



UNITED STATES BIATHLON ASSOCIATION, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

UNITED STATES BIATHLON ASSOCIATION, INC.

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Independent Auditors' Report

To the Board of Directors
United States Biathlon Association, Inc.

Opinion

We have audited the financial statements of United States Biathlon Association, Inc. (the "Association") which comprise the statement of financial position as of June 30, 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 (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 Association as of June 30, 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 ("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 Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audits 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 Association as of and for the year ended June 30, 2024, were audited by Marcum LLP, whose report dated January 7, 2025, 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 Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 Association'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 Association'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.

January 29, 2026
Merrimack, NH

UNITED STATES BIATHLON ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 396,579	\$ 375,386
Accounts receivable	24,945	250
Contributions receivable	483,838	231,193
Prepaid expenses and other current assets	97,872	8,977
Due from United States Biathlon Foundation	--	6,647
Total Current Assets	<u>1,003,234</u>	<u>622,453</u>
Noncurrent Assets		
Contributions receivable, net of current portion	125,000	100,000
Investments	76,855	69,400
Beneficial interest in charitable remainder unitrust, net of an unamortized discount of \$121,269 and \$156,565 at June 30, 2025 and 2024, respectively	371,824	337,794
Property and equipment:		
Office furniture and equipment	38,923	38,923
Training equipment	271,460	258,259
	<u>310,383</u>	<u>297,182</u>
Less: accumulated depreciation	<u>(285,126)</u>	<u>(276,464)</u>
Property and equipment, net	<u>25,257</u>	<u>20,718</u>
Total Noncurrent Assets	<u>598,936</u>	<u>527,912</u>
Total Assets	<u>\$ 1,602,170</u>	<u>\$ 1,150,365</u>

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

UNITED STATES BIATHLON ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ 26,000	\$ 38,319
Accounts payable	100,205	257,360
Accrued payroll and related expenses	53,455	27,357
Prize money payable	54,609	61,000
Pass-through liability	--	71,498
Deferred revenue	16,027	44,000
Deposits for Trustee trip	411,315	--
Total Current Liabilities	<u>661,611</u>	<u>499,534</u>
Long-Term Debt, Net of Current Portion	<u>58,500</u>	<u>84,500</u>
Total Liabilities	<u>720,111</u>	<u>584,034</u>
Net Assets		
Without donor restrictions	260,235	14,789
With donor restrictions	621,824	551,542
Total Net Assets	<u>882,059</u>	<u>566,331</u>
Total Liabilities and Net Assets	<u>\$ 1,602,170</u>	<u>\$ 1,150,365</u>

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

UNITED STATES BIATHLON ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Contributions	\$ 861,178	\$ 50,000	\$ 911,178	\$ 593,329	\$ 149,750	\$ 743,079
In-kind contributions	452,619	125,000	577,619	524,183	--	524,183
United States Olympic & Paralympic Committee	998,289	--	998,289	1,117,531	--	1,117,531
International Biathlon Union	841,543	--	841,543	767,264	--	767,264
Sponsorships and marketing agreements	295,816	25,000	320,816	461,426	108,948	570,374
Membership dues	83,025	--	83,025	84,438	--	84,438
Program fees	193,772	--	193,772	73,019	--	73,019
Other income	77,283	--	77,283	39,870	--	39,870
Investment income, net	9,575	--	9,575	7,371	--	7,371
Change in beneficial interest in charitable remainder unitrust	--	34,030	34,030	--	57,986	57,986
Net assets released from restrictions	163,748	(163,748)	--	94,950	(94,950)	--
Total Revenue and Support	<u>3,976,848</u>	<u>70,282</u>	<u>4,047,130</u>	<u>3,763,381</u>	<u>221,734</u>	<u>3,985,115</u>
Expenses						
Program services:						
Team trials, training, and competition	2,635,521	--	2,635,521	2,482,536	--	2,482,536
Athlete development programs	415,464	--	415,464	263,798	--	263,798
Total program services	<u>3,050,985</u>	<u>--</u>	<u>3,050,985</u>	<u>2,746,334</u>	<u>--</u>	<u>2,746,334</u>
Management and general	395,168	--	395,168	474,908	--	474,908
Marketing and fundraising	285,249	--	285,249	442,444	--	442,444
Total Expenses	<u>3,731,402</u>	<u>--</u>	<u>3,731,402</u>	<u>3,663,686</u>	<u>--</u>	<u>3,663,686</u>
Changes in Net Assets	245,446	70,282	315,728	99,695	221,734	321,429
Net Assets (Deficiency), Beginning of Year	<u>14,789</u>	<u>551,542</u>	<u>566,331</u>	<u>(84,906)</u>	<u>329,808</u>	<u>244,902</u>
Net Assets, End of Year	<u>\$ 260,235</u>	<u>\$ 621,824</u>	<u>\$ 882,059</u>	<u>\$ 14,789</u>	<u>\$ 551,542</u>	<u>\$ 566,331</u>

