5825 Delmonico Drive
Colorado Springs, CO 80919-2401
719. 597. 9090
usatriathlon.org

To Our USA Triathlon Community,

As the National Governing Body for triathlon in the United States, USA Triathlon exists to give everyone a chance to tri. Our mission centers on increasing participation and inclusivity by delivering programming, resources, and connections that support athletes at every level: from grassroots participants to the Olympic and Paralympic Team, as well as the race directors, coaches, and clubs who serve as the backbone of the multisport ecosystem.

We share our 2025 audited financial statements and IRS Form 990 from a position of genuine momentum. Over the past three years our financial results continue to show year-over-year improvement. This year's results reflect a balanced strategy: managing costs rigorously while making targeted investments in long-term, sustainable growth.

Those investments are already producing returns. Our migration to an integrated technology and data platform culminated in the April 2025 launch of a new sanctioning system and CRM platform, improving service to constituents and driving meaningful gains in staff efficiency. Additional investments in data and technology allow us to continue to provide more in-depth insights that we can deliver back to those within the sport to understand macro dynamics and make informed business decisions. We produced more educational content in 2025 than in the previous five years combined, while sanctioned events, total races, and certified race directors all grew year-over-year, with race volume approaching pre-pandemic levels.

That growth story is worth noting when reviewing sanctioning revenue, which declined modestly even as sanctioned activity increased. This was by design. We expanded our Race Director Certification Program, which extends discounted sanctioning to certified race directors, and, with the launch of our new sanctioning platform, eliminated certificate-of-insurance fees entirely. These choices intentionally returned value to race directors to strengthen the event ecosystem that sits at the core of our business and our sport.

Moving forward, we are applying the same deliberate approach to corporate partnerships. While partnership revenue is still supporting our organizational goals, we are intentionally right-setting our sponsorship strategy around the LA28 Olympic and Paralympic Games - the first Summer Games on U.S. soil since 1996 - to align our commercial portfolio with the most significant moment for our sport in a generation.

Philanthropy was a significant strength in 2025, with the USA Triathlon Foundation raising and pledging 24% more than the prior year. This increased support enabled greater investment in High Performance and helped fuel a defining season in which U.S. athletes earned 110 medals, including 36 gold, across World Triathlon events. This support strengthened our athlete development pipeline up to the elite level, expanded youth and inclusion programming, and deepened our mission-driven impact.

Looking ahead, we are focused on executing on Elevate 2028: Focus Forward, our strategic plan leading into LA28. With 300,000+ unique active members, our strongest membership growth coming from athletes in their twenties, and momentum across events, youth programming, and philanthropy, the foundation is strong and the path forward is clear.

We are grateful for your continued trust and support as we work to elevate USA Triathlon and build a vibrant, sustainable future for triathlon and multisport in the United States.

USA Triathlon

USA TRIATHLON

AND USA TRIATHLON FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

TABLE OF CONTENTS

BiggsKofford

INDEPENDENT AUDITOR'S REPORT

Board of Directors
USA Triathlon of Colorado and USA Triathlon Foundation
Colorado Springs, Colorado

Opinion

We have audited the accompanying consolidated financial statements of USA Triathlon of Colorado and USA Triathlon Foundation (collectively, the "Organizations"), which comprise the consolidated statement of financial position as of December 31, 2025 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the 2025 consolidated financial statements referred to above present fairly, in all material respects, the financial position of USA Triathlon of Colorado and USA Triathlon Foundation as of December 31, 2025, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of the Organizations and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The consolidated financial statements of the Organizations as of December 31, 2024 were audited by other auditors, whose report dated August 13, 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 US GAAP, 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 Organizations' 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 auditing standards generally accepted in the United States of America ("US GAAS") will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 Organizations' 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 Organizations' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information as listed in the table of contents is presented for purposes of additional analysis of the financial statements rather than to present the financial position, changes in their net assets, and cash flows of the individual organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the financial statements as a whole.

