UNITED STATES EVENTING ASSOCIATION
AND AFFILIATE

Leesburg, Virginia

CONSOLIDATED FINANCIAL STATEMENTS

November 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors
United States Eventing Association & Affiliate
Leesburg, Virginia

Qualified Opinion

We have audited the consolidated financial statements of the United States Eventing Association and its affiliate, the USEA Foundation, (the Association), which comprise the consolidated statement of financial position as of November 30, 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 (collectively, the financial statements).

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of November 30, 2024, and its change in net assets, functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

The inventory in the statement of financial position at November 30, 2024 is $121,668. We were unable to obtain sufficient appropriate audit evidence regarding the inventory balance at November 30, 2024 as we were unable to observe the counting of physical inventories and we were unable to perform other appropriate procedures to satisfy ourselves as to the existence, quantities and condition of these inventories to access their valuation.

The area net (loss) of $126,264 in the statement of activities for the year ended November 30, 2024, consists of revenue and expenses of individual areas governed by the Association which are operated and maintained independently of the Association. We were unable to obtain sufficient appropriate audit evidence regarding the transactions comprising area net (loss).

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 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 qualified 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 issued or available to be issued.

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

In performing an audit in accordance with 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Yount, Hyde & Barbour, P.C.

Winchester, Virginia
September 17, 2025

UNITED STATES EVENTING ASSOCIATION AND AFFILIATE

Consolidated Statement of Financial Position
November 30, 2024

Assets	
Current Assets	
Cash and cash equivalents	$ 1,494,511
Accounts receivable	21,462
Other receivables	525
Inventory	121,668
Prepaid expenses and other	58,967
Total current assets	1,697,133
Investments	2,935,480
Property and Equipment, net	
Land and buildings	1,137,844
Furniture and equipment	362,324
Computer software	981,738
Property and equipment, at cost	2,481,906
Accumulated depreciation	(1,763,193)
Property and equipment, net	718,713
Total assets	$ 5,351,326
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	$ 249,469
Accrued payroll and taxes	86,536
Accrued leave liability	89,215
Deferred revenue:	
Membership dues	583,819
Events and sponsorships	25,569
Total liabilities	1,034,608
Net Assets	
Net assets without donor restrictions:	
General operating fund	672,925
Board designated funds	1,187,398
Total net assets without donor restrictions	1,860,323
Net assets with donor restrictions	2,456,395
Total net assets	4,316,718
Total liabilities and net assets	$ 5,351,326

See Notes to Consolidated Financial Statements.

UNITED STATES EVENTING ASSOCIATION AND AFFILIATE

Consolidated Statement of Activities
For the Year Ended November 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Events income and registrations	$ 1,698,869	$ - -	$ 1,698,869
Membership dues and fees	1,153,136	- -	1,153,136
Contribution and donations	379,893	89,748	469,641
Sponsorships	363,742	- -	363,742
Contributed nonfinancial assets	375,587	- -	375,587
Educational fees and registrations	59,352	- -	59,352
Administrative and other fees	316,797	- -	316,797
Merchandise inventory	150,176	- -	150,176
Annual meeting income	79,532	- -	79,532
Royalties and other income	41,627	- -	41,627
Publication advertising	17,840	- -	17,840
Area net (loss)	(126,264)	- -	(126,264)
Investment income	291,643	- -	291,643
Net assets released from restriction and transfers	40,111	(40,111)	- -
Total revenue and support	4,842,041	49,637	4,891,678
Expense			
Program services			
Competition and events	1,348,395	- -	1,348,395
Educational programs	669,830	- -	669,830
Publications and media	409,922	- -	409,922
Merchandise inventory	184,912	- -	184,912
Total program services	2,613,059	- -	2,613,059
Supporting services			
Management and general	1,965,188	- -	1,965,188
Membership development	437,861	- -	437,861
Fundraising and sponsorships	152,204	- -	152,204
Total supporting services	2,555,253	- -	2,555,253
Total expense	5,168,312	- -	5,168,312
Change in Net Assets	(326,271)	49,637	(276,634)
Net assets, beginning of year	2,186,594	2,406,758	4,593,352
Net assets, end of year	$ 1,860,323	$ 2,456,395	$ 4,316,718

See Notes to Consolidated Financial Statements.

