

**UNITED STATES OF AMERICA WRESTLING
ASSOCIATION**

d/b/a USA Wrestling

Financial Statements

For the Year Ended August 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United States of America Wrestling Association
d/b/a USA Wrestling
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of United States of America Wrestling Association d/b/a USA Wrestling (a nonprofit organization), which comprise the statement of financial position as of August 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United States of America Wrestling Association d/b/a USA Wrestling, as of August 31, 2025, and the changes in 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United States of America Wrestling Association d/b/a USA Wrestling, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United States of America Wrestling Association d/b/a USA Wrestling'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 United States of America Wrestling Association d/b/a USA Wrestling'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 United States of America Wrestling Association d/b/a USA Wrestling's August 31, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 24, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
May 7, 2026

UNITED STATES OF AMERICA WRESTLING ASSOCIATION
d/b/a USA WRESTLING

Statement of Financial Position

August 31, 2025

(With Comparative Amounts for August 31, 2024)

	<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$	2,241,003	\$ 2,225,336
Short-term investments		26,267,109	19,395,526
Accounts receivable, net of allowance for credit losses of \$4,469 and \$0		1,144,821	937,979
Due from the USOPC		430,825	650,009
Inventory		27,593	222,872
Prepaid expenses		<u>474,282</u>	<u>576,251</u>
Total current assets		30,585,633	24,007,973
PROPERTY AND EQUIPMENT:			
Furniture and equipment		780,904	712,354
Building and improvements		778,483	778,483
Wrestling room improvements		222,611	222,611
Land		71,416	71,416
Less accumulated depreciation		<u>(1,364,741)</u>	<u>(1,224,133)</u>
Property and equipment, net		<u>488,673</u>	<u>560,731</u>
TOTAL ASSETS	\$	<u>31,074,306</u>	\$ <u>24,568,704</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:			
Accounts payable and accrued liabilities	\$	3,338,660	\$ 3,447,327
Due to the USOPC		84,523	83,465
Deferred revenue		<u>1,092,392</u>	<u>1,025,318</u>
Total current liabilities		4,515,575	4,556,110
NET ASSETS:			
Without donor restrictions		14,707,169	9,493,718
Without donor restrictions - board designated		<u>2,352,010</u>	<u>2,131,893</u>
Total without donor restrictions		17,059,179	11,625,611
With donor restrictions		<u>9,499,552</u>	<u>8,386,983</u>
Total net assets		<u>26,558,731</u>	<u>20,012,594</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>31,074,306</u>	\$ <u>24,568,704</u>

See Notes to Financial Statements

UNITED STATES OF AMERICA WRESTLING ASSOCIATION
d/b/a USA WRESTLING
Statement of Activities and Changes in Net Assets
For the Year Ended August 31, 2025
(With Comparative Totals for the Year Ended August 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals
SUPPORT AND REVENUE:				
Membership	\$ 13,641,158	\$	\$ 13,641,158	\$ 11,099,795
Events and educational programs	5,115,935		5,115,935	5,393,829
Corporate sponsorship, royalties and licensing fees	1,701,293		1,701,293	1,307,336
Investment income, net	909,951	691,754	1,601,705	1,688,125
Grants and contributions	143,001	1,426,670	1,569,671	2,537,005
USOPC grants and fees	150,000	1,405,334	1,555,334	2,084,517
Tour and program revenue	709,556		709,556	654,518
Value-in-kind donations	425,334	11,000	436,334	550,096
Other	405,619		405,619	46,917
Satisfied program restrictions	<u>2,422,189</u>	<u>(2,422,189)</u>		
Total support and revenue	25,624,036	1,112,569	26,736,605	25,362,138
EXPENSES:				
Program services:				
National Team	7,589,165		7,589,165	9,035,283
Membership	6,764,968		6,764,968	5,960,407
Events and educational programs	3,677,229		3,677,229	2,627,402
Promotions and sport development	<u>4,390</u>		<u>4,390</u>	<u>1,199,597</u>
Total program services	18,035,752		18,035,752	18,822,689
Supporting services:				
Marketing and fundraising	1,188,328		1,188,328	998,715
General and administrative	<u>966,388</u>		<u>966,388</u>	<u>774,945</u>
Total supporting services	<u>2,154,716</u>		<u>2,154,716</u>	<u>1,773,660</u>
Total expenses	<u>20,190,468</u>		<u>20,190,468</u>	<u>20,596,349</u>
CHANGE IN NET ASSETS	5,433,568	1,112,569	6,546,137	4,765,789
NET ASSETS, beginning of year	<u>11,625,611</u>	<u>8,386,983</u>	<u>20,012,594</u>	<u>15,246,805</u>
NET ASSETS, end of year	<u>\$ 17,059,179</u>	<u>\$ 9,499,552</u>	<u>\$ 26,558,731</u>	<u>\$ 20,012,594</u>

