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## To Our USA Triathlon Community,

As the National Governing Body for triathlon in the United States, USA Triathlon is steadfast in our commitment to growing and strengthening the sport and broader multisport community. Our mission is centered on increasing participation and inclusivity, lowering barriers to entry, and delivering essential programming, resources, and connections to support all constituents.

We aim to empower athletes at every level—from grassroots participants to elite international competitors—and we are equally focused on serving the backbone of our community: race directors, coaches, and clubs.

As we share our 2024 audited financial statements and IRS Form 990, we want to reaffirm our strategic direction. Our long-term vision, outlined in *Elevate 2028: Focus Forward*, is to unite and inspire our community while building a vibrant and sustainable future for triathlon and multisport in the U.S. Since launching this plan, we've taken bold, intentional steps to expand the sport's reach, foster innovation, and recover from the lingering impacts of the pandemic.

We acknowledge that the path to financial recovery has presented challenges. Following higher-than-anticipated losses in 2022 and 2023, we continued to make strategic investments designed to secure the long-term viability of both our organization and the sport. In 2024, while we again experienced a financial loss, it remained within our budgeted expectations and marks a notable improvement from prior years.

This outcome reflects a more balanced approach—one that preserves the core programs and services that provide tangible value to our members while responsibly managing costs and aligning resources to long-term goals. The temporary deficits we've incurred are part of a broader strategy to build sustainable momentum and organizational resilience.

Looking ahead, we anticipate further financial improvement in 2025 and beyond, driven by sound financial discipline, innovative programming, and a shared commitment to our mission.

We have already begun executing on our 2025–2028 strategic plan, which was released in early 2025. Our journey is a collective one, and we are grateful for your continued trust and support as we work to elevate not just USA Triathlon, but the entire multisport ecosystem.

USA Triathlon





**USA TRIATHLON OF COLORADO AND  
USA TRIATHLON FOUNDATION**

**Consolidated Financial Statements**

**For the Year Ended December 31, 2024,**

**Supplemental Schedules**

**And**

**Independent Auditors' Report**

# USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

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## **INDEPENDENT AUDITORS' REPORT**

The 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 Organization) which comprise the consolidated statement of financial position as of December 31, 2024, 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 (the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 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.

### **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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibility 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

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

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

#### **Report on Summarized Comparative Information**

We have previously audited the Organization's 2023 financial statements and we expressed an unmodified opinion on those audited financial statements in our report dated September 18, 2024. In our opinion, the summarized comparative information presented herein is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### **Report on Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules on pages 18 and 19 are presented for the purpose of additional analysis and are 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 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

*Stockman Kast Ryan & Co., LLP*

August 13, 2025

# USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2024 (with comparative totals for 2023)

	2024	2023
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 854,628	\$ 1,347,613
Restricted cash	192,611	192,611
Accounts receivable, net	1,292,743	1,137,728
Current portion of pledges receivable, net	466,979	598,066
Prepaid expenses and other assets	663,825	371,687
Total current assets	3,470,786	3,647,705
LONG-TERM ASSETS		
Investments	12,906,176	11,768,242
Right-of-use assets	1,489,416	1,730,986
Pledges receivable, net	409,246	765,197
Property and equipment, net	1,032,669	916,587
Total long-term assets	15,837,507	15,181,012
<b>TOTAL ASSETS</b>	<b>\$ 19,308,293</b>	<b>\$ 18,828,717</b>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 784,189	\$ 371,163
Accrued liabilities	327,741	225,100
Current portion of deferred revenue	4,825,922	5,618,299
Current portion of operating lease liabilities	244,160	223,944
Current portion of note payable	3,537	3,981
Total current liabilities	6,185,549	6,442,487
LONG-TERM LIABILITIES		
Deferred revenue	604,272	662,015
Operating lease liabilities	1,311,690	1,558,590
Note payable	149,173	152,171
Total long-term liabilities	2,065,135	2,372,776
<b>TOTAL LIABILITIES</b>	<b>8,250,684</b>	<b>8,815,263</b>
NET ASSETS		
Without donor restrictions	7,414,484	7,145,399
With donor restrictions	3,643,125	2,868,055
Total net assets	11,057,609	10,013,454
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 19,308,293</b>	<b>\$ 18,828,717</b>

See notes to consolidated financial statements.

# USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

## CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024 (with comparative totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE				
Adult and youth memberships	\$ 7,656,165		\$ 7,656,165	\$ 7,305,167
Contributions	875,037	\$ 2,627,102	3,502,139	3,399,933
Sponsorship	3,063,885		3,063,885	3,276,870
Events	1,821,982		1,821,982	2,275,056
Investment income, net of expenses	1,260,994	38,607	1,299,601	1,241,638
USOPC grants	1,210,630		1,210,630	1,441,550
Sanctioning	202,962		202,962	224,555
Camps and clinics	179,962		179,962	286,672
Education	168,383		168,383	122,026
Royalties	154,623		154,623	109,163
Other revenue	690,921		690,921	1,117,152
Net assets released from restrictions	1,890,639	(1,890,639)		
Total revenue	19,176,183	775,070	19,951,253	20,799,782
EXPENSES				
Program services:				
Constituent relationships	4,108,357		4,108,357	4,017,330
USAT high performance	4,007,107		4,007,107	4,249,981
National events	2,101,516		2,101,516	3,294,422
Business development and strategy	1,487,302		1,487,302	1,478,872
Sport programs	1,317,701		1,317,701	1,184,886
Foundation high performance	108,977		108,977	
Belonging and access	32,750		32,750	58,600
Youth	23,533		23,533	149
Other restricted programs	23,175		23,175	
Total program services	13,210,418	—	13,210,418	14,284,240
Supporting services	5,696,680		5,696,680	6,038,673
Total expenses	18,907,098	—	18,907,098	20,322,913
CHANGE IN NET ASSETS	269,085	775,070	1,044,155	476,869
NET ASSETS, Beginning of year	7,145,399	2,868,055	10,013,454	9,536,585
NET ASSETS, End of year	\$ 7,414,484	\$ 3,643,125	\$ 11,057,609	\$ 10,013,454

See notes to consolidated financial statements.

## USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024 (with comparative totals for 2023)

	2024									
	Program Services									
	Constituent Relationships	USAT High Performance	National Events	Business Development and Strategy	Sport Programs	Foundation High Performance	Belonging and Access	Youth	Other Restricted Programs	Program Services Total
Payroll & benefits	\$ 783,579	\$ 1,042,383	\$ 450,491	\$ 412,529	\$ 553,750					\$ 3,242,732
Insurance	2,824,150	25,715	60,623							2,910,488
Professional fees	128,269	364,440	700,757	159,413	17,875					1,370,754
Travel and entertainment	84,752	1,453,105	278,211	5,608	93,727			\$ 1,433		1,916,836
Events / athlete	70,336	699,035	274,354	3,464	606,929		\$ 1,500			1,655,618
Office and administrative expense	216,721	127,412	88,829	30,524	39,155	\$ 30,707				533,348
Value-in-kind		129,442	2,787	871,400						1,003,629
Building / equipment / rental expense	550	165,575	245,464	4,364	6,265					422,218
Depreciation										
USAT funded programs						70,270				70,270
Other grants / sponsorships						8,000	31,250	22,100	\$ 23,175	84,525
Total	\$ 4,108,357	\$ 4,007,107	\$ 2,101,516	\$ 1,487,302	\$ 1,317,701	\$ 108,977	\$ 32,750	\$ 23,533	\$ 23,175	\$ 13,210,418
Comparative totals - 2023	\$ 4,017,330	\$ 4,249,981	\$ 3,294,422	\$ 1,478,872	\$ 1,184,886	\$ —	\$ 58,600	\$ 149	\$ —	\$ 14,284,240

(Continued)



## USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024 (with comparative totals for 2023)

	2024						2023 Total Expenses
	USAT General and Administrative	Marketing and Communications	Foundation General and Administrative	Fundraising	Support Services Total	Total Expenses	
Payroll & benefits	\$ 1,825,227	\$ 779,627			\$ 2,604,854	\$ 5,847,586	\$ 6,048,755
Insurance	181,875		\$ 4,391	\$ 195	186,461	3,096,949	2,899,034
Professional fees	364,334	324,926	157,867	139,847	986,974	2,357,728	2,814,930
Travel and entertainment	124,959	6,076		138,947	269,982	2,186,818	2,979,853
Events / athlete	2,053		4,009	16,485	22,547	1,678,165	1,695,421
Office and administrative expense	313,118	317,503	126,930	41,568	799,119	1,332,467	1,242,890
Value-in-kind			29,200		29,200	1,032,829	825,813
Building / equipment / rental expense	439,551	330		31,683	471,564	893,782	1,265,613
Depreciation	325,904		75		325,979	325,979	378,440
USAT funded programs						70,270	
Other grants / sponsorships						84,525	172,164
Total	<u>\$ 3,577,021</u>	<u>\$ 1,428,462</u>	<u>\$ 322,472</u>	<u>\$ 368,725</u>	<u>\$ 5,696,680</u>	<u>\$ 18,907,098</u>	
Comparative totals - 2023	<u>\$ 4,247,118</u>	<u>\$ 1,133,435</u>	<u>\$ 141,972</u>	<u>\$ 516,148</u>	<u>\$ 6,038,673</u>		<u>\$ 20,322,913</u>

See notes to consolidated financial statements.

(Concluded)

# USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024 (with comparative totals for 2023)

	2024	2023
OPERATING ACTIVITIES		
Change in net assets	\$ 1,044,155	\$ 476,869
Adjustments to reconcile the change in net assets to net cash used in operating activities:		
Depreciation	325,979	378,440
Amortization of right-of-use asset	241,570	233,357
Realized and unrealized gains on investments	(1,091,031)	(1,079,659)
Changes in operating assets and liabilities:		
Accounts receivable	(155,015)	(145,864)
Pledges receivable	487,038	(658,837)
Prepaid expenses and other assets	(292,138)	29,057
Accounts payable and accrued liabilities	515,667	38,008
Deferred revenue	(850,120)	(124,079)
Payments on operating lease liabilities	(226,684)	(210,285)
Net cash used in operating activities	(579)	(1,062,993)
INVESTING ACTIVITIES		
Proceeds from sales of investments	5,272,518	2,116,720
Purchases of investments	(5,319,421)	(1,782,637)
Acquisition of property and equipment	(442,061)	(75,850)
Net cash provided by (used in) investing activities	(488,964)	258,233
FINANCING ACTIVITIES		
Net cash used in financing activities—		
Payments on long-term debt	(3,442)	(3,348)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(492,985)	(808,108)
CASH AND CASH EQUIVALENTS, Beginning of year	1,540,224	2,348,332
CASH AND CASH EQUIVALENTS, End of year	\$ 1,047,239	\$ 1,540,224
Reconciliation of cash and cash equivalents to the accompanying consolidated balance sheet under the following captions:		
Cash and cash equivalents	\$ 854,628	\$ 1,347,613
Restricted cash	192,611	192,611
Total	\$ 1,047,239	\$ 1,540,224

See notes to consolidated financial statements.

# USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Operations** — 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 accounts of Triathlon and the Foundation (collectively, the Organization). All significant intercompany transactions and balances have been eliminated in consolidation.

**Basis of Presentation** — The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which represent the expendable resources that are available for operations at management's discretion; and net assets with donor restrictions, which represent resources restricted by donors as to purpose or by the passage of time and resources for which use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

The accompanying consolidated financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient details to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's statements for the year ended December 31, 2023, from which the summarized information was derived.

**Use of Estimates** — The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

**Cash and Cash Equivalents** — The Organization considers all highly liquid investments with original maturities of three months or less, and which are not held for long-term investment purposes, to be cash equivalents. Cash and highly liquid financial instruments held for long-term investment purposes, regardless of original length or maturity, are reported as investments and are excluded from this definition. The net amount of operating cash added to, or withdrawn from, the long-term investments is reported as an investing activity in the accompanying consolidated statement of cash flows. At times during the year, the Organization's cash accounts may exceed Federal Deposit Insurance Corporation insured limits.