UNITED STATES EVENTING ASSOCIATION AND AFFILIATE

Consolidated Statement of Functional Expenses
For the Year Ended November 30, 2024

	Program Services				Total	Supporting Services			Total	
	Competition and Events	Educational Programs	Publications and Media	Merchandise Inventory	Program Services	Management and General	Membership Development	Fundraising and Sponsorships	Supporting Services	Total Expenses
Advertising and promotion	$ --	$ --	$ --	$ --	$ --	$ 9,500	$ --	$ --	$ 9,500	$ 9,500
Awards and trophies	108,892	--	--	--	108,892	2,250	19,894	--	22,144	131,036
Bank and credit card fees	435	1,104	--	3,648	5,187	198,694	1,580	--	200,274	205,461
Computer expenses	486	--	801	1,260	2,547	232,919	--	--	232,919	235,466
Cost of goods sold	6,633	--	--	78,155	84,788	--	--	--	--	84,788
Depreciation and amortization	11,785	--	4,080	--	15,865	277,571	--	--	277,571	293,436
Drug and medical fees	113,750	--	--	--	113,750	--	--	--	--	113,750
Dues and subscriptions	2,954	--	--	--	2,954	6,873	--	--	6,873	9,827
Employee benefits	40,188	23,643	19,362	7,823	91,016	68,960	26,372	15,993	111,325	202,341
Instructor and consultants	85,860	59,439	84,199	340	229,838	107,331	10,030	--	117,361	347,199
Insurance	90,110	18,115	--	--	108,225	41,047	--	--	41,047	149,272
Miscellaneous expenses	7,454	1,553	340	--	9,347	10,354	5,361	--	15,715	25,062
Occupancy costs	--	--	--	--	--	89,713	--	--	89,713	89,713
Payroll processing fees	--	--	--	--	--	3,556	--	--	3,556	3,556
Payroll taxes	24,140	14,202	11,631	4,699	54,672	41,423	15,842	9,607	66,872	121,544
Pension contributions	--	--	--	--	--	53,625	--	--	53,625	53,625
Postage and handling	9,212	2,280	31,046	6,717	49,255	3,011	14,155	--	17,166	66,421
Printing and reproduction	1,342	521	68,735	776	71,374	1,622	4,201	--	5,823	77,197
Prizes in-kind	375,587	--	--	--	375,587	--	--	--	--	375,587
Professional fees	--	--	--	--	--	161,088	--	--	161,088	161,088
Salaries and wages	318,136	187,165	153,276	61,927	720,504	545,902	208,770	126,604	881,276	1,601,780
Scholarship and grants	117,124	292,715	--	5,186	415,025	39,016	--	--	39,016	454,041
Supplies and materials	12,992	5,143	11	2,641	20,787	9,044	5,062	--	14,106	34,893
Telephone and internet	--	--	--	--	--	20,422	--	--	20,422	20,422
Travel and meetings	21,315	63,950	36,441	11,740	133,446	41,267	126,594	--	167,861	301,307
Total expenses	$ 1,348,395	$ 669,830	$ 409,922	$ 184,912	$ 2,613,059	$ 1,965,188	$ 437,861	$ 152,204	$ 2,555,253	$ 5,168,312

See Notes to Consolidated Financial Statements.

UNITED STATES EVENTING ASSOCIATION AND AFFILIATE

Consolidated Statement of Cash Flows
For the Year Ended November 30, 2024

Cash Flows from Operating Activities	
Change in net assets	$ (276,634)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:	
Depreciation and amortization	293,436
Realized (gain) on marketable securities	(14,670)
Unrealized (gain) on marketable securities	(201,441)
Changes in assets and liabilities:	
Decrease in accounts and other receivables	11,606
Decrease in inventory	18,033
(Increase) in prepaid expenses and other	(18,166)
(Decrease) in accounts payable and accrued expenses	(70,627)
Increase in accrued payroll, taxes and leave liability	35,244
(Decrease) in deferred revenue	(30,567)
Net (used in) operating activities	(253,786)
Cash Flows from Investing Activities	
Sales of marketable securities	354,622
Purchases of marketable securities	(168,749)
Purchases of property and equipment	(7,000)
Net cash provided by investing activities	178,873
Net (decrease) in cash and cash equivalents	(74,913)
Cash and Cash Equivalents, beginning of year	1,569,424
Cash and Cash Equivalents, end of year	$ 1,494,511
Supplemental Non-Cash Operating Activities, in-kind donations, donated facilities and contributed services	$ 375,587

See Notes to Consolidated Financial Statements.

