USA ULTIMATE

AND USA ULTIMATE FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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BiggsKofford

INDEPENDENT AUDITOR'S REPORT

Board of Directors
USA Ultimate and USA Ultimate Foundation
Colorado Springs, Colorado

Opinion

We have audited the accompanying consolidated financial statements of USA Ultimate and USA Ultimate Foundation (collectively, the "Organizations"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USA Ultimate and USA Ultimate Foundation as of December 31, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

We conducted our audits 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 the report. We are required to be independent of the Organizations and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 US GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' 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 auditing standards generally accepted in the United States of America ("US GAAS") 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 US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' 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 Supplementary Information

Our audit were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information as listed in the table of contents is presented for purposes of additional analysis of the financial statements rather than to present the financial position, changes in their net assets, and cash flows of the individual organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the financial statements as a whole.

BiggsKofford LLP

Colorado Springs, Colorado
May 8, 2026

USA ULTIMATE AND USA ULTIMATE FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash and equivalents	$ 3,178,620	$ 2,881,634
Accounts receivable, net	90,923	35,806
Investments	3,107,125	2,835,276
Prepaid expenses and other assets	61,144	52,406
Property and equipment, net	467,410	498,526
Operating lease right-of-use asset	25,520	86,554
Total assets	$ 6,930,742	$ 6,390,202
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued liabilities	$ 615,061	$ 826,773
Deferred revenue	1,088,823	1,081,481
Operating lease liabilities	29,283	98,463
Total liabilities	1,733,167	2,006,717
Net assets:		
Without donor restrictions:		
Operating	2,508,784	1,772,582
Equity in property and equipment, net	467,410	498,526
Board-designated	2,104,775	1,958,750
Total net assets without donor restrictions	5,080,969	4,229,858
With donor restrictions	116,606	153,627
Total net assets	5,197,575	4,383,485
Total liabilities and net assets	$ 6,930,742	$ 6,390,202

The accompanying notes and independent auditor's report should be read with these financial statements.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Membership dues	$ 2,838,399	$ -	$ 2,838,399	$ 2,811,576	$ -	$ 2,811,576
Competition and athlete programs	1,568,451	-	1,568,451	1,359,310	-	1,359,310
National team programs	472,805	-	472,805	668,500	-	668,500
Youth and community programs	150,787	-	150,787	101,600	-	101,600
Contributed nonfinancial assets	311,187	-	311,187	263,771	-	263,771
Contributions	62,249	28,833	91,082	25,901	37,254	63,155
Sponsorship and licensing	358,566	-	358,566	372,815	-	372,815
Investment income	356,750	-	356,750	319,835	-	319,835
Other income	309,505	-	309,505	107,054	-	107,054
Sales revenue (net of cost of goods sold of $24,093 and $26,283, respectively)	21,139	-	21,139	6,619	-	6,619
Total support and revenue	6,449,838	28,833	6,478,671	6,036,981	37,254	6,074,235
Net assets released from restrictions	65,854	(65,854)	-	43,857	(43,857)	-
EXPENSES						
Program services:						
Youth and Community Programs	2,373,428	-	2,373,428	2,168,038	-	2,168,038
Competition Programs, Rules, and Spirit	1,628,987	-	1,628,987	1,554,071	-	1,554,071
National Team Programs	999,039	-	999,039	1,125,415	-	1,125,415
Total program services	5,001,454	-	5,001,454	4,847,524	-	4,847,524
Supporting activities:						
DEI and Operations	389,699	-	389,699	462,701	-	462,701
Board and Judicial	86,781	-	86,781	134,059	-	134,059
Fundraising	186,647	-	186,647	102,896	-	102,896
Total expenses	5,664,581	-	5,664,581	5,547,180	-	5,547,180
Change in net assets	851,111	(37,021)	814,090	533,658	(6,603)	527,055
Net assets, beginning of year	4,229,858	153,627	4,383,485	3,696,200	160,230	3,856,430
Net assets, end of year	$ 5,080,969	$ 116,606	$ 5,197,575	$ 4,229,858	$ 153,627	$ 4,383,485

The accompanying notes and independent auditor's report
should be read with these financial statements.