**Restricted Cash** — The Organization considers funds held for a specific purpose and not available for immediate or general business use to be restricted cash.

**Accounts Receivable** — Accounts receivable includes amounts due under contracts with sponsors, amounts due from membership fees, race directors, and other miscellaneous sources. Accounts receivable are stated at their invoiced amount, which represents the amount the Organization expects to receive. Receivables are generally due within 30 days. At times, the Organization may place certain receivables on longer term payment plans that do not exceed one year. The Organization maintains an allowance for credit losses based on expected collectability of receivables. The allowance for credit losses was \$182,089 and \$671,768 as of December 31, 2024 and 2023, respectively.

**Pledges Receivable** — Unconditional promises to give are recognized as support and assets in the period received. Promises to give are recorded at net realizable value if expected to be collected within one year and at the present value of estimated future cash flows if expected to be collected in more than one year. The discounts on these amounts are computed using a risk adjusted interest rate (5.50% and 3.89% for the years ended December 31, 2024 and 2023, respectively). Amortization of the discount is included in contribution revenue. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Management provides for probable uncollectible amounts through an allowance for uncollectable pledges based on an assessment of the current status of individual receivables and general economic conditions. The allowance for uncollectible pledges was \$38,045 and \$0 as of December 31, 2024 and 2023, respectively.

**Prepaid Expenses** — Prepaid expenses primarily consist of amounts paid for insurance in advance of the policy term and amounts paid for event expenses in advance of the event date.

**Investments** — Investments are carried at fair value in the accompanying consolidated statement of financial position. The investments are held for long-term purposes. Net investment return consists of interest and dividend income, and realized and unrealized gains and losses on investments, less investment management and custodial fees. See Note 7 for additional information on fair value measurements.

**Property and Equipment** — Property and equipment are recorded at cost for assets purchased by the Organization and at estimated fair value at the date of donation for contributed property and equipment. The Organization's policy is to capitalize all acquisitions of property and equipment in excess of \$3,000 and with a useful life of a year or more. Depreciation is recorded using the straight-line method over estimated useful lives of two to ten years for furniture and equipment. Depreciation on the office building and office building improvements is recorded using the straight-line method over estimated useful lives of 30 and 15 years, respectively.

**Deferred Revenue** — Deferred revenue primarily consists of receipts from members, athletes, grantors, and sponsors. Deferred revenue from memberships is recorded on the date of receipt of the membership fee and is amortized as revenue over the life of the membership depending on the specific membership, which ranges from one day to three years.

Deferred revenue from athletes for event fees is recorded on the date of receipt and recognized as revenue on the date the race event occurs. Deferred revenue from grantors is recorded on the date of receipt and recognized as revenue when the funds are used for the grantor's intended purpose. Deferred revenue from sponsors is recognized as revenue as performance obligations are satisfied.

**Contributions** — Contributions received are recorded as net assets with or without donor restrictions depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. United States Olympic and Paralympic Committee (USOPC) grants are considered contributions and presented separately from contributions in the accompanying consolidated statement of activities.

**Revenue Recognition** — The Organization recognizes revenue from contracts with customers by applying the following steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract, if applicable; and (5) recognize revenue when or as the performance obligation is satisfied.

Membership revenues are recognized based on the term of the membership purchased. The Organization's membership terms range from one day to three years. 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. All other membership revenue is recognized on a straight-line basis over the life of the membership.

Sponsorship revenues are recognized when the Organization satisfies its performance obligations as stated in the contract with the sponsor. Typical sponsorship performance obligations include exclusivity, advertisements in the seasonal magazines, and digital media rights.

Revenues from race events, camps and clinics, and education are recognized when the related event occurs or service is provided.

