

UNITED STATES EQUESTRIAN TEAM
FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025 and 2024

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
United States Equestrian Team Foundation, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the United States Equestrian Team Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the United States Equestrian Team Foundation, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for each of the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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

The Foundation's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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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 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 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 Foundation'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 Foundation'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.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
May 13, 2026



UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Statements of Financial Position

	December 31,	
	2025	2024
ASSETS		
Cash and cash equivalents	\$ 7,574,918	\$ 2,298,358
Contributions and pledges receivable, net	6,704,009	7,660,976
Accrued investment income and other receivables	75,273	70,903
Investments	29,161,126	24,813,635
Prepaid expenses	259,109	63,998
Right-of-use assets	20,742	41,199
Property and equipment, net	635,578	682,175
	\$ 44,430,755	\$ 35,631,244
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 69,221	\$ 26,222
Grant payable	5,000,000	-
Deferred revenue - special events	45,625	-
Lease liability	20,742	41,199
	5,135,588	67,421
Commitments (see Note L)		
Net assets:		
Without donor restrictions:		
Undesignated fund, available for general activities	2,327,135	1,758,603
Board-designated funds, functioning as endowment	7,655,587	6,981,994
	9,982,722	8,740,597
With donor restrictions:		
Purpose restrictions	9,789,943	8,165,699
Time-restricted for future periods	4,813,945	5,057,534
Perpetual in nature	14,708,557	13,599,993
	29,312,445	26,823,226
	39,295,167	35,563,823
	\$ 44,430,755	\$ 35,631,244

See notes to financial statements.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Statements of Activities

	Year Ended December 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Contributions and grants	\$ 3,542,653	\$ 6,850,883	\$ 10,393,536	\$ 2,771,128	\$ 1,184,796	\$ 3,955,924
Special events (net of direct benefits to participants of \$-0- and \$1,214,639 in 2025 and 2024, respectively)	-	1,138,894	1,138,894	1,291,729	-	1,291,729
Bequests	928,926	-	928,926	436,735	-	436,735
Interest and dividend income, net	170,309	313,105	483,414	124,930	248,659	373,589
Facility income	44,781	-	44,781	75,583	-	75,583
Other income	14,184	-	14,184	2,985	-	2,985
Total public support and revenue before net assets released from restrictions	4,700,853	8,302,882	13,003,735	4,703,090	1,433,455	6,136,545
Net assets released from restrictions	7,192,886	(7,192,886)	-	1,803,345	(1,803,345)	-
Total public support and revenue	11,893,739	1,109,996	13,003,735	6,506,435	(369,890)	6,136,545
Expenses:						
Program services:						
Competition and training – grants	7,722,213	-	7,722,213	4,134,332	-	4,134,332
Competition and training	1,902,141	-	1,902,141	2,501,751	-	2,501,751
Total program expenses	9,624,354	-	9,624,354	6,636,083	-	6,636,083
Supporting services:						
General and administrative	497,924	-	497,924	495,178	-	495,178
Fund-raising	982,351	-	982,351	853,812	-	853,812
Total supporting services	1,480,275	-	1,480,275	1,348,990	-	1,348,990
Total expenses before depreciation	11,104,629	-	11,104,629	7,985,073	-	7,985,073
Depreciation	79,521	-	79,521	88,252	-	88,252
Total expenses	11,184,150	-	11,184,150	8,073,325	-	8,073,325
Change in net assets before net realized and unrealized gains on investments	709,589	1,109,996	1,819,585	(1,566,890)	(369,890)	(1,936,780)
Net realized and unrealized gains on investments	532,536	1,379,223	1,911,759	785,794	1,724,224	2,510,018
Change in net assets	1,242,125	2,489,219	3,731,344	(781,096)	1,354,334	573,238
Net assets, beginning of year	8,740,597	26,823,226	35,563,823	9,521,693	25,468,892	34,990,585
Net assets, end of year	\$ 9,982,722	\$ 29,312,445	\$ 39,295,167	\$ 8,740,597	\$ 26,823,226	\$ 35,563,823

See notes to financial statements.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Statement of Functional Expenses

Year Ended December 31, 2025

(with summarized financial information for 2024)