USA ULTIMATE AND USA ULTIMATE FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services				Supporting Activities			
	Youth and Community Programs	Competition Programs, Rules, and Spirit	National Team Programs	Total Program Services	DEI and Operations	Board and Judicial	Fundraising	Total
Awards and gifts	$ 21,692	$ 53,140	$ 1,450	$ 76,282	$ -	$ -	$ -	$ 76,282
Community and competition	704,714	318,304	324,563	1,347,581	12,382	1,451	-	1,361,414
Conferences and memberships	3,164	2,305	5,640	11,109	723	906	234	12,972
Depreciation	61,585	29,421	12,999	104,005	18,435	3,645	8,415	134,500
Donor stewardship	-	-	-	-	-	-	9,977	9,977
Employee benefits	92,678	44,272	19,561	156,511	27,740	5,486	14,542	204,279
Facility and equipment rental	76,484	356,143	15,162	447,789	255	51	117	448,212
Insurance	82,301	39,317	17,371	138,989	25,546	4,870	11,247	180,652
Occupancy	52,197	24,935	11,017	88,149	15,625	3,089	7,134	113,997
Office expenses	131,559	82,067	22,219	235,845	6,170	1,265	6,645	249,925
Payroll taxes	62,123	29,677	13,112	104,912	18,595	3,676	14,141	141,324
Professional fees	141,529	84,958	11,324	237,811	17,160	770	1,775	257,516
Salaries and wages	790,855	377,805	166,924	1,335,584	236,722	46,801	99,890	1,718,997
Technology	19,129	9,138	4,037	32,304	5,726	1,133	4,195	43,358
Travel	133,418	177,505	373,660	684,583	4,620	13,638	8,335	711,176
Total expenses	$ 2,373,428	$ 1,628,987	$ 999,039	$ 5,001,454	$ 389,699	$ 86,781	$ 186,647	$ 5,664,581
Percentage of total expenses	42%	29%	18%	89%	7%	2%	2%	100%

The accompanying notes and independent auditor's report
should be read with these financial statements.

USA ULTIMATE AND USA ULTIMATE FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services				Supporting Activities			
	Youth and Community Programs	Competition Programs, Rules, and Spirit	National Team Programs	Total Program Services	DEI and Operations	Board and Judicial	Fundraising	Total
Awards and gifts	$ 15,848	$ 42,163	$ -	$ 58,011	$ -	$ -	$ -	$ 58,011
Community and competition	498,094	201,574	326,014	1,025,682	19,010	2,940	-	1,047,632
Conferences and memberships	3,281	1,482	5,730	10,493	833	230	174	11,730
Depreciation	57,048	25,005	10,954	93,007	20,277	5,592	4,189	123,065
Donor stewardship	-	-	-	-	-	-	5,827	5,827
Employee benefits	87,995	38,571	16,897	143,463	31,277	8,624	6,461	189,825
Facility and equipment rental	56,229	316,279	42,771	415,279	308	785	63	416,435
Insurance	65,963	28,912	12,665	107,540	24,356	6,466	4,844	143,206
Occupancy	51,804	22,706	9,947	84,457	18,414	5,077	3,805	111,753
Office expenses	128,049	83,326	39,497	250,872	8,129	2,515	4,620	266,136
Payroll taxes	59,982	26,290	11,518	97,790	21,321	5,878	4,405	129,394
Professional fees	172,437	92,205	12,194	276,836	11,906	2,767	2,073	293,582
Salaries and wages	830,025	363,808	159,378	1,353,211	295,028	81,350	60,950	1,790,539
Technology	20,218	8,861	3,882	32,961	7,186	1,980	1,485	43,612
Travel	121,065	302,889	473,968	897,922	4,656	9,855	4,000	916,433
Total expenses	$ 2,168,038	$ 1,554,071	$ 1,125,415	$ 4,847,524	$ 462,701	$ 134,059	$ 102,896	$ 5,547,180
Percentage of total expenses	40%	28%	20%	88%	8%	2%	2%	100%

The accompanying notes and independent auditor's report should be read with these financial statements.

