

**UNITED STATES ROWING
ASSOCIATION AND AFFILIATE**

**Consolidated Financial Statements
for year ended
December 31, 2024**

Independent Auditor's Report

To the Board of Directors
United States Rowing Association and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of United States Rowing Association and Affiliate (collectively, the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and the results of their activities 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 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 the 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 consolidated 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 consolidated 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 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 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 consolidated 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 consolidated 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 consolidated financial statements, and in our report dated May 31, 2024, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Condon D'Mara McGinty & Donnelly LLP

July 26, 2025

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Consolidating Statement of Financial Position December 31, 2024 (With summarized comparative information for 2023)

Assets

	2024			2023
	<u>U.S. Rowing Association</u>	<u>Casitas Fund, Inc.</u>	<u>Total</u>	<u>Total</u>
Current assets				
Cash and cash equivalents	\$ 3,632,100	\$ -	\$ 3,632,100	\$ 2,117,618
Current portion of accounts receivable	645,271	-	645,271	806,452
Prepaid expenses and other assets	138,639	-	138,639	214,784
Total current assets	4,416,010	-	4,416,010	3,138,854
Accounts receivable, net	258,753	-	258,753	608,753
Property and equipment, net	385,742	-	385,742	114,805
Pooled investments held by USOE, at fair value	-	2,030,980	2,030,980	1,878,317
Investments, at fair value – restricted	585,386	-	585,386	558,345
Right-of-use – operating lease	10,609	-	10,609	73,954
Total assets	\$ 5,656,500	\$ 2,030,980	\$ 7,687,480	\$ 6,373,028

Liabilities and Net Assets

Current liabilities				
Accounts payable and accrued expenses	\$ 1,003,226	\$ -	\$ 1,003,226	\$ 564,738
Current portion of EID Loan	3,836	-	3,836	3,732
Current portion of operating lease liability	10,609	-	10,609	63,345
Unearned revenue	2,285,155	-	2,285,155	1,861,874
Total current liabilities	3,302,826	-	3,302,826	2,493,689
EID Loan, net of current portion	137,781	-	137,781	141,617
Operating lease liability, net of current portion	-	-	-	10,609
Total liabilities	3,440,607	-	3,440,607	2,645,915
Net assets				
Without donor restrictions	855,755	2,030,980	2,886,735	2,245,515
With donor restrictions	1,360,138	-	1,360,138	1,481,598
Total net assets	2,215,893	2,030,980	4,246,873	3,727,113
Total liabilities and net assets	\$ 5,656,500	\$ 2,030,980	\$ 7,687,480	\$ 6,373,028

See notes to consolidated financial statements.

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Consolidated Statement of Activities
Year Ended December 31, 2024
(With summarized comparative totals for 2023)

