

AMERICAN CANOE ASSOCIATION, INC.

Financial Statements

For the Year Ended September 30, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
American Canoe Association, Inc.
Fredericksburg, Virginia

Opinion

We have audited the accompanying financial statements of American Canoe Association, Inc. (the Association - a nonprofit organization), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the

aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 judgement 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 Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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 Association's financial statements for the year ended September 30, 2024, and expressed an unmodified audit opinion on those audited financial statements in our report dated March 1, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McMillen & Company, PLLC

Colorado Springs, Colorado

March 26, 2026

AMERICAN CANOE ASSOCIATION, INC.
Statement of Financial Position
September 30, 2025
(With Summarized Comparative Amounts for 2024)

	<u>ASSETS</u>	
	<u>2025</u>	<u>2024</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,105,671	\$ 1,519,264
Accounts and other receivables		37,657
Inventory	277	7,456
Prepaid expenses	<u>101,747</u>	<u>49,977</u>
Total current assets	1,207,695	1,614,354
INVESTMENTS	515,580	189,072
PROPERTY AND EQUIPMENT:		
Land	1,659,221	1,659,221
Leasehold improvement	167,393	
Computer equipment	5,420	1,341
Furniture and equipment	35,838	26,298
Camp assets	5,000	5,000
Software - in progress	50,250	37,020
Less accumulated depreciation	<u>(20,996)</u>	<u>(15,618)</u>
Property and equipment - net	1,902,126	1,713,262
OPERATING LEASES - ROU ASSETS	<u>34,365</u>	<u>66,745</u>
TOTAL ASSETS	<u>\$ 3,659,766</u>	<u>\$ 3,583,433</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 30,619	\$ 65,047
Accrued liabilities	51,870	45,242
Deferred revenue	106,131	136,133
Operating lease liability - current portion	<u>22,531</u>	<u>32,381</u>
Total current liabilities	211,151	278,803
NONCURRENT LIABILITIES:		
Operating lease liability - noncurrent portion	<u>11,834</u>	<u>34,364</u>
Total liabilities	222,985	313,167
NET ASSETS:		
Without donor restrictions	2,629,354	2,454,167
Without donor restrictions - Board designated	536,441	517,373
With donor restrictions	<u>270,986</u>	<u>298,726</u>
Total net assets	<u>3,436,781</u>	<u>3,270,266</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,659,766</u>	<u>\$ 3,583,433</u>

See Notes to Financial Statements

AMERICAN CANOE ASSOCIATION, INC.
Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2025
(With Summarized Comparative Amounts for 2024)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2025 Totals</u>	<u>2024 Totals</u>
SUPPORT AND REVENUE:				
Membership, net discounts and refunds of \$985 and \$1,540	\$ 844,221	\$	\$ 844,221	\$ 850,874
Program income	470,961		470,961	544,240
Grants from the USOPC, excluding value-in-kind	437,730		437,730	349,504
Government grants	286,868		286,868	358,537
Contributions and other grants	198,104	67,640	265,744	241,115
Gain on insurance claim proceeds	39,808		39,808	188,338
Investment income (loss)	30,795	1,847	32,642	31,469
Insurance income and other fees	31,574		31,574	30,438
Other revenue	31,401		31,401	5,440
In-kind income	29,800		29,800	91,045
Sales of inventory, net direct costs of \$11,829 and \$5,791	(5,595)		(5,595)	7,117
Satisfied program restrictions	<u>97,227</u>	<u>(97,227)</u>		
Total support and revenue	2,492,894	(27,740)	2,465,154	2,698,117
EXPENSES:				
Program services:				
Competition	1,116,512		1,116,512	1,082,805
Membership	683,392		683,392	639,303
Safety education & instruction	<u>289,469</u>		<u>289,469</u>	<u>469,819</u>
Total program services	2,089,373		2,089,373	2,191,927
Supporting services:				
General and administrative	181,465		181,465	213,920
Fundraising	<u>27,801</u>		<u>27,801</u>	
Total supporting services	<u>209,266</u>		<u>209,266</u>	<u>213,920</u>
Total expenses	<u>2,298,639</u>		<u>2,298,639</u>	<u>2,405,847</u>
CHANGE IN NET ASSETS	194,255	(27,740)	166,515	292,270
NET ASSETS, beginning of year	<u>2,971,540</u>	<u>298,726</u>	<u>3,270,266</u>	<u>2,977,996</u>
NET ASSETS, end of year	<u>\$ 3,165,795</u>	<u>\$ 270,986</u>	<u>\$ 3,436,781</u>	<u>\$ 3,270,266</u>