	Program Services		Supporting Services				
	Competition and Training	Total Program Services	General and Administrative	Fund- Raising	Total Supporting Services	2025	2024
Grants – United States Equestrian Federation, Inc.	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,500,000	\$ 4,000,000
Grants – domestic individual athletes and other	222,213	222,213	-	-	-	222,213	134,332
Grants – LA 2028 Olympic games	5,000,000	5,000,000	-	-	-	5,000,000	-
Salaries and wages – officers	382,800	382,800	36,707	104,877	141,584	524,384	539,021
Professional fees	-	-	115,501	110,971	226,472	226,472	249,892
Catering and other fundraising event expenses	-	-	-	219,788	219,788	219,788	1,292,638
Salaries and wages – non-officers	562,808	562,808	69,269	233,782	303,051	865,859	725,899
Payroll taxes and employee benefits	344,810	344,810	65,920	96,344	162,264	507,074	465,921
Communications and public relations	135,727	135,727	25,679	205,425	231,104	366,831	458,080
Information technology	55,431	55,431	55,430	-	55,430	110,861	100,345
Office	19,310	19,310	57,928	-	57,928	77,238	89,826
Utilities, cleaning, and other occupancy expenses	20,157	20,157	60,469	-	60,469	80,626	68,801
Competition related travel and accommodations and other travel expenses	69,173	69,173	713	1,426	2,139	71,312	41,429
Insurance	181,315	181,315	7,555	-	7,555	188,870	177,895
Repairs and maintenance	118,438	118,438	-	-	-	118,438	104,724
Printing and postage	12,172	12,172	2,434	9,738	12,172	24,344	9,225
Olympic games - hospitality packages	-	-	-	-	-	-	739,984
Depreciation	60,436	60,436	7,157	11,928	19,085	79,521	88,252
Miscellaneous	-	-	319	-	319	319	1,700
Total expenses	9,684,790	9,684,790	505,081	994,279	1,499,360	11,184,150	9,287,964
Less:							
Depreciation	(60,436)	(60,436)	(7,157)	(11,928)	(19,085)	(79,521)	(88,252)
Direct benefit to donors	-	-	-	-	-	-	(1,214,639)
Total	\$ 9,624,354	\$ 9,624,354	\$ 497,924	\$ 982,351	\$ 1,480,275	\$ 11,104,629	\$ 7,985,073

See notes to financial statements.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Statement of Functional Expenses Year Ended December 31, 2024

	Program Services		Supporting Services			
	Competition and Training	Total Program Services	General and Administrative	Fund- Raising	Total Supporting Services	2024
Grants – United States Equestrian Federation, Inc.	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 4,000,000
Grants – domestic individual athletes and other	134,332	134,332	-	-	-	134,332
Salaries and wages – officers	393,485	393,485	37,732	107,804	145,536	539,021
Professional fees	-	-	127,445	122,447	249,892	249,892
Catering and other fundraising event expenses	-	-	-	1,292,638	1,292,638	1,292,638
Salaries and wages – non-officers	471,834	471,834	58,072	195,993	254,065	725,899
Payroll taxes and employee benefits	316,826	316,826	60,570	88,525	149,095	465,921
Communications and public relations	169,490	169,490	32,065	256,525	288,590	458,080
Information technology	50,173	50,173	50,172	-	50,172	100,345
Office	22,457	22,457	67,369	-	67,369	89,826
Utilities, cleaning, and other occupancy expenses	17,200	17,200	51,601	-	51,601	68,801
Competition related travel and accommodations and other travel expenses	40,186	40,186	414	829	1,243	41,429
Insurance	170,779	170,779	7,116	-	7,116	177,895
Repairs and maintenance	104,724	104,724	-	-	-	104,724
Printing and postage	4,613	4,613	922	3,690	4,612	9,225
Olympic games - hospitality packages	739,984	739,984	-	-	-	739,984
Depreciation	67,072	67,072	7,942	13,238	21,180	88,252
Miscellaneous	-	-	1,700	-	1,700	1,700
Total expenses	6,703,155	6,703,155	503,120	2,081,689	2,584,809	9,287,964
Less:						
Depreciation	(67,072)	(67,072)	(7,942)	(13,238)	(21,180)	(88,252)
Direct benefit to donors	-	-	-	(1,214,639)	(1,214,639)	(1,214,639)
Total	\$ 6,636,083	\$ 6,636,083	\$ 495,178	\$ 853,812	\$ 1,348,990	\$ 7,985,073

See notes to financial statements.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Statements of Cash Flows

	Year Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 3,731,344	\$ 573,238
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	79,521	88,252
Donor restricted endowment contributions to be held in perpetuity	(1,673,564)	(209,064)
Net realized and unrealized gains on investments	(1,911,759)	(2,510,018)
Donated securities	(1,319,634)	(1,022,600)
Proceeds from sales of donated securities	1,319,634	1,022,600
Noncash lease amortization	20,457	20,178
Changes in assets and liabilities:		
Contributions and pledges receivable	956,967	509,479
Accrued investment income and other receivables	(4,370)	(26,754)
Prepaid expenses	(195,111)	668,389
Accounts payable and accrued expenses	42,999	(14,925)
Grant payable	5,000,000	-
Deferred revenue - special events	45,625	-
Lease liability	(20,457)	(20,178)
Net cash provided by (used in) operating activities	<u>6,071,652</u>	<u>(921,403)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(32,924)	-
Purchases of investments	(28,665,591)	(10,951,800)
Proceeds from sales of investments	<u>26,229,859</u>	<u>10,338,281</u>
Net cash used in investing activities	<u>(2,468,656)</u>	<u>(613,519)</u>
Cash flows from financing activities:		
Donor-restricted endowment contributions to be held in perpetuity	<u>1,673,564</u>	<u>209,064</u>
Net change in cash and cash equivalents	5,276,560	(1,325,858)
Cash and cash equivalents, beginning of year	<u>2,298,358</u>	<u>3,624,216</u>
Cash and cash equivalents, end of year	<u><u>\$ 7,574,918</u></u>	<u><u>\$ 2,298,358</u></u>

