

**USA CYCLING, INC.
USA CYCLING BV**

Consolidated Financial Statements

For the Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USA Cycling, Inc.
USA Cycling BV
Colorado Springs, Colorado

Opinion

We have audited the accompanying consolidated financial statements of USA Cycling, Inc. (a nonprofit organization), and USA Cycling BV (subsidiary), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of USA Cycling, Inc. and subsidiary as of June 30, 2025, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 USA Cycling, Inc. and subsidiary, 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 consolidated 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 consolidated 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 USA Cycling, Inc.'s

and subsidiary's ability to continue as going concerns 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 these consolidated 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 USA Cycling, Inc.'s, and subsidiary'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 USA Cycling, Inc.'s, and subsidiary'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.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
May 13, 2026

USA CYCLING, INC.
USA CYCLING BV
Consolidated Statement of Financial Position
June 30, 2025

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents	\$ 2,361,192
Short-term investments	8,454,558
Accounts and grants receivable, net	1,831,071
Inventory	348,870
Prepaid expenses	<u>1,083,273</u>
Total current assets	14,078,964
PROPERTY AND EQUIPMENT - at cost:	
Building and improvements	7,027,205
Land	649,145
Office furniture and equipment	1,865,884
Training equipment	562,466
Vehicles	570,259
Leasehold improvements	355,986
Less accumulated depreciation	<u>(6,194,800)</u>
Property and equipment - net	4,836,145
LONG TERM ASSETS:	
Right-of-use asset	242,623
Long-term grants receivable, net	1,294,902
Security deposits	<u>14,867</u>
TOTAL ASSETS	<u>\$ 20,467,501</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Accounts payable	\$ 1,044,980
Accrued liabilities	1,304,195
Deferred revenue - current	3,129,636
Due to USACDF	6,771
Due to USOPC	7,250
Insurance litigation reserves - current	628,000
Lease liability - current	<u>65,356</u>
Total current liabilities	6,186,188
LONG TERM LIABILITIES:	
Security deposits	15,000
Lease liability long-term	177,267
Insurance litigation reserves long-term	<u>2,472,416</u>
TOTAL LIABILITIES	8,850,871
NET ASSETS:	
Without donor restrictions	8,723,983
With donor restrictions	<u>2,892,647</u>
Total net assets	<u>11,616,630</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 20,467,501</u>

See Notes to Consolidated Financial Statements

USA CYCLING, INC.
USA CYCLING BV
Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUE:			
Membership dues and fees	\$ 5,571,868	\$	\$ 5,571,868
Contributions	647,690	3,452,478	4,100,168
USOPC grants		3,210,844	3,210,844
Insurance and permitting fees	2,918,030		2,918,030
Events	1,274,308		1,274,308
USA Cycling Development Foundation grants and management fees, net of expenses of \$568,953	399,194	852,101	1,251,295
Investment income net of fees of \$15,041	770,222		770,222
Sponsorship, licensing and affinity royalties	583,241		583,241
Other income, net of expenses of \$132,141	329,636		329,636
Value in kind	238,133	89,624	327,757
Merchandise sales, net of costs of sales of \$51,229	1,980		1,980
Net assets released from restrictions	4,944,379	(4,944,379)	
Total revenue	17,678,681	2,660,668	20,339,349
EXPENSES:			
Program services:			
Coaches, training center and athletes	6,646,459		6,646,459
Membership and sanctioning National and international events	5,524,621		5,524,621
	2,553,816		2,553,816
Total program services	14,724,896		14,724,896
Supporting services:			
National office	1,892,368		1,892,368
Fundraising	417,275		417,275
Governance	171,919		171,919
Total supporting services	2,481,562		2,481,562
Total expenses	17,206,458		17,206,458
CHANGE IN NET ASSETS	472,223	2,660,668	3,132,891
NET ASSETS, beginning of year	8,251,760	231,979	8,483,739
NET ASSETS, end of year	\$ 8,723,983	\$ 2,892,647	\$ 11,616,630

See Notes to Consolidated Financial Statements

USA CYCLING, INC.
USA CYCLING BV
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2025