See Notes to Financial Statements

AMERICAN CANOE ASSOCIATION, INC.
Statement of Functional Expenses
For the Year Ended September 30, 2025
(With Summarized Comparative Amounts for 2024)

	Membership	Safety Education & Instruction	Competition	Total Program Services	General & Administrative	Fundraising	2025 Total Expenses	2024 Total Expenses
Salaries	\$ 275,268	\$ 81,561	\$ 216,252	\$ 573,081	\$ 131,222	\$ 11,984	\$ 716,287	\$ 679,684
Other direct event costs	7,460	70	378,748	386,278	1,009		387,287	278,875
Travel	3,450		271,632	275,082			275,082	380,862
Outside contract services	2,400	30,761	127,771	160,932		11,750	172,682	214,971
Advertising & promotion	7,666	122,965		130,631			130,631	185,483
Insurance	101,383		14,182	115,565			115,565	124,392
Camp Sebago expense	62,780			62,780			62,780	92,341
Payroll tax	21,975	5,047	17,283	44,305	9,194	4,067	57,566	52,912
IT/web expenses	35,117	4,612	5,015	44,744	9,409		54,153	52,238
Employee benefits	16,995	9,296	25,278	51,569	(1,161)		50,408	40,663
Equipment rental & maintenance	9,161		35,106	44,267	514		44,781	48,088
Credit card processing fees	27,665	217	6,530	34,412	196		34,608	40,269
Safety and education	4,205	30,391		34,596			34,596	35,968
Rent	24,909		489	25,398	5,952		31,350	29,027
Grants expenses	21,000		520	21,520			21,520	31,093
Real estate & personal prop tax	15,476			15,476	2,213		17,689	17,387
Accounting fees	248			248	15,238		15,486	13,283
Office expenses	11,018	1,333	368	12,719	484		13,203	23,368
Sponsorship			11,900	11,900			11,900	10,950
Cost of goods sold	11,829			11,829			11,829	5,791
Supplies	9,035			9,035	308		9,343	11,824
Memberships & dues	7,000		1,944	8,944			8,944	8,294
DEI initiatives	8,123			8,123			8,123	3,984
Miscellaneous	5,066	2,316		7,382			7,382	
Depreciation					5,379		5,379	2,019
Bank/finance charge	149		3,494	3,643	492		4,135	3,904
Sugar Island improvements	2,633			2,633			2,633	12,004
Staff development	858	900		1,758	841		2,599	938
Telephone	1,967			1,967			1,967	2,547
Legal fees	385			385			385	385
Bad debts					150		150	3,994
Business registration fees					25		25	
Medical testing								4,100
	695,221	289,469	1,116,512	2,101,202	181,465	27,801	2,310,468	2,411,638
Less: cost of goods sold	(11,829)			(11,829)			(11,829)	(5,791)
Total expenses as reported on the statement of activities	\$ 683,392	\$ 289,469	\$ 1,116,512	\$ 2,089,373	\$ 181,465	\$ 27,801	\$ 2,298,639	\$ 2,405,847

See Notes to Financial Statements

AMERICAN CANOE ASSOCIATION, INC.
Statement of Cash Flows
For the Year Ended September 30, 2025
(With Summarized Comparative Amounts for 2024)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 166,515	\$ 292,270
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	5,379	2,019
Realized and unrealized (gains) losses	(19,396)	(29,123)
Gain on insurance proceeds	(39,808)	(188,338)
(Increase) decrease in operating assets:		
Accounts and other receivables	37,657	(34,835)
Inventory	7,179	(3,815)
Prepaid expenses	(51,770)	1,785
Operating leases - ROU assets	32,380	30,847
Increase (decrease) in operating liabilities:		
* Accounts payable	(34,428)	45,090
Accrued liabilities	6,628	10,039
Deferred revenue	(30,002)	71,743
Operating leases - lease liabilities	(32,380)	(30,847)
Total adjustments	<u>(118,561)</u>	<u>(125,435)</u>
Net cash provided by operating activities	47,954	166,835
CASH FLOWS FROM INVESTING ACTIVITIES:		
Insurance proceeds	39,808	188,338
* Purchases of property and equipment	(194,243)	(55,294)
Change in investments, net	<u>(307,112)</u>	<u>(2,186)</u>
Net cash provided (used) by investing activities	<u>(461,547)</u>	<u>130,858</u>
NET INCREASE (DECREASE) IN CASH	(413,593)	297,693
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,519,264</u>	<u>1,221,571</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,105,671</u>	<u>\$ 1,519,264</u>