	2024							2023
	United States Rowing Association			Casitas Fund	Total			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	Total
Public support and revenue								
Contributions and grants								
Contributions	\$ 4,599,989	\$ 2,417	\$ 4,602,406	\$ -	\$ 4,599,989	\$ 2,417	\$ (72,661)	\$ 4,529,745
Grants and USOPC funding	3,365,959	-	3,365,959	-	3,365,959	-	-	3,365,959
Total contributions and grants	7,965,948	2,417	7,968,365	-	7,965,948	2,417	(72,661)	7,895,704
Membership dues and program revenues								
Membership dues	5,201,975	-	5,201,975	-	5,201,975	-	-	5,201,975
Programs	4,873,840	-	4,873,840	-	4,873,840	-	-	4,873,840
Retail sales	464,209	-	464,209	-	464,209	-	-	464,209
Other	147,073	-	147,073	-	147,073	-	-	147,073
Contributed nonfinancial assets	765,313	-	765,313	-	765,313	-	-	765,313
Net assets released from restrictions	173,021	(173,021)	-	-	173,021	(173,021)	-	-
Total membership dues and program revenues	11,625,431	(173,021)	11,452,410	-	11,625,431	(173,021)	-	11,452,410
Total public support and revenue	19,591,379	(170,604)	19,420,775	-	19,591,379	(170,604)	(72,661)	19,348,114
Expenses								
Program services								
Performance	6,374,457	-	6,374,457	72,661	6,447,118	-	(72,661)	6,374,457
Experience	7,402,449	-	7,402,449	-	7,402,449	-	-	7,402,449
Inclusion	1,258,356	-	1,258,356	-	1,258,356	-	-	1,258,356
Total program services	15,035,262	-	15,035,262	72,661	15,107,923	-	(72,661)	15,035,262
Supporting services								
Management and general	2,084,710	-	2,084,710	-	2,084,710	-	-	2,084,710
Marketing and communications	555,235	-	555,235	-	555,235	-	-	555,235
Development	1,427,615	-	1,427,615	-	1,427,615	-	-	1,427,615
Total supporting services	4,067,560	-	4,067,560	-	4,067,560	-	-	4,067,560
Total expenses	19,102,822	-	19,102,822	72,661	19,175,483	-	(72,661)	19,102,822
Increase (decrease) in net assets before investment return, net	488,557	(170,604)	317,953	(72,661)	415,896	(170,604)	-	245,292
Investment return, net	-	49,144	49,144	225,324	225,324	49,144	-	274,468
Increase (decrease) in net assets	488,557	(121,460)	367,097	152,663	641,220	(121,460)	-	519,760
Net assets, beginning of year	367,198	1,481,598	1,848,796	1,878,317	2,245,515	1,481,598	-	3,727,113
Net assets, end of year	\$ 855,755	\$ 1,360,138	\$ 2,215,893	\$ 2,030,980	\$ 2,886,735	\$ 1,360,138	\$ -	\$ 4,246,873

See notes to consolidated financial statements.

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Consolidated Statement of Functional Expenses

Year Ended December 31, 2024

(With summarized comparative totals for 2023)

	2024								2023	
	Program Services				Supporting Activities				Total	
	Performance	Experience	Inclusion	Total	Management and General	Marketing and Communication	Development	Total		
Personnel services										
Salaries and wages	\$ 919,651	\$ 1,000,650	\$ 358,415	\$ 2,278,716	\$ 836,371	\$ 232,411	\$ 416,950	\$ 1,485,732	\$ 3,764,448	\$ 3,509,352
Payroll taxes and employee benefits	208,476	220,359	95,936	524,771	148,567	49,097	73,053	270,717	795,488	786,234
Total personnel services	1,128,127	1,221,009	454,351	2,803,487	984,938	281,508	490,003	1,756,449	4,559,936	4,295,586
Other than personnel services										
Professional fees	118,402	-	-	118,402	563,624	30,950	12,360	606,934	725,336	930,521
Facility and equipment	201,881	15,502	3,000	220,383	82,757	-	-	82,757	303,140	337,752
Programs and events	1,994,985	2,679,405	692,874	5,367,264	115,955	153,394	858,428	1,127,777	6,495,041	3,954,907
Travel and meetings	2,816,217	723,451	107,690	3,647,358	63,320	35,213	56,641	155,174	3,802,532	3,510,894
Insurance and other business expenses	114,845	2,763,082	441	2,878,368	274,116	54,170	10,183	338,469	3,216,837	2,273,587
Total other than personnel services expenses	5,246,330	6,181,440	804,005	12,231,775	1,099,772	273,727	937,612	2,311,111	14,542,886	11,007,661
Total expenses by function	\$ 6,374,457	\$ 7,402,449	\$ 1,258,356	\$ 15,035,262	\$ 2,084,710	\$ 555,235	\$ 1,427,615	\$ 4,067,560	\$ 19,102,822	\$ 15,303,247

See notes to consolidated financial statements.