	Coaches, Training Center & Athletes	Membership & Sanctioning	National & International Events	Merchandise Sales	Total Program Services
Advertising & promotion	\$ 14,899	\$ 64,438	\$ 62,004	\$	\$ 141,341
Auto expenses	106,813	54	24,151		131,018
Bank & credit card processing fees	10,133	152,028			162,161
Conferences & meetings	2,916	13,851			16,767
Consulting & contract fees	1,059,769	243,254	1,248,569		2,551,592
Cost of merchandise			243	51,229	51,472
Depreciation	131,596	39,649	16,749		187,994
Dues, subscriptions & fees	77,640	2,923	2,071		82,634
Employee benefits	253,847	276,065	90,349		620,261
Fulfillment costs		784,038			784,038
Foreign exchange (gain)	(1,573)	(868)	(375)		(2,816)
Gear, equipment, clothing & supplies	353,505	15,898	121,486		490,889
Gifts & grants	198,812	46,929			245,741
Insurance	44,699	1,045,507	2,748		1,092,954
Insurance - event liability reserve		529,427			529,427
Local rebates & promoter incentives		125,755			125,755
Medals, awards & prizes		16,901	62,476		79,377
Occupancy expenses	366,088	25,246	10,902		402,236
Office expense, supplies, photos, prints & artwork	42,810	5,835	10,352		58,997
Other expenses	13,025	3,083			16,108
Payroll taxes	147,897	136,814	41,506		326,217
Postage	12,569	6,526	3,442		22,537
Professional fees	9,710				9,710
Race entry fees	33,213		165		33,378
Rental expense	33,924	1,223	24,333		59,480
Salaries	1,917,156	1,718,777	558,835		4,194,768
Software & hosting	28,350	90,668	96		119,114
Taxes & VAT	(56,971)		(2)		(56,973)
Telephone	7,532	5,243	1,561		14,336
Travel	1,718,535	75,357	272,155		2,066,047
Value in kind	119,565	100,000			219,565
Total expenses	6,646,459	5,524,621	2,553,816	51,229	14,776,125
Less expenses shown net of revenue on statement of activities				(51,229)	(51,229)
Expenses on statement of activities	<u>\$ 6,646,459</u>	<u>\$ 5,524,621</u>	<u>\$ 2,553,816</u>	<u>\$</u>	<u>\$ 14,724,896</u>

	National Office	Fundraising	Governance	Tenant Services	USA Cycling Development Foundation	Total Supporting Services	Total Expenses
Advertising & promotion	\$ 8,244	\$ 16,682	\$ 937	\$ 83	\$	\$ 25,946	\$ 167,287
Auto expenses	29,601			299		29,900	160,918
Bank & credit card processing fees	2,317			23		2,340	164,501
Conferences & meetings	5,428	45	80	55		5,608	22,375
Consulting & contract fees	442,309	50,594	6,133	5,594	85,000	589,630	3,141,222
Cost of merchandise							51,472
Depreciation	17,740	3,492	279	60,321		81,832	269,826
Dues, subscriptions & fees	15,921	842		161		16,924	99,558
Employee benefits	68,723	25,396	12,102	1,234	56,782	164,237	784,498
Fulfillment costs							784,038
Foreign exchange (gain)	(429)	(84)	(5)	(1,598)		(2,116)	(4,932)
Gear, equipment, clothing & supplies	758	3,058		8		3,824	494,713
Gifts & grants	1,298	400	5,525	13		7,236	252,977
Insurance	314,743	868	373	3,190	1,486	320,660	377,201
Insurance - event liability and reserve							1,565,840
Local rebates & promoter incentives							125,755
Medals, awards & prizes							79,377
Occupancy expenses	12,479	2,438	143	46,475		61,535	463,771
Office expense, supplies, photos, prints & artwork	15,910	142		161		16,213	75,210
Other expenses	2,166	3,926		22		6,114	22,222
Payroll taxes	39,551	18,758	7,746	816	31,318	98,189	424,406
Postage	4,627	321	165	47		5,160	27,697
Professional fees	124,556			1,258		125,814	135,524
Race entry fees							33,378
Rental expense							59,480
Salaries	508,824	268,429	105,427	11,175	394,367	1,288,222	5,482,990
Software & hosting	161,002			1,626		162,628	281,742
Taxes & VAT	370			4		374	(56,599)
Telephone	7,989			81		8,070	22,406
Travel	108,241	21,968	33,014	1,093		164,316	2,230,363
Value in kind							219,565
Total expenses	1,892,368	417,275	171,919	132,141	568,953	3,182,656	17,958,781
Less expenses shown net of revenue on statement of activities				(132,141)	(568,953)	(701,094)	(752,323)
Expenses on statement of activities	\$ 1,892,368	\$ 417,275	\$ 171,919	\$	\$	\$ 2,481,562	\$ 17,206,458