See notes to financial statements.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE A - SUMMARY OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

[1] The Foundation:

The United States Equestrian Team Foundation, Inc. (the "Foundation"), incorporated in New Jersey in 1950 and formerly known as the United States Equestrian Team, Inc. (the "Team"), was formed as a not-for-profit organization to provide training, preparation, and financing to teams and individuals representing the United States in the Olympic Games, Pan-American Games, and other national and international competitions.

In 2003, the Team amended its by-laws to change its name and redefine its mission to raise funds and make grants to support international, high-performance, equestrian activities and teams, based on a plan agreed to by the Team and USA Equestrian, Inc. ("USAE") to create a new national governing body ("NGB") for the equestrian sport. The plan, structured to incorporate the strengths of each organization, created a new entity, the United States Equestrian Federation, Inc. ("USEF"), to carry on certain activities previously performed by the Team and USAE and established that the USEF is to provide all services required for equestrian sport, both national and international, to meet the obligations of a United States Olympic Committee-designated NGB. Effective December 1, 2003, the Team ceased its equestrian training and competition-related activities and commenced operations as the Foundation.

The Foundation is exempt from federal income tax under provisions of Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code") and from state and local taxes under comparable laws.

[2] Basis of accounting:

The accompanying financial statements of the Foundation have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

[3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

[4] Cash and cash equivalents:

For financial reporting purposes, the Foundation considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents are invested in money-market funds, certificates of deposit, and government-backed securities.

[5] Investments:

The Foundation's investments in equity securities, real estate investment trusts, preferred shares, private credit funds, exchange-traded funds, fixed-income bonds, and other fixed-income securities are reported at their fair values in the statements of financial position based on quoted market prices.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE A - SUMMARY OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[5] Investments: (continued)

The Foundation has investments in not-readily-marketable securities, which are comprised of an ownership interest in real estate investment trusts, preferred shares and private credit funds, for which a readily determinable fair value does not exist. The fair values of these investments have been estimated based on the respective net asset value ("NAV") per share (or its equivalent unit), as reported by the investment managers without adjustment, unless it is probable that the investment will be sold at a value significantly different than the reported NAV. Because of the complex management structures and nature of the underlying investments and the inherent uncertainty of the valuation of these investments, the Foundation's management and its investment managers monitor their positions to reduce the risk of potential losses due to changes in fair values or the failure of counterparties to perform on a routine basis. Management believes the carrying amount of the investments in non-publicly traded securities is a reasonable estimate of their fair value. However, such estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

The Foundation's investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted through donor stipulation. Realized gains and losses on readily-marketable securities are determined by comparison of the cost at the time of acquisition to proceeds at the time of disposition. Distributions from not-readily-marketable securities that represent returns of contributed capital reduce the cumulative cost basis of the respective investment. Distributions received from not-readily-marketable securities in excess of the Foundation's cumulative cost basis are recognized as realized gains. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.

Donated securities are recorded at their estimated fair values or by their net asset values as determined by the Foundation's management on the dates of donation. The Foundation's policy is to sell the donated securities immediately, and, accordingly, for purposes of the statements of cash flows, donated securities and the proceeds generated from their sale are included within operating activities.

Investment expenses include the services of investment managers. The balances of investment management fees disclosed in Note C are those specific fees charged by the Foundation's investment managers in each year; however, they do not include those fees that are embedded in various other investment accounts and transactions.

[6] Property and equipment:

Property and equipment are stated at their original costs at the date of acquisition, or, if contributed, at their fair values at the dates of donation, less accumulated depreciation. The Foundation capitalizes items of property and equipment that have a cost of \$2,500 or more and a useful life greater than one year, whereas minor costs of repairs and maintenance are expensed as incurred. Depreciation is calculated using the straight-line method over estimated useful lives of the related assets, which range from five to twenty-five years for improvements; three to ten years for office equipment; and five years for vehicles.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE A - SUMMARY OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[6] Property and equipment: (continued)

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and when triggering events indicate that the fair value of long-lived assets may be less than the carrying value and recognizes any impairment in the year of determination. There were no triggering events occurring which would impact property and equipment requiring management to test for, or adjust for, impairment losses during 2025 or 2024. However, it is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[7] Net assets:

(i) *Net assets without donor restrictions:*

Net assets without donor restrictions represent those resources for which there are no restrictions by donors as to their use and are therefore available for current operations. The Board of Trustees has designated a portion of net assets without donor restrictions to serve as an endowment for the Foundation to provide reserves for various Foundation programs (see also Note E).