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

UNITED STATES BIATHLON ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2025

Expenses	Program Service Expenses					Total
	Team Trials, Training, and Competition	Athlete Development Programs	Total Program Services	Management and General	Marketing and Fundraising	
Salaries and wages	\$ 289,440	\$ 319,556	\$ 608,996	\$ 100,864	\$ 162,264	\$ 872,124
Payroll taxes and employee benefits	66,083	72,959	139,042	23,029	37,046	199,117
Travel, lodging and meals	859,152	10,537	869,689	49,638	--	919,327
Supplies and equipment	505,655	12,412	518,067	--	--	518,067
Contract labor	526,132	--	526,132	--	--	526,132
Health management services and supplies	130,062	--	130,062	--	--	130,062
Athlete assistance	214,729	--	214,729	--	--	214,729
Awards	35,607	--	35,607	--	--	35,607
Media expenses	--	--	--	--	79,999	79,999
Miscellaneous	--	--	--	--	5,940	5,940
Insurance	--	--	--	52,853	--	52,853
Rent and utilities	--	--	--	25,000	--	25,000
Bank charges	--	--	--	6,695	--	6,695
Legal and professional	--	--	--	102,548	--	102,548
Postage and shipping	--	--	--	3,910	--	3,910
Interest expense	--	--	--	1,168	--	1,168
Dues and subscriptions	--	--	--	22,702	--	22,702
Printing and copying	--	--	--	2,713	--	2,713
Telephone	--	--	--	4,048	--	4,048
Depreciation	8,661	--	8,661	--	--	8,661
Total Expenses	<u>\$ 2,635,521</u>	<u>\$ 415,464</u>	<u>\$ 3,050,985</u>	<u>\$ 395,168</u>	<u>\$ 285,249</u>	<u>\$ 3,731,402</u>

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

UNITED STATES BIATHLON ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

	Program Service Expenses					Total
	Team Trials, Training, and Competition	Athlete Development Programs	Total Program Services	Management and General	Marketing and Fundraising	
Expenses						
Salaries and wages	\$ 355,550	\$ 215,054	\$ 570,604	\$ 162,191	\$ 114,493	\$ 847,288
Payroll taxes and employee benefits	75,216	45,494	120,710	34,311	24,222	179,243
Travel, lodging and meals	822,408	2,460	824,868	48,350	--	873,218
Supplies and equipment	696,575	790	697,365	--	--	697,365
Contract labor	213,543	--	213,543	--	--	213,543
Health management services and supplies	82,866	--	82,866	--	--	82,866
Athlete assistance	187,413	--	187,413	--	--	187,413
Awards	40,965	--	40,965	--	--	40,965
Media expenses	--	--	--	--	299,430	299,430
Miscellaneous	--	--	--	--	4,299	4,299
Insurance	--	--	--	39,633	--	39,633
Rent and utilities	--	--	--	15,343	--	15,343
Bank charges	--	--	--	14,422	--	14,422
Legal and professional	--	--	--	124,772	--	124,772
Postage and shipping	--	--	--	3,904	--	3,904
Interest expense	--	--	--	1,718	--	1,718
Dues and subscriptions	--	--	--	15,182	--	15,182
Printing and copying	--	--	--	293	--	293
Telephone	--	--	--	7,604	--	7,604
Bad debts	--	--	--	7,185	--	7,185
Depreciation	8,000	--	8,000	--	--	8,000
Total Expenses	<u>\$ 2,482,536</u>	<u>\$ 263,798</u>	<u>\$ 2,746,334</u>	<u>\$ 474,908</u>	<u>\$ 442,444</u>	<u>\$ 3,663,686</u>

