(174,355)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(18,866)
Purchase of investments	(183,761)	(1,816,348)
Proceeds from sale of investments	336,823	1,970,958
Net cash and cash equivalents from investing activities	153,062	135,744
CASH FLOWS FROM FINANCING ACTIVITIES		
Note payable payments	(1,665)	-
Net cash and cash equivalents from financing activities	(1,665)	-
DECREASE IN CASH AND CASH EQUIVALENTS	(167,874)	(38,611)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	726,684	765,295
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 558,810	$ 726,684
SUPPLEMENTAL INFORMATION		
Cash and cash equivalents	$ 457,507	$ 726,684
Cash held on behalf of others	101,303	-
Total cash and cash equivalents as reported on the statements of financial position	$ 558,810	$ 726,684
Interest paid	$ 5,971	$ 10,260

See accompanying notes to financial statements.

1. NATURE OF ORGANIZATION

USA Diving, Inc. (USA Diving) is a not-for-profit corporation headquartered in Indianapolis, Indiana. USA Diving has been designated the National Governing Body for the Olympic sport of diving by the United States Olympic and Paralympic Committee (USOPC). USA Diving was formed to organize and administer all aspects of competitive diving in the United States. Accordingly, USA Diving registers athletes and coaches, promotes the sport of diving, sanctions competitive diving events, and assembles and manages national diving teams.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (USGAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets of USA Diving and changes therein are classified and reported as follows:

Without Donor Restrictions

Undesignated - Net assets that are not subject to donor-imposed restrictions or Board of Directors imposed stipulations.

Board-Designated - Net assets subject to stipulations imposed by the Board of Directors and determined to be unavailable for general use. There are no board-designated net assets as of December 31, 2025, and 2024.

With Donor Restrictions

Net assets subject to donor-imposed restrictions that either expire by passage of time or can be fulfilled and removed by actions of USA Diving pursuant to those restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions. When restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

USA Diving considers all investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash and cash equivalents.

USA Diving maintains its bank accounts at financial institutions, which at times may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit of $250,000. As of December 31, 2025, and 2024, USA Diving had balances in excess of the insured limit of $308,810 and $476,683, respectively. USA Diving has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable and Allowance for Credit Losses

Receivables are stated at the amount management expects to collect from outstanding balances. Management estimates expected credit losses primarily by an aging methodology and establishes individual account-specific reserves for higher risk trade accounts. The allowance is based on a combination of specific individual account circumstances, credit and market conditions and history of write-offs and collections. Based on information available, management has determined that an allowance for credit losses as of December 31, 2025 and 2024 is immaterial to the financial statements. However, actual write-offs may occur.

Contributions Receivable

Contributions receivable are unconditional promises to give and are carried at the net present value of original pledged amounts less an estimate made for uncollectible contributions based on a review of all outstanding amounts on a periodic basis. Based on management's analysis, an allowance was not deemed necessary as of December 31, 2025 and 2024. However, actual write-offs may occur. All outstanding receivables are expected to be received in the next year.

Investments and Income Recognition

Investments in marketable securities with readily determinable fair values are reported at their fair values. Fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. Unrealized and realized gains and losses are included in the change in net assets. Investment return is reported net of external and direct internal investment expense.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Income Recognition (Continued)

Gains and losses on investment income are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is time restricted or restricted in perpetuity by explicit donor stipulations. Gains and investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the gains and income are recognized.

USA Diving invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect USA Diving's account balances and the amounts reported in the statements of activities.

Inventory

Inventory primarily consists of apparel and accessories for event team members that were donated by a sponsor. Inventory is recorded at the estimated fair value at the date of contribution. Inventory is subsequently measured on a first-in, first-out basis. Management records adjustments when inventory is determined to be no longer usable in programs or when its estimated realizable value is less than the recorded amount.

Property and Equipment

Property and equipment are carried at cost and include expenditures for new additions and those expenditures that substantially increase the useful lives of existing property and equipment. The capitalization policy is $3,000. Expenditures for maintenance and repairs are charged to expense as incurred.