(ii) *Net assets with donor restrictions:*

Net assets with donor restrictions represent those resources that are subject to donor imposed restrictions, such as specific purposes and/or the passage of time. Also included within net assets with donor restrictions are donor restrictions that are perpetual in nature and subject to the requirements of the State of New Jersey's Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). These donors have stipulated that those resources be maintained in perpetuity, with the resultant income and net capital appreciation arising from the underlying assets to be used in satisfaction of the wishes of those donors. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, or funds are appropriated through an action of the Board of Trustees, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as "net assets released from restrictions."

[8] Revenue recognition:

(i) *Contributions and grants:*

Contributions to the Foundation are recognized as revenue upon the receipt of cash or other assets, or of unconditional pledges. Contributions are reported as "with donor restrictions" if they are received with donor stipulations or time considerations as to their use. Conditional contributions are recognized when the donor's conditions have been met by requisite actions of the Foundation's management or necessary events have taken place. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved. Management reserves a portion of pledges and contributions receivable as uncollectible based on historical percentage of previously uncollected accounts. The Foundation records bequest income at the time it has an established right to a bequest and the proceeds are measurable. During the year ended December 31, 2024, the Foundation received a conditional contribution of \$500,000. Of the \$500,000, there was \$100,000 recognized in 2024 and the conditional amount remaining as of December 31, 2024 was \$400,000. During the year ended December 31, 2025, an additional \$100,000 was recognized and the conditional amount remaining as of December 31, 2025 was \$300,000.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE A - SUMMARY OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[8] Revenue recognition: (continued)

(ii) *Special events:*

The Foundation holds various fund-raising events to raise money for its operations. Gross proceeds paid by attendees at special events represent contribution revenue, as well as the payment of the direct cost of the benefits received by the attendee at the event, considered exchange revenue. Special event income is reported net of the direct benefits to donors. The exchange portion of the total proceeds received is recognized as revenue when the special event takes place. The exchange portion of special event proceeds for a future year's event is deferred and recognized when the event takes place. The contribution portion is considered restricted by donors for time until the event takes place.

(iii) *Facility income:*

Facility income is recognized in the statements of activities according to the terms of each individual contract as the underlying services are provided or the obligations have been met.

[9] Grants expense:

The Foundation recognizes unconditional grants and awards to others as expenses when approved by the Board of Trustees. Unconditional grants approved but unpaid at year-end are recorded as liabilities on the statements of financial position. Multi-year grants are recorded at present value using a discount rate appropriate at the time of approval, with the discount accreted over the payment period. Conditional grants are recognized as expense when the recipient has substantially met the conditions stipulated in the grant agreement.

As of December 31, 2025, the Foundation had a grant payable of \$5,000,000, which was paid in January 2026. There was no grant payable as of December 31, 2024. There were no conditional grants outstanding as of December 31, 2025 or 2024.

[10] Functional allocation of expenses:

The costs of providing the Foundation's various program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present expenses by function and natural classification. Accordingly, direct costs have been functionalized within the program and supporting services based on the nature of the expense. Indirect costs have been allocated on the basis of time, with the exception of rent, which has been allocated based on square footage.

[11] Income tax uncertainties:

The Foundation is subject to the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. For the Foundation, these provisions could be applicable to the incurrence of unrelated business income tax ("UBIT"). Because of the Foundation's general tax-exempt status, ASC Topic 740 has not had, and is not anticipated to have, a material impact on the Foundation's financial statements.

[12] Subsequent events:

The Foundation evaluated subsequent events through May 13, 2026, the date on which the financial statements were available to be issued.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE B - CONTRIBUTIONS AND PLEDGES RECEIVABLE

At each year-end, contributions and pledges receivable are estimated to be collected as follows:

		December 31,	
		2025	2024
2025	\$	-	\$ 2,603,442
2026		3,028,958	2,065,667
2027		1,955,667	1,730,667
2028		2,069,333	1,822,667
2029		71,000	70,000
		7,124,958	8,292,443
Less: estimated uncollectible pledges		(101,921)	(115,910)
		7,023,037	8,176,533
Reduction of pledges due in excess of one year to present value, using a discount rate of 3.25%		(319,028)	(515,557)
		\$ 6,704,009	\$ 7,660,976

NOTE C - INVESTMENTS

At each year-end, investments consisted of the following:

		December 31,			
		2025		2024	
		Fair Value	Cost	Fair Value	Cost
Equity securities (a)	\$	16,410,143	\$ 14,988,346	\$ 11,275,800	\$ 8,931,927
Real estate investment trusts		2,131,942	1,986,224	2,011,887	1,992,795
Exchange-traded funds (b)		2,000,562	1,946,138	3,840,303	2,925,183
Fixed-income bonds:					
Government		2,930,545	2,923,508	1,855,940	1,912,216
Corporate		1,818,220	1,788,895	1,928,837	1,932,051
Other fixed income securities (c)		2,560,151	2,526,655	2,119,126	2,127,332
Preferred shares (d)		399,000	358,961	399,000	399,000
Private credit funds (e)		910,563	650,000	1,382,742	1,343,978
	\$	29,161,126	\$ 27,168,727	\$ 24,813,635	\$ 21,564,482