**Income Taxes** — Triathlon and the Foundation qualify as tax-exempt organizations under the provisions of Section 501(c)(3) of the Internal Revenue Code. Income from activities not directly related to Triathlon's and the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. Triathlon and the Foundation are subject to examination by various taxing authorities generally for three to five years after the filing of their Return of Organization Exempt from Income Tax (Form 990). Triathlon and the Foundation do not believe that they have any uncertain tax positions that are material to the consolidated financial statements.

**Recent Accounting Pronouncements** — Management does not believe that any recently issued, but not yet effective, accounting standards could have a material effect on the Organization's consolidated financial statements. As the new accounting pronouncements become effective, the Organization will adopt those that are applicable under the circumstances.

**Subsequent Events** — The Organization has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the consolidated financial statements were available for issuance.

## 2. LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets as of December 31, 2024 and 2023, reduced by amounts that are not available for use within one year from the consolidated statement of financial position date.

	2024	2023
Cash and cash equivalents	\$ 854,628	\$ 1,347,613
Restricted cash	192,611	192,611
Accounts receivable, net	1,292,743	1,137,728
Pledges receivable, net	876,225	1,363,263
Investments	<u>12,906,176</u>	<u>11,768,242</u>
Total financial assets	<u>16,122,383</u>	<u>15,809,457</u>
Less amounts unavailable to be used within one year, due to:		
Restricted by donors for endowment	(1,538,607)	
Restricted by donors with purpose restrictions	<u>(2,104,518)</u>	<u>(2,868,055)</u>
Total amounts unavailable to be used within one year	<u>(3,643,125)</u>	<u>(2,868,055)</u>
Total financial assets available to management to meet cash needs within one year	<u>\$ 12,479,258</u>	<u>\$ 12,941,402</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In accordance with its liquidity plan, excess cash is invested in long-term investments and the Organization follows the guidelines of its investment policy.

## 3. PLEDGES RECEIVABLE

Pledges receivable consist of the following at December 31:

	2024	2023
Due in less than one year	\$ 466,979	\$ 598,066
Due in one to five years	599,790	875,679
Thereafter	<u>                    </u>	<u>27,289</u>
Total	1,066,769	1,501,034
Discount to net present value of estimated cash flows	(152,499)	(137,771)
Allowance for uncollectible pledges	<u>(38,045)</u>	<u>                    </u>
Pledges receivable, net	<u>\$ 876,225</u>	<u>\$ 1,363,263</u>

#### 4. FUNCTIONAL EXPENSE ALLOCATION METHODS

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of the Organization. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs have been allocated between various programs and support services on several bases and estimates. Salary, benefits, contract labor and travel are allocated fully to the related program and on the basis of estimates of time and effort spent by personnel in the various program and supporting services. Certain occupancy expenses such as supplies, shipping and postage, insurance and information technology have been allocated based on usage. Maintenance and facility expenses have been allocated based on square footage.

#### 5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2024	2023
Computer software	\$ 1,274,684	\$ 1,232,551
Furniture, fixtures, and equipment	995,586	995,586
Building	181,846	181,846
Construction in process	<u>412,242</u>	<u>12,313</u>
Total	2,864,358	2,422,296
Less accumulated depreciation	<u>(1,831,689)</u>	<u>(1,505,709)</u>
Property and equipment, net	<u>\$ 1,032,669</u>	<u>\$ 916,587</u>

Depreciation expense was \$325,979 and \$378,440, for the years ended December 31, 2024 and 2023, respectively.

#### 6. OPERATING LEASES

The Organization has operating leases for office and storage space and office equipment. The Organization determines if an arrangement is a lease at the inception of a contract. Leases with an initial term of twelve months or less (short-term lease) are not recorded on the consolidated statement of financial position.

For leases that commenced before the effective date of ASU 2016-02, the Organization elected the permitted practical expedients to not reassess the following: (i) whether any expired or existing contracts contain leases; (ii) the lease classification for any expired or existing leases; and (iii) initial direct costs for any existing leases.