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

UNITED STATES BIATHLON ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	\$ 315,728	\$ 321,429
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,661	8,000
Bad debt expense	--	7,185
Realized and unrealized gains on investments	(4,393)	(6,556)
Change in beneficial interest in charitable remainder unitrust	(34,030)	(57,986)
Donated long-term facility use	(100,000)	--
Changes in operating assets and liabilities:		
Accounts receivable	(24,695)	13,642
Contributions receivable	(177,645)	(167,869)
Inventory	--	19,812
Prepaid expenses	(88,895)	9,213
Due from United States Biathlon Foundation	6,647	(6,647)
Accounts payable	(157,155)	125,958
Accrued payroll and related expenses	26,098	(31,592)
Prize money payable	(6,391)	(154,813)
Pass-through liability	(71,498)	71,498
Deferred revenue	(27,973)	41,300
Deposits for Trustee trip	411,315	--
Net Cash Provided by Operating Activities	<u>75,774</u>	<u>192,574</u>
Cash Flows From Investing Activities		
Purchases of property and equipment	(13,200)	(24,991)
Reinvestment of interest and dividends	(3,062)	(815)
Net Cash Used in Investing Activities	<u>(16,262)</u>	<u>(25,806)</u>
Cash Flows From Financing Activities		
Proceeds from long-term debt	--	130,000
Principal payments on long-term debt	(38,319)	(35,641)
Net Cash (Used in) Provided by Financing Activities	<u>(38,319)</u>	<u>94,359</u>
Net Increase in Cash and Cash Equivalents	21,193	261,127
Cash and Cash Equivalents, Beginning of Year	<u>375,386</u>	<u>114,259</u>
Cash and Cash Equivalents, End of Year	<u>\$ 396,579</u>	<u>\$ 375,386</u>
Supplemental Disclosure of Cash Flow Information		
Interest paid	<u>\$ 1,168</u>	<u>\$ 1,718</u>
Supplemental Disclosure of Non-cash Investing Activities		
Donated long-term facility use	<u>\$ 100,000</u>	<u>\$ --</u>

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

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

The United States Biathlon Association, Inc. (the “Association”), moved its location from New Gloucester, Maine to Midway, UT in 2024 and was incorporated in 1980. The Association acts as the national governing body for the sport of biathlon in compliance with the Ted Stevens Olympic and Amateur Sports Act and the Constitution and Bylaws of United States Olympic & Paralympic Committee (“USOPC”) and acts as the member of the International Biathlon Union (“IBU”) for biathlon in the United States. During the years when the Olympics are being held, there are significantly different activities than during the non-Olympic years.

BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

FINANCIAL STATEMENT PRESENTATION

The Association is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent those assets that are not subject to donor-imposed stipulations or releases from donor restricted net assets designated for stipulated activities or programs that are available to support the Association’s operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions represent those net assets that are subject to donor-imposed restrictions. A donor-imposed restriction is a donor stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from (1) the nature of the not-for-profit entity, (2) the environment in which it operates, and/or (3) the purpose specified in its articles of incorporation or bylaws or comparable documents. Some donors impose restrictions that are temporary in nature, for example stipulating those resources be used after a specified date, for particular programs or services. Other donors impose restrictions which are perpetual in nature, for example, stipulating those resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Net Assets With Donor Restrictions (Continued)

All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction has been met or expires, 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. The Association recognizes conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain 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 could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Association considers all highly liquid savings deposits and investments with maturities of three months or less when purchased to be cash equivalents.

ACCOUNTS RECEIVABLE AND CREDIT POLICIES

The Association adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* as of July 1, 2023. ASU 2016-13 introduces a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses. The impact of the adoption was not considered material to the financial statements.

Accounts receivable consists primarily of noninterest-bearing amounts due for services and programs. At the end of each reporting period, the Association estimates the current expected credit loss, utilizing the aging schedule method which categorizes accounts receivable based on the length of time an invoice has been outstanding. For each category, historical loss rates are adjusted to reflect current economic conditions and reasonable and supportable forecasts of future economic conditions.