See Notes to Consolidated Financial Statements

USA CYCLING, INC.
USA CYCLING BV
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 3,132,891
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	269,826
Net unrealized and realized (gains) losses on investments	(504,172)
(Increase) decrease in assets:	
Accounts and grants receivable	(3,020,246)
Due from USACDF	315,801
Due from USOC	2,392
Inventory	84,511
Prepaid expenses	448,716
Right-of-use assets	62,399
Increase (decrease) in liabilities:	
Accounts payable and accrued liabilities	315,427
Insurance litigation reserves	(279,705)
Deferred revenue	53,574
Lease liabilities	(62,399)
Due to USOPC	<u>(5,934)</u>
Net cash provided by operating activities	813,081
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sale of investments	3,956,611
Purchases of investments	(3,950,546)
Proceeds from sale of property and equipment	22,348
Acquisition of property and equipment	<u>(104,286)</u>
Net cash used by investing activities	<u>(75,873)</u>
NET INCREASE IN CASH	737,208
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,623,984</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,361,192</u>

See Notes to Consolidated Financial Statements

USA CYCLING, INC.
USA CYCLING BV

Notes to Consolidated Financial Statements

For the Year Ended June 30, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

USA Cycling, Inc. (the Corporation) is the national governing body for cycling, making it responsible for the conduct and administration of amateur and professional cycling in the United States. The mission of USA Cycling is to achieve sustained success in international cycling competition and to grow competitive cycling in America.

During the year ended December 31, 2013, USA Cycling established an international wholly owned for-profit subsidiary, USA Cycling BV (the Subsidiary), to support ongoing program activities of the Corporation in Europe. USA Cycling BV's financial statements have been consolidated with the Corporation.

Foreign Currency Translation

The Corporation's wholly owned for-profit subsidiary is in the Netherlands. The functional currency is the U.S. dollar. All statement of financial position accounts are translated, where applicable, using the exchange rate in effect at the statement of financial position dates. Foreign currency translation adjustments resulted in gains of \$4,932 during the year ended June 30, 2025, and is included in program services in the consolidated statements of activities and reported separately on the consolidated statement of functional expenses.

Donated Assets, Property and Equipment, and Services

The Corporation's policy related to donated assets is to utilize the assets given to carry out the mission of the Corporation. If an asset is provided that does not allow the Corporation 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 depending on the type of asset.

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Corporation.

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Donated Assets, Property and Equipment, and Services - continued

A substantial number of volunteers donated time to the Corporation's program services; however, the estimated value was not recorded because they did not meet the criteria for recognition described above.

Contributions

Contributions are recorded when received as without donor restrictions, with donor restrictions - temporary, or with donor restrictions - perpetual depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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 include amounts from United States Olympic and Paralympic Committee (USOPC).

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in the Corporation's checking, savings, and money market accounts.

The Corporation maintains its cash and cash equivalents in a commercial bank and credit union. In the unlikely event of an institution failure, the Corporation could suffer a loss to the extent its deposits exceed the respective institution's insurance limits.

Supplemental Cash Flow Information

During the year ended June 30, 2025, the Corporation did not pay any interest or income taxes.

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts Receivable

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 Corporation's historical collection experience, adjusted for management's expectations about current and future economic conditions. There was no allowance for credit losses at June 30, 2025.

Gross amounts of accounts receivable from contracts with customers was \$48,762 and \$461,349 as of the beginning and end of the year ended June 30, 2025, respectively.

Grants Receivable

Grants receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Grants receivable are written off when deemed uncollectible. Based on management's assessment of the credit history with donors having outstanding balances and current relationships with them, consideration is given to whether or not an allowance for doubtful accounts is necessary. No allowance for uncollectible grants was considered necessary at June 30, 2025.

Inventory

Inventory consists primarily of competitive clothing, bicycles, and bicycle parts, which are stated at the lower of cost (first-in, first-out method) or net realizable value. These items are used internally as well as held for sale. Some inventory items are non-cash contributions which are budget relieving in nature. The Corporation's policy is to record as revenue, value-in-kind merchandise received that is budget relieving and to expense these items as they are used.