Right-of-use assets (ROU assets) represent the Organization's right to use underlying assets during the lease term, and lease liabilities represent the Organization's obligation to make lease payments arising from the leases. Right-of-use assets and operating lease liabilities of \$2,163,872 were recognized at the commencement date, based on the net present value of fixed lease payments over the lease term.

As the Organization's operating leases do not provide an implicit rate, and the Organization could not provide a reasonable estimated incremental borrowing rate, the Organization elected to use the risk-free rate as of the commencement date in determining the present value of lease payments. The Organization considers publicly available data for instruments with similar characteristics when calculating its risk-free rate.

Operating fixed lease expense is recognized on a straight-line basis over the lease term. Operating lease costs incurred were \$291,845 and \$283,845 for the years ended December 31, 2024 and 2023, respectively.

	2024	2023
Other information:		
Remaining lease term	5.7 years	6.7 years
Discount rate	3.88%	3.88%

Undiscounted cash flows for the operating liabilities as of December 31, 2024 are as follows:

2025	\$ 299,339
2026	307,597
2027	298,966
2028	272,006
2029	278,969
Thereafter	<u>285,932</u>
Future minimum lease payments	1,742,809
Lease amount representing interest	<u>(186,959)</u>
Operating lease liabilities recognized on the consolidated statement of financial position	<u>\$ 1,555,850</u>

## 7. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization is required to use 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 inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.



If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics, and other factors. The Organization considers observable data to be that market data which is readily available and reliable and provided by independent sources. The categorization of a financial instrument within the hierarchy is therefore based upon the pricing transparency of the instrument and does not necessarily correspond to the Organization's perceived risk of that investment. The Organization recognizes transfers between levels at the end of the reporting period.

Investments in stocks, mutual funds, equity securities and money market funds are determined principally through quoted prices in active markets. Fair values for fixed income securities are determined through pricing services.

The Organization's Investment in the United States Olympic and Paralympic Endowment (USOPE) portfolio is valued at fair value using the net asset value of the portfolio provided by the USOPE. Certain alternative investments within the USOPE portfolio are stated at the estimated net asset values of the underlying investments. The Organization's investment in this portfolio is classified as Level 2.

The Organization may terminate its investment agreement with the USOPE effective at the end of any calendar month upon the giving of at least ninety days written notice or upon shorter notice acceptable to the USOPE if the USOPE determines that adequate liquidity exists in the portfolio to permit early termination. The following tables set forth by level, within the fair value hierarchy, the Organization's assets stated at fair value as of December 31:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>2024:</b>				
Investments:				
Cash	\$ 2,560,930			\$ 2,560,930
USOPE portfolio		\$ 10,345,246		10,345,246
Total	<u>\$ 2,560,930</u>	<u>\$ 10,345,246</u>	<u>\$ —</u>	<u>\$ 12,906,176</u>
<b>2023:</b>				
Investments:				
Cash	\$ 1,165,950			\$ 1,165,950
USOPE portfolio		\$ 10,602,292		10,602,292
Total	<u>\$ 1,165,950</u>	<u>\$ 10,602,292</u>	<u>\$ —</u>	<u>\$ 11,768,242</u>

The USOPE portfolio consists of the following investments at December 31, 2024:

Alternative investments	38%
Domestic equities	37%
International equities	13%
Domestic bonds	7%
Cash and equivalents	<u>5%</u>
Total	<u>100%</u>

Net investment income was composed of the following for the years ended December 31:

	2024	2023
Interest and dividends	\$ 208,570	\$ 161,979
Net unrealized gains	744,618	935,642
Net realized gains	<u>346,413</u>	<u>144,017</u>
Net investment income	<u>\$ 1,299,601</u>	<u>\$ 1,241,638</u>

Some investments are exposed to various risks that may cause their reported fair values to fluctuate from period to period and could materially affect the recorded amount of investments in the Organization's consolidated financial statements.

Investments in equity securities fluctuate in value in response to many factors, such as the activities and financial condition of individual companies, general business and industry market conditions, and the state or perceived direction of the economy. The values of debt securities fluctuate in response to changing interest rates, credit worthiness of issuers, and overall economic policies that impact market conditions.