See Notes to Financial Statements

UNITED STATES OF AMERICA WRESTLING ASSOCIATION
d/b/a USA WRESTLING

Statement of Functional Expenses

For the Year Ended August 31, 2025

(With Comparative Totals for the Year Ended August 31, 2024)

	Program Services				Total Programs
	National Team	Membership	Events and Educational Programs	Promotions and Sport Development	
Accident insurance	\$	\$ 817,288	\$	\$	\$ 817,288
Advertising					
Apparel	8,183		78,793		86,976
Athlete assistance	858,204				858,204
Bank charges & fees	3,532	546,196	22,726		572,454
Communications	20,019	43,514	14,923		78,456
Credit loss expense, net	1,925	1,925	683		4,533
Depreciation	65,477	45,071	15,993		126,541
Dues & subscriptions	961	69,546	341		70,848
Event expenses		24,083	5,117	900	30,100
Gifts, awards & grants	21,330	21,299	162,976		205,605
Hospitality & protocol	11,757	19,471	61,008		92,236
Insurance	63,661	99,647	4,884		168,192
Internet/bracketing		68,870	155,661		224,531
Legal & accounting fees	77,709	77,709	27,574		182,992
Liability insurance		1,346,246			1,346,246
Maintenance & repair	702	702	249		1,653
Occupancy	12,304	12,303	3,029		27,636
Office activities	38,133	38,133	14,868		91,134
Other expenses	15,283	13,825	50,554	434	80,096
Other professional fees			971		971
Outside services & honoraria	148,703	229,258	721,345		1,099,306
Postage & shipping	13,777	42,625	7,110		63,512
Printing	1,133	72,246	5,977		79,356
Professional development	4,300	4,070	1,444		9,814
Promotions & publicity	5,857	38,877	11,160	3,053	58,947
Salaries, benefits & payroll taxes	3,334,906	2,485,129	727,017		6,547,052
Site costs	8,633	11,945	803,225		823,803
Sponsor & employee relations		159,224			159,224
State association expense		95,385			95,385
Supplies & equipment	307,839	43,508	16,803		368,150
Trainers	2,045		45,406		47,451
Travel & lodging	2,530,463	336,909	674,854	3	3,542,229
UWW & international relations					
Visas & UWW licenses	32,329	(36)	42,538		74,831
	<u>\$ 7,589,165</u>	<u>\$ 6,764,968</u>	<u>\$ 3,677,229</u>	<u>\$ 4,390</u>	<u>\$ 18,035,752</u>