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS RECEIVABLE AND CREDIT POLICIES (CONTINUED)

The adjusted loss rates are applied to the receivables in each age bracket to estimate the total expected credit losses. This approach incorporates a forward-looking perspective, which includes qualitative factors such as changes in economic conditions, industry trends, and the financial health of the payors. The Association believes that the aging schedule method under this framework provides a reasonable estimate of expected credit losses and enhances the accuracy and reliability of its financial statements. Management has determined that no allowance is necessary as of June 30, 2025 and 2024.

CONTRIBUTIONS RECEIVABLE

Unconditional contributions that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions that are expected to be collected in future years are initially recorded using present value techniques incorporating risk-adjusted discount rates. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities and changes in net assets. The allowance for uncollectable contributions is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions are written off when deemed uncollectable. Management has determined that no allowance is necessary as of June 30, 2025 and 2024.

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. Purchases and sales are recorded on a trade-date basis. Interest and dividend income is recognized as received. Realized gains and losses are determined by a comparison of specific costs of the investment's acquisition to the proceeds at the time of its sale. Unrealized gains or losses are determined by comparison of the investment's acquisition cost to its fair value of year-end. Investment income, net is reported in the statements of activities and changes in net assets and consist of interest and dividend income and realized and unrealized gains and losses.

PROPERTY AND EQUIPMENT

The Association records property and equipment at cost, or fair market value if donated. Costs that do not significantly increase the useful life of an asset are charged to repairs and maintenance. Depreciation is computed using the double-declining method over the useful lives of the respective assets, which range from three to seven years. Depreciation expense for the years ended June 30, 2025 and 2024 was \$8,661 and \$8,000, respectively.

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT (CONTINUED)

Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts, and gains or losses are included in the statements of activities and changes in net assets. Donations of property and equipment are recorded as contributions at their estimated value at the date of the donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets to be held and used by the Association are reviewed for impairment when events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. The fair value of the asset is measured using either available market prices or estimated discounted cash flows. There were no impairment charges taken during the years ended June 30, 2025 and 2024.

DEFERRED REVENUE

Income received in advance under the terms of the Association's contract agreements is deferred. Revenue is recognized as services are provided under the terms of the agreements.

REVENUE RECOGNITION

Revenue recognition is evaluated through the following five steps: (i) identification of the contract, or contracts, with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations in the contract; (v) recognition of revenue when or as a performance obligation is satisfied.

- (i) *Identification of the contract, or contracts, with a customer* - a contract with a customer exists when the Association enters into an enforceable contract with a customer, typically a service agreement initiated by the customer, that defines each party's rights regarding the services to be provided, identifies the payment terms related to these services, and that the customer has both the ability and intent to pay.

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

- (ii) *Identification of the performance obligations in the contract* - performance obligations promised in a contract are identified based on the services that will be provided to the customer that are distinct, whereby the customer can benefit from the services on their own or together with other resources that are readily available from third parties or from the Association.
- (iii) *Determination of the transaction price* - the transaction price is determined based on the consideration to which the Association will be entitled in exchange for transferring goods or services to the customer.
- (iv) *Allocation of the transaction price to the performance obligations in the contract* - if the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. This applies to the Association as there is only one performance obligation, which is to provide service.
- (v) *Recognition of revenue when, or as, the Association satisfies a performance obligation* - the Association satisfies performance obligations at a point in time when control of the goods and services transfers to the customer. Determining the point in time when control transfers require judgment. Indicators considered in determining whether the customer has obtained control of a good include:
 - a. The Association has a present right to payment
 - b. The customer has the significant risks and rewards of ownership of the services provided
 - c. The customer has accepted the services provided

Sponsorships and marketing agreements are recognized ratably over the sponsorship and marketing period. Membership dues are recognized ratably over the applicable membership period. The Association recognizes program revenues in the period in which the performance obligations have been met. Amounts received in advance are reported as deferred revenue in the statements of financial position until the performance obligations have been met.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest 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 conditions on which they depend have been substantially met.