* *Noncash investing activities consist of \$6,548 of capitalized software and online curriculum included in Accounts Payable as of September 30, 2024.*

See Notes to Financial Statements

AMERICAN CANOE ASSOCIATION, INC.
Notes to Financial Statements
For the Year Ended September 30, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

American Canoe Association, Inc. (the Association) is the national governing body for paddle sports, making it responsible for the promotion and development of all styles of this sport in the United States of America. The Association serves the broader paddling public by providing education related to all aspects of paddling, stewardship support to help protect paddling environments, and sanctioning of programs and events to promote paddle-sport competition, exploration, and recreation. The Association was founded in 1880 and incorporated in 1927, in the State of New York. In 2017, it acquired recognition as the national governing body for the sport of paddling with the United States Olympic & Paralympic Committee (USOPC).

Basis of Presentation

The financial statement presentation follows the recommendations of accounting principles generally accepted in the United States of America (GAAP). The Association held controlling financial interests in two dormant/defunct entities described in Note E. However, since these entities had no financial activity during the years ended September 30, 2025 and 2024, the Association has not presented these financial statements on a consolidated basis.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- 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 Association.
- Net assets with donor restrictions: net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, whereby the donor has

American Canoe Association, Inc.
Notes to Financial Statements
September 30, 2025

stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Association's checking and savings accounts.

Accounts Receivable

Accounts receivable are stated at the amount the Association expects to collect from balances outstanding at year-end. Based on the Association's experience with individuals and entities having outstanding balances, Management has determined that an allowance for doubtful accounts is not necessary.

Inventory

The Association states its inventories, using the average cost method for inventory valuation, at the lower of cost or net realizable value. Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Property and Equipment

The Association capitalizes property and equipment acquisitions with an initial cost of \$1,000 or more. Assets are recorded at cost, or fair market value if donated, and depreciated using the straight-line method over estimated useful lives.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Revenue Recognition

The Association has analyzed the provisions of the FASB's ASC Topic 606, *Revenue from Contracts with Customers*. The Association's revenue recognition policies are as follows:

- Grant revenue - The Association receives grants from the USOPC and the United States Coast Guard to support its High-Performance program and other initiatives related to the Association's exempt purpose. The Association assesses grants to determine if an exchange transaction exists. If so, revenue is recognized upon substantially satisfying the performance obligations under such exchange transactions. Grants that are considered non-exchange transactions without donor-imposed restrictions are reported as increases in net assets without donor restrictions as the associated barriers are overcome, which generally is as allowable expenditures under such agreements are incurred. The Association has elected a policy to report awards where the condition and restriction are met in the same reporting period within net assets without donor restrictions.
- Membership registrations - Membership registration revenue is recognized in an amount that reflects the consideration that the Association is entitled to in exchange for renewing memberships. Registrations are recognized as revenue upon a member's registration or renewal. Amounts collected on members' registrations are not refundable.
- Program income - Program income, including income from Camp Sebago, contains a specific delivery element, and revenue is recognized at a single point in time when ownership, risks, and rewards transfer. Revenue is recognized when events are successfully conducted.
- Merchandise sales - Merchandise sales income contains a single delivery element, and revenue is recognized at a single point in time when ownership, risks, and rewards transfer. Revenue is recognized when sales occur.

Contributions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. However, restricted

contributions are reported as an increase in net assets without donor restrictions if the restriction is satisfied in the same reporting period in which the support is recognized.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions - temporary in nature, are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfied program restrictions. Conditional promises to give, including government grants, are recognized when the conditions are substantially satisfied.

Donated Services

The Association receives in-kind sponsorships and donations from various supporters, including affiliated organizations (Note I).

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

Many volunteers have donated significant amounts of their time to the Association; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services under generally accepted accounting principles.