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE C - INVESTMENTS (CONTINUED)

- (a) Invested in domestic and international common stock.
- (b) Invested in large blend, foreign large blend, diversified emerging markets, and mid-cap blend.
- (c) Includes asset-backed securities, mortgage-backed securities, and collateralized mortgage obligations.
- (d) Invested in D-1 cumulative redeemable preferred stock with an investment strategy in real estate. This is a preferred security that pays income.
- (e) Invested in primarily domestic middle market companies, debt, and equity investments.

During each year, investment returns consisted of the following:

	Year Ended December 31,	
	2025	2024
Interest and dividends	\$ 646,576	\$ 527,875
Investment management fees	(163,162)	(154,286)
	483,414	373,589
Realized gains	3,168,513	2,232,677
Unrealized (losses) gains	(1,256,754)	277,341
	1,911,759	2,510,018
	\$ 2,395,173	\$ 2,883,607

FASB's ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

- Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments at the reporting date.
- Level 2: Valuations are based on: (i) quoted prices for similar investments in active markets; (ii) quoted prices for those investments or similar investments in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable on the reporting date.
- Level 3: Valuations are based on unobservable pricing inputs and include situations where: (i) there is little, if any, market activity for the investments; or (ii) the investments cannot be independently valued.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE C - INVESTMENTS (CONTINUED)

The availability of market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period. During the years ended December 31, 2025 and 2024, the Foundation did not have any transfers between any of the levels of the fair value hierarchy.

The following tables summarize the fair values of the Foundation's investments at each year-end, in accordance with the ASC Topic 820 valuation levels:

	December 31, 2025			
	Amounts Within Fair-Value Hierarchy			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 16,410,143	\$ -	\$ -	\$ 16,410,143
Real estate investment trusts	180,836	-	1,951,106	2,131,942
Exchange-traded funds	2,000,562	-	-	2,000,562
Fixed-income bonds	-	4,748,765	-	4,748,765
Other fixed income securities	-	2,560,151	-	2,560,151
Preferred shares	-	-	399,000	399,000
Private credit funds	-	-	910,563	910,563
	<u>\$ 18,591,541</u>	<u>\$ 7,308,916</u>	<u>\$ 3,260,669</u>	<u>\$ 29,161,126</u>

	December 31, 2024			
	Amounts Within Fair-Value Hierarchy			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 11,275,800	\$ -	\$ -	\$ 11,275,800
Real estate investment trusts	205,295	-	1,806,592	2,011,887
Exchange-traded funds	3,840,303	-	-	3,840,303
Fixed-income bonds	-	3,784,777	-	3,784,777
Other fixed income securities	-	2,119,126	-	2,119,126
Preferred shares	-	-	399,000	399,000
Private credit funds	-	-	1,382,742	1,382,742
	<u>\$ 15,321,398</u>	<u>\$ 5,903,903</u>	<u>\$ 3,588,334</u>	<u>\$ 24,813,635</u>

During the year ended December 31, 2025, the Foundation purchased \$144,514 and sold \$472,179 of Level 3 assets. During the year ended December 31, 2024, the Foundation purchased \$810,418 of Level 3 assets.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE C - INVESTMENTS (CONTINUED)

The following table provides information on the valuation technique and nature of significant unobservable inputs used to determine the value of level 3 assets:

Investment	Valuation Technique	Fair Value at December 31, 2025	Fair Value at December 31, 2024	Unobservable Inputs	Range of Inputs
Real estate investment trusts	Net Asset Value	\$ 1,951,106	\$ 1,806,592	N/A	N/A
Preferred shares	Net Asset Value	\$ 399,000	\$ 399,000	N/A	N/A
Private credit funds	Net Asset Value	\$ 910,563	\$ 1,382,742	N/A	N/A

NOTE D - PROPERTY AND EQUIPMENT

At each year-end, property and equipment consisted of the following:

	December 31,	
	2025	2024
Improvements	\$ 5,652,491	\$ 5,619,567
Office equipment	15,295	15,295
Vehicles	67,158	67,158
	5,734,944	5,702,020
Less: accumulated depreciation	(5,099,366)	(5,019,845)
	<u>\$ 635,578</u>	<u>\$ 682,175</u>

NOTE E - DESCRIPTION OF NET ASSETS WITHOUT DONOR RESTRICTIONS

[1] Undesignated fund, available for general activities:

The portion of net assets without donor restrictions described as “undesignated fund, available for general activities” represent those resources for which there are no restrictions by donors as to their use and are available for current operations.