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DONATED SERVICES AND IN-KIND CONTRIBUTIONS

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria prescribed by GAAP. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets, or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. In-kind contributions are recorded at fair value at the time of donation.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs associated with program expenses, management and general expenses, and marketing and fundraising expenses have been summarized on a functional basis in the statements of functional expenses. Expenses directly attributable to a specific functional area of the Association are reported as expenses of those functional areas, while shared costs that benefit multiple functional areas have been allocated among the various functional areas based on estimates determined by management to be equitable. Salaries and benefits are allocated based on specific time allocation. Other expenses are allocated by the percentage of payroll expenses of the related department.

INCOME TAXES

The Association qualifies as a tax-exempt Association under Section 501(c)(3) of the Internal Revenue Code ("IRC") and is exempt from income taxes under Section 501(a) of the IRC. In addition, the Association is classified as a public supported organization under Section 509(a)(1) and contributions to the Association qualify for charitable contribution deduction under IRC 170(b)(1)(A). The Association is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the Internal Revenue Service ("IRS"). In addition, the Association is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose.

The Association recognizes and measures its unrecognized tax positions and assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period.

The measurement of unrecognized tax positions is adjusted when new information is available, or when an event occurs that requires a change. Interest and penalties associated with unrecognized tax positions, if any, would be classified as interest expense and additional income taxes, respectively, in the statements of activities and changes in net assets.

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 - CONTRIBUTIONS RECEIVABLE

Unconditional contributions receivable, approximately \$100,000 of which is related to the in-kind lease (see Note 12), were estimated to be collected as follows at June 30, 2025 and 2024:

	2025	2024
Receivables in less than one year	\$ 483,838	\$ 231,193
Receivables in one to five years	<u>125,000</u>	<u>100,000</u>
	<u>\$ 608,838</u>	<u>\$ 331,193</u>

No discount was applied to contributions receivable at June 30, 2025 and 2024 since it was determined to be immaterial to the financial statements as a whole.

NOTE 3 - INVESTMENTS

The Association is a participant in an investment pool with the United States Olympic & Paralympic Endowment (“USOPE”). The underlying securities of the pooled investment account are comprised of cash and cash equivalents, domestic equities, domestic bonds, alternatives, and international equities. The Association's portion of the investment pool totaled \$76,855 and \$69,400 at June 30, 2025 and 2024, respectively. Investment return, net for the Association’s share of the investment pool was \$9,575 and \$7,371 for the years ended June 30, 2025 and 2024, respectively.

NOTE 4 - BENEFICIAL INTEREST IN CHARITABLE REMAINDER UNITRUST

In December 2013, the Association was named the beneficiary of a charitable remainder unitrust established by a donor. The assets are held by an unrelated third-party trustee. According to the terms of the unitrust agreement, five percent of the net fair market value of the unitrust’s assets shall be distributed annually to the donor and his spouse until death. Upon death of the donor and termination of the unitrust, the remaining assets of the unitrust will be distributed to the Association for its unrestricted use.

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 4 - BENEFICIAL INTEREST IN CHARITABLE REMAINDER UNITRUST (CONTINUED)

Pursuant to FASB Accounting Standards Codification (“ASC”) 958-605-30-14, the beneficial interest will be measured at fair value equal to the present value of the future distribution of the unitrust’s assets to the Association. At June 30, 2025 and 2024, the fair value of Association’s beneficial interest in the charitable remainder unitrust is as follows:

	2025	2024
Estimated future distribution of unitrust assets	\$ 493,093	\$ 494,359
Present value discount	<u>(121,269)</u>	<u>(156,565)</u>
Present value of future distribution of unitrust assets	<u>\$ 371,824</u>	<u>\$ 337,794</u>

For the years ended June 30, 2025 and 2024, the change in the present value of the beneficial interest of \$34,030 and \$57,986, respectively, was included in net assets with donor restrictions.

NOTE 5 - 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 measurements) and the lowest priority to unobservable assets or liabilities (level 3 measurements). The three levels of the fair value measurements under FASB ASC 820 are described as follows:

- Level 1 – inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities that the Association has the ability to access.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset and liability, either directly or indirectly, such as:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability; and
 - inputs that are derived principally from or corroborated by observable market data 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.

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 5 - FAIR VALUE MEASUREMENTS (CONTINUED)

- Level 3 – inputs to the valuation methodology are unobservable and are developed using the best information available in the circumstances.