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

## 8. NOTES PAYABLE

The Foundation has a loan with a bank bearing interest 2.75% pursuant to the Economic Injury Disaster Loan Program (EIDL) of the CARES Act. The balance of the note was \$152,710 and \$156,152 as of December 31, 2024 and 2023, respectively. The note is secured by the Foundation's assets and requires monthly payments of principal and interest and matures on May 1, 2050.

Maturities of the note payable are as follows:

2025	\$ 3,537
2026	3,636
2027	3,737
2028	3,841
2029	3,948
Thereafter	<u>134,011</u>
Notes payable	<u>\$ 152,710</u>

## 9. NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Purpose restricted	\$ 2,104,518	\$ 2,868,055
Endowment funds	<u>1,538,607</u>	<u>                    </u>
Total net assets with donor restrictions	<u>\$ 3,643,125</u>	<u>\$ 2,868,055</u>

## 10. ENDOWMENT FUNDS

The Organization's endowment funds are restricted for the purpose of heightening the profile and public recognition of women's triathlon as a sport, including achieving recognition by the NCAA as a sanctioned sport. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Colorado has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The act provides statutory guidance for management investment and expenditure of endowment funds held by not-for-profit organizations. The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers 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 purposes of the Organization 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 Organization
- 7) The investment policies of the Organization

There were no endowment funds as of December 31, 2023. As of December 31, 2024, the Organization had the following net asset composition by type of fund:

Original donor restricted gift amounts and amounts required to be maintained in perpetuity by donor	\$ 1,500,000
Accumulated investment gains	<u>38,607</u>
Total	<u>\$ 1,538,607</u>

Changes in endowment fund net assets and the endowment net asset composition by type of fund for the year ended December 31, 2024 are as follows:

	<b>With Donor Restriction</b>
DONOR RESTRICTED ENDOWMENT NET ASSETS, December 31, 2023	\$ —
Contributions	1,500,000
Investment income	44,437
Appropriation of endowment assets for expenditures	<u>(5,830)</u>
DONOR RESTRICTED ENDOWMENT NET ASSETS, December 31, 2024	<u>\$ 1,538,607</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2024.

The Organization has adopted investment and spending policies for the endowment assets with a balanced objective with an emphasis on long-term capital appreciation over current income to ensure preservation of real purchasing power and growth of principal.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

## **11. RETIREMENT PLAN**

The Organization sponsors a 401(k) retirement plan. Eligible employees must be 21 years of age and will become eligible for the plan on the first day of the month subsequent to their hire date. The Organization makes a matching contribution for all eligible employees of up to 5% of eligible compensation. The Organization may also make a discretionary contribution. Total contributions made by the Organization totaled \$179,261 and \$182,570 for the years ended December 31, 2024 and 2023, respectively.