UNITED STATES EVENTING ASSOCIATION AND AFFILIATE

Notes to Consolidated Financial Statements

Note 1. Organization and Operations

Organization: The United States Eventing Association, Inc. (USEA) was founded in 1959 as a nonprofit educational organization dedicated to promoting and developing equestrian eventing throughout the United States of America. The Association accomplishes its mission by educating and assisting its members, including competitors, event organizers, and officials; maintaining responsible safety standards for events; registering qualified competitions and competitors; and providing training opportunities designed to improve the skills and abilities of both horse and rider. The Association's headquarters is in Leesburg, Virginia and it is activities are managed by its board of governors. The Association has approximately 13,000 members and affiliates.

Affiliate: The USEA Foundation (the "Foundation") was established in 1991 for the benefit of the United States Eventing Association (USEA). The Foundation was organized as a tax-exempt organization to support the charitable, scientific, literary and educational activities and to perform certain charitable functions and purposes of USEA. The Foundation is governed by a trust agreement and by-laws and managed by an independent board of trustees. The Association provides administrative and management services at the request of the Foundation.

Activities: The Association also carries outs its activities through various Area programs which are administered by locally appointed officials. The Association sponsors various competitions, events, educational programs, and sells educational materials, videos, and publications, and the Foundation also helps underwrite and support the Association programs and initiatives.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting: The Association prepares the consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Consequently, revenue is recognized when earned and expense when obligations are incurred.

Principles of Consolidation: The accompanying consolidated financial statements include the accounts and activities of the Association and its affiliate with all significant inter-company accounts and transactions eliminated. The consolidated entity is referred as the "Association" in the consolidated financial statements and accompanying note disclosures.

Revenue Recognition: The Association recognizes revenue when earned and expense when obligations are incurred. Membership dues are recognized ratably over the respective membership terms. Programs (including educational fees, administrative and other fees and publications), events, sponsorship, and sales income are recognized when the program or event is held or when the goods are services are provided as agreed. Contributions and donations, including in-kind donations and contributed services, are recognized at fair value when an unconditional promise-to-give is both determinable and measurable by the Association.

Income Tax Status: The Association received a favorable tax determination letter from the Internal Revenue Service in August 1981 stating that it is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code as a publicly supported organization under Section 509(a)(1). The Foundation received a favorable tax determination letter from the Internal Revenue Service in May 1992 stating that it is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code as a publicly supported organization under Section 509(a)(1). The Association and Foundation's tax exemption extends to activities related to their tax-exempt purpose to foster and promote equestrian evening. Any unrelated business activities, such as advertising, are subject to taxation.

Cash and Cash Equivalents: For financial statement presentation purposes, the Association considers highly liquid debt instruments with maturities of three months or less, including money market funds, to be cash equivalents. The Association typically has cash balances in excess of federal insurance limits. The Foundation's funds are primarily held in an investment portfolio that is generally not covered by federal insurance and is subject to economic and market risks.

Marketable Securities: Investments in marketable securities consist principally of cash and money market funds, fixed income securities, mutual bond and equity funds, and corporate stock and options reported at estimated fair value with any unrealized gain or loss included as a component of investment income. Fair value is generally determined by quoted market prices or observable quoted market prices for similar securities as of the last trading date of the fiscal year.

Accounts Receivable: The Association's accounts receivable consist of amounts due from the sales of sponsorships, advertisements, registrations and other fees. Accounts receivable are reported at their net realizable value by management periodically reviewing an aging of its receivables for collection purposes and to evaluate the necessity for an allowance for doubtful accounts. There was no bad debt expense for the year ended November 30, 2024. Management determined there was no allowance necessary for uncollectible receivables as of November 30, 2024. The opening balance in accounts receivable at December 1, 2023 was $30,688.

Inventory: Inventory consists primarily of educational publications, videos, eventing supplies and materials, and branded logo items purchased for resale. Inventory is also reported at its net realizable value based upon the lower of cost or market on an average cost basis. Management determined that a reserve for obsolescence was unnecessary as of November 30, 2024 and no significant provision for inventory obsolescence was recognized during the fiscal year then ended.

Prepaid Expenses and Deposits: The Association's prepaid expenses and other assets consist primarily of prepaid insurance, subscriptions, service contracts, membership materials, meeting expenses, and refundable security deposits generally recoverable within the subsequent fiscal year.

Property and Equipment: The Association capitalizes property and equipment acquisitions at cost or estimated fair value at the time of donation and depreciates them using the straight-line method of depreciation over their estimated useful lives, which range from 3 to 30 years. Management reviews the carrying value of property and equipment to determine if the carrying

value may not be recoverable and an impairment loss has been sustained. Management determined no such impairments occurred during the fiscal years ended November 30, 2024. Depreciation and amortization expense was $293,436 during the fiscal years ended November 30, 2024. Expenditures for repairs and maintenance that do not materially extend the useful life of an asset, supplies, and de minimis items are expensed as incurred.