The 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 June 30, 2025 and 2024.

Interest in investment pool with the United States Olympic & Paralympic Endowment: Valued based on the Association’s ownership percentage of the underlying assets held by the USOPE. The Association uses net asset value (“NAV”) per share, or its equivalent, as a practical expedient to estimate fair value and are not classified within the fair value hierarchy. Redemptions can be made at any time at NAV, upon 90 days’ notice. The Association does not have any open commitments to make additional investments to USOPE at June 30, 2025 or 2024.

Beneficial interest in charitable remainder unitrust: Valued at the net present value of the estimated future distribution of the unitrust’s assets to the Association. The value of the estimated assets upon distribution is based on a rate of return equal to the Daily United States Treasury Yield Curve over the life expectancy of the donors. The present value discount rate is equal to the estimated rate of return. The beneficial interest in charitable remainder unitrust is considered a Level 2 measurement.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the Association's assets measured at fair value on a recurring basis at June 30, 2025:

	2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Association share of investment pool (at NAV)	\$ --	\$ --	\$ --	\$ 76,855
Beneficial interest in charitable remainder unitrust	--	371,824	--	371,824
Total assets at fair value	<u>\$ --</u>	<u>\$ 371,824</u>	<u>\$ --</u>	<u>\$ 448,679</u>

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 5 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the Association's assets measured at fair value on a recurring basis at June 30, 2024:

	2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Association share of investment pool (at NAV)	\$ --	\$ --	\$ --	\$ 69,400
Beneficial interest in charitable remainder unitrust	--	337,794	--	337,794
Total assets at fair value	\$ --	\$ 337,794	\$ --	\$ 407,194

NOTE 6 - LONG-TERM DEBT

At June 30, 2025 and 2024, long-term debt consisted of the following:

	2025	2024
Note payable to Eagle Realty Assets, LLC with monthly principal and interest installments of \$1,519 through March 2025. The note bore interest at 4.0%. Modified in year-ended June 30, 2021 with \$3,727 forgiven and bearing interest at 2.0%.	\$ --	\$ 12,319
Note payable to 94 4th, LLC with monthly principal installments of \$2,167 through September 1, 2028. The note is 0% interest.	84,500	110,500
Total debt	84,500	122,819
Less current portion of long-term debt	26,000	38,319
	\$ 58,500	\$ 84,500

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Future maturities of long-term debt at June 30, 2025 are as follows:

Years Ending June 30,	Amount
2026	\$ 26,000
2027	26,000
2028	26,000
2029	<u>6,500</u>
	<u>\$ 84,500</u>

The note payable to 94 4th LLC is evidenced by a signed loan agreement with a borrower dated March 3, 2023 in the amount of \$215,000, 0% interest. The loan has a term of five years with 60 equal monthly payments to be paid on the first of the month starting April 1, 2023. The related loan agreement was cancelled and re-executed on August 21, 2023. The re-executed loan agreement was for a principal amount of \$130,000, 0% interest. The loan has a term of five years with 60 monthly principal payments of \$2,167. The loan proceeds were used to pay off the prize money payable (see Note 7). Accordingly, related loan outstanding balance as of June 30, 2025 and 2024 was \$84,500 and \$110,500, respectively.

NOTE 7 - PRIZE MONEY PAYABLE

The Association received funding from the IBU to pay out prize money for the World Cup Biathlon that was held in February 2016 and 2019. For any international participant, the Association paid the participants their prize money, net of anticipated taxes to be remitted to the IRS. Any remaining prize money will be paid out to the respective participants. The amount due for taxes was remitted to the IRS during the year ended June 30, 2020. As of June 30, 2025 and 2024, the outstanding prize money payable was \$54,609 and \$61,000, respectively. The remaining balance payable to unknown athletes will be reimbursed to the IBU during fiscal year 2026.

NOTE 8 - PASS-THROUGH LIABILITY

The Association received \$1,266,569 of funding from the IBU and other organizations as an agent for hosting the Biathlon World Cup in Soldier Hollow, Utah in March 2024. As of June 30, 2024, the Association paid out related expenses of \$1,153,666 associated with the World Cup. The remaining balances of \$71,498 and \$41,405 were recorded as contributions for the years ended June 30, 2025 and 2024, respectively.