	Supporting Services				2025 Total	2024 Total
	General & Administrative					
	Marketing and Fundraising	National Office	Board of Directors and Committees	Total Supporting Services		
Accident insurance	\$	\$	\$	\$	817,288	\$ 830,080
Advertising	49			49	49	1,358
Apparel					86,976	80,137
Athlete assistance					858,204	1,638,350
Bank charges & fees	5,246	1,709		6,955	579,409	470,088
Communications	8,103	9,695	508	18,306	96,762	63,336
Credit loss expense, net	745	931		1,676	6,209	9,616
Depreciation	17,447	21,808		39,255	165,796	147,993
Dues & subscriptions	372	465		837	71,685	66,441
Event expenses					30,100	810,879
Gifts, awards & grants	69,547		2,314	71,861	277,466	225,200
Hospitality & protocol	23,946	308,301	1,398	333,645	425,881	244,523
Insurance	5,521	6,428	61,801	73,750	241,942	275,999
Internet/bracketing					224,531	142,388
Legal & accounting fees	30,081	37,601		67,682	250,674	173,927
Liability insurance					1,346,246	1,258,938
Maintenance & repair	272	340		612	2,265	9,958
Occupancy	4,763	5,952		10,715	38,351	54,222
Office activities	14,762	18,452		33,214	124,348	102,337
Other expenses	12,053	10,763	837	23,653	103,749	326,151
Other professional fees	4,000	962		4,962	5,933	37,481
Outside services & honoraria	95,774	43,399		139,173	1,238,479	932,785
Postage & shipping	9,028	6,278	584	15,890	79,402	84,372
Printing	1,035	421		1,456	80,812	82,896
Professional development	1,575	3,066		4,641	14,455	6,116
Promotions & publicity					58,947	76,740
Salaries, benefits & payroll taxes	731,189	278,818		1,010,007	7,557,059	7,023,334
Site costs			5,849	5,849	829,652	433,429
Sponsor & employee relations	115,745			115,745	274,969	186,472
State association expense					95,385	121,837
Supplies & equipment	216			216	368,366	341,328
Trainers					47,451	81,644
Travel & lodging	36,859	63,391	72,078	172,328	3,714,557	4,183,527
UWW & international relations					-	573
Visas & UWW licenses		2,239		2,239	77,070	71,894
	\$ 1,188,328	\$ 821,019	\$ 145,369	\$ 2,154,716	\$ 20,190,468	\$ 20,596,349

See Notes to Financial Statements

UNITED STATES OF AMERICA WRESTLING ASSOCIATION
d/b/a USA WRESTLING

Statement of Cash Flows

For the Year Ended August 31, 2025

(With Comparative Amounts for August 31, 2024)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 6,546,137	\$ 4,765,789
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	165,796	147,993
Restricted investment (income) loss	(1,426,670)	(956,833)
Restricted contributions	(691,754)	(2,256,530)
Realized (gain) loss on investments	(401,203)	(324,881)
Unrealized gain on investments	(411,935)	(857,171)
Decrease (increase) in assets:		
Accounts receivable, net	(206,842)	(611,503)
Due from the USOPC	219,184	(266,795)
Inventory	195,279	(12,098)
Prepaid expenses	101,969	(21,602)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(108,667)	831,739
Due to the USOPC	1,058	(4,270)
Deferred revenue	<u>67,074</u>	<u>48,145</u>
Net cash provided by operating activities	4,049,426	481,983
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net change in investments	(6,083,633)	(5,249,394)
Acquisition of property and equipment	<u>(68,550)</u>	<u>(168,865)</u>
Net cash used by investing activities	(6,152,183)	(5,418,259)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Restricted investment income	1,426,670	956,833
Restricted contributions	<u>691,754</u>	<u>2,256,530</u>
Net cash provided by financing activities	<u>2,118,424</u>	<u>3,213,363</u>
NET INCREASE (DECREASE) IN CASH	15,667	(1,722,913)
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,225,336</u>	<u>3,948,249</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,241,003</u>	<u>\$ 2,225,336</u>

See Notes to Financial Statements

UNITED STATES OF AMERICA WRESTLING ASSOCIATION
d/b/a USA WRESTLING

Notes to Financial Statements

For the Year Ended August 31, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

United States of America Wrestling Association d/b/a USA Wrestling (the Association) is the national governing body for the sport of wrestling, making it responsible for the promotion and development of its members in the United States.