BiggsKofford LLP

Colorado Springs, Colorado
July 28, 2026

USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 2,143,498	$ 854,628
Restricted cash	369,023	192,611
Membership receivables	367,921	294,712
Grants receivable	137,346	126,834
Accounts receivable, net	257,952	871,197
Promises to give, net	1,393,330	876,225
Prepaid expenses and other assets	806,339	663,825
Investments	13,597,645	12,906,176
Operating right-of-use assets	1,324,256	1,489,416
Property and equipment, net	1,315,269	1,032,669
Total assets	$ 21,712,579	$ 19,308,293
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 864,430	$ 1,111,930
Deferred revenue	6,517,210	5,430,194
Operating lease liabilities	1,399,578	1,555,850
Note payable	149,173	152,710
Total liabilities	8,930,391	8,250,684
Net assets:		
Without donor restrictions:		
Operating	6,103,693	6,381,815
Equity in property and equipment, net	1,315,269	1,032,669
Total net assets without donor restrictions	7,418,962	7,414,484
With donor restrictions	5,363,226	3,643,125
Total net assets	12,782,188	11,057,609
Total liabilities and net assets	$ 21,712,579	$ 19,308,293

The accompanying notes and independent auditor's report should be read with these financial statements.

USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Adult and youth memberships	$ 8,545,376	$ -	$ 8,545,376	$ 8,020,834	$ -	$ 8,020,834
Contributions and grants	1,321,726	3,073,367	4,395,093	1,642,983	2,627,102	4,270,085
USOPC grant revenue	1,229,102	-	1,229,102	1,210,630	-	1,210,630
Sponsorships	1,630,092	-	1,630,092	2,185,680	-	2,185,680
Events	1,456,974	-	1,456,974	2,211,952	-	2,211,952
Investment income, net	1,312,775	216,762	1,529,537	1,260,994	38,607	1,299,601
Sanctioning	189,620	-	189,620	202,962	-	202,962
Education	437,198	-	437,198	348,346	-	348,346
Other revenue	414,176	-	414,176	201,163	-	201,163
Total support and revenue	16,537,039	3,290,129	19,827,168	17,285,544	2,665,709	19,951,253
Net assets released from restrictions	1,570,028	(1,570,028)	-	1,890,639	(1,890,639)	-
EXPENSES						
Program services:						
Constituent relationships	5,365,212	-	5,365,212	4,988,075	-	4,988,075
High Performance	4,475,391	-	4,475,391	4,116,085	-	4,116,085
Events	2,506,812	-	2,506,812	2,539,498	-	2,539,498
Corporate partnerships	519,888	-	519,888	1,487,302	-	1,487,302
Youth	115,417	-	115,417	23,533	-	23,533
Belonging and Access	40,000	-	40,000	32,750	-	32,750
Other restricted programs	115,920	-	115,920	23,175	-	23,175
Total program services	13,138,640	-	13,138,640	13,210,418	-	13,210,418
Supporting activities:						
General and administrative	4,820,039	-	4,820,039	5,327,955	-	5,327,955
Fundraising	143,910	-	143,910	368,725	-	368,725
Total expenses	18,102,589	-	18,102,589	18,907,098	-	18,907,098
Change in net assets	4,478	1,720,101	1,724,579	269,085	775,070	1,044,155
Net assets, beginning of year	7,414,484	3,643,125	11,057,609	7,145,399	2,868,055	10,013,454
Net assets, end of year	$ 7,418,962	$ 5,363,226	$ 12,782,188	$ 7,414,484	$ 3,643,125	$ 11,057,609

The accompanying notes and independent auditor's report should be read with these financial statements.

USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025 (WITH COMPARATIVE TOTALS)