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 9 - DEPOSITS FOR TRUSTEE TRIP

The Association is organizing a trip for Trustees interested in attending the 2026 winter Olympics in Milan and Cortina d'Ampezzo, Italy. Trustees are required to pay a deposit in advance, which will be applied towards accommodations and tickets in fiscal year 2026. As of June 30, 2025, the Association collected \$411,315 in advance deposits.

NOTE 10 - REVOLVING LINE OF CREDIT

The Association obtained a revolving line of credit on March 3, 2023. Under the agreement, the Association can borrow up to \$100,000. The aggregate principal balance will bear interest at a per annum rate of 8.49% and is payable monthly in arrears on the third day of the month. At June 30, 2025 and 2024, the balance due on the line of credit was \$-0-. The line was not utilized in fiscal year 2025 or 2024.

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were comprised of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Subject to the passage of time:		
Operating support - future years	\$ 125,000	\$ 100,000
Donated facility use	100,000	--
Beneficial interest in charitable remainder unitrust	<u>371,824</u>	<u>337,794</u>
	596,824	437,794
Subject to expenditure for a specified purpose:		
Collegiate scholarship program	--	50,000
Women's coaching initiative	--	25,000
Media and promotion	<u>25,000</u>	<u>38,748</u>
	<u>25,000</u>	<u>113,748</u>
	<u>\$ 621,824</u>	<u>\$ 551,542</u>

The beneficial interest will be released from restriction upon termination of the unitrust and distribution of assets to the Association.

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from restrictions by incurring expenses which satisfied the restricted purposes or the occurrence of the passage of time as follows for the years ended June 30, 2025 and 2024:

	2025	2024
Satisfaction of purpose restrictions:		
Collegiate scholarship program	\$ 50,000	\$ --
Women's coaching initiative	25,000	--
Equipment purchases and other services	--	24,750
Media and promotion	38,748	70,200
	<u>113,748</u>	<u>94,950</u>
Satisfaction of time restrictions:		
Operating support - future years	25,000	--
Donated facility use	25,000	--
	<u>50,000</u>	<u>--</u>
	<u>\$ 163,748</u>	<u>\$ 94,950</u>

NOTE 12 - IN-KIND CONTRIBUTIONS

For the years ended June 30, 2025 and 2024, in-kind contributions (contributed nonfinancial assets) recognized within the statements of activities and changes in net assets included the following:

	2025	2024
Apparel and uniforms	\$ 179,950	\$ 179,950
Lodging	128,437	172,025
Facility use	125,000	--
Ski equipment	72,532	86,750
Team vehicles/transportation	48,000	48,000
Ammunition	23,700	23,700
Marketing services	--	13,758
	<u>\$ 577,619</u>	<u>\$ 524,183</u>

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 12 - IN-KIND CONTRIBUTIONS (CONTINUED)

Contributed apparel and uniforms, ammunition, and ski equipment are utilized in programs and were valued based on retail prices of identical products using pricing data under a 'like kind' methodology considering the goods' conditions and utility for use at the time of contribution. Contributed lodging was utilized in programs and were valued based on prevailing rates for the lodging. Contributed team vehicles/transportation were utilized in programs and were valued using comparable rental rates if the Association were to rent the vehicles directly. Contributed marketing services are used for management and general activities and are recognized at fair value based on current rates for similar services. There were no associated donor restrictions with these contributed nonfinancial assets received during the years ended June 30, 2025 and 2024.

The Association leases office space for a period of 5 years ending June 30, 2029. The terms of the lease include base rent, utilities, and access to facilities for \$-0-. An evaluation determined that the initial value of the lease was \$125,000 based on comparable rental rates for similar spaces. In connection with the lease agreement, the Association recognized restricted contribution revenue of \$125,000 in fiscal year 2025. For the year ended June 30, 2025, net assets released from restriction of \$25,000 was recorded in connection with this lease agreement. The contributed office space is used largely for administrative purposes and is restricted by the donor for a particular period of time.