USA ULTIMATE AND USA ULTIMATE FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 814,090	$ 527,055
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	134,500	123,065
Amortization of operating right-of-use-asset	61,034	60,738
Realized and unrealized (gains) losses	(204,560)	(155,356)
(Increase) decrease in operating assets:		
Accounts receivable, net	(55,117)	10,336
Prepaid expenses and other assets	(8,738)	15,196
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(211,712)	(11,127)
Deferred revenue	7,342	66,537
Operating lease liabilities	(69,180)	(66,786)
Net cash flows from operating activities	467,659	569,658
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(67,289)	(69,824)
Purchases of property and equipment	(103,384)	(45,389)
Net cash flows from investing activities	(170,673)	(115,213)
Net change in cash and equivalents	296,986	454,445
Cash and equivalents, beginning of year	2,881,634	2,427,189
Cash and equivalents, end of year	$ 3,178,620	$ 2,881,634

The accompanying notes and independent auditor's report should be read with these financial statements.

1. ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizations

Ultimate Players Association, dba USA Ultimate ("Association"), is the national governing body for the sport of Ultimate and is a member of the World Flying Disc Federation. The Association is responsible for the promotion and development of the sport of Ultimate in the United States.

USA Ultimate Foundation ("Foundation") was incorporated in 2014 with the sole purpose of raising funds and acquiring assets that enable the Association to support and grow the sport of Ultimate in the United States.

Principles of consolidation

The consolidated financial statements include the operations of the Association and the Foundation. All material transactions and balances between these entities have been eliminated. The Association and the Foundation are collectively referred to herein as the "Organizations."

Basis of accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and equivalents

For purposes of the financial statements, the Organizations consider all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts receivable and allowance for credit losses

Accounts receivable are unsecured and reported at the amount management expects to collect. The Association maintains an allowance for credit losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. If the financial conditions of the Association's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. The allowance for credit losses totaled $1,000 as of December 31, 2025 and 2024, respectively.

Investments

Investments having a readily determinable fair value are carried at fair value. Interest and dividends are recorded on the accrual basis. Gains and losses are recognized when incurred and included in the consolidated statements of activities. Donated investments are recognized at the estimated fair value on the date of the donation.

Property and equipment

Acquisitions of property and equipment with an original cost of $750 or greater and useful lives exceeding one year are capitalized and recorded at cost, or fair value, if donated. Property and equipment are depreciated using the straight-line method over estimated useful lives, or in the case of capitalized leased assets or leasehold improvements, the shorter of the useful life of the assets or the lease term, ranging from three to seven years.

Leases

Management determines if an arrangement is a lease at inception of the arrangement. Right-of-use assets represent the Association's right to use an underlying asset for the lease term, and lease liabilities represent the Association's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement of the lease based on the present value of lease payments over the lease term. The right-of-use assets also include any lease payments made and exclude lease incentives. The Association's lease terms may include options to extend or terminate the lease at management's discretion. Such options are included in the calculation of the right-of-use asset and lease liability, and are included in the future maturities of lease liabilities, if management determines they are reasonably certain to exercise the options. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term.

For leases that do not state or imply an interest rate, the Association elected to use a risk-free rate based on asset composition. The Association elected to account for all leases with original terms of 12 months or fewer as short-term leases, which are expensed over the term of the lease and do not require recognition of right-of-use assets or lease liabilities.

Deferred revenue

Membership dues are deferred and recognized over the periods to which the fees relate. In addition, other funds received in advance are deferred and recognized when earned as conditions are met.

Net assets

The financial statements present information regarding the financial position and statements of activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions consist of resources available for use in operations, those resources invested in property and equipment, and resources restricted by the board of directors as to future use. Net assets with donor restrictions consist of resources restricted by donors as to purpose or by the passage of time.