Depreciation of property and equipment is computed using the straight-line method over the following useful lives:

	Years
Equipment - programming	3-5

Contributions

Contributions, including unconditional promises to give, are recognized as revenues when the donor's commitment is received. Unconditional promises are recorded at fair value on the date the promise is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the barriers are overcome.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions (Continued)

Contributions received are recorded as increases in net assets, based on the existence and/or nature of any donor restrictions. All donor-restricted contributions 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 restrictions and are reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same year in which the support is recognized are reported as net assets without donor restrictions.

Unconditional grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. All grants are considered contributions for the fiscal years ended December 31, 2025, and 2024 and therefore follow contribution guidance under USGAAP. Conditional grants that have been funded by the donor are considered refundable grant advances and are reported on the statements of financial position. When the conditions specified by the grant agreements have been met, the grant revenue will be recognized.

At December 31, 2025 there was a conditional grant in the amount of $800,000 to be used for specified high performance purposes. The grant is conditioned on the grantor receiving promised donations to fund the grant. There were no conditional grants as of December 31, 2024.

Sponsorships are monetary gifts considered contribution revenue as there is no commensurate value received by the donor.

Contributed Nonfinancial Assets

USA Diving receives contributed nonfinancial assets, which may include donated professional services, facilities, equipment, materials and supplies, and other assets for use in its programs and supporting activities. Contributed nonfinancial assets are recognized as revenue and as assets or expenses in the accompanying financial statements at their estimated fair value at the date of donation.

Donated services are recognized as revenue at their estimated fair value when they create or enhance nonfinancial assets, or they require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if they were not donated. USA Diving receives donated services from unpaid volunteers who provide program support. No amounts have been recognized in the accompanying statements of activities for these volunteer services because the criteria for recognition of such volunteer effort has not been satisfied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Nonfinancial Assets (Continued)

The estimated fair value of contributed nonfinancial assets is determined using market-based information, independent appraisals, quoted market prices, or other valuation techniques considered appropriate for the nature of the asset received. USA Diving records contributed nonfinancial assets as support without donor restrictions unless explicit donor stipulations restrict the use of the contributed assets.

The Organization's policy is to utilize contributed nonfinancial assets in the programs or activities for which they were donated whenever practical.

Revenue from Contracts with Customers

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration USA Diving expects to receive in exchange for those products or services. The timing of revenue recognition may differ from the timing of invoicing to customers and may result in accounts receivable and contract liabilities on the statements of financial position.

In instances where the timing of revenue recognition differs from the timing of invoicing, USA Diving has determined that these contracts do not include a significant financing component.

Significant Judgments

USA Diving evaluates each contract to determine the number of distinct performance obligations in the contract, which requires the use of judgment. Significant judgments include the methodology for recognizing revenue over the appropriate period.

Membership Dues

An annual membership with USA Diving requires the payment of a set fee for dues. Membership categories and the related dues are based on an individual's level of competition and participation level as defined by USA Diving. Based on membership level, the stand ready performance obligations recognized using the time elapsed method over the membership period include insurance coverage, access as a member or coach to USA Diving training facilities, coaches, competitions and events, and website access. Members receive monthly and quarterly electronic newsletters. Revenue from newsletters is recognized at the point in time that access is available. Annual dues may be received in advance of the year for which they apply, and they are reported as deferred revenue when they are received. At the end of the membership year, which coincides with USA Diving's fiscal year end, all dues related to the year will have been recognized as revenue. There are no discounts, refunds or warranties associated with membership.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from Contracts with Customers (Continued)

Media Revenue

USA Diving participates in an annual digital media contract with a related party. The related party hosts the official USA Diving website and other digital platforms and is permitted unlimited monetization of these platforms. USA Diving receives an agreed upon fee as defined per the contract. Based on the contract, the performance obligation is met at a point in time. There was no deferred revenue related to digital media contracts at December 31, 2025, and 2024. The contract is not subject to refunds or warranties.

Participant Fees

Revenue is received from participants in exchange for participation in a diving event. Fees for these events are set by USA Diving and are set forth in the agreement with the participants. Fees for the event are based on which event the participant is attending. Fees are refundable under certain circumstances, such as cancellation of the event. Related revenues are earned at the commencement of the event, which is when the performance obligation has been satisfied. Any amounts paid in advance of the event are classified as deferred revenue until the event occurs. There was no deferred revenue related to event fees at December 31, 2025 or 2024.