Deferred Revenue: Deferred revenue consists principally of membership dues, event registrations, sponsorships, and costs reimbursements received in advance of the applicable membership period or corresponding meeting or event. Revenue from membership dues is recognized ratably over the applicable membership term. Revenue from meeting registrations, sponsorships, and costs reimbursements is recognized when the meeting or event is held. Sponsorships are either recognized in conjunction with the event being sponsored or ratably over the sponsorship agreement for agreements covering multiple program activities. The balance in deferred revenue at November 30, 2024 was $609,388. The opening balance in deferred revenue at December 1, 2023 was $639,955.

Net Assets: The Association classifies its net assets based upon the existence or lack of donor-imposed restrictions. When the Association recognizes contributions that are restricted by the donor or limited as to their use and the Association has not met the donor's restriction by the end of the reporting year, then the Association reports these amounts as net assets with donor restrictions. Restricted net assets in which the Association has met the donor's stipulations during the fiscal year are reflected as net assets released from restriction in the accompanying financial statements. Any restricted amounts received and released from restriction in the same reporting period are reported as net assets without restrictions. The components of the Association's net assets are as follows:

- *Without donor restrictions* – Represents unrestricted resources that are available to support the Association's operations at the discretion of the Association's board of governors. The Association's board of governors may internally earmark funds for specific purposes or earmark the net proceeds from certain events for educational scholarships and grants.
- *With donor restrictions* – Represents contributions and donations and interest earned on restricted investments in which donors and grantors have specified time periods or specific purposes for the funding. Net assets with donor restrictions are released from restriction by either the passage of time on time restricted support or by the Association using the funds in accordance with the donor or grantor's requirements on purpose restricted support.

Contributions and Donations: Contributions and donations are recognized in the period in which an unconditional promise-to-give is known or when a contribution is received, at the earliest point the donation is both determinable and measurable by the Association. Contributions, including any in-kind donations, donated facilities, and contributed services, are measured at fair value and recognized as net assets without donor restrictions or net assets with donor restrictions based upon the existence or lack of donor-imposed restrictions. Net assets with restrictions both received and released during the same reporting year are reflected as net assets without donor restrictions. Net assets with donor restrictions carried over from prior year that are released during the current report period are reflected as net assets released from restriction. Grants are treated as either contributory support or earned income depending upon the nature and terms of the grant agreement and other related awarding documentation, such as the proposals. Any unspent funds on conditional grants is reflected as deferred or unearned revenue.

Nonfinancial Contributions: The Association receives in-kind donations, donated facilities, and contributed services from concerned citizens, community volunteers, board members and other professionals to carry out its activities. Volunteer services that do not create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are not recognized in the accompanying financial statements although they are instrumental to the Association in carrying outs its program activities. In-kind donations, donated facilities, and contributed services meeting the requirements for recognition are recorded at estimated fair value at the time of receipt and allocated to the program and supporting services benefit in accordance with the Association functional expense allocation methodology as further detailed below. The Association may also recognize barter transactions with members similarly. During the year ended November 30, 2024, the Association recognized in-kind sponsorships of $375,587. This amount was unrestricted and used by the Association for prizes for program services.

Fair Value Measurements: The Association established a reporting framework for measuring and disclosing fair value measurements. Fair value measurement disclosures are required for assets and liabilities measured and reported at fair value in the accompanying financial statements.

Management uses a fair value measurement hierarchy based upon the lowest level of any input that is significant to the measurement with Level 3 being the lowest level of recognition. Management also attempts to maximize the use of observable inputs (Level 1 and 2) and minimize unobservable inputs (Level 3). Accordingly, the Association classifies any financial instruments valued at fair value in the following categories:

- *Level 1* – valuation methodology based upon unadjusted quoted prices for identical assets or liabilities traded in an active market that the Association has the ability to access;
- *Level 2* – valuation methodology based upon unadjusted quoted prices for similar assets and liabilities traded in active markets or identical or similar assets and liabilities in inactive markets, observable market inputs for assets and liabilities not traded in active markets, observable market inputs derived or corroborated principally by correlation or other means, or Level 1 instruments where there is a contractual restriction; and
- *Level 3* – valuation methodology is unobservable and significant to the fair value measurement.