Contributions

In accordance with US GAAP, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions, if applicable. Contribution revenue is recognized when cash is received, when unconditional promises are made, or when ownership of contributed assets is transferred to the Organizations. The Organizations report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Contributed nonfinancial assets

Contributed nonfinancial assets are recorded at the respective fair values of the goods or services received at the date of donation. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by US GAAP.

Revenue recognition

Membership dues

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. Membership dues consist of annual, two-year, three-year, five-year, and lifetime registrations. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term, or 15 years for lifetime memberships. Membership dues are nonrefundable.

Association programs

The Association receives revenue from fees and sales related to competition and athlete programs, national team programs, and youth and community programs. These activities include competitions, athlete programs, national teams, sport development, sanctioning, education, merchandise sales, and other similar activities. Revenue is recognized at the time the performance obligations are met, which is when services are provided, or goods are provided or delivered to the customer.

Sponsorship and licensing

The Association recognizes revenue from contacts with sponsors and suppliers of the Association. Revenue is recognized over time as performance obligations in such contracts are rendered. Management has determined that the performance obligations within all executed contracts are substantially the same in each year and are satisfied ratably over the term of the agreement.

Contract assets and liabilities

The timing of revenue recognition, billings, and cash collections results in accounts receivable (contract assets), and deferred revenue (contract liabilities). Accounts receivable are recorded when the right to consideration becomes unconditional. Changes in the contract asset and liability balances during the years ended December 31, 2025 and 2024 were not materially impacted by other factors.

Contract balances consist of the following for the years ended December 31,:

	2025	2024	2023
Accounts receivable, net	$ 90,923	$ 35,806	$ 46,142
Deferred revenue	1,088,823	1,081,481	1,014,944

<u>Functional expenses</u>

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. These expenses require allocation on a reasonable basis that is consistently applied. Any costs that could be directly assigned to a specific function are allocated to that function. The expenses that are allocated include personnel expenses, which are allocated based on an estimate of time and effort spent.

Income taxes

The Organizations are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("Code") and are not a private foundation under Section 509(a)(2) of the Code. The Organizations evaluates the effect of uncertain tax positions, if any, and provides for those positions in accordance with the provisions of FASB ASC Topic 450, *Contingencies*. No tax accrual for uncertain tax positions has been recorded as management believes there are no uncertain tax positions for the Organizations.

Reclassifications

Certain prior year balances and amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on previously reported net assets or change in net assets.

Subsequent events

Management has evaluated subsequent events through the date of the independent auditor's report, the date on which the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available to meet cash needs for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following as of December 31,:

	2025	2024
Financial assets at year end:		
Cash and equivalents	$ 3,178,620	$ 2,881,634
Accounts receivable, net	90,923	35,806
Investments	3,107,125	2,835,276
Total financial assets at year end	6,376,668	5,752,716
Less amounts unavailable for general expenditures within one year due to:		
Net assets with donor purpose restrictions	(116,606)	(153,627)
Board-designated	(2,104,775)	(1,958,750)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,155,287	$ 3,640,339

As part of the Organizations' liquidity management plans, they have a policy to structure their financial assets to be available as its general expenditures, liabilities, and other obligations come due.

3. INVESTMENTS AND FAIR VALUE MEASUREMENT

US GAAP defines fair value and establishes a framework for measuring fair value and disclosure regarding fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Therefore, the term "price" refers to the exit price as opposed to the entry price, which is the price paid to acquire the asset or received to assume the liability. US GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value.

US GAAP describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities that are based on inputs not quoted in active markets that can be corroborated by observable market data

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Certificates of deposit are classified as Level 2, as the value of the funds are estimated using quoted prices for similar assets or liabilities that are based on inputs not quoted in active markets.

The Association’s investment in the USOE investment pool is stated at the fair value provided by the USOE. Certain alternative investments in the USOE investment pool are stated at the estimated net asset values of the underlying investments. The Association’s investment in this portfolio is classified as Level 2.