Ticket Sales

Ticket sales from individuals for admission to events of USA Diving include handling and other fees as applicable. Tickets purchased in advance are recorded as deferred revenue by USA Diving. Advance ticket sales are recorded as revenue when the competition or event related to the ticket sale has commenced. Ticket sales are included within participant fees on the statements of activities and are $8,537 and $60,229 for the years ended December 31, 2025 and 2024, respectively.

Management Fees

USA Diving participated in a contract that allowed them the opportunity to manage the 2024 Olympic Diving Trials. The fees and related performance obligations are defined per the contract. The performance obligations are delivered concurrently and have the same measure of progress and are accounted for as a single performance obligation. Certain payments under the contract are due to USA Diving in advance of the event and give rise to deferred revenue. There was no deferred revenue from the USOPC at December 31, 2025 and 2024. Management fee revenue of $0 and $450,000 was recognized in fulfillment of this contract on the statements of activities as of December 31, 2025 and 2024, respectively. The revenue is recognized at point in time, at the time of the event. Refunds are not available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract Assets and Liabilities

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, and deferred revenue (contract liabilities) in the statements of financial position. Generally, billing occurs in advance of revenue recognition, resulting in contract liabilities referred to as deferred revenue. The deferred revenue is liquidated when related performance obligations are satisfied. USA Diving did not have any contract assets at December 31, 2025 or 2024.

Income Taxes

USA Diving is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. USA Diving is not a private foundation. USA Diving files various federal and state non-profit tax returns and is no longer subject to U.S. federal or state examinations by tax authorities for tax years prior to 2022.

Use of Estimates

The presentation of financial statements in conformity with USGAAP 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. Accordingly, actual results may differ from those estimates and assumptions.

Marketing and Advertising Cost

USA Diving uses marketing and advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expenses for the years ended December 31, 2025, and 2024, were $9,153 and $55,187, respectively.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The allocated expenses include salaries, and related benefits, education, insurance, marketing and advertising, awards and recognition, event venues, office expenses, performance support, professional services, and travel. The expenses are allocated based on estimates of time and effort. Expenses that are specifically identifiable with a program are charged to that program.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events are events or transactions that occur after the statements of financial position date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the statements of financial position, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the statements of financial position but arose after that date (that is, nonrecognized subsequent events).

USA Diving has evaluated subsequent events through September 28, 2026, which was the date that these financial statements were available for issuance and determined that there were no significant non-recognized subsequent events through that date.

3. LIQUIDITY AND AVAILABILITY

As of December 31, 2025 and 2024, financial assets available within one year for general expenditure, that is without donor or other restrictions limiting use, are comprised of the following:

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents	$ 457,507	$ 726,684
Cash held on behalf of others	101,303	-
Investments	363,065	474,235
Accounts receivable	11,286	80,118
Contributions receivable	34,852	95,000
Due from USA Diving Foundation	95,500	50,000
Due from USOPC	402,101	-
Total financial assets	1,465,614	1,426,037
Less: Financial assets unavailable for general expenditures:		
Funds held on behalf of others	(101,303)	-
Donor restrictions - purpose and time	(595,379)	(194,833)
Collateral on EIDL loan	(198,335)	(200,000)
TOTAL FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	$ 570,597	$ 1,031,204

USA Diving manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

USGAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

USGAAP requires the Organization to maximize the use of observable inputs when measuring fair value.

The hierarchy describes three levels of inputs, which are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Significant unobservable inputs.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

If an investment that is measured using net asset value (NAV) has a readily determinable fair value (that is, it can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAV are not included in Level 1, 2, or 3, but are separately reported.

Valuation Techniques

The following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There has been no change to the techniques used during the years ended December 31, 2025, and 2024.

Money Market funds and mutual funds: Valued at the NAV of shares on the last trading day of the fiscal year.