	Program Services								
	USA Triathlon of Colorado				USA Triathlon Foundation				
	Constituent Relationships	High Performance	Events	Corporate Partnerships	High Performance	Youth	Belonging and Access	Other Restricted Programs	Total Program Services
Advertising	$ -	$ 30	$ -	$ -	$ -	$ -	$ -	$ -	$ 30
Athlete support	10,069	452,208	12,178	-	-	-	-	-	474,455
Bank and service fees	4,091	1,067	41	-	-	-	-	-	5,199
Conferences, events, and meetings	35,337	10,355	394,053	10,581	-	-	-	-	450,326
Depreciation	202,087	3,243	42,751	-	-	-	-	-	248,081
Dues and subscriptions	-	6,398	1,496	1,000	-	-	-	-	8,894
Grants	158,811	10,550	-	-	-	100,000	-	15,000	284,361
Information technology	139,833	34,380	10,631	6,839	-	-	-	-	191,683
Insurance	2,665,972	26,360	71,829	-	-	-	-	-	2,764,161
In-kind donations	37,366	296,666	293,531	61,281	1,350	-	-	-	690,194
Membership product	321,953	-	-	-	-	-	-	-	321,953
Occupancy	115,472	363,600	77,416	22,017	-	-	-	-	578,505
Office and administrative expenses	799	25,777	437,196	16,678	65,976	668	40,000	926	588,020
Printing, publications, and shipping	16,798	10,000	33,841	731	-	-	-	34	61,404
Professional fees	235,096	630,711	436,212	25,522	-	3,000	-	92,108	1,422,649
Salaries and benefits	1,243,685	1,002,439	449,515	367,956	-	-	-	-	3,063,595
Travel	177,843	1,534,281	246,122	7,283	-	11,749	-	7,852	1,985,130
Total expenses	$ 5,365,212	$ 4,408,065	$ 2,506,812	$ 519,888	$ 67,326	$ 115,417	$ 40,000	$ 115,920	$ 13,138,640
2024 total expense	$ 4,988,075	$ 4,007,108	$ 2,539,498	$ 1,487,302	$ 108,977	$ 23,533	$ 32,750	$ 23,175	$ 13,210,418

	Supporting Activities						
	USA Triathlon of Colorado		USA Triathlon Foundation				
	General and Administrative	Fundraising	General and Administrative	Fundraising	Total Supporting Activities	2025 Total Consolidated	2024 Total Consolidated
Advertising	$ 25,379	$ -	$ 700	$ -	$ 26,079	$ 26,109	$ 17,631
Athlete support	-	-	-	-	-	474,455	701,235
Bank and service fees	159,658	-	31,343	-	191,001	196,200	187,571
Conferences, events, and meetings	2,473	-	1,150	24,548	28,171	478,497	668,984
Depreciation	103,614	-	-	-	103,614	351,695	325,979
Dues and subscriptions	42,894	-	4,819	-	47,713	56,607	112,307
Grants	-	-	-	-	-	284,361	929,849
Information technology	268,276	-	3,338	-	271,614	463,297	469,501
Insurance	312,773	-	4,526	-	317,299	3,081,460	3,096,949
In-kind donations	10,534	-	22,351	14,769	47,654	737,848	1,032,829
Membership product	-	-	-	-	-	321,953	-
Occupancy	177,237	-	-	-	177,237	755,742	597,915
Office and administrative expenses	70,997	-	44,703	59,364	175,064	763,084	246,568
Printing, publications, and shipping	22,804	-	29,519	1,150	53,473	114,877	337,213
Professional fees	281,268	-	104,000	9,487	394,755	1,817,404	2,064,705
Salaries and benefits	3,006,429	-	-	-	3,006,429	6,070,024	5,909,575
Travel	68,493	-	20,761	34,592	123,846	2,108,976	2,208,287
Total expenses	$ 4,552,829	$ -	$ 267,210	$ 143,910	$ 4,963,949	$ 18,102,589	
2024 total expense	$ 5,005,483	$ -	$ 322,472	$ 368,725	$ 5,696,680		$ 18,907,098

The accompanying notes and independent auditor's report
should be read with these financial statements.

USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,724,579	$ 1,044,155
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	351,695	325,979
Amortization of operating right-of-use-asset	165,160	241,570
Realized and unrealized (gains) losses	(1,288,931)	(1,091,031)
Loss on disposal of fixed assets	7,056	-
(Increase) decrease in operating assets:		
Membership receivables	(73,209)	(57,487)
Grants receivable	(10,512)	(111,654)
Accounts receivable, net	613,245	14,126
Promises to give, net	(517,105)	487,038
Prepaid expenses and other assets	(142,514)	(292,138)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(247,500)	515,667
Deferred revenue	1,087,016	(850,120)
Operating lease liabilities	(156,272)	(226,684)
Net cash flows from operating activities	1,512,708	(579)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(2,264,592)	(5,319,421)
Proceeds from sale of investments	2,862,054	5,272,518
Purchases of property and equipment	(641,351)	(442,061)
Net cash flows from investing activities	(43,889)	(488,964)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of note payable	(3,537)	(3,442)
Net change in cash and equivalents	1,465,282	(492,985)
Cash and equivalents, beginning of year	1,047,239	1,540,224
Cash and equivalents, end of year	$ 2,512,521	$ 1,047,239

The accompanying notes and independent auditor's report should be read with these financial statements.

1. ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizations

USA Triathlon of Colorado ("Triathlon") is the national governing body for the sport of triathlon, making it responsible for the support, promotion and development of triathlon in the United States. USA Triathlon Foundation (the Foundation) has the purpose of raising funds and acquiring assets that will enable Triathlon to encourage, improve, and promote the sport of triathlon in the United States.

Principles of consolidation

The consolidated financial statements include the operations of the Triathlon and the Foundation. All material transactions and balances between these entities have been eliminated. The Triathlon and the Foundation are collectively referred to herein as the "Organizations."

Basis of accounting

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

Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and equivalents

For purposes of the financial statements, the Organizations consider all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts receivable and allowance for credit losses

Accounts receivable are unsecured and reported at the amount management expects to collect. Triathlon maintains an allowance for credit losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. If the financial conditions of Triathlon's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. The allowance for credit losses totaled $161,290 and $182,089 as of December 31, 2025 and 2024, respectively.

Changes in the allowance for credit losses were as follows for the years ended December 31,:

	2025	2024
Allowance for credit losses, beginning of year	$ 182,089	$ 671,768
Provisions for credit losses	-	-
Write-offs	(20,799)	(489,679)
Recoveries	-	-
Allowance for credit losses, end of year	$ 161,290	$ 182,089

Grants receivable and promises to give

Grants receivable and promises to give consist of unconditional promises to give and are recorded at net realizable value. Unconditional promises to give expected to be collected beyond one year are initially recorded at fair value using present value techniques. The discount on those amounts are computed using estimated risk-free rates and amortization of the discount is included in contributions and grants revenue in the accompanying consolidated statements of activities. The Organizations also maintain an allowance for uncollectable pledges receivable, determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Grants receivable and promises to give are written off when deemed uncollectable. The allowance for uncollectable promises to give receivable totaled $38,045 as of December 31, 2025 and 2024.

Investments

Investments having a readily determinable fair value are carried at fair value. Interest and dividends are recorded on the accrual basis. Gains and losses are recognized when incurred and included in the consolidated statements of activities. Donated investments are recognized at the estimated fair value on the date of the donation.

Property and equipment

Acquisitions of property and equipment with original cost of $5,000 or greater and useful lives exceeding one year are capitalized and recorded at cost, or fair value, if donated. Property and equipment are depreciated and amortized using the straight-line method over estimated useful lives, or in the case of capitalized leased assets or leasehold improvements, the shorter of the useful life of the assets or the lease term, ranging two to 30 years.

Leases

Management determines if an arrangement is a lease at inception of the arrangement. Right-of-use assets represent Triathlon's right to use an underlying asset for the lease term, and lease liabilities represent Triathlon's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement of the lease based on the present value of lease payments over the lease term. The right-of-use assets also include any lease payments made and exclude lease incentives. Triathlon's lease terms may include options to extend or terminate the lease at management's discretion. Such options are included in the calculation of the right-of-use asset and lease liability, and are included in the future maturities of lease liabilities, if management determines they are reasonably certain to exercise the options. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term.

For leases that do not state or imply an interest rate, Triathlon elected to use a risk-free rate based on asset composition. Triathlon elected to account for all leases with original terms of 12 months or fewer as short-term leases, which are expensed over the term of the lease and do not require recognition of right-of-use assets or lease liabilities.

Deferred revenue

Membership dues are deferred and recognized over the periods to which the fees relate. In addition, other funds received in advance are deferred and recognized when earned as conditions are met.

Net assets

The financial statements present information regarding the financial position and statements of activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions consist of resources available for use in operations, those resources invested in property and equipment, and resources restricted by the board of directors as to future use. Net assets with donor restrictions consist of resources restricted by donors as to purpose or by the passage of time.

Contributions and grants

In accordance with US GAAP, contributions and grants received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions, if applicable. Contributions and grants revenue is recognized when cash is received, when unconditional promises are made, or when ownership of contributed assets is transferred to the Organizations. The Organizations report contributions restricted by donors 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. 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 expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Contributed nonfinancial assets

Contributed nonfinancial assets are recorded at the respective fair values of the goods or services received at the date of donation. In addition to contributed nonfinancial assets, 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 recognition criteria prescribed by US GAAP. Contributed nonfinancial assets are reported in the consolidated statements of activities as contributions and grants.