Fair value of assets measured on a recurring basis is as follows as of December 31,:

	2025		
	Level 1	Level 2	Total
Certificates of deposit	$ -	$ 1,227,414	$ 1,227,414
USOE pooled investment	-	1,879,711	1,879,711
Total investments	$ -	$ 3,107,125	$ 3,107,125

	2024		
	Level 1	Level 2	Total
Certificates of deposit	$ -	$ 1,186,912	$ 1,186,912
USOE pooled investment	-	1,648,364	1,648,364
Total investments	$ -	$ 2,835,276	$ 2,835,276

The allocation of the USOE investment pool to the Association consisted of the following for the years ended December 31,:

	2025	2024
Alternative investments*	36.69%	36.45%
Domestic equity securities	35.31%	13.23%
International equities	14.67%	38.21%
Domestic bonds	7.38%	7.21%
Cash and equivalents	5.95%	4.90%
	100%	100%

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

Total investment income consists of the following for the years ended December 31,:

	2025	2024
Interest and dividends	$ 152,190	$ 164,479
Net realized and unrealized gains (losses)	204,560	155,356
Investment income, net	$ 356,750	$ 319,835

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31,:

	2025	2024
Computers and software	$ 1,346,615	$ 1,258,919
Furniture and equipment	115,565	103,587
	1,462,180	1,362,506
Accumulated depreciation	(994,770)	(863,980)
Property and equipment, net	$ 467,410	$ 498,526

Depreciation expense related to property and equipment totaled $134,500 and $123,065 for the years ended December 31, 2025 and 2024, respectively.

5. LEASES

The Association leases office space under a long-term, non-cancelable operating lease agreement that expires on May 31, 2026. The lease agreement requires monthly payments of $5,181 to $5,864. The lease also requires the Association to pay other costs as defined in the lease agreement, which are not included in the operating lease right-of-use asset and lease liability.

Operating lease expense is included in occupancy in the accompanying consolidated statements of functional expenses and totaled $61,383 and $67,431 for the years ended December 31, 2025 and 2024, respectively.

Future maturities of lease liabilities are as follows for the year ending December 31,:

2026	$ 29,318
Total minimum lease payments	29,510
Less amount representing interest	(227)
Present value of lease liabilities	$ 29,283

Other information with respect to leases is as follows as of and for the years ended December 31,:

	2025	2024
Right-of-use assets obtained for lease liabilities	$ -	$ -
Weighted-average remaining years in lease terms	0.42	2.42
Weighted-average discount rate	4.69	4.80%

6. NET ASSETS

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

	2025	2024
Subject to expenditure for specified purpose:		
Play it Forward	$ 21,952	$ 58,622
Girls' Ultimate	71,204	67,913
Delrico Johnson Fund	8,075	12,033
Pufahl/Farricker Spirit Awards	9,332	9,730
Bakko Spirit Award	5,465	5,329
Youth	507	-
Communities	71	-
Total net assets with donor restrictions	$ 116,606	$ 153,627

Board-designated net assets consist of the following as of December 31,:

	2025	2024
Operating reserve	$ 1,627,025	$ 1,594,050
Strategic surplus	477,750	364,700
Total board-designated net assets	$ 2,104,775	$ 1,958,750

7. CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, 2025 and 2024, contributed nonfinancial assets recognized within the consolidated statements of activities included the following:

	2025	2024
Discs	$ 131,671	$ 107,960
Uniforms	125,760	155,811
Computer equipment	53,756	-
	$ 311,187	$ 263,771

Contributed discs and uniforms are valued using estimated U.S. wholesale prices of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed discs and uniforms are used in program services.

All gifts-in-kind received during the years ended December 31, 2025 and 2024 were received without donor restrictions.

8. CONCENTRATIONS

Cash and equivalents

The Organizations maintain their cash and equivalents in bank deposit accounts in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At certain times during the year the Organizations had deposits in excess of FDIC limits. This risk is managed by maintaining deposits with high-quality financial institutions. The Organizations do not anticipate nonperformance by these institutions.