Leases

The Association assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position; also, smaller leases with less than material impact to the statement of financial position, both individually and in aggregate, as determined by Management, are also not recorded as assets and liabilities. Lease expense is recognized for these leases on a straight-line basis over the lease term.

The lease discount rates are determined using the implicit

rate within the lease noted from the escalation of lease payments. If that rate is unknown, the Association uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. When an incremental borrowing rate is unavailable, the Association, for certain leases, has adopted the provisions of ASU 2021-09 and has made an election to use the risk-free rate of return as a discount rate for those certain leases where other rates are not available (Note J).

Functional Allocations of Expenses

The costs of providing various programs and other activities have been presented on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel expenses are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services made by the Association's management.

Supplemental Cash Flow Information

During the years ended September 30, 2025 and 2024, the Association did not pay any income taxes or interest.

Prior-Year Comparisons

The financial statements include certain prior-year summarized comparative information in total but not by net asset activity nor by natural classification of expenses. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended September 30, 2024, from which the summarized information was derived.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Association regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Association has cash and cash equivalents as a current source of liquidity at its disposal.

The Association operates under an approved budget and anticipates collecting sufficient revenue in the future to

American Canoe Association, Inc.
Notes to Financial Statements
September 30, 2025

cover general expenditures over the next 12 months not covered by donor-restricted resources or by planned liquidation of investments. The Association maintains a target cash balance of six months' operating expense budget.

As of September 30, 2025 and 2024, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	<u>2025</u>	<u>2024</u>
Cash and Cash equivalents	\$ 1,105,671	\$ 1,519,264
Accounts and other receivables		37,657
Investments	<u>515,580</u>	<u>189,072</u>
Financial assets available	1,621,251	1,745,993
Less: net assets without donor restrictions - Board designated	(536,441)	(517,373)
Less: net assets with donor restrictions	<u>(270,986)</u>	<u>(298,726)</u>
Assets available for general expenditures	<u>\$ 813,824</u>	<u>\$ 929,894</u>

C. FAIR MARKET VALUE

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy are as follows:

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

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 Association's investment in the United States Olympic Endowment (USOE) portfolio is valued at fair value using the net asset value of the portfolio provided by the USOE. The Association's investment in this portfolio is classified as Level 2.

The Association may request partial withdrawals (including allocation gains and interest once allocations are approved) following a 30-day notification period. The Association may request full liquidation of its investments 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.

The USOE portfolio contains certain alternative investments. The Endowment's alternative investments, including investments held solely as agent, for the Association, consist of hedge equity funds, limited partnerships, real estate funds, private equity funds, bond fund trusts, and fund of funds. Collectively, the managers of alternative investments invest in a variety of securities including, but not limited to, foreign and domestic publicly traded equity and debt securities, foreign and domestic fixed income investments, domestic commercial and residential real estate, options, warrants, derivatives, and contracts. When available, fair value is based on the last sale price for securities listed on national exchanges. For securities not listed on national exchanges, fair value is determined at the last bid or asking price depending on the long or short position of the security. Investments for which quotations are not available are valued at an estimated fair value by the fund managers using various models, comparisons, and assumptions. Consideration is given to several factors, including the type of investment, risks, marketability, restrictions on disposition, quotations from other market participants and values of similar investments.

There was no significant change to the valuation methodologies used during the year.

American Canoe Association, Inc.
Notes to Financial Statements
September 30, 2025

The following tables present assets that are measured at fair value on a recurring basis:

Assets at Fair Value as of September 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
USOE pooled funds \$	<u> </u>	<u>\$ 515,580</u>	<u>\$</u>	<u>\$ 515,580</u>

Assets at Fair Value as of September 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
USOE pooled funds \$	<u> </u>	<u>\$ 189,072</u>	<u>\$</u>	<u>\$ 189,072</u>

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the recorded amount of investments in the Association's financial statements. Allocation of the USOE investment pool to the Association consisted of the following at September 30, 2025:

Alternative investments	37.14%
Domestic equities	35.65
International equities	14.58
Domestic bonds	7.59
Cash & cash equivalents	<u>5.04</u>
	<u>100.00%</u>

D. CONTRACT ASSETS AND LIABILITIES

The timing of revenue recognition, billings, and cash collections may result in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) on the Statement of Financial Position. Amounts are billed as work progresses in accordance with agreed-upon contractual terms. Revenue is recognized upon satisfaction of performance obligations (Note A).

