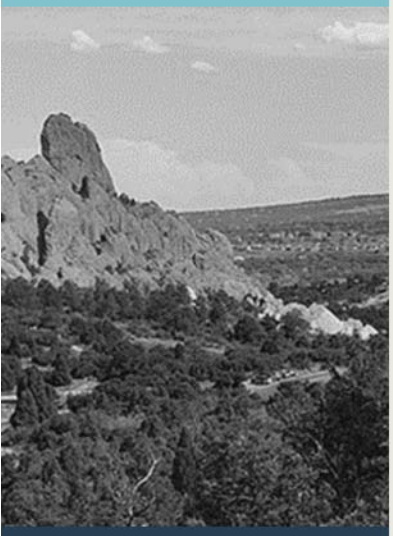

sorren CPAs, PC

Financial Statements

United States Judo, Inc.
For the Year Ended December 31, 2025

UNITED STATES JUDO, INC.

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

INDEPENDENT AUDITORS' REPORT

The Board of Directors
United States Judo, Inc.

Opinion

We have audited the accompanying financial statements of United States Judo, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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 2024 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated September 3, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sorren CPAs P.C.
Colorado Springs, Colorado
September 22, 2026

UNITED STATES JUDO, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025 (with comparative totals for 2024)

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and equivalents	$ 403,777	$ 513,580
Accounts receivable, net	189,140	203,771
Prepaid expenses and other current assets	50,209	44,137
Investments	752,195	817,382
Total current assets	1,395,321	1,578,870
PROPERTY AND EQUIPMENT, NET	1,682	4,505
TOTAL ASSETS	$ 1,397,003	$ 1,583,375
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 341,737	$ 287,701
Accrued expenses	142,048	88,576
Deferred revenue	620,207	690,607
Current portion of notes payable	3,985	3,877
Total current liabilities	1,107,977	1,070,761
LONG-TERM PORTION OF NOTES PAYABLE	134,201	138,171
TOTAL LIABILITIES	1,242,178	1,208,932
NET ASSETS		
Without donor restrictions:		
Available for operations	146,589	310,008
Invested in property and equipment	1,682	4,505
Total net assets without donor restrictions	148,271	314,513
With donor restrictions	6,554	59,930
TOTAL NET ASSETS	154,825	374,443
TOTAL LIABILITIES AND NET ASSETS	$ 1,397,003	$ 1,583,375

See notes to financial statements.

UNITED STATES JUDO, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025 (with comparative totals for 2024)

	2025			
	Without Donor Restrictions	With Donor Restrictions	Total	2024 Total
SUPPORT AND REVENUES				
Dues and membership	$ 1,414,075		$ 1,414,075	$ 1,258,163
Events	547,808		547,808	529,105
Contributions-financial assets	459,619	$ 31,501	491,120	604,697
Grants	489,900		489,900	712,900
Investment income	109,813		109,813	84,874
Certification and other service fees	97,581		97,581	92,765
Contributions-non-financial assets	48,741		48,741	142,061
Other	54,921		54,921	22,356
Total	3,222,458	31,501	3,253,959	3,446,921
Net assets released from restrictions - satisfaction of purpose restrictions	84,877	(84,877)		
Total support and revenues	3,307,335	(53,376)	3,253,959	3,446,921
EXPENSES				
Program services	2,583,540		2,583,540	2,489,918
Supporting services:				
General and administrative	822,914		822,914	770,717
Fundraising	67,123		67,123	49,180
Total expenses	3,473,577	—	3,473,577	3,309,815
CHANGE IN NET ASSETS	(166,242)	(53,376)	(219,618)	137,106
NET ASSETS, Beginning of year	314,513	59,930	374,443	237,337
NET ASSETS, End of year	$ 148,271	$ 6,554	$ 154,825	$ 374,443

See notes to financial statements.

UNITED STATES JUDO, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025 (with comparative totals for 2024)

	2025				
		Supporting Services			
	Program Services	General and Administrative	Fundraising	Total	2024 Total
Salaries and benefits	$ 456,715	$ 382,060	$ 39,523	$ 878,298	$ 766,497
High performance	753,836	78,330		832,166	1,144,584
National events	513,143			513,143	442,516
Business operations	310,545	86,591	3,303	400,439	313,302
Insurance	148,352	79,299	7,300	234,951	174,516
Membership	203,895			203,895	171,113
Professional services	31,942	153,191		185,133	66,780
Referees	104,022			104,022	105,867
Occupancy and office	42,640	35,670	3,690	82,000	82,364
Donations	18,450		13,307	31,757	31,522
Other		7,773		7,773	10,754
TOTAL	$ 2,583,540	$ 822,914	$ 67,123	$ 3,473,577	
PERCENTAGE	74%	24%	2%	100%	
TOTAL - 2024	$ 2,489,918	$ 770,717	$ 49,180		$ 3,309,815
PERCENTAGE - 2024	75%	23%	2%		100%

See notes to financial statements.