As of November 30, 2024, the Association determined that its investments in marketable securities would all be classified as Level 1 financial instruments as fair value is determined by unadjusted published market prices or observable market prices for similar assets and liabilities. Disclosures about estimated fair values and fair value measurements were determined by the Association based upon pertinent market data and other available information as of November 30, 2024. Considerable judgment may be necessary to interpret market and financial data and to develop fair value measurements in certain circumstances, especially in regards to Level 3 financial instruments. Although the Association is unaware of any factors that would significantly affect their estimates, the Association's estimate of fair values and fair value measurements may not be indicative of amounts realized at disposition. The Association's investment portfolio is also subject to market, economic, and other geopolitical risks outside of the Association's control.

Functional Allocation of Expenses: The Association summarizes the cost of providing its various programs and activities on a functional basis in the accompanying financial statements. Accordingly, certain expenses were allocated to the program and supporting services benefited as reflected in the statement of functional expenses.

Expense	Method of Allocation
Advertising and promotion	Direct costs
Awards and trophies	Direct costs
Bank and credit card fees	Management and general
Computer expenses	Direct costs
Cost of goods sold	Direct costs
Depreciation and amortization expense	Direct costs
Drug and medical fees	Direct costs
Dues and subscriptions	Direct costs
Employee benefits	Time and effort
Instructor and consultants	Direct costs
Insurance	Direct costs
Miscellaneous expenses	Direct costs/management and general
Occupancy costs	Management and general
Payroll processing fees	Management and general
Payroll taxes	Time and effort
Pension contributions	Management and general
Postage and handling	Direct costs/management and general
Printing and reproduction	Direct costs/management and general
Prizes in-kind	Direct costs
Professional fees	Direct costs
Salaries and wages	Time and effort
Scholarship and grants	Direct costs
Supplies and materials	Direct costs/management and general
Telephone and internet	Direct costs
Travel and meetings	Direct costs

Advertising Expense: Advertising and promotional expenses are expensed when incurred with no significant amounts deferred to future fiscal years. Advertising and promotion totaled approximately $9,500 during the fiscal year ended November 30, 2024.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the report period. Upon settlement, actual results may differ from estimated amounts. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Note 3. Related Party Transactions

Given the Association's exempt purposes to foster and promoting equestrian eventing, the Association conducts business with companies that may be represented on the Association's board of governors or Foundation's board of trustees. The Association has a conflict of interest policy which requires individuals to disclose any potential conflicts and for individuals to recluse themselves from voting on matters in which apparent or perceived conflicts of interest exist. The Association also provides administrative and management services to the Foundation and the Foundation may hold and invest certain funds on behalf of the Association. At November 30, 2024, the Association owed the Foundation $16,032. During the fiscal year ended November 30, 2024, the implied value of the administrative and management services provided to the Association on a pro bono basis was estimated at $79,358. Both amounts were eliminated as inter-company transactions in the consolidated financial statements.

Note 4. Concentrations of Risk

Financial Instruments: Financial instruments that potentially subject the Association to concentrations of risk consist of deposits with banking institutions that exceed the federal insurance available for such accounts. The Association typically has cash balances in excess of federal insurance. As of November 30, 2024, the Association reported approximately $165,953 in cash balances in excess of federal insurance. The Foundation holds substantially all of its funds in investment portfolios that are not covered by federal depository insurance and are subject to economic and market risks and are subject to risk of loss.

Members and Areas: The Association receives substantial revenue and support from its member organizations in the form of sponsorships, memberships, and registration fees. Also, a significant portion of the Association's accounts receivable are due from member organizations. Additionally, the Association has ten Areas that are geographical regions as defined in the Association's by-laws. The Areas are locally governed, grass-roots educational and competitive riding activities. The Areas maintain their own bank accounts and raise funds in support of their activities. The Association provides some administrative oversight and endorses and promotes certain Area programs. The Area's account for $940,509 or 63% of the Association's cash and cash equivalents and $940,509 or 22% of the Association's net assets.

Note 5. Liquidity and Availability of Financial Assets

The Association reported no significant debt or other obligations, other than internal board designations and net assets with donor-imposed time or purpose restrictions. The following schedule reflects the Association's financial assets as of November 30, 2024 reduced by amounts not available for general use due to contractual or donor-imposed restrictions within one year of the fiscal years ended November 30, 2024:

Financial assets at end of fiscal year	
Cash and cash equivalents	$ 1,494,511
Accounts receivable	21,987
Investments	2,935,480
	4,451,978
Less amounts unavailable for general expenditure within one year:	
Donor-imposed time and purpose restrictions	(2,456,395)
Board designated funds (could be made available by board approval)	(1,187,398)
	(3,643,793)
Financial assets available to meet cash needs for general expenditure within one fiscal year	$ 808,185

As part of the Association's liquidity management, management may invest any excess funds within short-term cash money market funds or the Foundation invests its funds in an investment portfolio that also consists of fixed income securities, mutual bond and equity funds, and corporate stock and options that are subject to economic and market risk and risk of loss.