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Consolidated Statement of Cash Flows

	Year Ended December 31	
	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Increase in net assets	\$ 519,760	\$ 1,701,368
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	96,118	43,463
Net realized and unrealized (gain) on investments	(238,452)	(221,580)
Donated securities	(323,037)	(397,320)
Proceeds from sale of donated securities	323,037	396,891
Change in right-of-use asset – operating lease	63,345	61,500
(Increase) decrease in assets		
Accounts receivable	511,181	(1,059,693)
Prepaid and other assets	76,145	63,589
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	438,488	112,008
Operating lease liability	(63,345)	(61,500)
Unearned revenue	423,281	392,987
Net cash provided by operating activities	<u>1,826,521</u>	<u>1,031,713</u>
Cash flows from investing activities		
Purchases of property and equipment	(367,055)	(119,884)
Purchases and proceeds from sale of investments, net	<u>58,748</u>	<u>57,691</u>
Net cash (used in) investing activities	<u>(308,307)</u>	<u>(62,193)</u>
Cash flows (used in) financing activities		
Repayment of loans payable	<u>(3,732)</u>	<u>(3,630)</u>
Net increase in cash and cash equivalents	1,514,482	965,890
Cash and cash equivalents, beginning of year	<u>2,117,618</u>	<u>1,151,728</u>
Cash and cash equivalents, end of year	<u>\$ 3,632,100</u>	<u>\$ 2,117,618</u>

See notes to consolidated financial statements.

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Notes to Consolidated Financial Statements December 31, 2024

Note 1 – Nature of organization and summary of significant accounting policies

Nature of organization

The United States Rowing Association (the “Association”), located in Princeton, New Jersey, is the designated National Governing Body for the Olympic sport of rowing. The Association was so designated by the United States Olympic & Paralympic Committee (the “USOPC”) and is an Olympic Sport Organization member. The Association is also the United States representative to the Federation Internationale des Societes d’Aviron (“The World Rowing Federation” formerly known as “FISA”), an organization whose purpose is to promote the development of the sport of rowing throughout the world. In addition to organizing the United States Olympic Rowing Team and other national teams, the Association supports and promotes the sport through athlete and coach development, event sanctioning, education, and safety. The Association’s support comes primarily from membership dues, contributors, and various private grants.

Casitas Fund, Inc. (the “Fund”) is a nonprofit organization, over which the Association has control, whose purpose is to act for the exclusive benefit of the Association. The Fund holds assets in an unrestricted, board-designated endowment fund, earnings from which are available to further the purpose of the Association. Shortly after the 1984 Olympic Games, the Los Angeles Olympic Organizing Committee gave the USOPC 20% of its net liquid assets to divide evenly among the United States National Governing Bodies. The Fund, created in 1985 as a result of this event, received a substantial contribution, approximately \$980,000 from the USOPC. The fair value of the fund for the year ended December 31, 2024 and December 31, 2023 was \$2,030,980 and \$1,878,317, respectively.

In May 2023, the United States Rowing Association Foundation (the “Foundation”) was incorporated. The Foundation is a non-profit organization, over which the Association has control, whose mission is to support the fundraising, development and similar aims of the Association. The Foundation did not have any activity in 2024 and 2023.

Principles of consolidation

The consolidated financial statements include the accounts of the Association and Fund, (collectively, the “Organization”). All material inter-company transactions have been eliminated upon consolidation.

Basis of presentation

The consolidated financial statements of the Organization have been prepared in accordance with U.S. GAAP, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and Board of Directors.

UNITED STATES ROWING ASSOCIATION AND AFFILIATE**Notes to Consolidated Financial Statements (continued)
December 31, 2024****Note 1 – Nature of organization and summary of significant accounting policies (continued)****Basis of presentation (continued)**

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

Cash equivalents

Cash equivalents include highly liquid investments with original maturities of three months or less unless they are held in the investment portfolio as endowments. Bank certificates of deposit and treasury obligations are considered to be temporary cash investments, not cash equivalents.

Accounts receivable

Accounts receivable include unpaid contributions, grants and sponsorships under contractual agreements.

Allowance for credit losses

The Organization considers all receivables to be fully collectible and, accordingly, no allowance for credit losses is deemed necessary.

Investments

Investments are reported at fair value. Unrealized gains and losses are included in the changes in net assets. The Organization uses specific identification of basis to determine realized gains or losses on sales of investments. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the period in which the income and gains are recognized.

Property and equipment

Property and equipment expenditures of \$1,000 or more are capitalized at cost. Expenditures for maintenance and repairs are charged to expenses as incurred. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Property and equipment are depreciated over their estimated useful lives using the straight-line method.