**USA TRIATHLON OF COLORADO AND  
USA TRIATHLON FOUNDATION**

**SUPPLEMENTAL SCHEDULES**

# USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024 (with comparative totals for 2023)

	2024			2023
	USA Triathlon of Colorado	USA Triathlon Foundation	Eliminating Entries	Consolidated Totals
<b>ASSETS</b>				<b>Consolidated Totals</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 616,314	\$ 238,314		\$ 854,628
Restricted cash		192,611		192,611
Accounts receivable, net	933,654	359,089		1,292,743
Current portion of pledges receivable, net		466,979		466,979
Due from USA Triathlon of Colorado		178,676	\$ (178,676)	
Due from USA Triathlon Foundation	250,696		(250,696)	
Prepaid expenses and other assets	663,825			663,825
Total current assets	2,464,489	1,435,669	(429,372)	3,470,786
<b>LONG-TERM ASSETS</b>				
Investments	10,353,864	2,552,312		12,906,176
Right-of-use assets	1,489,416			1,489,416
Pledges receivable, net		409,246		409,246
Property and equipment, net	1,032,669			1,032,669
Total long-term assets	12,875,949	2,961,558	—	15,837,507
<b>TOTAL ASSETS</b>	<b>\$ 15,340,438</b>	<b>\$ 4,397,227</b>	<b>\$ (429,372)</b>	<b>\$ 19,308,293</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 709,272	\$ 74,917		\$ 784,189
Due to USA Triathlon Foundation	178,676		\$ (178,676)	
Due to USA Triathlon of Colorado		250,696	(250,696)	
Accrued liabilities	278,933	48,808		327,741
Current portion of deferred revenue	4,808,597	17,325		4,825,922
Current portion of operating lease liabilities	244,160			244,160
Current portion of note payable		3,537		3,537
Total current liabilities	6,219,638	395,283	(429,372)	6,185,549
<b>LONG-TERM LIABILITIES</b>				
Deferred revenue	604,272			604,272
Operating lease liabilities	1,311,690			1,311,690
Note payable		149,173		149,173
Total long-term liabilities	1,915,962	149,173	—	2,065,135
<b>TOTAL LIABILITIES</b>	<b>8,135,600</b>	<b>544,456</b>	<b>(429,372)</b>	<b>8,250,684</b>
<b>NET ASSETS</b>				
Without donor restrictions	7,204,838	209,646		7,414,484
With donor restrictions		3,643,125		3,643,125
Total net assets	7,204,838	3,852,771	—	11,057,609
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 15,340,438</b>	<b>\$ 4,397,227</b>	<b>\$ (429,372)</b>	<b>\$ 19,308,293</b>

# USA TRIATHLON OF COLORADO AND USA TRIATHLON FOUNDATION

## CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024 (with comparative totals for 2023)

	2024					2023
	USA Triathlon of Colorado Without Donor Restrictions	USA Triathlon Foundation Without Donor Restrictions	USA Triathlon Foundation With Donor Restrictions	Eliminating Entries	Consolidated Totals	Consolidated Totals
REVENUE						
Adult and youth memberships	\$ 7,656,165				\$ 7,656,165	\$ 7,305,167
Contributions	1,760,337	\$ 297,141	\$ 2,627,102	\$ (1,182,441)	3,502,139	3,399,933
Sponsorship	2,969,686	608,189		(513,990)	3,063,885	3,276,870
Events	1,821,982				1,821,982	2,275,056
Investment income, net of expenses	1,209,350	51,644	38,607		1,299,601	1,241,638
USOPC grants	1,210,630				1,210,630	1,441,550
Sanctioning	202,962				202,962	224,555
Camps and clinics	179,962				179,962	286,672
Education	168,383				168,383	122,026
Royalties	154,623				154,623	109,163
Other revenue	737,660	2,026		(48,765)	690,921	1,117,152
Net assets released from restrictions		1,890,639	(1,890,639)			
Total revenue	18,071,740	2,849,639	775,070	(1,745,196)	19,951,253	20,799,782
EXPENSES						
Program services:						
Constituent relationships	4,108,357				4,108,357	4,017,330
USAT high performance	4,007,107				4,007,107	4,249,981
National events	2,101,516				2,101,516	3,294,422
Business development and strategy	1,487,302				1,487,302	1,478,872
Sport programs	1,317,701				1,317,701	1,184,886
Foundation high performance		756,566		(647,589)	108,977	
Belonging and access		32,750			32,750	58,600
Youth		123,533		(100,000)	23,533	149
NCAA		434,852		(434,852)		
Other restricted programs		23,175			23,175	
Total program services	13,021,983	1,370,876	—	(1,182,441)	13,210,418	14,284,240
Supporting services	5,005,483	1,253,952		(562,755)	5,696,680	6,038,673
Total expenses	18,027,466	2,624,828	—	(1,745,196)	18,907,098	20,322,913
CHANGE IN NET ASSETS	44,274	224,811	775,070		1,044,155	476,869
NET ASSETS, Beginning of year	7,160,564	(15,165)	2,868,055		10,013,454	9,536,585
NET ASSETS, End of year	\$ 7,204,838	\$ 209,646	\$ 3,643,125	\$ —	\$ 11,057,609	\$ 10,013,454