Revenue recognition

Adult and youth memberships

Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which Triathlon expects to be entitled in exchange for providing membership to its members. Membership dues consist of one-day, annual, and three-year registrations. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term. One-day memberships are recognized on the date the member indicated they would like to receive the membership benefits, which corresponds to the date of a racing event. Membership dues are nonrefundable.

Sponsorships

Triathlon recognizes revenue from contracts with sponsors and suppliers of Triathlon. Revenue is recognized over time as performance obligations in such contracts are rendered. Management has determined that the performance obligations within all executed contracts are substantially the same in each year and are satisfied ratably over the term of the agreement. Typical sponsorship performance obligations include exclusivity, advertisements in the seasonal magazines, and digital media rights.

Events, sanctioning and education

Triathlon generates revenue from fees and sales related to events, sanctioning, and education programs, including race registration fees, event sanctioning, Coach and Race Director Certifications, and other educational content offerings. Revenue is recognized when performance obligations are satisfied, which generally occurs at a point in time when services are provided or goods are delivered to the customer. Accordingly, revenue from events, sanctioning, and education programs is recognized when the related event takes place or the applicable services are rendered.

Contract assets and liabilities

The timing of revenue recognition, billings, and cash collections results in accounts receivable (contract assets), and deferred revenue (contract liabilities). Accounts receivable are recorded when the right to consideration becomes unconditional. Changes in the contract asset and liability balances during the years ended December 31, 2025 and 2024 were not materially impacted by other factors.

Contract balances consist of the following for the years ended December 31,:

	2025	2024	2023
Membership receivables	$ 367,921	$ 294,712	$ 237,225
Accounts receivable, net	257,952	871,197	900,503
Deferred revenue	6,517,210	5,430,194	6,280,314

<u>Functional expenses</u>

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. These expenses require allocation on a reasonable basis that is consistently applied. Any costs that could be directly assigned to a specific function are allocated to that function. The expenses that are allocated include personnel expenses, which are allocated based on an estimate of time and effort spent.

<u>Advertising</u>

Advertising costs are expensed as incurred and totaled $26,109 and $17,631 for the years ended December 31, 2025 and 2024, respectively.

Income taxes

The Organizations are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("Code") and are not a private foundation under Section 509(a)(2) of the Code. The Organizations evaluate the effect of uncertain tax positions, if any, and provides for those positions in accordance with the provisions of FASB ASC Topic 450, *Contingencies*. No tax accrual for uncertain tax positions has been recorded as management believes there are no uncertain tax positions for the Organizations.

Reclassifications

Certain prior year balances and amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on previously reported net assets or change in net assets.

Subsequent events

Management has evaluated subsequent events through the date of the independent auditor's report, the date on which the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available to meet cash needs for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following as of December 31,:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	$ 2,143,498	$ 854,628
Restricted cash	369,023	192,611
Membership receivables	367,921	294,712
Grants receivable	137,346	126,834
Accounts receivable, net	257,952	871,197
Promises to give, current balance	102,293	466,979
Investments	13,597,645	12,906,176
Total financial assets at year end	16,975,678	15,713,137
Less amounts unavailable for general expenditures within one year due to:		
Net assets with donor purpose restrictions	(2,907,017)	(1,621,082)
Restricted cash	(369,023)	(192,611)
Financial assets available to meet cash needs for general expenditures within one year	$ 13,699,638	$ 13,899,444

As part of the Organizations' liquidity management plans, they have a policy to structure their financial assets to be available as its general expenditures, liabilities, and other obligations come due.

3. PROMISES TO GIVE, NET

Promises to give consist of the following as of December 31,:

	2025	2024
Within one year	$ 102,293	$ 466,979
In one to five years	1,461,115	599,790
Over five years	-	-
	1,563,408	1,066,769
Less discount on promises to give	(132,033)	(152,499)
Less allowance for uncollectable promises	(38,045)	(38,045)
Promises to give, net	$ 1,393,330	$ 876,225

4. INVESTMENTS AND FAIR VALUE MEASUREMENT

US GAAP defines fair value and establishes a framework for measuring fair value and disclosure regarding fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Therefore, the term "price" refers to the exit price as opposed to the entry price, which is the price paid to acquire the asset or received to assume the liability. US GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value.