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued) December 31, 2024

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Operating lease liabilities

The Organization adheres to FASB ASC 842, *Leases*. The standard establishes a right of use (“ROU”) model that requires a lessee to record an ROU asset, which represents the right to use a respective asset for the lease term, and a lease liability on the consolidated statement of financial position at the present value of the remaining future payments due under the lease. The Organization has determined that it is not material to discount its lease to its net present value.

Unearned revenue

Unearned revenue consists primarily of dues received in advance from members and organizations for the upcoming membership period.

Revenue recognition

Membership dues are recognized ratably over the applicable membership period.

Sponsorships are recognized ratably over the sponsorship period.

Regattas/conferences and national team events revenue are recognized upon occurrence of the respective events.

Merchandise sales are recognized when the sale occurs. Fundraising revenue is recognized when the special event occurs.

Total revenue recognized over time and at a point in time is as follows for the years ended December 31, 2024 and December 31, 2023:

	<u>2024</u>	<u>2023</u>
Revenue recognized at a point in time	\$ 6,250,435	\$ 5,141,423
Revenue recognized over time	<u>5,201,975</u>	<u>4,094,534</u>
Total	<u>\$11,452,410</u>	<u>\$ 9,235,957</u>

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value.

Conditional promises to give are recognized when the conditions on which they depend are substantially met.

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. All other donor-restricted support is reported as an increase in net assets with donor restrictions until such time as the time restrictions expire or the purpose restriction is met.

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued) December 31, 2024

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Contributions of nonfinancial assets

The Organization records the value of contributions of nonfinancial assets, as revenue and expense when the contribution is both budget-relieving and relates to events and programs under the Organization's control.

National sponsors of the Organization contribute cash and in-kind goods and services to various rowing events and programs in the United States. The Organization directs sponsor support to outside programs and events, but it does not maintain control over the events and programs selected, and the support does not reduce Organization budgeted expenses. Furthermore, the Organization does not contribute funds to these outside events and programs, and the sponsor support is not passed through the Organization.

Donated services, if any, are included in the consolidated financial statements as support and expenses in those cases where the services provided: (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The value of contributions of casual or occasional services is not included in the consolidated financial statements since the recognition criteria were not met. For the year ended December 31, 2024, the Organization received donated boats and related equipment and lodging for its High Performance program as follows:

<u>Description</u>	<u>Amount</u>
Boats and related equipment	\$ 572,680
Lodging	192,633
Total	<u>\$ 765,313</u>

The boats and related equipment were valued based on the cost should the Organization had needed to purchase or lease them. Lodging was valued based on prevailing rates for the donated space.

Use of estimates

Management uses estimates and assumptions in preparing its consolidated financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Functional allocation of expenses

The costs of providing various program services and supporting activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited and are allocated based on estimates of time and effort.

UNITED STATES ROWING ASSOCIATION AND AFFILIATE**Notes to Consolidated Financial Statements (continued)
December 31, 2024****Note 1 – Nature of organization and summary of significant accounting policies (continued)****Concentration of credit risk**

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, receivables and investments. The Organization places its cash and cash equivalents with what it believes to be quality financial institutions. At times during the year, the Organization's cash accounts exceeded the FDIC insurance limit. The Organization has not incurred any losses in its cash accounts to date. The Organization's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of risk associated with investment securities, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the consolidated statement of financial position as of December 31, 2024. The Organization routinely monitors the collectability of its receivables to ensure they are viable. As a result, the Organization believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents, receivables and investments.

Subsequent events

Management has evaluated subsequent events through July 26, 2025, the date on which the consolidated financial statements were available to be issued.

Note 2 – Liquidity and availability of financial assets

The Organization's goal is to maintain a cash reserve of greater than \$100,000 at all times. This goal is achieved through the Organization's budgeting process and expenditures policies. The Organization has a board-designated endowment in pooled investments held by the United States Olympic Endowment ("USOE").

The board has designated these investments to be held for long-term growth. The Organization's endowment spending policy calls for annual distribution of 3% to 5% of the investment's value to be used for general expenditures of the National Team.