[2] Board-designated funds functioning as endowment:

The Board has approved \$75,000 for each of the years ended December 31, 2025 and 2024, as additions to the Board-designated funds. These additions to the Board-designated funds are considered to be related to the return of net assets with donor restrictions and held in perpetuity that were previously released by those donors.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE E - DESCRIPTION OF NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED)

[2] Board-designated funds functioning as endowment: (continued)

(i) *Capital Fund:*

The Capital Fund is the Foundation's principal investment fund. It represents a reserve intended (i) to make monies available for yearly expenses should the undesignated fund not generate sufficient revenues to meet such expenses, and (ii) to provide monies for any major capital expenditures which the Board of Trustees may approve and the costs of which cannot be met by either current or special contributions.

Yearly income of the Capital Fund can be transferred by management to the undesignated category to meet operating expenses as required. The principal of the Capital Fund may be used for operating purposes or for capital expenditures only at the discretion of the Board. The Capital Fund may be discontinued and the monies in the Capital Fund transferred to another fund, at the discretion of the Board.

(ii) *National Endowment Campaign Fund:*

The National Endowment Campaign Fund (the "Campaign Fund") was established to accommodate donors who have not restricted their campaign gifts. Donors may direct that the investment income on their gifts be unrestricted or designated as the Board chooses for a particular discipline or purpose. The Campaign Fund may be discontinued and the monies in the Campaign Fund transferred to another fund, at the discretion of the Board of Trustees.

(iii) *Clark and Stone Fund:*

The Forrester and Catherine Clark Fund (the "Clark Fund") was established by the Foundation's Executive Committee in honor of these two major benefactors of the Foundation. The Anne and Whitney Stone Memorial Fund (the "Stone Fund") was established by the Executive Committee, in accordance with a bequest from the estate of Mrs. Stone, to honor these two major benefactors of the Foundation. In January 2007, the Board approved combining the Clark Fund and the Stone Fund forming the Clark and Stone Fund to continue their original purposes of providing support to operations and programs, as the Board of Trustees chooses.

Yearly income of the Clark and Stone Fund may be transferred to the Operating Fund to meet operating expenses, as required. The principal of the Clark and Stone Fund may be used for operating purposes or for capital expenditures only at the discretion of the Board. The Clark and Stone Fund may be discontinued and the monies in the Clark and Stone Fund transferred to another fund, at the discretion of the Board.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE E - DESCRIPTION OF NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED)

[2] Board-designated funds functioning as endowment: (continued)

(iv) *Asmis, Baan, Caleel Dressage Fund:*

The Carl-Heinrich Asmis Fund was established with a contribution from Mrs. Asmis. Grants were made annually from the Carl-Heinrich Asmis Fund to assist American dressage riders, competing at the fourth level or above, with the expenses incurred to gain training and/or competitive experience in Europe. The Fiona V. Baan Fund was established by the Board of Trustee in recognition of Mrs. Baan's 27 years of dedication to the Foundation and for the development of dressage in America. It has been used to support those riders who have come up through the ranks of the Foundation's Young Riders Program, as they work toward making the transition toward FEI-level competition. The Maria Caleel Memorial Fund was established with a contribution from Dr. and Mrs. Richard Caleel. Yearly income from the Maria Caleel Memorial Fund was used to make a grant annually to the winner of the Prix St. Georges/Intermediate I Championship, to assist with the expenses of training with a trainer approved by the Dressage Committee.

In January 2007, the Board approved combining the Asmis, Baan, and Caleel Funds to continue their original purposes of providing athlete dressage grants, but at the discretion of the Board. Yearly income will assist riders, through grants, with their continuing dressage training. The Fund Committee, appointed by the Executive Committee of the Board, will select the recipients of grants. The Fund may be discontinued and the monies in the Asmis, Baan, and Caleel Fund transferred to another fund, at the discretion of the Board.

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

At each year-end, net assets with donor restrictions consisted of the following:

	December 31,	
	2025	2024
Restricted for future periods	\$ 4,813,945	\$ 5,057,534
Purpose restricted:		
Awards	1,232,966	836,169
Facility maintenance	1,225,288	1,190,169
	2,458,254	2,026,338
Subject to appropriation:		
Accumulated endowment earnings	7,331,689	6,139,361
Perpetual in nature:		
Supporting International High Performance Disciplines	14,708,557	13,599,993
	\$ 29,312,445	\$ 26,823,226

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

**Notes to Financial Statements
December 31, 2025 and 2024**

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

During each year, net assets released from restrictions resulted from satisfying the following donor restrictions:

	Year Ended December 31,	
	2025	2024
Time restrictions satisfied	\$ 1,382,483	\$ 931,063
Purpose restrictions satisfied:		
Awards	5,258,255	475,000
Facility maintenance	52,148	47,282
	5,310,403	522,282
Appropriations – endowment income	500,000	350,000
	\$ 7,192,886	\$ 1,803,345

NOTE G - ACCOUNTING AND REPORTING FOR ENDOWMENT

[1] The endowment:

The Foundation's endowment was established based on its mission and consists of both one donor-restricted endowment fund and four funds designated by the Board of Trustees to function as endowment (see Note E[2]).