9. RETIREMENT PLAN

The Association sponsors a SIMPLE IRA Plan ("Plan") covering all eligible employees. Employees may make contributions to the Plan up to the maximum allowed by the Internal Revenue Code and the Association provides a safe harbor match. The Association's contributions to the Plan for the years ended December 31, 2025 and 2024 totaled $43,371 and $42,230, respectively.

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SUPPLEMENTARY INFORMATION

USA ULTIMATE AND USA ULTIMATE FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	USA Ultimate	USA Ultimate Foundation	Total Pre-Consolidated	Eliminations	Total Consolidated
ASSETS					
Cash and equivalents	$ 2,663,412	$ 515,208	$ 3,178,620	$ -	$ 3,178,620
Accounts receivable, net	90,923	-	90,923	-	90,923
Due from related party	87,233	-	87,233	(87,233)	-
Investments	3,107,125	-	3,107,125	-	3,107,125
Prepaid expenses and other assets	61,144	-	61,144	-	61,144
Property and equipment, net	467,410	-	467,410	-	467,410
Operating lease right-of-use asset	25,520	-	25,520	-	25,520
Total assets	$ 6,502,767	$ 515,208	$ 7,017,975	$ (87,233)	$ 6,930,742
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable and accrued liabilities	$ 615,061	$ -	$ 615,061	$ -	$ 615,061
Deferred revenue	1,088,823	-	1,088,823	-	1,088,823
Due to related party	-	87,233	87,233	(87,233)	-
Operating lease liabilities	29,283	-	29,283	-	29,283
Total liabilities	1,733,167	87,233	1,820,400	(87,233)	1,733,167
Net assets:					
Without donor restrictions:					
Operating	2,197,415	311,369	2,508,784	-	2,508,784
Equity in property and equipment, net	467,410	-	467,410	-	467,410
Board-designated	2,104,775	-	2,104,775	-	2,104,775
Total net assets without donor restrictions	4,769,600	311,369	5,080,969	-	5,080,969
With donor restrictions	-	116,606	116,606	-	116,606
Total net assets	4,769,600	427,975	5,197,575	-	5,197,575
Total liabilities and net assets	$ 6,502,767	$ 515,208	$ 7,017,975	$ (87,233)	$ 6,930,742

See independent auditor's report.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

	USA Ultimate	USA Ultimate Foundation	Total Pre-Consolidated	Eliminations	Total Consolidated
ASSETS					
Cash and equivalents	$ 2,351,100	$ 530,534	$ 2,881,634	$ -	$ 2,881,634
Accounts receivable, net	35,806	-	35,806	-	35,806
Due from related party	24,849	-	24,849	(24,849)	-
Investments	2,835,276	-	2,835,276	-	2,835,276
Prepaid expenses and other assets	52,406	-	52,406	-	52,406
Property and equipment, net	498,526	-	498,526	-	498,526
Operating lease right-of-use asset	86,554	-	86,554	-	86,554
Total assets	$ 5,884,517	$ 530,534	$ 6,415,051	$ (24,849)	$ 6,390,202
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable and accrued liabilities	$ 826,773	$ -	$ 826,773	$ -	$ 826,773
Deferred revenue	1,081,481	-	1,081,481	-	1,081,481
Due to related party	-	24,849	24,849	(24,849)	-
Operating lease liabilities	98,463	-	98,463	-	98,463
Total liabilities	2,006,717	24,849	2,031,566	(24,849)	2,006,717
Net assets:					
Without donor restrictions:					
Operating	1,420,524	352,058	1,772,582	-	1,772,582
Equity in property and equipment, net	498,526	-	498,526	-	498,526
Board-designated	1,958,750	-	1,958,750	-	1,958,750
Total net assets without donor restrictions	3,877,800	352,058	4,229,858	-	4,229,858
With donor restrictions	-	153,627	153,627	-	153,627
Total net assets	3,877,800	505,685	4,383,485	-	4,383,485
Total liabilities and net assets	$ 5,884,517	$ 530,534	$ 6,415,051	$ (24,849)	$ 6,390,202