The Association qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. The Association is not a private foundation.

Prior-Year Comparisons

The financial statements include certain prior year summarized comparative information in total but not by net asset or functional expense class. Such information does not include sufficient detail 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 Association's financial statements for the year ended August 31, 2024, from which the summarized information was derived.

Certain amounts have been restated to conform to the current year presentation.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Association's checking and money market accounts. Balances in business accounts are federally insured up to \$250,000. The financial institution has collateralized the Association's sweep accounts by pledging 102% of the balances on deposit with securities backed by agencies of the federal government, as required by current law. In the event of a bank failure, the Association might only be able to recover the amounts insured and collateralized.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end and include amounts from contracts with customers, contributions, grants, and other amounts.

Accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. Management provides for probable uncollectible amounts through an allowance so that the net amount reflects the amount that management expects to collect. In developing that allowance, management determines statistics for the probability of loss. These statistics are based on the Association's historical collection experience, adjusted for management's expectations about current and future economic conditions. An allowance for credit losses of \$4,649 and \$0 was recorded at August 31, 2025 and 2024, respectively.

Net receivables from contracts with customers at the beginning and end of the period were \$952,177 and \$1,102,617, respectively.

Inventory

Inventory is stated at the lower of cost (first-in, first out method) or net realizable value and consists of apparel.

Depreciation

Furniture and equipment are recorded at cost. The Association capitalizes all assets that have an original cost or fair market value of \$1,000 or greater. Depreciation is recorded using the straight-line method over the estimated useful lives for each asset as follows:

	<u>Years</u>
Furniture and equipment	3-7
Building	40

Depreciation expense for the years ended August 31, 2025 and 2024, was \$165,794 and \$147,993, respectively.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred Revenue

Deferred revenue, a contract liability, recognized by the Association represents amounts from contracts with customers. This revenue is deferred as of year-end because the performance obligations relating to this revenue have not yet been completed by the entity. Deferred revenue from contracts with customers at the beginning and end of the period was \$1,025,318 and \$1,092,392, respectively.

Contributions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions - temporary in nature are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfied program restrictions.

Contributions include United States Olympic & Paralympic Committee (USOPC) grants.

In-kind Donations

The Association may record various types of in-kind contributions when received. Contributed services are recognized if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received or utilized.

The Association's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of USA Wrestling. If an asset is provided that does not allow the Association to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist.

The Association received the following gifts-in-kind during the years ended August 31, 2025 and 2024:

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In-kind Donations - continued

	<u>2025</u>	<u>2024</u>
Athletic equipment and apparel	\$ 424,084	\$ 357,697
Lodging grants	11,000	189,022
Facilities		3,760
Other	<u>1,250</u>	<u></u>
	<u>\$ 436,334</u>	<u>\$ 550,096</u>

The athletic equipment and apparel are used by all programs. The fair value is based upon information provided by the supplier, if available, or the amount the Association would have paid for the items.

The lodging grants are AirBnB in-kind through their sponsorship of the USOPC. The USOPC charges the grantee 10% of the cost of the AirBnB nights used, meaning that the in-kind amount received is 90% of the fair market value of the AirBnB nights used. The lodging nights are available to all programs and departments and used by many programs.

The facilities donation is for use of meeting rooms and the USOPC museum. The rooms were used by many programs.

The other donation represented a recliner for nursing mothers.

The facilities are used in the General and Administrative program. The fair value is based upon information provided by the facilities.

In addition, the Association receives a substantial amount of donated services in carrying out the Association's programs. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under FASB ASC 958.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers

Membership revenue - Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing membership to its members. Revenue is recognized as performance obligations are satisfied, which is over the membership term.