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment

Property and equipment with estimated useful lives over one year are recorded at cost or at fair value, if donated, at the date of acquisition. The Corporation's capitalization policy states that property and equipment with an initial cost of \$1,500 or more will be capitalized. Cost of repairs and maintenance, which do not materially prolong the useful lives of the assets, are charged to expense when incurred.

Depreciation is recorded using the straight-line method over estimated useful lives as follows:

Software	1.5-3 years
Office furniture and equipment, training equipment and vehicles	3-10 years
Building and improvements	4-39 years

Depreciation expense for the year ended June 30, 2025 amounted to \$269,826.

Revenue from Contracts with Customers

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

Fees, Sales and Other Income - The Corporation receives revenue from fees and sales related to program services, and merchandise for the sport. These activities include competitions, athlete programs, national teams, sport development, sanctioning, education, and other similar activities. Revenue is recognized at the time the performance obligations are met which is when services are provided, or goods provided or delivered to the customers.

Sponsorship, Licensing and Royalties - The Corporation recognizes revenue from contracts with both sponsors and suppliers. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Corporation will recognize revenue over time. Sponsorship revenue related to specific events is recognized at the time the event occurs. For sponsorship not related to a specific event, the Corporation has concluded that the performance obligations within these contracts are substantially the same

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Sponsorship, Licensing and Royalties - continued

in each year and are satisfied ratably over the term of the agreement. Licensing and royalty revenue related to merchandise sales are recognized at the time of the related merchandise sale. For any fixed or guaranteed licensing or royalty amount the Corporation 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.

Income Taxes

The Corporation 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 for income related to its exempt purpose. Accordingly, no income tax provision has been recorded.

The Corporation'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 filed. Management of the Corporation believes that it does not have any uncertain tax positions that are material to the financial statements.

The Subsidiary is required to file income tax returns and pay the appropriate tax to the Netherlands.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Corporation. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel expenses are allocated on the basis of time

Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Allocation of Expenses - continued

and effort spent by personnel in the various program and supporting services made by the Corporation's management. Depreciation expense is allocated based upon respective assets that benefit each program or supporting service.

Date of Management's Review

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through May 13, 2026, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Corporation strives to maintain liquid financial assets sufficient to cover approximately two months of operating expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds, and other short-term investments.

In the normal course of business, 5% of the three-year average of portfolio assets are incorporated in the annual budget. Portfolio capital assets are also available for extraordinary expenditures and for strategic initiatives.

The table below reflects the Corporation's financial assets as of June 30, 2025, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal Board designations. The Corporation also has a line of credit available, see Note H. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

Notes to Consolidated Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

Cash and cash equivalents	\$ 2,361,192
Short-term investments	8,454,558
Accounts and grants receivable, net	<u>3,125,973</u>
Total liquid financial assets	13,941,723
Less amounts not available to to be used within one year:	
Assets with donor restrictions (Note G)	<u>(2,892,647)</u>
Financial assets available within one year	<u>\$ 11,049,076</u>

C. FAIR VALUE MEASUREMENTS

The Corporation 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 Corporation 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 Consolidated Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

The level in the fair value hierarchy within which a fair 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 June 30, 2025:

<u>Assets at Fair Value as of June 30, 2025</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities:				
Mutual funds and ETFs	\$ 4,380,521	\$	\$	\$ 4,380,521
Stocks	<u>4,074,037</u>			<u>4,074,037</u>
Total	<u>\$ 8,454,558</u>	<u>\$</u>	<u>\$</u>	<u>\$ 8,454,558</u>

Investment income in the accompanying consolidated statement of activities consists of the following for the year ended June 30, 2025:

Unrealized gains (losses)	\$ (1,139,352)
Realized gains	1,643,524
Interest and dividends	296,313
Investment fees	<u>(30,263)</u>
	<u>\$ 770,222</u>

D. GRANTS RECEIVABLE

The grants will be received by the Corporation in future years and have been discounted using the risk-free interest rate for the year in which they were received. The interest rate used ranged from 3.5% to 3.75%. Total pledges receivable at June 30, 2025, are as follows:

	<u>2025</u>
Amounts due in:	
Less than one year	\$ 480,000
One to five years	<u>1,440,000</u>
Total	1,920,000
Unamortized discount	<u>(145,098)</u>
Net grants receivable	<u>\$ 1,774,902</u>

Notes to Consolidated Financial Statements

E. DEFERRED REVENUE

Deferred revenue consists of the following at June 30, 2025:

Club, membership and permit fees	\$ 2,949,958
Marketing royalties, sponsorship	119,413
Other	<u>60,265</u>
	<u>\$ 3,129,636</u>

F. IN-KIND GOODS AND SERVICES

The fair value of donated goods and services included as contributions in the financial statements and the corresponding expense categories for the year ended June 30, 2025:

Tangible goods:	
Clothing and supplies	\$ <u>138,133</u>
Total goods	138,133
Services	
Insurance brokerage	100,000
Travel	<u>89,624</u>
Total services	<u>189,624</u>
Total goods and services	<u>\$ 327,757</u>

The tangible goods and travel are primarily used in the coaches, training center and athletics program. The insurance brokerage services are utilized by membership and sanctioning.

G. NET ASSETS WITH DONOR RESTRICTIONS - TEMPORARY

Net assets with temporary donor restrictions at June 30, 2025, consist of contributions received for the following purposes:

Time restrictions	\$ 2,639,912
Sports Performance	234,879
Other	<u>17,856</u>
	<u>\$ 2,892,647</u>

During the year ended December 31, 2007, the Corporation was the recipient of donated land and building valued at \$3,895,000. The donor has stipulated that as a condition of this gift, the Corporation must use the property as its national headquarters until December 31, 2027.

Notes to Consolidated Financial Statements

G. NET ASSETS WITH DONOR RESTRICTIONS - TEMPORARY - Continued

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose or the passage of time. During the year ended June 30, 2025, net assets were released from restrictions for satisfying the following purposes:

	<u>2025</u>
USOPC programs	\$ 3,300,468
Sports performance	774,645
Women's programs	410,840
Search for Speed	252,012
Cyclocross	140,729
Other	<u>65,685</u>
	<u>\$ 4,944,379</u>

H. LINE OF CREDIT

In April 2020, the Corporation entered into a line of credit arrangement with Stifel Bank & Trust. The maximum amount available under this line is \$2,500,000 and is secured by the Corporation's investment portfolio. Interest accrues at 1.75% plus 30-day LIBOR on any outstanding amount. At June 30, 2025, there were no outstanding balances.

I. INSURANCE SURCHARGE

Costs for athlete accident medical and general liability insurance are charged to the different expense categories as applicable. Premiums for these policies are based on a formula which takes into account prior losses, the number of events and the number of members. In addition to the insurance costs reported in the statement of functional expenses, there are significant indirect costs associated with administering this insurance program. The Corporation collects an insurance surcharge when athletes register for road, track, mountain bike and cyclocross events. The Corporation also collects insurance surcharges and fees from event organizers, clubs, mechanics, and coaches. This income, which is included in sanction and entry fees, is recorded when received and amounted to \$2,918,030, for the year ended June 30, 2025.

J. RETIREMENT PLANS

Effective July 1, 2007, the Corporation adopted a Safe Harbor 403(b) plan. The Corporation's non-elective Safe Harbor contribution matches 100% of each employee's elective deferrals

Notes to Consolidated Financial Statements

J. RETIREMENT PLANS - Continued

up to 4% of eligible compensation. The Corporation may also make employer supplemental contributions at its discretion which will be allocated among all eligible employees, whether or not they make contributions.

Employer contributions to the 403(b) plan for the year ended June 30, 2025, were \$274,335. The Corporation's contributions are fully funded.

K. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2025, the United States Olympic and Paralympic Committee (USOPC) provided grants to the Corporation under the following project categories:

NGB funding	\$ 3,196,844
International relations	14,000
VIK	<u>89,624</u>
	<u>\$ 3,300,468</u>

The USOPC also paid stipends, performance bonuses and tuition support of \$480,000 directly to athletes or on their behalf during the year ended June 30, 2025.

In addition, at June 30, 2025, the Corporation owed the USOPC \$7,250.