US GAAP describes three levels of inputs that may be used to measure fair value:

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

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities that are based on inputs not quoted in active markets that can be corroborated by observable market data

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Triathlon's investment in the USOPE investment pool is stated at the fair value provided by the USOPE. Certain alternative investments in the USOPE investment pool are stated at the estimated net asset values of the underlying investments. Triathlon's investment in this portfolio is classified as Level 2.

Fair value of assets measured on a recurring basis is as follows as of December 31,:

	2025		
	Level 1	Level 2	Total
USOPE pooled investment	$ -	$ 10,345,246	$ 10,345,246
Total investments, at fair value	$ -	$ 10,345,246	10,345,246
Cash and money market funds, at cost			3,252,399
Total investments			$ 13,597,645

	2024		
	Level 1	Level 2	Total
USOPE pooled investment	$ -	$ 11,797,202	$ 11,797,202
Total investments, at fair value	$ -	$ 11,797,202	11,797,202
Cash and money market funds, at cost			1,108,974
Total investments			$ 12,906,176

The allocation of the USOPE investment pool to Triathlon consisted of the following for the years ended December 31,:

	2025	2024
Alternative investments*	37%	38%
Domestic equity securities	35%	37%
International equities	15%	13%
Domestic bonds	7%	7%
Cash and equivalents	6%	5%
	100%	100%

*Alternative investments include hedge equity funds, private equity funds, real estate funds, and limited partnerships.

Total investment income consists of the following for the years ended December 31,:

	2025	2024
Interest and dividends	$ 240,606	$ 208,570
Net realized and unrealized gains (losses)	1,288,931	1,091,031
Investment income, net	$ 1,529,537	$ 1,299,601

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31,:

	2025	2024
Computer software	$ 2,256,595	$ 1,274,684
Furniture, fixtures, and equipment	1,041,814	995,586
Building	181,846	181,846
	3,480,255	2,452,116
Accumulated depreciation	(2,168,936)	(1,831,689)
Construction in progress	3,950	412,242
Property and equipment, net	$ 1,315,269	$ 1,032,669

See independent auditor's report.

Depreciation expense related to property and equipment totaled $351,695 and $325,979 for the years ended December 31, 2025 and 2024, respectively.

6. LEASES

Triathlon leases office space under a long-term, non-cancelable operating lease agreement that expires on March 1, 2031. The lease agreement requires monthly payments ranging from $500 to $23,328. The lease also requires Triathlon to pay other costs as defined in the lease agreement, which are not included in the operating lease right-of-use asset and lease liability.

Operating lease expense is included in occupancy in the accompanying consolidated statements of functional expenses and totaled $303,101 and $291,845 for the years ended December 31, 2025 and 2024, respectively.

Future maturities of lease liabilities are as follows for the years ending December 31,:

2026	$ 305,807
2027	302,450
2028	275,487
2029	282,451
2030	285,933
Thereafter	1,500
Total minimum lease payments	1,453,628
Less amount representing interest	(54,050)
Present value of lease liabilities	$ 1,399,578

Other information with respect to leases is as follows as of and for the years ended December 31,:

	2025	2024
Right-of-use assets obtained for lease liabilities	$ 1,324,257	$ 2,163,872
Weighted-average remaining years in lease terms	4.83	5.70
Weighted-average discount rate	1.61%	3.88%

7. NET ASSETS

Net assets with donor restrictions consist of the following as of December 31,:

	2025	2024
Endowments:		
Corpus	$ 1,500,000	$ 1,500,000
Accumulated investment earnings, subject to spending policy appropriation	261,199	44,437
	1,761,199	1,544,437
Subject to expenditure for specified purpose:		
Youth	723,337	337,363
High Performance	1,450,935	752,255
Access	94,839	60,228
Other	637,906	471,236
	2,907,017	1,621,082
Subject to the passage of time:		
Promises to give that are not restricted by donors	695,010	477,606
Total net assets with donor restrictions	$ 5,363,226	$ 3,643,125

8. ENDOWMENTS

The Foundation maintains donor restricted endowment funds designated to promote and elevate women’s triathlon, including efforts to increase public awareness and to achieve NCAA recognition as a sanctioned sport.