Interest in assets held by United States Olympic Endowment (USOE): Valued at NAV, per unit as reported by USOE. USA Diving considers the measurement to be a Level 2 measurement within the fair value hierarchy. USA Diving has the ability to redeem the funds.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Valuation Techniques (Continued)

The following table presents assets measured at fair value on a recurring basis at December 31, 2025:

Assets	Level 1	Level 2	Level 3	Total
Money market fund	$ 11,396	$ -	$ -	$ 11,396
Mutual funds	338,385	-	-	338,385
Interest in assets held by USOE	-	13,284	-	13,284
TOTAL ASSETS AT FAIR VALUE	$ 349,781	$ 13,284	$ -	$ 363,065

The following table presents assets measured at fair value on a recurring basis at December 31, 2024:

Assets	Level 1	Level 2	Level 3	Total
Money market fund	$ 18,621	$ -	$ -	$ 18,621
Mutual funds	443,965	-	-	443,965
Interest in assets held by USOE	-	11,649	-	11,649
TOTAL ASSETS AT FAIR VALUE	$ 462,586	$ 11,649	$ -	$ 474,235

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2025 and 2024:

	2025	2024
Equipment - programming	$ 18,866	$ 18,866
Less: Accumulated depreciation	(8,567)	(4,283)
PROPERTY AND EQUIPMENT, NET	$ 10,299	$ 14,583

6. NOTE PAYABLE

USA Diving received a U.S. Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL) dated May 5, 2020, in the original amount of $200,000. EIDL loans provided funding to help small businesses recover from the economic impacts of the Covid-19 pandemic. The loan is collateralized by all assets of USA Diving. Under the program, payments of $855 per month were suspended until January 2023. However, interest at 2.75% continued to accrue from the original loan date. All 2024 payments were applied to accumulated accrued interest, and the loan started amortizing principal during 2025. The note matures in May 2050, at which time a balloon payment of $32,122 will be due. As of December 31, 2025 and 2024, the outstanding balance was $198,335 and $200,000, respectively.

As of December 31, 2025, principal payments due on the note payable were as follows:

2026	$ 4,867
2027	5,002
2028	5,142
2029	5,285
2030	5,432
Thereafter	172,607
TOTAL	$ 198,335

7. CONTRIBUTED NONFINANCIAL ASSETS

USA Diving received the following contributions of nonfinancial assets for the years ended December 31, 2025, and 2024:

	2025	2024
Room and board	$ -	$ 78,498
Apparel and outfitting	135,157	134,122
Wellness tools	9,487	36,619
TOTAL	$ 144,644	$ 249,239

Apparel and outfitting and wellness tools are maintained in inventory and received without donor restrictions. The room and board contributions are valued based on actual cost of the lodging and related expense. The contributions of donated apparel and outfitting as well as donated wellness tools are valued at wholesale prices that would be received for selling similar items. USA Diving utilizes all contributed nonfinancial assets in its competitive program.

8. GOVERNMENT GRANTS

Paycheck Protection Program

The Paycheck Protection Program (PPP) is a low-interest SBA loan and may be forgiven entirely if the borrower meets certain parameters. On April 14, 2020, USA Diving received $157,000 related to this program which was forgiven during 2021. An additional $120,120 was received on January 26, 2021 and forgiven during 2022. Government grant revenue was recognized in the year received.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, all borrowers are required to maintain PPP loan documentation for six years after the PPP loan is repaid in full and to provide that documentation to the SBA upon request. USA Diving does not believe the results of any audits or reviews by the SBA would have a material impact on the financial statements.

Employee Retention Credit

Under the provisions of the CARES Act, as modified, the Employee Retention Credit (ERC) provides employers with less than 500 employees a refundable tax credit against the employer's share of social security taxes. The ERC is equal to 70% of qualified wages paid to employees during calendar year 2021 for a maximum credit per employee of $7,000 per employee for each calendar quarter through December 31, 2021. During the year ended December 31, 2022, USA Diving claimed ERCs of $137,758 as government grants in the statements of activity.

The IRS has extended the statute of limitations to five years with respect to ERC claims. Should the IRS subsequently audit ERC amounts and USA Diving did not meet eligibility requirements, a legal liability for repayment of previously recognized ERC amounts could be incurred. USA Diving does not believe the results of any audits or reviews by the IRS would have a material impact on the financial statements.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available to support the following purposes as of December 31, 2025, and 2024:

	2025	2024
Dive-in campaign	$ 109,034	$ 109,034
High performance/synchro	-	23,208
High dive	8,000	-
Masters events	63,345	57,283
Judges fund	-	4,733
Biomechanical upgrades - VAMA	-	575
Time restricted - contribution receivable	415,000	-
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	$ 595,379	$ 194,833

10. RELATED PARTY ACTIVITY

USA Diving is the sole member of USA Diving Foundation, Inc. (the Foundation). Entities that hold a sole corporate membership in an organization are determined to hold a controlling financial interest in that entity. As such, USGAAP requires that the entity be consolidated in the financial statements of the member organization. The accompanying financial statements include only the accounts of USA Diving and do not include the accounts of the Foundation, which is a departure from USGAAP.