[2] Funds with deficiencies:

Due to unfavorable market fluctuations, from time to time, the fair value of assets associated with individual donor-restricted endowment funds may decline below the historical dollar value of the donor's original contribution to be held in perpetuity. In 2025 and 2024, there were no such deficiencies.

[3] Return objectives and risk parameters:

The Foundation has adopted an investment objective and guidelines policy for endowment assets. The overall financial objective of the endowment assets is to provide the operations of the Foundation with a relatively stable stream of spendable revenue that increases over time. If this is to be achieved over the long-term, the real (inflation-adjusted) value of the endowment assets must be preserved net of annual distribution to programs. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity, as well as Board-designated funds. The detailed guidelines monitored closely by the Investment Committee include:

- Asset diversification provides reasonable assurance that no single security or class of security will have disproportionate impact on the total endowment assets.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE G - ACCOUNTING AND REPORTING FOR ENDOWMENT (CONTINUED)

[3] Return objectives and risk parameters: (continued)

- Endowment assets are divided into four parts: (i) a “fixed-income fund”, (ii) an “equity fund”, (iii) an “alternatives fund”, and (iv) a “cash and cash equivalents fund” to ensure that the overall allocation between these four asset classes remains under the regular review of the Investment Committee.

The “fixed-income fund” should on average represent between 10% to 20% of the total endowment assets at market value to provide a hedge against severe deflation, reduce the overall volatility of the endowment assets’ market value, and produce current income. This portion of the endowment assets is to achieve a total return, net of fees, superior to that of the Bank of America/Merrill Lynch 10-Year Corporate Bond Index, and at an average total return of institutional-quality fixed income managers.

The “equity fund” should on average represent between 50% to 75% of the total endowment assets at market value, and is to provide an average annual total return.

The “alternative investment fund” should on average represent between 0% to 20% of the total endowment assets at market value, and is to provide an average annual total return.

The “cash and cash equivalents fund” should on average represent between 2% to 10% of the total endowment assets.

- Minimum ratings, U.S. Treasury and agency allowances, classes of investments not permitted (margin transactions, K-1 investments, investments that generate UBIT, and crypto assets), holding limits and liquidity of investments are specified.

The long-term investment objective for the endowment assets is to attain a total return (net of investment management fees) above the rate of inflation, as measured by the Consumer Price Index.

[4] Strategies employed for achieving objectives:

To satisfy its long-term, rate-of-return objectives, the Foundation relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on cash-based investments to achieve its long-term return objectives within prudent risk constraints.

[5] Spending policy and how the investment objectives relate to the spending policy:

The Investment Committee, when authorized by the Board of Trustees, may appropriate, at its discretion, a portion of the endowment assets based on an average endowment market value, to meet current needs. In setting this amount, the Board considers the long-term expected return on its endowment. During 2025, the Board appropriated \$500,000 for operations. During 2024, the Board appropriated \$350,000 for operations.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE G - ACCOUNTING AND REPORTING FOR ENDOWMENT (CONTINUED)

[6] Endowment net-asset composition by type of fund:

December 31, 2025			
Without Donor Restriction	With Donor Restrictions		Total
	Amounts Subject to Appropriation	Amounts Held in Perpetuity	
Donor-restricted funds	\$ -	\$ 14,708,557	\$ 22,040,246
Board-designated funds	7,655,587	-	7,655,587
Total endowment funds	<u>\$ 7,655,587</u>	<u>\$ 14,708,557</u>	<u>\$ 29,695,833</u>

December 31, 2024			
Without Donor Restriction	With Donor Restrictions		Total
	Amounts Subject to Appropriation	Amounts Held in Perpetuity	
Donor-restricted funds	\$ -	\$ 13,599,993	\$ 19,739,354
Board-designated funds	6,981,994	-	6,981,994
Total endowment funds	<u>\$ 6,981,994</u>	<u>\$ 13,599,993</u>	<u>\$ 26,721,348</u>

Amounts subject to appropriation represent that portion of allocated investment income, derived from endowment assets held in perpetuity, that have not been appropriated by the Board of Trustees for expenditure.

[7] Changes in endowment net assets:

December 31, 2025			
Without Donor Restriction	With Donor Restrictions		Total
	Amounts Subject to Appropriation	Amounts Held in Perpetuity	
Endowment funds, beginning of year	\$ 6,981,994	\$ 13,599,993	\$ 26,721,348
Contributions	75,000	1,108,564	1,183,564
Investment income	598,593	-	2,290,921
Less: investment return appropriated for operations	-	-	(500,000)
Endowment funds, end of year	<u>\$ 7,655,587</u>	<u>\$ 14,708,557</u>	<u>\$ 29,695,833</u>

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE G - ACCOUNTING AND REPORTING FOR ENDOWMENT (CONTINUED)

[7] Changes in endowment net assets: (continued)