The Organization has certain donor-restricted net assets that are available for general expenditures within one year of December 31, 2024 and December 31, 2023, because the restrictions on the net assets are expected to be met by conducting the normal activities of the programs in the coming year.

Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. The Organization has other assets limited to use for donor restricted purposes, which are not included. Additionally, because of the Board's designation of the endowment in pooled investments held by the USOE, those investments are not available for general expenditures within the next year; however, the Board could make them available, if necessary.

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued) December 31, 2024

Note 2 – Liquidity and availability of financial assets (continued)

The following represents the Organization's financial assets at December 31, 2024 and December 31, 2023 available within one year of the consolidated statement of financial position date:

Financial assets	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,632,100	\$ 2,117,618
Current portion of accounts receivable	645,271	806,452
Investments, at fair value	<u>2,616,366</u>	<u>2,436,662</u>
Total financial assets	6,893,737	5,360,732
Less: amounts not available to be used within one year		
Investments held for quasi-endowments	2,030,980	1,878,317
Restricted investments	<u>585,386</u>	<u>558,345</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,277,371</u>	<u>\$ 2,924,070</u>

The Organization also has a \$125,000 revolving line of credit that it can draw upon as needed (see Note 8).

Note 3 – Investments

Restricted investments consist of money market and exchange traded funds restricted to the donor endowment fund. Investments consisting of the Board-designated endowment are held in pooled funds invested with the USOE pursuant to an agreement dated May 2011. The investments held by USOE consist principally of domestic bonds and equities, international equities, hedge equity funds, and limited partnerships that invest primarily in foreign and domestic common stocks and commodities. The fair value of the Organization's interest in the investments held by USOE is based on a percentage interest in USOE's fair value as represented by USOE's management.

This unit of ownership and NAV is provided by USOE to the Organization on a monthly basis. The pool is revalued periodically and income and gains or losses are allocated to the participants based on their units. The USOE portfolio consists of the following investments at December 31, 2024 and December 31, 2023:

	<u>2024</u>	<u>2023</u>
Alternative investments	36%	39%
Domestic equities	37%	35%
International equities	15%	17%
Domestic bonds	7%	7%
Cash and other	<u>5%</u>	<u>2%</u>
Total	<u>100%</u>	<u>100%</u>

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued) December 31, 2024

Note 3 – Investments (continued)

Investments at December 31, 2024 and December 31, 2023, consist of the following:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Pooled investments held by USOE	\$ 1,451,296	\$ 2,030,980	\$ 1,451,296	\$ 1,878,317
Investments – restricted	527,660	585,386	516,025	558,345
Total	<u>\$ 1,978,956</u>	<u>\$ 2,616,366</u>	<u>\$ 1,967,321</u>	<u>\$ 2,436,662</u>

Net investment return and its classification in the consolidated statement of activities is summarized as follows for the years ended December 31, 2024 and December 31, 2023:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 27,060	\$ 14,654	\$ 41,714
Realized gains	61,771	-	61,771
Unrealized gains	136,493	40,188	176,681
Less: investment expenses	-	(5,698)	(5,698)
Total	<u>\$ 225,324</u>	<u>\$ 49,144</u>	<u>\$ 274,468</u>

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 21,158	\$ 13,893	\$ 35,051
Realized gains	24,668	10,334	35,002
Unrealized gains	154,738	31,840	186,578
Less: investment expenses	-	(5,446)	(5,446)
Total	<u>\$ 200,564</u>	<u>\$ 50,621</u>	<u>\$ 251,185</u>

Note 4 – 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 - Determined using quoted market prices in active markets for identical assets and liabilities.

Level 2 - Determined using quoted market prices in active markets for similar assets and liabilities, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant inputs are observable in the market for substantially the full term of the assets or liabilities.

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued) December 31, 2024

Note 4 – Fair value measurements (continued)

Level 3 - Determined using inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The market for assets and liabilities using Level 3 measures is typically inactive.