UNITED STATES JUDO, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025 (with comparative totals for 2024)

	2025	2024
OPERATING ACTIVITIES		
Change in net assets	$ (219,618)	$ 137,106
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,823	4,020
Net realized and unrealized gains on investments	(95,000)	(72,179)
Changes in operating assets and liabilities:		
Accounts receivable	14,631	(132,170)
Prepaid expenses and other current assets	(6,072)	64,311
Accounts payable and accrued expenses	107,508	40,913
Deferred revenue	(70,400)	105,380
Net cash provided by (used in) operating activities	(266,128)	147,381
INVESTING ACTIVITIES		
Sales of investments	175,000	
Purchase of investments	(14,813)	(12,695)
Net cash provided by (used in) investing activities	160,187	(12,695)
FINANCING ACTIVITIES		
Net cash used in financing activities—		
Repayments of notes payable	(3,862)	(4,098)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(109,803)	130,588
CASH AND CASH EQUIVALENTS, Beginning of year	513,580	382,992
CASH AND CASH EQUIVALENTS, End of year	$ 403,777	$ 513,580
SUPPLEMENTAL CASH FLOW		
Cash paid for interest	$ 3,830	$ 3,954

See notes to financial statements.

UNITED STATES JUDO, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations — United States Judo, Inc. (the Organization) was incorporated in September 1980 in the state of Texas. The Organization is the national governing body of the sport of judo in the United States in accordance with the Ted Stevens Olympic and Amateur Sports Act and, as such, is a member of the United States Olympic & Paralympic Committee (USOPC). The principal purpose of the Organization is to operate for charitable and educational purposes and to foster national and international amateur sports competition in the sport of judo.

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 the net investment in property and equipment; and net assets with donor restrictions, which represent resources restricted by donors as to purpose or by the passage of time.

The accompanying financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Cash and Cash Equivalents — The Organization considers all 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 to 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 statement of cash flows. At times during the year, the Organization's cash accounts may exceed Federal Deposit Insurance Corporation insured limits.

Accounts Receivable — Accounts receivable are stated at the amount billed for services and fees. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Delinquent receivables are written off based on specific circumstances of the customer and other economic factors. The Organization provides an allowance for credit losses for estimated uncollectible amounts. The Organization's estimate is based on historical collection experience, current and future expected economic conditions, and a review of the current status of trade accounts receivable. It is reasonably possible that the Organization's estimate of the allowance for credit losses will change. As of December 31, 2024, the Organization has recorded an allowance for credit losses of $5,908. Management believed all accounts receivable were fully collectible and no allowance for credit losses was deemed necessary as of December 31, 2025.

Investments and Investment Return — Investments are carried at fair value in the statement of financial position.

Net investment return consists of interest and dividend income, and the realized and unrealized gains and losses on the investments, less investment management and custodial fees. See Note 4 for additional information on fair value measurements.

Prepaid Expenses and Other Assets — Prepaid expenses and other assets consist primarily of expenses paid and tickets purchased in advance of future judo events.

Property and Equipment — All acquisitions of property and equipment in excess of $3,000 are capitalized. Donated equipment is recorded at fair market value at the date of donation. Purchased equipment is recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of five years. Upon sale or disposition, the asset and its related accumulated depreciation are removed from the accounts and any remaining gain or loss is included in the statement of activities. Costs of repairs and maintenance are charged to expense when incurred.

Revenue from Contracts — The Organization recognizes revenues 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. USOPC funds received in advance are included in deferred revenue and recognized when the related performance obligation is satisfied. Dues and memberships are recognized ratably over the period of membership as services are simultaneously received and consumed by the members. Revenue from events is recognized at the time of the event.

Contributions — Grants and contributions received are recorded as 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 without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of Non-Financial Assets — Contributed non-financial assets, including donated goods, services, and use of facilities, are recognized as contribution revenue and expense at their estimated fair value on the date received. The fair value of donated use of facilities is estimated using comparable market rental rates. The fair value of donated goods is estimated using current market prices or third-party invoices when representative of fair value.

Contributed services are recognized when they create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would otherwise be purchased by the Organization. Other donated services are not recognized in the financial statements.

Unless otherwise indicated by the donor, contributed non-financial assets are recorded without donor restrictions. The Organization generally uses contributed non-financial assets in its programs and supporting activities and does not monetize them.