Note 6. Investments

The Association reports its investments in marketable securities at fair value in the accompanying consolidated financial statements, with any unrealized gains or losses included as a component of investment income. Fair value is determined by quoted market prices or observable market quotes for similar assets or liabilities as of the last trading date of the fiscal year. The Association's marketable securities consisted of the following at of November 30, 2024:

	Market	Cost	Unrealized Gain (Loss) Market
Market securities			
Cash and money market finds	$ 689,574	$ 685,797	$ 3,777
Fixed income and debt securities	555,135	531,351	23,784
Mutual bond and equity funds	907,157	697,167	209,990
Corporate stock	783,614	821,584	(37,970)
	$ 2,935,480	$ 2,735,899	$ 199,581

Investment income, net consisted of the following for the fiscal years ended November 30, 2024:

Interest and dividends	$ 97,233
Realized gain on sales	14,670
Unrealized gain on securities	201,441
Investment advisory and broker fees	(21,701)
Investment income, net	$ 291,643

Note 7. Fair Value Measurements

The Association adopted a reporting framework for measuring and disclosing fair value measurements. Fair value measurement disclosures are required for assets and liabilities measured and reported at fair value in the accompanying consolidated financial statements. Management uses a fair value measurement hierarchy based upon the lowest level of any input that is significant to the measurement with Level 3 being the lowest level of recognition. Management also attempts to maximize the use of observable inputs (Level 1 and 2) and minimize unobservable inputs (Level 3). The Association determined that its investments in marketable securities would all generally be classified as Level 1 and 2 financial instruments as fair value is determined by unadjusted published market prices or observable market prices for similar assets and liabilities.

As of November 30, 2024, the Association's financial instruments were categorized as follows:

	Total	Level 1	Level 2	Level 3
Cash and money market funds	$ 689,574	$ 689,574	$ - -	$ - -
Fixed income and debt securities	555,135	555,135	- -	- -
Mutual bond and equity funds	907,157	907,157	- -	- -
Corporate stock	783,614	783,614	- -	- -
Marketable securities	$ 2,935,480	$ 2,935,480	$ - -	$ - -

Note 8. Net Assets

The board designated funds consisted of the following as of November 30, 2024:

Board designated funds:	
Area administrative funds	$ 940,509
COVID-19 reserve finds	200,929
Equine research fund	45,960
	$ 1,187,398

Net assets with restrictions consisted of the following as of November 30, 2024:

Net assets with donor restrictions:	
Competition and rider funds	$ 1,900,645
Endowment corpus fund	555,750
	$ 2,456,395

Net assets with donor restrictions of $40,111 were released or transferred during the year ended November 30, 2024 by incurring expenses that satisfied the restricted purposes related to competition and riders.

Note 9. Endowment Funds

Endowment Funds: The Association maintains an endowment fund totaling $555,750 as of November 30, 2024.

Endowment funds may be created by internal designations by the board of governors or board of trustees or from contributions restricted by donors for the establishment of the endowments. As such, endowment funds may be reflected in board designated funds within the net assets without donor restrictions or within the net assets with restrictions based upon whether the endowment funds were established by internal designations by the board of governors or from donor restricted contributions or grants. There were no board designated endowment funds as of November 30, 2024.

The Association has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift at the time of donation for the donor-restricted endowment funds absent any explicit donor stipulation to the contrary. Accordingly, the Association classifies as net assets with restrictions the original value of additional donations to the fund, and accumulations of the fund in accordance with the original donors' gift instruments. The board of governors may also report earnings as a component of net assets with restrictions if so restricted by the original donor and unexpended as of the end of the reporting period. The board of governors may additionally earmark earnings from certain net assets with restrictions as board designed funds.

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate internally designated or donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purpose of the donor- restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and appreciation of investments, (6) other resources of the Association, and (7) the Association's investment policies.