The Organization's investment in the USOE portfolio is valued at fair value using the net asset value of the portfolio provided by the USOE. Certain alternative investments within the USOE 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 USOE effective at the end of any calendar month upon the giving of at least 90 days written notice or upon shorter notice acceptable to the USOE if the USOE determines that adequate liquidity exists in the portfolio to permit early termination. There have been no changes in valuation techniques and related inputs for 2024. Fair values of assets measured on a recurring basis are as follows at December 31, 2024 and December 31, 2023:

	2024			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 10,198	\$ -	\$ -	\$ 10,198
Exchange-traded funds	575,188	-	-	575,188
Pooled investments held by USOE	-	2,030,980	-	2,030,980
Total	<u>\$ 585,386</u>	<u>\$ 2,030,980</u>	<u>\$ -</u>	<u>\$ 2,616,366</u>

	2023			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 9,532	\$ -	\$ -	\$ 9,532
Exchange-traded funds	548,813	-	-	548,813
Pooled investments held by USOE	-	1,878,317	-	1,878,317
Total	<u>\$ 558,345</u>	<u>\$ 1,878,317</u>	<u>\$ -</u>	<u>\$ 2,436,662</u>

Note 5 – Accounts receivable

As of December 31, 2024 and December 31, 2023, accounts receivable are due to be collected as follows:

	2024	2023
Due in one year	\$ 645,271	\$ 806,452
Due in one to five years	<u>300,000</u>	<u>650,000</u>
Sub-total	945,271	1,456,452
Less: interest discount at a rate of 4.5%	<u>(41,247)</u>	<u>(41,247)</u>
Total	904,024	1,415,205
Less: current portion	<u>(645,271)</u>	<u>(806,452)</u>
Long-term portion	<u>\$ 258,753</u>	<u>\$ 608,753</u>

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued) December 31, 2024

Note 6 – Property and equipment

The following is a summary of property and equipment as of December 31, 2024 and December 31, 2023:

	Estimated Useful Life	2024	2023
Office equipment	3-5 years	\$ 1,296,403	\$ 1,084,544
Rowing equipment	4-10 years	684,517	529,321
Sub-total		1,980,920	1,613,865
Less: accumulated depreciation		1,595,178	1,499,060
Property and equipment, net		\$ 385,742	\$ 114,805

Note 7 – Unearned revenue

The following is a summary of the Organization's unearned revenue as of December 31, 2024 and December 31, 2023:

	2024	2023
Unearned revenue, beginning of year	\$ 1,861,874	\$ 1,468,887
Unearned revenue, end of year	\$ 2,285,155	\$ 1,861,874

Note 8 – Loan agreements and promissory notes

The Organization entered into a Loan Agreement and Promissory Note on September 6, 2019, with an undisclosed/anonymous lender. The terms of the agreements were \$300,000 at a 2% annual rate due on or before the maturity date of May 31, 2020, and subsequently an extension agreement was reached. The loan was repaid in full during 2023.

The Organization has a \$125,000 revolving line of credit. The line bears interest at the Wall Street Journal Prime Rate plus 1.0% with a floor rate of 4.25%. There were no outstanding borrowings as of December 31, 2024.

The Organization entered an EID Loan Agreement of \$150,000 with the Small Business Association (SBA) under the CARES Act on June 23, 2020. The terms of the agreement call for 2.75% per annum interest rate payable over 30 years from the date of the promissory note and loan proceeds will solely be used as working capital to alleviate economic injury caused by natural disaster occurring on January 31, 2020 (COVID-19). Installment payments, including principal and interest of \$641 monthly, commenced July 2022. As collateral of the loan, the SBA has a continuing security interest in any and all collateral to secure payment and performance of all debt, liabilities, and obligations of borrower to SBA.

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued) December 31, 2024

Note 8 – Loan agreements and promissory notes

The following is a summary of the required annual principal payments on the EID Loan as of December 31, 2024:

<u>Year</u>	<u>Amount</u>
2025	\$ 3,836
2026	3,943
2027	4,053
2028	4,503
2029	4,282
2030 and thereafter	<u>121,000</u>
Total	141,617
Less: current portion	<u>3,836</u>
Long-term portion	<u>\$ 137,781</u>

Note 9 – Net assets

Net assets without donor restrictions for the years ended December 31, 2024 and December 31, 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Board designated for endowment purposes	\$ 2,030,980	\$ 1,878,317
Undesignated	<u>855,755</u>	<u>367,198</u>
Total	<u>\$ 2,886,735</u>	<u>\$ 2,245,515</u>