As of September 30, the contract balances were as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Accounts receivable, net	\$	\$ 3,737	\$ 2,822
Deferred revenue	\$ 106,131	\$ 136,133	\$ 64,390

E. SUGAR ISLAND - LAND AND BUILDING

In 1901, the Association was granted possession of eight islands located in the St. Lawrence river in Canada. In 2009, a Canadian court concluded that the Association was the sole and absolute owner in fee simple of these islands. Upon receiving that court's conclusion, the Association recognized this land based on the value assessed by the Canadian authorities, \$1,300,000.

Additionally, the Association received a donation of land located in Fredericksburg, Virginia, several years ago. The land was recorded at fair market value of \$345,000 when received. Any decisions related to the use or disposal of this land require two-thirds of the Board members' vote.

F. RELATED PARTIES

The USOPC provided grant revenue of \$461,030 to the Association for the year ended September 30, 2025. As of September 30, 2025 and 2024, \$23,300 and \$0, respectively, of the USOPC grants were deferred for future recognition. The Association also received \$7,132 and \$61,045 of lodging credits (Note I) and trial management fees of \$0 and \$50,000 during the years ended September 30, 2025 and 2024, respectively. The Association is economically dependent on support from the USOPC to sustain its operations at current levels.

The Association was an 83.3% shareholder of Paddle sport Publishing, Inc. (PPI), a separate for-profit corporation. This corporation is dormant and is no longer active in business. All investments and amounts advanced to PPI by the Association have been written-off, and PPI does not have any realizable assets at this time. No accounts payable or other liabilities of PPI are reflected on these financial statements, as they are not expected to be paid.

During the year ended September 30, 2015, the Association entered into an operating agreement to form Outdoor Surety Services, LLC (OSS), along with its former CEO who owned 1% of the entity. The Association owned the other 99% of OSS. This entity was dormant/defunct as of September 30, 2017, and had no reportable financial activity during the years ended September 30, 2025 and 2024.

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G. NET ASSETS WITHOUT DONOR RESTRICTIONS: BOARD DESIGNATED

The Association's Board of Directors has identified certain purposes for designated funds. Board designated net assets are available for the following areas:

	<u>2025</u>	<u>2024</u>
ACA Olympic Fund	\$ 191,441	\$ 172,373
Fredericksburg land	<u>345,000</u>	<u>345,000</u>
Total	<u>\$ 536,441</u>	<u>\$ 517,373</u>

H. NET ASSETS WITH DONOR RESTRICTIONS: TEMPORARY IN NATURE

Temporarily restricted net assets are available for the following purpose as of September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Club Development Program	\$ 109,461	\$ 134,975
Slalom programs	59,200	62,100
Other programs	83,779	84,952
Leadership programs	<u>18,546</u>	<u>16,699</u>
Total	<u>\$ 270,986</u>	<u>\$ 298,726</u>

During the years ended September 30, 2025 and 2024, temporary restrictions were released for the following purposes:

	<u>2025</u>	<u>2024</u>
Club Development	\$ 25,514	\$ 15,025
Other programs	40,222	14,005
Other programs - DEI	14,049	13,179
Slalom programs	15,427	2,900
Sugar Island	<u>2,015</u>	<u>11,810</u>
Total	<u>\$ 97,227</u>	<u>\$ 56,919</u>

I. DONATED GOODS AND SERVICES

The amounts reflected in the accompanying financial statements as in-kind contributions are offset by equal amounts included in expenses. During the years ended September 30, 2025 and 2024, the Association recognized revenue and related expense of \$29,800 and \$91,045, respectively, for contributed goods and services. For the years ended September 30, 2025, these amounts represented lodging credits provided by USOPC (Note F) in the amount of \$7,132, contributed software utilities of

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\$7,668, and uniforms provided by DICK's Sporting Goods in the amount of \$15,000; and in 2024, these amounts represented lodging credits provided by the USOPC (Note F) in the amount of \$61,045 and uniforms provided by a commercial sponsor in the amount of \$30,000. The Association measured the lodging credits and uniforms received at the market rates shared by the USOPC and the commercial sponsor.