Membership revenue consists of the following:

	<u>2025</u>	<u>2024</u>
Athlete registrations	\$ 8,620,881	\$ 6,800,404
Non-athlete registrations	<u>5,020,277</u>	<u>4,299,391</u>
	<u>\$ 13,641,158</u>	<u>\$ 11,099,795</u>

Events and education programs, tour, and program revenue - The Association receives revenue from sales related to various sporting events. The revenue is recognized at the time of the event when the performance obligations are satisfied.

Royalties and licensing fees - The Association receives royalties and licensing from sponsors. The revenue is variable based on the terms of the agreement and related sales volume. The revenue is recognized when it is determined that the performance obligations have been met.

Corporate sponsorship - The Association recognizes revenue from contracts with both sponsors and suppliers of the Association. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Association will recognize revenue over time.

The Association has concluded that the performance obligations within these contracts are substantially the same in each year and are satisfied ratably over the term of the agreement with the exception of performance obligations relating to a specific activity, which is recognized at the completion of that activity. Therefore, sponsorship revenue from contracts with customers will be recognized on a straight-line basis over the term of the agreement.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

USOPC digital media and management services - The Association also recognizes revenue from contracts with the USOPC. As previously mentioned, USOPC grants are considered contributions by the Association. The USOPC media agreement and trials management services are considered revenues from contracts with customers. See Note I for more information regarding those revenue streams.

Newspaper and internet income - Performance obligations in newspaper and internet contracts are satisfied as services are rendered, and therefore, the Association recognizes the revenue over time. The Association has concluded that the performance obligations are substantially the same in most years and are recognized ratably over the term of the agreement.

Leases

Under 2016-02, the Association has made an accounting policy election to apply the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with a term of 12 months or less that do not include an option to purchase the underlying asset, are not recorded on the balance sheet as ROU assets or lease liabilities. The Association has elected to expense the cost of the short-term leases on the straight-line basis in the accompanying Statement of Activities.

The Association assesses whether an arrangement qualifies as a lease at inception and only reassess its determination if the terms and conditions of the arrangement are changed. As the Association's leases do not provide an implicit rate, the Association uses the risk-free discount rate based on the five-year Treasury bond rate as of the later of the date of adoption of the lease standard or the initial date of lease term in determining the present value of lease payments in determination of the respective right-of-use (ROU) assets and liabilities.

The Association leases a mailing system under an operating lease that began in December 2016 and was renewed February 2022. The lease term is 60 months, ending February 2027, and requires monthly payments of \$886. Variable payments for maintenance contracts are also required. The right-of-use asset and lease liabilities are immaterial.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

The Association qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. Accordingly, no income tax provision has been recorded. However, income from certain activities not directly related to the Association's tax-exempt purposes is subject to taxation as unrelated business income. The Association is not a private foundation.

The Association's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date it was filed.

Management of the Association believes that it does not have any uncertain tax positions that are material to the financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs, such as salaries and related payroll costs, have been allocated on the basis of time and effort estimates among the programs and supporting services benefited.

Supplemental Cash Flow Information

During the years ended August 31, 2025 and 2024, the Association paid no interest or income taxes.

Use of Estimates in the Preparation of Financial Statements

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, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through May 7, 2026, the date that the financial statements were available to be issued.

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Association has grant and contract funding commitments, plus anticipated membership revenue available to meet most expenses. The Association seeks donations and other contributions to cover other general expenditures.

The Association regularly monitors liquidity necessary to meet its operating needs and other contractual commitments and strives to balance anticipated needs while maximizing the investment of its available funds for the best return on the investment while protecting the safety of the Association's assets. The Association has cash and cash equivalents, and accounts receivable available as current sources of liquidity.

The Association's short-term investments could be liquidated if they were needed to meet obligations for general expenditures, less the portion of the short-term investments that have donor restrictions, or that are without donor restrictions but are Board designated. Board designated funds may be utilized, if necessary, with the approval of two-thirds of the Board Members.