Net assets with donor restrictions for the years ended December 31, 2024 and December 31, 2023 are restricted for the following purposes and/or periods:

	<u>2024</u>	<u>2023</u>
Temporary donor restrictions		
U.S. Women's Open Weight and		
Lightweight Programs	\$ 334,975	\$ 307,934
Caspersen Campaign	400,000	400,000
Timing	374,752	523,253
Perpetual donor restrictions		
U.S. Women's Open Weight and		
Lightweight Programs	<u>250,411</u>	<u>250,411</u>
Total	<u>\$ 1,360,138</u>	<u>\$ 1,481,598</u>

UNITED STATES ROWING ASSOCIATION AND AFFILIATE**Notes to Consolidated Financial Statements (continued)
December 31, 2024****Note 10 – Endowment policy****Endowment description and interpretation of relevant law**

The Board of Directors has interpreted the New Jersey Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

Endowment spending policies

As a result of this interpretation, the Organization retains in perpetuity (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization has elected not to spend principal from the donor-restricted endowment pursuant to a 10-year investment horizon and a \$750,000 goal established by the Board of Directors in June 2009. For the years ended December 31, 2024 and December 31, 2023, there were no principal amounts appropriated or spent on the women’s programs from the donor-restricted endowment fund.

The Organization has a formal endowment spending policy relating to the Board-designated endowment fund, which distributes 3% to 5% of the investment value on an annual basis. For the years ended December 31, 2024 and December 31, 2023, the total amount appropriated and spent for general operations was \$72,661 and \$67,325, respectively.

Endowment investment policies

The Organization has a formal written investment policy detailing its investment strategy for the donor-restricted endowment. Investments are restricted to certain types of investment vehicles including any combination of common stock, securities convertible to common stock, preferred stocks, fixed income securities, mutual funds, and cash reserves.

The Organization has a formal written investment policy detailing its investment strategy for the board-designated endowment. In May 2011, the Organization began to follow the investment policy of the USOE as part of their agreement for management of the pool. The policy is similar in strategy to the Organization’s existing written policy. Investments are restricted to certain types of investment vehicles including any combination of cash and cash equivalents, domestic bonds, international bonds, convertible securities, domestic equities, international equities, and alternative investments.

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued) December 31, 2024

Note 10 – Endowment policy (continued)

Endowment investment policies (continued)

To satisfy its long-term objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets diversified mutual funds to achieve its long-term return objectives within prudent risk constraints. Endowment net assets by type of fund and changes in endowment net assets for the year ended December 31, 2024, are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated endowment funds	\$ 2,030,980	\$ -	\$ 2,030,980
Original donor-restricted gift amounts	-	250,411	250,411
Accumulated investment gains and contributions	-	1,109,727	1,109,727
Total	<u>\$ 2,030,980</u>	<u>\$ 1,360,138</u>	<u>\$ 3,391,118</u>
Endowment net assets, beginning of year	\$ 1,878,317	\$ 1,481,598	\$ 3,359,915
Net investment return			
Interest and dividends	27,060	14,654	41,714
Net appreciation – realized and unrealized	198,264	40,188	238,452
Investment expenses	-	(5,698)	(5,698)
Total investment return	<u>225,324</u>	<u>49,144</u>	<u>274,468</u>
Other (deductions), net	<u>(72,661)</u>	<u>(170,604)</u>	<u>(243,265)</u>
Endowment net assets, end of year	<u>\$ 2,030,980</u>	<u>\$ 1,360,138</u>	<u>\$ 3,391,118</u>

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued) December 31, 2024

Note 10 – Endowment policy (continued)

Endowment investment policies (continued)