Investment Strategies: The Association has adopted investment and spending policies, approved by the board of trustees, for endowment and other investment assets in an attempt to provide for a predictable stream of funding in support of the endowment purposes while preserving capital and maintaining the purchasing power of the endowment fund assets over the long-term. Accordingly, the investment policy seeks to achieve an after-cost total rate of return, including investment income as well as capital appreciation, with acceptable risk as set forth in the investment policy approved by the board of governors. As such, the investment policy calls for a well-diversified investment portfolio, including cash and money market funds to provide adequate liquidity, and certificate of deposits, government and corporate bonds, and mutual bond and equity funds that are intended to manage risk and inflation and provide for an overall reasonable market return.

Accordingly, the Association expects its endowment fund assets to produce an average rate of return commensurate with market returns over the long-term. Investment risk is determined by overall investment assets and allocations and is designed to manage overall risk with preservation of capital paramount.

Spending Policies: The Association, at least annually, reviews it financial condition and results of operations and the ongoing needs and initiatives of the Association to establish the spending policy. Other than preservation of the original corpus of the endowment, the Association may award financial support to the Association and to aspiring equestrian riders with limited resources required to prepare and complete international. The Association considers assistance for coaching, specialized training, entry fees, living costs for horse and rider, and travel. In establishing its spending policies, the Association considers the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, some of which may be required to be held in perpetuity as a component of net assets with restrictions as directed by the original donor or grantor, and the possible effects of risk, inflation, and other economic matters. The Association expects its spending policies to allow its endowment funds to grow annually. This is consistent with the Association's objective to maintain the purchasing power of the endowment funds as well as provide additional growth from investments and new gifts.

Financial Activity: The Association's endowment funds and change in endowment funds consist of the following as of and for the fiscal years ended November 30, 2024:

	With Donor Restrictions
Beginning of year, November 30, 2023	$ 555,750
Contributions	- -
Investment income	- -
Expenditures and other	- -
End of year, November 30, 2024	$ 555,750

Note 10. Retirement Plan

The Association maintains a 401(k) defined contribution retirement plan covering all employees meeting minimum eligibility requirements. Under the 401(k) plan, the Association currently makes contributions of 3.5% of eligible employee compensation as a safe-harbor non-elective contribution. Employer contributions to the plan may be subject to vesting. During the fiscal year ended November 30, 2024, the Association incurred retirement plan and matching contribution expense totaling approximately $53,625, including plan administrative expenses.

Note 11. Commitments and Contingencies

Competition and Events: The Association endorses or sponsors various competitive riding events throughout the United States of America. Given the risk associated with equestrian eventing, the Association periodically reviews the adequacy of its insurance coverage with agents and brokers specializing and insurance such activities. No assurance can be given regarding the adequacy of insurance coverage.

Group Membership and Drug Testing Agreement: The Association entered into a multi-year agreement with US Equestrian Federation for group membership and drug testing services. The agreement expires in December 2025. Pursuant to the contractual agreement, the Association is committed to pay $175,000 annually for drug testing and other services. During the fiscal years ended November 30, 2024, the Association reported $113,750 in expenses under the group membership and drug testing agreements.

Meetings and Conferences: The Association has contracts with hotels and other venues for future meetings, conferences, and events. These contracts may contain clauses whereby the Association is liable for liquidating damages in the event of cancellation. The amount of damages varies depending upon the date of cancellation, amount of space and number of rooms reserved, and percentage of rooms the hotel is able to resale. Additionally, the Association could forfeit any deposits paid upon cancellation. The Association also considers cancellation insurance depending upon the nature of the contract with the hotel when warranted.

Scholarships and Grants: The Association annually awards scholarship and grants to foster equestrian eventing and rider development. The Association accounts for any such scholarships and grants as conditional commitments per the awarding instruments in which no legal liability or contractual obligation exists with the recipients. A significant portion of the Association's net assets are also restricted for such scholarships and grants. During the fiscal years ended November 30, 2024 the Association paid scholarships and grants totaling approximately $454,041.

Existing Commitments: The Association entered into a contract with Interpodia Technology Corp. Interpodia Technology is the long-term technology partner to the Association. The Association has implemented Interpodia's technology (HorseReg equestrian sport management platform). The total contract fee as of November 30, 2024, is $283,750 over the term of the contract (through 2028).

Note 12. Subsequent Events

Management has evaluated subsequent events through September 17, 2025, the date on which these consolidated financial statements were available to be issued. No additional subsequent events have been identified.