The purpose of the Foundation is to benefit the educational and charitable purposes of USA Diving and to advance the sport of diving. The Foundation provides support solely to USA Diving.

10. RELATED PARTY ACTIVITY (Continued)

USA Diving is a member of United States Olympic and Paralympic Committee (USOPC), a federally chartered nonprofit organization charged with governing and supporting the individual governing bodies of Olympic and Paralympic sports in the United States.

Related Party Activity For the Year Ended December 31, 2025:	**USOPC**	**Foundation**	**Total**
Assets			
Grants receivable	$ 402,101	$ 95,500	$ 497,601
Revenues and support:			
Grants	$ 1,162,900	$ -	$ 1,162,900
Contributions	9,000	-	9,000
Media revenue	37,500	-	37,500
Miscellaneous revenue	-	-	-
TOTAL RELATED PARTY REVENUES AND SUPPORT	$ 1,209,400	$ -	$ 1,209,400
Percentage of all revenues and support earned by USA Diving	44%	0%	44%

Related Party Activity For the Year Ended December 31, 2024:	**USOPC**	**Foundation**	**Total**
Assets			
Grants receivable	$ -	$ 50,000	$ 50,000
Liabilities			
Accounts payable	$ 19,725	$ -	$ 19,725
TOTAL LIABILITIES	$ 19,725	$ -	$ 19,725
Revenues and Support			
Grants	$ 1,005,116	$ -	$ 1,005,116
Contributions	1,000	-	1,000
Management fees	450,000	-	450,000
Contributed nonfinancial assets	78,498	-	78,498
Media revenue	37,500	-	37,500
Miscellaneous revenue	26,630	-	26,630
TOTAL RELATED PARTY REVENUES AND SUPPORT	$ 1,598,744	$ -	$ 1,598,744
Percentage of all revenues and support earned by USA Diving	37%	0%	37%

10. RELATED PARTY ACTIVITY (Continued)

The Foundation transferred $820,000 and $326,900 to USA Diving during the years ended December 31, 2025 and 2024, respectively. Members of the board and management make contributions to the Organization. Contributions to the Organization totaled $18,500 and $200 for the years ended December 31, 2025 and 2024, respectively.

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

USA Diving recognizes revenue from contracts with customers through three primary revenue streams: membership, media and event contracts. USA Diving has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the general economy.

The opening balance for accounts receivable from contracts with customers was $80,118 and $81,615 on January 1, 2025, and 2024, respectively.

The opening balances for contract liabilities (deferred revenue) from contracts with customers included deferred memberships of $130,652 and $117,360 on January 1, 2025 and 2024, respectively.

USA Diving's disaggregated revenue based on timing of revenue recognition for the years ended December 31, 2025, and 2024 is as follows:

	2025	2024
Over time		
Membership dues	$ 636,015	$ 694,607
Point in time		
Management fees	-	450,000
Membership dues	57,368	64,097
Media revenue	37,500	37,500
Participant fees	456,001	723,902
Total point in time	550,869	1,275,499
TOTAL REVENUES FROM CONTRACTS WITH CUSTOMERS	$ 1,186,884	$ 1,970,106

12. CONCENTRATION OF REVENUE AND SUPPORT

During 2025 and 2024, USA Diving received approximately 44% and 37%, respectively, of its total revenues and support from USOPC. A decrease in funding from these sources could have a significant impact on USA Diving. See Note 10 for additional information.

13. EMPLOYEE BENEFIT PLAN

USA Diving sponsors a 401(k) plan (Plan) for its eligible employees. The Plan requires USA Diving to make certain minimum contributions to eligible employees on an annual basis. USA Diving may make additional discretionary contributions and employee contributions are permitted. All contributions are immediately 100% vested. For the years ended December 31, 2025, and 2024, USA Diving contributed $26,343 and $27,172, respectively, to the Plan.