Endowment net assets by type of fund and changes in endowment net assets for the year ended December 31, 2023, are as follows:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Board designated endowment funds	\$ 1,878,317	\$ -	\$ 1,878,317
Original donor-restricted gift amounts	-	250,411	250,411
Accumulated investment gains and contributions	-	1,231,187	1,231,187
Total	<u>\$ 1,878,317</u>	<u>\$ 1,481,598</u>	<u>\$ 3,359,915</u>
Endowment net assets, beginning of year	\$ 1,742,922	\$ 529,422	\$ 2,272,344
Net investment return			
Interest and dividends	21,158	13,893	35,051
Net appreciation – realized and unrealized	179,406	42,174	221,580
Investment expenses	-	(5,446)	(5,446)
Total investment return	200,564	50,621	251,185
Other additions (deductions), net	(65,169)	901,555	836,386
Endowment net assets, end of year	<u>\$ 1,878,317</u>	<u>\$ 1,481,598</u>	<u>\$ 3,359,915</u>

Note 11 – Supporting organization

The USOPC provides support for sport development, international competition, and team preparation. Support from the USOPC for the years ended December 31, 2024 and December 31, 2023 consist of:

	<u>2024</u>	<u>2023</u>
Performance pool funding	\$ 1,938,611	\$ 1,926,300
In-kind boats and related equipment and lodging	765,313	-
Total	<u>\$ 2,703,924</u>	<u>\$ 1,926,300</u>

UNITED STATES ROWING ASSOCIATION AND AFFILIATE

Notes to Consolidated Financial Statements (continued) December 31, 2024

Note 12 – Commitments and contingencies

Effective January 1, 2022, the Association entered into a new three-year licensing agreement with a Corporation. Under the terms of the Agreement, the Corporation has the right to use the Association's championship event-specific logos in connection with the manufacture, distribution, sale, advertising, and promotion of event merchandise at many of the Association's championship rowing events in the United States each year. The Association will receive royalty payments based on a percentage of sales. The Association will also receive guaranteed royalty payments of \$300,000 over the term of the Agreement which ended on December 31, 2024. For the years ended December 31, 2024 and December 31, 2023, the Association recognized royalty income of \$146,261 and \$175,621, respectively.

Effective February 1, 2022, the Association entered into a new three year Supply, License, and Marketing Agreement with a limited liability company ("LLC"). Under the terms of the agreement, the Association appointed the LLC as the exclusive performance apparel supplier to USRowing and the USRowing National Team.

During the term of the agreement, the Association agrees that it will not, during the Term, provide to the Teams, or accept donations to the teams of, Apparel from any other supplier except as mutually discussed and agreed upon in good faith. In addition, the Association granted to the LLC a non-transferable worldwide license to use the Association Trademarks in any media (online or otherwise) in connection with the manufacture, distribution, promotion, advertising and sale of Licensed Products during the Term, so long as each such use includes a designation in the form "®" to indicate that the Association Trademark is a registered trademark or in the form "TM" for any Association Trademark that is not yet registered with the U.S. Patent & Trademark Office, unless otherwise agreed by the Association in writing. In consideration, the Association will receive discounted products and quarterly royalty payments based on a contracted formula and schedule. For the years ended December 31, 2024 and December 31, 2023, the Association recognized \$48,603 and \$18,106, respectively, of royalty income related to this agreement.

Effective January 20, 2023, the Association entered into an amended licensing agreement with a Corporation. Under the terms of the agreement, the Corporation obtained a license to sell and market Association-branded products. The Association will receive licensee fees based on a percentage of sales. The agreement ended on December 31, 2024. For the years ended December 31, 2024 and December 31, 2023, the Association recognized license fee income of \$196,097 and \$183,561, respectively, related to this agreement.

Note 13 – Operating lease liability

The Organization had a multiyear lease for office space in New York through February 2025. The lease called for monthly rent payments of \$5,000 in year one with annual increases annually thereafter to \$5,305 in the final year. The Organization paid a security deposit of \$15,000 to the landlord. Future minimum annual payments under the lease as of December 31, 2024 are \$10,609 for 2025.

UNITED STATES ROWING ASSOCIATION AND AFFILIATE**Notes to Consolidated Financial Statements (continued)****December 31, 2024****Note 14 – Tax status**

The Association and Fund are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Association has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation under the meaning of Section 509(a)(1) of the Code and the Fund has been determined to be a supporting organization under the meaning of Section 509(a)(3) of the Code.