UNITED STATES EVENTING ASSOCIATION AND AFFILIATE

Consolidating Statement of Financial Position
November 30, 2024
See Independent Auditor's Report

Assets	Association (USEA)	Foundation (USEAF)	Eliminations	Total
Current Assets				
Cash and cash equivalents	$ 1,494,511	$ - -	$ - -	$ 1,494,511
Accounts receivable	21,462	- -	- -	21,462
Other receivables	525	- -	- -	525
Due from related affiliate	- -	16,032	(16,032)	- -
Inventory, net	121,668	- -	- -	121,668
Prepaid expenses and other	53,447	5,520	- -	58,967
Total current assets	1,691,613	21,552	(16,032)	1,697,133
Investments	- -	2,935,480	- -	2,935,480
Property and Equipment, net				
Land and buildings	1,137,844	- -	- -	1,137,844
Furniture and equipment	362,324	- -	- -	362,324
Computer software	981,738	- -	- -	981,738
Property and equipment, at cost	2,481,906	- -	- -	2,481,906
Accumulated depreciation	(1,763,193)	- -	- -	(1,763,193)
Property and equipment, net	718,713	- -	- -	718,713
Total assets	$ 2,410,326	$ 2,957,032	$ (16,032)	$ 5,351,326
Liabilities and Net Assets				
Liabilities				
Accounts payable and accruals	$ 249,469	$ - -	$ - -	$ 249,469
Accrued payroll and taxes	86,536	- -	- -	86,536
Accrued leave liability	89,215	- -	- -	89,215
Due to related affiliate	16,032	- -	(16,032)	- -
Deferred revenue:				
Membership dues	583,819	- -	- -	583,819
Events and sponsorships	25,569	- -	- -	25,569
Total liabilities	1,050,640	- -	(16,032)	1,034,608
Net Assets				
Net assets without donor restrictions				
General operating fund	297,239	375,686	- -	672,925
Board designated funds	1,187,398	- -	- -	1,187,398
Total net assets without donor restrictions	1,484,637	375,686	- -	1,860,323
Net assets with donor restrictions	27,253	2,429,142	- -	2,456,395
Total net assets	1,511,890	2,804,828	- -	4,316,718
Total liabilities and net assets	$ 2,562,530	$ 2,804,828	$ (16,032)	$ 5,351,326

UNITED STATES EVENTING ASSOCIATION AND AFFILIATE

Consolidating Statement of Activities
For the Year Ended November 30, 2024
See Independent Auditor's Report

	Association (USEA)	Foundation (USEAF)	Eliminations	Total
Change in net assets without donor restrictions				
Revenue and Support				
Events income and registrations	$ 1,698,869	$ - -	$ - -	$ 1,698,869
Membership dues and fees	1,153,136	- -	- -	1,153,136
Contribution and donations	104,501	275,392	- -	379,893
Sponsorships	363,742	79,358	(79,358)	363,742
Contributed nonfinancial assets	375,587	- -	- -	375,587
Educational fees and registrations	59,352	- -	- -	59,352
Administrative and other fees	316,797	- -	- -	316,797
Merchandise inventory	150,176	- -	- -	150,176
Annual meeting income	79,532	- -	- -	79,532
Royalties and other income	41,627	- -	- -	41,627
Publication advertising	17,840	- -	- -	17,840
Area net (loss)	(126,264)	- -	- -	(126,264)
Investment income	- -	291,643	- -	291,643
Net assets released from restrictions and transfers	- -	40,111	- -	40,111
Total revenue and support	4,234,895	686,504	(79,358)	4,842,041
Expenses				
Program services				
Competition and events	1,231,271	117,124	- -	1,348,395
Educational programs	377,115	292,715	- -	669,830
Publications and media	409,922	- -	- -	409,922
Merchandise inventory	179,726	5,186	- -	184,912
Total program services	2,198,034	415,025	- -	2,613,059
Supporting services				
Management and general	1,927,439	117,107	(79,358)	1,965,188
Membership development	437,861	- -	- -	437,861
Fundraising and sponsorships	- -	152,204	- -	152,204
Total supporting services	2,365,300	269,311	(79,358)	2,555,253
Total expenses	4,563,334	684,336	(79,358)	5,168,312
Change in net assets without donor restrictions	(328,439)	2,168	- -	(326,271)
Change in net assets with donor restrictions				
Contribution and donations	- -	89,748	- -	89,748
Net assets released from restrictions and transfers	- -	(40,111)	- -	(40,111)
Change in net assets with donor restrictions	- -	49,637	- -	49,637
Change in net assets	(328,439)	51,805	- -	(276,634)
Net assets at beginning of year	1,840,329	2,753,023	- -	4,593,352
Net assets, end of year	$ 1,511,890	$ 2,804,828	$ - -	$ 4,316,718