See independent auditor's report.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

	USA Ultimate	USA Ultimate Foundation	Total Pre-Consolidated	Eliminations	Total Consolidated
SUPPORT AND REVENUE					
Membership dues	$ 2,838,399	$ -	$ 2,838,399	$ -	$ 2,838,399
Competition and athlete programs	1,568,451	-	1,568,451	-	1,568,451
National team programs	472,805	-	472,805	-	472,805
Youth and community programs	150,787	-	150,787	-	150,787
Contributed nonfinancial assets	257,431	53,756	311,187	-	311,187
Contributions	66,435	91,082	157,517	(66,435)	91,082
Sponsorship and licensing	358,566	-	358,566	-	358,566
Investment income	342,613	14,137	356,750	-	356,750
Other income	307,005	2,500	309,505	-	309,505
Sales revenue (net of cost of goods sold of $24,093)	21,139	-	21,139	-	21,139
Total support and revenue	6,383,631	161,475	6,545,106	(66,435)	6,478,671
EXPENSES					
Program services:					
Youth and Community Programs	2,319,673	120,190	2,439,863	(66,435)	2,373,428
Competition Programs, Rules, and Spirit	1,628,987	-	1,628,987	-	1,628,987
National Team Programs	999,039	-	999,039	-	999,039
Total program services	4,947,699	120,190	5,067,889	(66,435)	5,001,454
Supporting activities:					
DEI and Operations	384,314	5,385	389,699	-	389,699
Board and Judicial	86,781	-	86,781	-	86,781
Fundraising	73,037	113,610	186,647	-	186,647
Total expenses	5,491,831	239,185	5,731,016	(66,435)	5,664,581
Change in net assets	891,800	(77,710)	814,090	-	814,090
Net assets, beginning of year	3,877,800	505,685	4,383,485	-	4,383,485
Net assets, end of year	$ 4,769,600	$ 427,975	$ 5,197,575	$ -	$ 5,197,575

See independent auditor's report.

USA ULTIMATE AND USA ULTIMATE FOUNDATION

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	USA Ultimate	USA Ultimate Foundation	Total Pre-Consolidated	Eliminations	Total Consolidated
SUPPORT AND REVENUE					
Membership dues	$ 2,811,576	$ -	$ 2,811,576	$ -	$ 2,811,576
Competition and athlete programs	1,359,310	-	1,359,310	-	1,359,310
National team programs	668,500	-	668,500	-	668,500
Youth and community programs	101,600	-	101,600	-	101,600
Contributed nonfinancial assets	263,771	-	263,771	-	263,771
Contributions	52,638	63,155	115,793	(52,638)	63,155
Sponsorship and licensing	372,815	-	372,815	-	372,815
Investment income	306,304	13,531	319,835	-	319,835
Other income	107,054	-	107,054	-	107,054
Sales revenue (net of cost of goods sold of $26,283)	6,619	-	6,619	-	6,619
Total support and revenue	6,050,187	76,686	6,126,873	(52,638)	6,074,235
EXPENSES					
Program services:					
Youth and Community Programs	2,168,038	52,638	2,220,676	(52,638)	2,168,038
Competition Programs, Rules, and Spirit	1,554,071	-	1,554,071	-	1,554,071
National Team Programs	1,125,415	-	1,125,415	-	1,125,415
Total program services	4,847,524	52,638	4,900,162	(52,638)	4,847,524
Supporting activities:					
DEI and Operations	462,701	-	462,701	-	462,701
Board and Judicial	132,273	1,786	134,059	-	134,059
Fundraising	64,466	38,430	102,896	-	102,896
Total expenses	5,506,964	92,854	5,599,818	(52,638)	5,547,180
Change in net assets	543,223	(16,168)	527,055	-	527,055
Net assets, beginning of year	3,334,577	521,853	3,856,430	-	3,856,430
Net assets, end of year	$ 3,877,800	$ 505,685	$ 4,383,485	$ -	$ 4,383,485

See independent auditor's report.