The Organizations have interpreted the state Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As of December 31, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, the Organizations retain in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organizations in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organizations consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund
2) The purpose of the Organizations and the donor-restricted endowment fund
3) General economic conditions
4) The possible effect of inflation and deflation
5) The expected total return from income and the appreciation of investments
6) Other resources of the Organizations
7) The investment policies of the Organizations

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organizations have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of December 31, 2025 and 2024, there were no funds with deficiencies.

The Organizations have adopted investment and spending policies for the endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments. The target minimum rate of return is the Consumer Price Index plus 5 percent on an annual basis. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

The Organizations maintain an endowment spending rate formula, established by the Board of Directors, to determine the maximum amount that may be appropriated for expenditure from the endowment in any given year, in accordance with the terms of the applicable donor endowment agreements. In establishing this policy, the Organizations consider the long term expected rate of return on endowment investments and sets the spending rate with the objective of preserving the purchasing power of the endowment over time while complying with donor imposed restrictions.

As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Changes in endowment assets with donor restrictions are as follows for the years ended December 31,:

Endowment assets,	
January 1, 2024	$ -
Contributions	1,500,000
Investment return, net	44,437
Appropriated for expenditure	-
Endowment assets,	
December 31, 2024	1,544,437
Contributions	-
Investment return, net	216,762
Appropriated for expenditure	-
Endowment assets,	
December 31, 2025	$ 1,761,199

9. CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, 2025 and 2024, contributed nonfinancial assets recognized within the consolidated statements of activities included the following:

	2025	2024
Donated services	$ 152,304	$ 82,455
Food	3,333	-
Gift cards	64,964	900
Software	33,499	78,397
Sports supplies	494,779	709,648
	$ 748,879	$ 871,400

Contributed supplies and advertising are valued using estimated U.S. wholesale prices of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed supplies are used in program services and contributed advertising is used for fundraising and development.

All gifts-in-kind received during the years ended December 31, 2025 and 2024 were received without donor restrictions.

10. CONCENTRATIONS

Cash and equivalents

The Organizations maintain their cash and equivalents in bank deposit accounts in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At certain times during the year the Organizations had deposits in excess of FDIC limits. This risk is managed by maintaining deposits with high-quality financial institutions. The Organizations do not anticipate nonperformance by these institutions.

11. CONDITIONAL GRANTS

During the year ended December 31, 2025, Triathlon received a conditional grant from the USOPC totaling $1,464,166. Under the terms of the grant agreement, the grant period is for the period from January 1, 2025 through December 31, 2025, and the funding is to be used to support administrative purposes and programmatic purposes, including international relations, high performance support, and athlete support. In connection with this grant agreement, management determined that certain conditions were met during the year ended December 31, 2025 and 2024, and accordingly, $1,229,102 and $1,210,630, respectively, was recognized as contributions and grants revenue in the accompanying consolidated statements of activities.

12. RETIREMENT PLAN

Triathlon sponsors a 401(k) retirement plan ("Plan") covering all eligible employees. Employees may make contributions to the Plan up to the maximum allowed by the Internal Revenue Code and Triathlon provides a matching contribution for eligible employees of up to 5% of eligible compensation. Triathlon may also make a discretionary contribution. Triathlon's contributions to the Plan for the years ended December 31, 2025 and 2024 totaled $178,958 and $179,261, respectively.

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SUPPLEMENTARY INFORMATION

USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025 (WITH COMPARATIVE TOTALS FOR 2024)