Notes to Financial Statements

B. LIQUIDITY AND AVAILABILITY OF RESOURCES - Continued

The table below presents financial assets available for general expenditures within one year at August 31:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 2,241,003	\$ 2,225,336
Short-term investments	26,267,109	19,395,526
Accounts receivable	1,144,821	937,979
Due from the USOPC	<u>430,825</u>	<u>650,009</u>
	30,083,758	23,208,850
Less assets with donor restrictions or other designations:		
Donor program restricted	9,499,552	8,386,983
Board designated	<u>2,352,010</u>	<u>2,131,893</u>
Financial assets available within one year	<u>\$ 18,232,196</u>	<u>\$ 12,689,974</u>

C. FAIR VALUE MEASUREMENTS

The Association applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The following tables present assets that are measured at fair value on a recurring basis at August 31:

<u>Assets at Fair Value as of August 31, 2025</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 2,203,667	\$	\$	\$ 2,203,667
Equity securities:				
Mutual funds	1,776,366			1,776,366
Equities	1,678,549			1,678,549
Common stock	951,737			951,737
Debt securities:				
US Treasury and Federal agencies		11,281,527		11,281,527
Asset backed securities		171,423		171,423
Corporate bonds		1,660,982		1,660,982
USOPE pooled funds		6,542,858		6,542,858
	<u>\$ 6,610,319</u>	<u>\$ 19,656,790</u>	<u>\$</u>	<u>\$ 26,267,109</u>

<u>Assets at Fair Value as of August 31, 2024</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 2,941,896	\$	\$	\$ 2,941,896
Equity securities:				
Mutual funds	1,549,174			1,549,174
Equities	1,588,461			1,588,461
Common stock	820,520			820,520
Debt securities:				
US Treasury and Federal agencies		5,258,320		5,258,320
Asset backed securities		162,297		162,297
Corporate bonds		1,144,326		1,144,326
USOPE pooled funds		5,930,532		5,930,532
	<u>\$ 6,900,051</u>	<u>\$ 12,495,475</u>	<u>\$</u>	<u>\$ 19,395,526</u>

The United States Olympic & Paralympic Endowment (USOPE) investment consists of units in a pooled portfolio managed by the USOPE. At August 31, 2025, the USOPE portfolio consisted of the following types of securities:

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

Alternative investments	37.82 %
Domestic equities	35.49
International equities	14.52
Domestic bonds	7.72
Cash and equivalents	4.45
	100.00 %

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 Association's 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. The values of certain investments, such as hedge funds, can fluctuate in response to direct market conditions and other factors that may or may not have a high correlation to overall market direction. 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 Association.

Investment income consists of the following at August 31:

	<u>2025</u>	<u>2024</u>
Realized gains (losses)	\$ 401,203	\$ 324,881
Unrealized gains (losses)	411,935	857,171
Interest and dividends	825,118	535,652
Investment expenses	<u>(36,551)</u>	<u>(29,579)</u>
	<u>\$ 1,601,705</u>	<u>\$ 1,688,125</u>

Notes to Financial Statements

D. PLEDGES RECEIVABLE

Unconditional promises to give are recorded as receivables and revenue when received. The Association distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Pledges are recorded after being discounted to the anticipated net present value of the future cash flows. The Association did not have any pledges receivable at August 31, 2025 and 2024.

E. DEFERRED REVENUE

Deferred revenue consists of the following at August 31:

	<u>2025</u>	<u>2024</u>
Membership	\$ 826,275	\$ 562,048
Sponsorship	185,502	357,577
National team	80,615	44,240
USOPC digital media		50,000
Other		11,453
	<u>\$ 1,092,392</u>	<u>\$ 1,025,318</u>

F. RETIREMENT BENEFIT PLAN

The Association has a tax-sheltered annuity retirement benefit plan that covers substantially all employees. The plan allows for voluntary employee contributions, as well as discretionary employer contributions which are a percentage of compensation for all employees eligible to participate in the plan. During the years ended August 31, 2025 and 2024, retirement benefit expense for employer contributions amounted to \$264,785 and \$241,517, respectively.

G. NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED

In prior years, the Board of Directors established separate cash and investment accounts for the purpose of creating an operating reserve.

Net assets without donor restrictions - Board designated amount to the following at August 31:

	<u>2025</u>	<u>2024</u>
Operating reserve	<u>\$ 2,352,010</u>	<u>\$ 2,131,893</u>

Notes to Financial Statements

H. NET ASSETS WITH DONOR RESTRICTIONS - TEMPORARY IN NATURE

Net assets with donor restrictions - temporary in nature at August 31 consist of the following:

	<u>2025</u>	<u>2024</u>
Capital campaign	\$ 7,791,121	\$ 7,105,068
Women's freestyle programs	536,006	290,461
USOPC grants	534,527	483,350
Men's freestyle programs	401,348	291,819
Athlete appearance donations	73,914	60,421
Greco Roman programs	69,297	59,660
Greg Strobels Leadership Academy	43,277	41,458
Living the Dream program	35,371	22,644
Other	9,691	
Legacy endowment	5,000	5,000
Wrestling for Peace		27,102
	<u>\$ 9,499,552</u>	<u>\$ 8,386,983</u>

The capital campaign donations are restricted for the national team program endowment and at-risk youth programs.

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended August 31, net assets were released from restrictions as follows:

	<u>2025</u>	<u>2024</u>
USOPC grants	\$ 1,354,157	\$ 1,700,201
Women's freestyle programs	398,836	564,633
Men's freestyle programs	367,210	529,287
Greco Roman programs	155,372	139,540
Kiki-Wrestling for Peace	52,102	2,604
Athlete appearance donations	36,507	65,025
Living the Dream program	36,000	616,245
Greg Strobels Leadership Academy	7,402	14,682
Other	3,603	
Multiple medal incentive program		47,904
World Championships		3,741
	<u>\$ 2,411,189</u>	<u>\$ 3,683,862</u>

Notes to Financial Statements

I. RELATED PARTY TRANSACTIONS

The USOPC provided grants to the Association under the following categories during the years ended August 31:

	<u>2025</u>	<u>2024</u>
NGB Funding	\$ 1,408,061	\$ 1,571,421
Special grants	8,273	112,713
Value in-kind	<u> </u>	<u>192,782</u>
	<u>\$ 1,416,334</u>	<u>\$ 1,876,916</u>

In addition to the above grants, the Association recognized \$150,000 and \$300,000 for revenue received from the USOPC for its digital media agreement during the years ended August 31, 2025 and 2024, respectively. The Association signed an amended agreement with the USOPC that extends the term of the agreement through December 31, 2025.

During the years ended August 31, 2025 and 2024, the Association recognized \$0 and \$200,000, respectively, for revenue received from the USOPC for management services related to the Trials held prior to the Olympic Games.

The USOPC provides significant value in-kind support in the form of room and board at the Olympic and Paralympic Training Center in Colorado Springs to support resident athlete programs and camps. No amount has been reflected in these financial statements for this support.

The USOPC also reimburses the Association for expenses as agreed upon.

At August 31, 2025 and 2024, the Association owed the USOPC \$84,523 and \$83,465, respectively, for Olympic and Paralympic Training Center expenses, Operation Gold Participation and Medal Bonuses, as well as other event related expenses.

The USOPC paid stipends directly to athletes in the years ended August 31, 2025 and 2024.

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

Notes to Financial Statements

J. CONTINGENCIES AND UNCERTAINTIES

Occasionally, in the normal course of business, the Association may be named defendant in a lawsuit or other form of legal action. In the opinion of management, any pending or threatened claims against the Association are either without merit or will not exceed insurance limits. A reserve for insurance deductibles for potential claims has been recorded.

With the rising cost of inflation, it is uncertain what effect this may have on the operations of the Association in the coming year.