The USA Cycling Development Foundation (USACDF) was formed to operate exclusively for the benefit and support of the Corporation. The purpose of the USACDF is to raise funds and acquire assets that will enable the Corporation to encourage, improve and promote cycling in the United States. The Corporation does not control the USACDF and therefore does not prepare consolidated financial statements with the Foundation.

During the year ended June 30, 2025, the Foundation provided grants in support of USA Cycling, Inc.'s programs in the amount of \$1,251,295.

The Corporation also provided administrative services to the USACDF. Total gross revenue for these services for the year ended June 30, 2025, amounted to \$568,593. Revenues that exceed expenses paid are considered grants from the USACDF for work performed by the Foundation on the Corporation's program services.

Notes to Consolidated Financial Statements

K. RELATED PARTY TRANSACTIONS - Continued

The Corporation also provides administrative services and office space to the USACDF at no cost. During the year ended June 30, 2025, \$50,000 was recorded as in-kind services by the USACDF.

The Corporation owed USACDF \$6,771 at June 30, 2025.

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

The Corporation made payments to certain non-employee Board Members, Trustees, members of their immediate families and entities whose officers or directors are members of the Corporation's Board during the year ended June 30, 2025, for the following:

Travel reimbursements	\$ <u>4,535</u>
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The Corporation does not compensate any non-employee Board Members for their service on the Board of Directors.

L. CONTINGENCIES

The Corporation has been named as a defendant in several lawsuits.

The Corporation has accrued \$3,100,416 at June 30, 2025, for insurance deductibles on its high deductible insurance policy. The accrual was based on historical claim data and will be monitored for adjustment periodically.

M. LEASES

The Corporation assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As the Corporation's leases do not provide an implicit rate, the Corporation uses the risk-free discount rate based on the five-year Treasury bond rate as of the later of the date of adoption

Notes to Consolidated Financial Statements

M. LEASES - Continued

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 Corporation 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 Corporation has selected to expense the cost of the short-term leases on the straight-line basis in the accompanying Statement of Activities.

The Corporation entered into a lease for warehouse space in the Netherlands through February 14, 2018. This lease required annual rent in the amount of 15,300 euros, with annual increases, not to exceed 2.5%. The original five year lease expired February 14, 2018. This lease was extended for an additional five years expiring February 14, 2023 under the same terms as the original lease. The lease expired February, 2023 and is continuing month-to-month while a new lease is negotiated.

The Corporation entered into a lease In November 2023, for residential accommodations for athletes in the Netherlands through December 31, 2028. This lease requires monthly rent in the amount of 5,950 euros, with possible annual increases, not to exceed the permitted percentage increase for living accommodations with a non-deregulated rent. The lease also requires variable payments for goods and services, internet, and VAT. The original monthly amount for variable payments is 2,290 euros. After the original lease term, an additional six month term is available and after that the lease continues for a consecutive period of indefinite duration. After the end of the initial term, either the Landlord or Tenant may terminate the lease with a notice period of three months.

In addition, prior to the lease described above, the Corporation leased housing facilities in the Netherlands for athletes and coaches on a month-to-month basis.

Notes to Consolidated Financial Statements

M. LEASES - Continued

The Corporation also has short-term lease for a Freestyle Park.

The following summarizes the line items in the statement of activities which include the components of lease expense for the year ended June 30, 2025:

Operating lease rent, included in:	
Program service expenses	\$ 75,236
Variable payments, included in:	
Program service expenses	41,556
Short-term lease rent, included in	
Program service expenses	<u>200,732</u>
Total lease cost	<u>\$ 317,524</u>

The following summarizes lease term and discount rate for operating leases as of June 30, 2025:

Operating Leases:	
Weighted Average Remaining Lease Term	3.5 years
Weighted Average Discount Rate	4.64%

Maturities of operating leases as June 30, 2025:

2026	\$ 75,236
2027	75,236
2028	75,236
2029	<u>37,618</u>
Total lease payments	263,326
Less: interest	<u>(20,703)</u>
Present value of lease liabilities	<u>\$ 242,623</u>

Supplemental cash flow information for the year ended June 30, 2025:

Operating cash flows:	
Cash paid for amounts included in measurement of lease liabilities for operating leases	<u>\$ 75,236</u>

N. UNCERTAINTIES

With the rising cost of inflation and potential risk of recession, it is uncertain what effect these factors may have on operations of the Corporation in the coming year.