Functional Allocation of Expenses — The costs of providing various program services and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses are recorded when costs are incurred. The majority of expenses are comprised of travel, lodging, food, site costs and related costs, which are allocated to programs as the costs are associated with events the Organization hosts or events its athletes attend. For salaries expense, the Organization reviewed the salaries for each employee and allocated the expense as a percentage of time and effort spent in each category. Occupancy costs are then allocated using the percentages derived from the salary allocation and headcount.

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

Income Taxes — The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction and has been classified as an organization that is not a private foundation. The Organization believes that it does not have any uncertain tax positions that are material to the financial statements.

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 financial statements were available for issuance.

2. LIQUIDITY AND AVAILABILITY

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

	2025	2024
Cash and cash equivalents	$ 403,777	$ 513,580
Accounts receivable, net	189,140	203,771
Investments	752,195	817,382
Total financial assets	1,345,112	1,534,733
Less amounts unavailable to be used within one year, due to:		
Net assets with donor restrictions	(6,554)	(59,930)
Total financial assets available to management to meet cash needs within one year	$ 1,338,558	$ 1,474,803

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 their investment policy.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2025	2024
Equipment	$ 24,000	$ 24,000
Software	8,000	8,000
Total	32,000	32,000
Less accumulated depreciation	(30,318)	(27,495)
Total	$ 1,682	$ 4,505

Depreciation expense was $2,823 and $4,020 during the years ended December 31, 2025 and 2024, respectively.

4. 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 investment's 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. The Organization recognizes transfers between levels at the end of the reporting period.

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.

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 following table sets forth by level, within the fair value hierarchy, the Organization's financial instruments 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
2025:				
USOPE portfolio	$ —	$ 752,195	$ —	$ 752,195
2024:				
USOPE portfolio	$ —	$ 817,382	$ —	$ 817,382

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

	2025	2024
Domestic equities	36%	37%
Alternative investments	34%	36%
International equities	17%	15%
Domestic bonds	7%	7%
Cash and other	6%	5%
Total	100%	100%

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

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

	2025	2024
Net realized and unrealized gains	$ 95,000	$ 72,179
Dividend and interest income	14,813	12,695
Net investment income	$ 109,813	$ 84,874

5. NOTES PAYABLE

On May 24, 2020, the Organization obtained a loan issued by a bank bearing interest at 2.75% in the amount of $150,000 pursuant to the Economic Injury Disaster Loan Program (the EIDL), of the CARES Act.

Principal maturities of notes payable are as follows:

2026	$ 3,985
2027	4,096
2028	4,210
2029	4,328
2030	4,448
Thereafter	117,119
Notes payable	$ 138,186

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of funds that the Organization has received which are restricted to support the Organization's Olympic, Paralympic, and Youth programs. Total net assets with donor restrictions were $6,554 and $59,930, respectively, at December 31, 2025 and 2024.

7. RETIREMENT PLAN

The Organization maintains a retirement plan for its employees. The plan covers all employees as defined in the Organization's Plan document. Employees may make contributions to the plan up to the maximum allowed by the Internal Revenue Code and the Organization matches contributions up to 3% of the employee's compensation. The Organization made contributions to the plan of approximately $12,000 and $15,000 for the years ended December 31, 2025 and 2024, respectively.

8. CONCENTRATIONS

The Organization is economically dependent upon monetary grants from the USOPC in order to maintain its programs at current levels.

The USOPC provides grants to the Organization for sport development, international competition, and team preparation. Total monetary grants recognized as revenue from the USOPC are as follows for the years ended December 31:

	2025	2024
NGB funding	$ 270,000	$ 502,500
Paralympic	145,000	125,000
Special funding	65,500	60,400
Media agreement	9,400	25,000
Total	$ 489,900	$ 712,900

In addition to the monetary grants noted above, the Organization received donated goods and services from the USOPC as follows for the years ended December 31:

	2025	2024
NGB funding		$ 57,124
Other	$ 34,937	34,937
Total	$ 34,937	$ 92,061

The USOPC provided the Organization 16% and 23% of total revenues for the years ended December 31, 2025 and 2024, respectively.

As of December 31, 2025, one grantor accounted for 93% of total accounts receivable. As of December 31, 2024, one grantor accounted for 83% of total accounts receivable.

9. CONTRIBUTIONS – NON-FINANCIAL ASSETS

Contributions of non-financial assets, valued at estimated fair market value based on invoice, consist of the following for the years ended December 31:

	Revenue Recognized	Utilization in Programs/Activities	Donor Restriction
2025:			
Occupancy	$ 34,937	General and administrative	None
Promotional goods	13,804	National events	None
Total	$ 48,741		
2024:			
Occupancy	$ 57,124	High performance	None
Occupancy	50,000	National events	None
Occupancy	34,937	General and administrative	None
Total	$ 142,061		