J. LEASES

The Association entered into a new lease for office space in February 2023, for a 12-month term, expiring March 31, 2024, requiring payments of \$1,735 per month. On March 2, 2024, the Association extended the lease agreement for an additional year with payments of \$1,787 per month, and on February 28, 2025, the Association moved offices in the same building and extended the lease for another year with payments of \$1,787.

The Association also leases certain camp areas, namely Camp Sebago, on a 10-year lease and certain office equipment.

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of September 30:

<u>Operating Leases</u>	<u>2025</u>	<u>2024</u>
Right-of-use (ROU) assets	\$ 34,365	\$ 66,745
Total ROU assets	<u>\$ 34,365</u>	<u>\$ 66,745</u>
Lease liabilities - current portion	\$ 22,531	\$ 32,381
Lease liabilities - noncurrent portion	<u>11,834</u>	<u>34,364</u>
Total operating lease liabilities	<u>\$ 34,365</u>	<u>\$ 66,745</u>

The following summarizes the line items in the statements of activities which include the components of lease expense for the years ended September 30:

<u>Leases</u>	<u>Expense Classification</u>	<u>2025</u>	<u>2024</u>
Operating*	General & administrative	\$ 5,952	\$ 5,952
	Program	<u>25,203</u>	<u>23,075</u>
Net lease cost		<u>\$ 31,155</u>	<u>\$ 29,027</u>

* Excludes short-term and small lease costs of \$15,634 and \$15,069 for 2025 and 2024, respectively.

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The following summarizes cash flow information related to leases for the year ended September 30:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 27,035	\$ 31,838

The following summarizes the weighted average remaining lease term and discount rate as of September 30:

<u>Operating</u>	<u>2025</u>	<u>2024</u>
Weighted average remaining lease term (years)	1.41	3.39
Weighted average discount rate	2.80%	2.80%

The maturities of lease liabilities as of September 30 were as follows:

<u>Operating</u>	
2026	\$ 23,196
2027	12,150
Total lease payments	35,346
Less: interest	(981)
Present value of lease liabilities:	<u>\$ 34,365</u>

K. PENSION PLAN

The Association sponsors a 401(k) plan (the Plan) for the benefit of its employees. Employees may defer a portion of their salary into the Plan, up to the statutory limit. The Association currently does not match or contribute to the Plan.

L. INSURANCE CLAIM

During the year ended September 30, 2024, structures and equipment held at Camp Sebago, a property controlled by the Association, incurred major damage requiring repairs and rebuilding. This damage resulted in the loss of income by the Association. The Association received \$73,728 and \$154,418 of insurance claim proceeds during the years ended September 30, 2025 and 2024, respectively, to replace lost revenue and cover costs of repairs and rebuilding assets. The Association had

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filed a business income loss claim and received an amount of \$33,920 in January 2025, which had been accrued as an other receivable as of September 30, 2024. In addition, the Association also accrued a liability of \$30,825, as of September 30, 2024, relating to refunds due to those who had paid for camp use but could not utilize the camp due to the storm damage.

M. EMPLOYEE RETENTION TAX CREDIT

During the year ended September 30, 2023, the Association filed claims amounting to \$109,825 under the Employee Retention Credit program. These claims relate to the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and other subsequent legislation, which allows eligible employers to receive a refundable tax credit for wages paid to employees during periods of economic hardship due to the COVID-19 pandemic.

During the year ended September 30, 2025, the Association received the full amounts and the interest earned thereon for quarters two and three of 2020 and quarters one of 2021. The last remaining amount applied for quarter four of 2020 had not yet been received, as of September 30, 2025, due to a lost check issue. The Association has not yet recognized the \$9,421 related this last quarter not received.

For the amounts received, Management believes that it has met all the eligibility criteria to retain the credits. The Association recognized the gain from these credits under the concept of loss recovery as described in ASC 410. Due to uncertainties persisting with the federal program as of September 30, 2024, Management considered the recognition of this gain in the financial statements as contingent upon the successful processing and approval of these claims by the relevant tax authorities and recognized the gains during the year ended September 30, 2025, for the amounts received.

N. INCOME TAXES

The Association qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. Accordingly, no income tax provision has been recorded. The Association's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date of

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

O. SUBSEQUENT EVENTS

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 26, 2026, the date that the financial statements were available to be issued. No subsequent events or transactions were identified for recognition or disclosure.