NOTE 13 - CONCENTRATIONS

The Association maintains its cash balances in two financial institutions located in the U.S. and one financial institution located in Germany. The balances in U.S. banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. The balance in the German financial institution is insured up to 100,000 Euros through a European deposit insurance scheme. Balances in certain accounts sometimes exceed this amount.

The Association receives a substantial portion of its operating revenue from the USOPC. Total revenue from the USOPC in fiscal years 2025 and 2024 was \$998,289 and \$1,117,531, respectively, which represented approximately 25% and 29% of the Association's revenue for each year. Contributions receivable due from the USOPC at June 30, 2025 and 2024 was \$-0- and \$44,000, respectively.

The Association also receives a substantial portion of its operating revenue from the IBU. Total revenue from the IBU in fiscal years 2025 and 2024 was \$841,543 and \$767,264, respectively, which represented approximately 21% and 18% of the Association's revenue for each year. Contributions receivable due from the IBU at June 30, 2025 and 2024 was \$261,785 and \$66,284, respectively.

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 14 - RELATED PARTY TRANSACTIONS

At June 30, 2025 and 2024, the Association was due \$-0- and \$6,647, respectively, from the United States Biathlon Foundation (the "Foundation"). The Foundation is a 501(c)(3) organization that makes grants directly to organizations that facilitate and promote the participation of individuals in the sport of biathlon, including the Association. The Foundation is governed by an independent board consisting of 15 trustees, 7 of whom are also Directors of the Association.

The Association has a note payable to an LLC in which a member of the Board of Directors has a membership interest (see Note 6).

NOTE 15 - RETIREMENT PLAN

The Association maintains a 403(b) retirement plan that covers all employees who meet a minimum set of requirements as defined by the plan document. The plan allows the Association to make a discretionary match of each employee's contributions. For the years ended June 30, 2025 and 2024, the Association contributed \$35,825 and \$38,875, respectively.

NOTE 16 - DIRECT ATHLETE SUPPORT

As part of its annual Performance Partnership Agreement with the Association, the USOPC pays direct support to athletes according to certain eligibility and performance requirements. While these funds are paid directly to the athletes by the USOPC, the Association is providing a service to the USOPC by governing the program and athlete compliance. Accordingly, the direct athlete support received annually is included as revenue and support and as a corresponding functional expense within the Association's financial statements. Total direct athlete support recognized for the years ended June 30, 2025 and 2024, was \$78,000 and \$82,000, respectively.

NOTE 17 - LEASES

The Association rented office space in New Gloucester, Maine from a third party under an operating lease that expired on July 31, 2023 and then month to month through November 30, 2023 when the lease was terminated. The agreement called for monthly base rent of \$1,704 per month plus an allocation of common area expenses and utilities. Total rent expense for the year ended June 30, 2024 was \$15,343.

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 18 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Association's working capital and cash flows have fluctuations during the year attributable to timing of payment of fees. The following reflects the Association's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general use within one year of the statements of financial position.

	<u>2025</u>	<u>2024</u>
Financial assets available at year-end:		
Cash and cash equivalents	\$ 396,579	\$ 375,386
Accounts receivable	24,945	250
Contributions receivable	<u>608,838</u>	<u>331,193</u>
Total financial assets	1,030,362	706,829
Less amounts not available to be used within one year:		
Receivables to be collected in more than one year	<u>(125,000)</u>	<u>(100,000)</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 905,362</u>	<u>\$ 606,829</u>

The Association monitors its liquidity so that it can meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. In addition to financial assets available to meet general expenditures over the year, the Association operates with a budget and anticipates covering its general expenditures by collecting sufficient sponsorships contributions, grants and other revenues, by utilizing resources, as needed. The statements of cash flows identifies the sources and uses of the Association's cash and shows net cash provided by operating activities of \$75,774 and \$192,574 for the years ended June 30, 2025 and 2024, respectively.

NOTE 19 - RECLASSIFICATIONS

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassification had no impact on previously reported net assets as a whole.

UNITED STATES BIATHLON ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 20 - SUBSEQUENT EVENTS

In September 2025, the Association entered into a \$100,000 agreement with a production company to produce a documentary about the U.S. Biathlon team.

Subsequent events have been evaluated through January 29, 2026, the date the financial statements were available to be issued. No other events were identified which required recognition or disclosure in the financial statements.