	December 31, 2024			
	Without Donor Restriction	With Donor Restrictions		Total
		Amounts Subject to Appropriation	Amounts Held in Perpetuity	
Endowment funds, beginning of year	\$ 6,205,739	\$ 4,516,478	\$ 12,942,499	\$ 23,664,716
Contributions	75,000	-	657,494	732,494
Investment income	701,255	1,972,883	-	2,674,138
Less: investment return appropriated for operations	-	(350,000)	-	(350,000)
Endowment funds, end of year	<u>\$ 6,981,994</u>	<u>\$ 6,139,361</u>	<u>\$ 13,599,993</u>	<u>\$ 26,721,348</u>

Amounts subject to appropriation represent that portion of allocated investment income, derived from endowment assets held in perpetuity, that have not been appropriated by the Board of Trustees for expenditure. Additionally, included in the tables above, within amounts held in perpetuity, are pledges receivable of \$143,531 and \$201,167 as of December 31, 2025 and 2024, respectively.

NOTE H - EMPLOYEE-BENEFIT PLAN

The Foundation maintains a defined-contribution employee-benefit plan under Section 403(b) of the Code covering all employees. The plan provides for matching contributions by the Foundation of 50% of employee contributions for both 2025 and 2024. Employees may contribute up to the maximum allowed by the Internal Revenue Service. All contributions by the participants and the Foundation are 100% vested and nonforfeitable. The Foundation made matching contributions of \$81,663 and \$87,100 to the plan on behalf of its employees for both 2025 and 2024, respectively.

NOTE I - CONVEYED PROPERTIES

In February 2001, the Foundation was granted an easement for approximately 120 acres of the land and buildings that had previously been set aside for the Foundation's use. This conveyance provides for the use of the land and buildings in perpetuity, at no cost to the Foundation other than for related maintenance and repairs. The Foundation does not have title to the land or buildings and, accordingly, does not have any rights associated with ownership. The Foundation may only use the land and buildings for equestrian purposes; the character of the property is to remain as it was at the date of the grant, and any alterations or modifications to the existing landscape must be approved by the grantor. This conveyance is not included as a contribution or an asset in the accompanying financial statements.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE J - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Foundation's financial assets as of the statements of financial position date, reduced by amounts not available for general use within one year of December 31, 2025 and 2024, because of contractual or donor-imposed restrictions or internal designations:

	December 31,	
	2025	2024
Cash and cash equivalents	\$ 7,574,918	\$ 2,298,358
Pledges and contributions receivable, net	6,704,009	7,660,976
Accrued investment income receivable	75,273	70,903
Investments	29,161,126	24,813,635
Total financial assets available within one year	43,515,326	34,843,872
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restrictions by donors with purpose restrictions	(9,789,943)	(8,165,699)
Restrictions by donors with time restrictions	(4,813,945)	(5,057,534)
Restricted by donors that are perpetual in nature	(14,708,557)	(13,599,993)
Total amounts unavailable for general expenditure within one year	(29,312,445)	(26,823,226)
Amounts unavailable to management without Board approval:		
Board-designated endowment	(7,655,587)	(6,981,994)
Total financial assets available to meet cash needs for general expenditures within one year	\$ 6,547,294	\$ 1,038,652

Liquidity policy:

The Foundation's policy is to structure its financial assets to be available for its general expenditures, liabilities and other obligations as they come due. Additionally, the Foundation has Board-designated net assets without donor restrictions that, although the Foundation does not intend to spend for purposes other than those identified, could be used to help manage unanticipated liquidity needs, if needed.

NOTE K - CONCENTRATION OF CREDIT RISK

The Foundation deposits cash in financial institutions in amounts which, at times, may exceed the federally insured limits. The Foundation's cash is held at major financial institutions. The Foundation has not experienced any losses in such accounts. Management monitors the risk associated with concentrations on an ongoing basis.

UNITED STATES EQUESTRIAN TEAM FOUNDATION, INC.

Notes to Financial Statements December 31, 2025 and 2024

NOTE L - COMMITMENTS

[1] Leases:

During 2021, the Foundation entered into 60-month operating lease agreements beginning January 1, 2022 for phone systems, office copiers and a postage meter, with annual lease payments of approximately \$21,000, to be made through 2026. The aggregate minimum lease payments under the lease agreements are currently being amortized using the straight-line method over the term of the lease.

The estimated future minimum lease payments under the lease agreement are as follows:

Year Ending December 31,	2025	2024
2025	\$ -	\$ 20,893
2026	20,893	20,893
	20,893	41,786
Less: amount representing interest	(151)	(587)
Amount reported on statements of financial position	\$ 20,742	\$ 41,199
Weighted average remaining lease term:		
Operating leases	12 months	24 months
Weighted average discount rate:		
Operating leases	1.37%	1.37%

[2] Other contracts:

In the normal course of business, the Foundation enters into various contracts for professional and other services, which are typically renewable on a year-to-year basis.