	2025					2024
	USA Triathlon	USA Triathlon Foundation	Total Pre-Consolidated	Eliminations	Total Consolidated	Total Consolidated
ASSETS						
Cash and cash equivalents	$ 1,828,024	$ 315,474	$ 2,143,498	$ -	$ 2,143,498	$ 854,628
Restricted cash	-	369,023	369,023	-	369,023	192,611
Membership receivables	367,921	-	367,921	-	367,921	294,712
Grants receivable	137,346	-	137,346	-	137,346	126,834
Accounts receivable, net	257,952	-	257,952	-	257,952	871,197
Promises to give, net	-	1,393,330	1,393,330	-	1,393,330	876,225
Prepaid expenses and other assets	773,708	32,631	806,339	-	806,339	663,825
Investments	10,078,231	3,519,414	13,597,645	-	13,597,645	12,906,176
Operating right-of-use assets	1,324,256	-	1,324,256	-	1,324,256	1,489,416
Property and equipment, net	1,315,269	-	1,315,269	-	1,315,269	1,032,669
Due to USA Triathlon	352,264	-	352,264	352,264	-	-
Due from USA Triathlon	-	153,199	153,199	153,199	-	-
Total assets	$ 16,434,971	$ 5,783,071	$ 22,218,042	$ 505,463	$ 21,712,579	$ 19,308,293
LIABILITIES AND NET ASSETS						
Liabilities:						
Accounts payable and accrued expenses	$ 843,341	$ 21,089	$ 864,430	$ -	$ 864,430	$ 1,111,930
Due to USA Triathlon	-	352,264	352,264	352,264	-	-
Due from USA Triathlon	153,199	-	153,199	153,199	-	-
Deferred revenue	6,497,155	20,055	6,517,210	-	6,517,210	5,430,194
Operating lease liabilities	1,399,578	-	1,399,578	-	1,399,578	1,555,850
Note payable	-	149,173	149,173	-	149,173	152,710
Total liabilities	8,893,273	542,581	9,435,854	505,463	8,930,391	8,250,684
Net assets:						
Without donor restrictions:						
Operating	6,226,429	(122,736)	6,103,693	-	6,103,693	6,381,815
Equity in property and equipment, net	1,315,269	-	1,315,269	-	1,315,269	1,032,669
Total net assets without donor restrictions	7,541,698	(122,736)	7,418,962	-	7,418,962	7,414,484
With donor restrictions	-	5,363,226	5,363,226	-	5,363,226	3,643,125
Total net assets	7,541,698	5,240,490	12,782,188	-	12,782,188	11,057,609
Total liabilities and net assets	$ 16,434,971	$ 5,783,071	$ 22,218,042	$ 505,463	$ 21,712,579	$ 19,308,293

See independent auditor's report.

USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025 (WITH COMPARATIVE TOTALS FOR 2024)

	2025					2024
	USA Triathlon	USA Triathlon Foundation	Total Pre-Consolidated	Eliminations	Total Consolidated	Total Consolidated
SUPPORT AND REVENUE						
Adult and youth memberships	$ 8,545,376	$ -	$ 8,545,376	$ -	$ 8,545,376	$ 8,020,834
Contributions and grants	2,678,145	3,628,246	6,306,391	1,911,298	4,395,093	4,270,085
USOPC grant revenue	1,229,102	-	1,229,102	-	1,229,102	1,210,630
Sponsorships	1,630,092	-	1,630,092	-	1,630,092	2,185,680
Events	1,298,454	158,520	1,456,974	-	1,456,974	2,211,952
Investment income, net	1,267,625	261,912	1,529,537	-	1,529,537	1,299,601
Sanctioning	189,620	-	189,620	-	189,620	202,962
Education	437,198	-	437,198	-	437,198	348,346
Other revenue	414,054	122	414,176	-	414,176	201,163
Total support and revenue	17,689,666	4,048,800	21,738,466	1,911,298	19,827,168	19,951,253
EXPENSES						
Program services:						
Constituent relationships	5,365,212	-	5,365,212	-	5,365,212	4,988,075
High Performance - USA Triathlon	4,408,065	-	4,408,065	-	4,408,065	4,007,108
Events	2,506,812	-	2,506,812	-	2,506,812	2,539,498
Corporate partnerships	519,888	-	519,888	-	519,888	1,487,302
High Performance - USA Triathlon Foundation	-	1,094,572	1,094,572	1,027,246	67,326	108,977
Youth	-	313,552	313,552	198,135	115,417	23,533
Belonging and Access	-	60,010	60,010	20,010	40,000	32,750
Other restricted programs	-	196,394	196,394	80,474	115,920	23,175
Total program services	12,799,977	1,664,528	14,464,505	1,325,865	13,138,640	13,210,418
Supporting activities:						
General and administrative	4,552,829	494,460	5,047,289	227,250	4,820,039	5,327,955
Fundraising	-	502,093	502,093	358,183	143,910	368,725
Total expenses	17,352,806	2,661,081	20,013,887	1,911,298	18,102,589	18,907,098
Change in net assets	336,860	1,387,719	1,724,579	-	1,724,579	1,044,155
Net assets, beginning of year	7,204,838	3,852,771	11,057,609	-	11,057,609	10,013,454
Net assets, end of year	$ 7,541,698	$ 5,240,490	$ 12,782,188	$ -	$ 12,782,188	$ 11,057,609

See independent auditor's report.