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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USA Cycling, Inc.
USA Cycling BV
Colorado Springs, Colorado

We have audited the accompanying consolidated financial statements of USA Cycling, Inc. (a nonprofit corporation) and USA Cycling BV (subsidiary), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control.
Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of USA Cycling, Inc. and subsidiary as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited USA Cycling, Inc. and subsidiary's 2019 consolidated financial statements, and our report dated October 18, 2021, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Emphasis of Matter

As described in Note A to the consolidated financial statements, in 2020, USA Cycling, Inc. and USA Cycling BV adopted Accounting Standards Update (ASU) 2014-09, (Topic 606): Revenue from Contracts with Customers. Our opinion is not modified with respect to these matters.

Waugh & Goodwin, LLP

Colorado Springs, Colorado

October 18, 2021
USA CYCLING, INC.
USA CYCLING BV
Consolidated Statement of Financial Position
December 31, 2020
(With Comparative Amounts for 2019)

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,435,705</td>
<td>$2,837,529</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>7,501,339</td>
<td>7,730,364</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>416,123</td>
<td>112,457</td>
</tr>
<tr>
<td>Due from USACDF</td>
<td>70,062</td>
<td>241,046</td>
</tr>
<tr>
<td>Due from USOPC</td>
<td>693</td>
<td>17,896</td>
</tr>
<tr>
<td>Inventory</td>
<td>109,222</td>
<td>380,198</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>200,955</td>
<td>321,738</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>10,734,099</td>
<td>11,641,228</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property and Equipment - at cost:</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and improvements</td>
<td>7,027,205</td>
<td>7,027,205</td>
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<tr>
<td>Land</td>
<td>649,145</td>
<td>649,145</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>1,855,688</td>
<td>1,226,873</td>
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<tr>
<td>Training equipment</td>
<td>296,890</td>
<td>150,734</td>
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<tr>
<td>Vehicles</td>
<td>476,439</td>
<td>492,653</td>
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<tr>
<td>Leasehold improvements</td>
<td>355,986</td>
<td>140,613</td>
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<tr>
<td>Software development in process</td>
<td></td>
<td>669,971</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(4,283,741)</td>
<td>(3,855,601)</td>
</tr>
<tr>
<td><strong>Property and equipment - net</strong></td>
<td>6,377,612</td>
<td>6,501,593</td>
</tr>
</tbody>
</table>

**TOTAL ASSETS**  
$17,111,711 $18,142,821

### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$229,860</td>
<td>723,834</td>
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<tr>
<td>Accrued liabilities</td>
<td>1,148,961</td>
<td>1,710,889</td>
</tr>
<tr>
<td>Insurance litigation reserves</td>
<td>1,710,915</td>
<td>1,397,576</td>
</tr>
<tr>
<td>Current portion of deferred revenue</td>
<td>2,578,829</td>
<td>2,973,696</td>
</tr>
<tr>
<td>Refundable advance</td>
<td>4,071</td>
<td>7,439</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>5,672,636</td>
<td>6,813,434</td>
</tr>
</tbody>
</table>

**LONG TERM LIABILITIES:**

| Deferred revenue       | 9,240 |
| **TOTAL LIABILITIES**  | 5,678,211 | 6,822,674 |

**NET ASSETS:**

| With donor restrictions | 11,397,137 | 11,283,915 |
| Without donor restrictions - board designated | 10,583 | 10,583 |
| With donor restrictions | 25,780 | 25,649 |
| **Total net assets**    | 11,433,500 | 11,320,147 |

**TOTAL LIABILITIES AND NET ASSETS**  
$17,111,711 $18,142,821

See Notes to Consolidated Financial Statements
USA CYCLING, INC.
USA CYCLING BV
Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2020
(With Comparative Totals for 2019)

Without Donor Restrictions | With Donor Restrictions | 2020 Totals | 2019 Totals
--- | --- | --- | ---
Membership dues and fees | $4,087,962 | $ | $4,087,962 | $5,901,009
USOPC grants | 2,049,748 | 2,049,748 | 2,282,736
USA Cycling Development Foundation grants and management fees, net of expenses of $360,340 and $361,908 | 1,222,281 | 337,609 | 1,569,890 | 1,590,306
Government COVID grants | 775,022 | 42 | 775,064 | 1,443,521
Sanction and registration fees | 704,782 | 16,000 | 720,782 | 2,885,874
Sponsorship, licensing and affinity royalties | 459,234 | 94,881 | 554,115 | 756,453
Other income, net of expenses of $66,166 and $0 | 260,525 | 260,525 | 253,717
Contributions | 172,369 | 27,538 | 199,907 | 291,206
Merchandise sales, net of costs of sales of $62,429 and $253,555 | 23,980 | 23,980 | (29,475)
Events | 15,594 | 15,594 | 1,369,544
Net assets released from restrictions | 2,430,806 | (2,430,806) |
Total revenue | 11,384,782 | 131 | 11,384,913 | 16,744,891

EXPENSES:

Program services:
Membership and sanctioning | 6,700,536 | 6,700,536 | 7,591,145
Coaches, training center and athletes | 2,821,621 | 2,821,621 | 5,766,217
National and international events | 464,419 | 464,419 | 1,869,753
Total program services | 9,986,576 | 9,986,576 | 15,227,115
Supporting services:
National office | 879,274 | 879,274 | 1,128,926
Fundraising | 310,829 | 310,829 | 537,144
Governance | 94,881 | 94,881 | 175,283
Total supporting services | 1,284,984 | 1,284,984 | 1,841,353
Total expenses | 11,271,560 | 11,271,560 | 17,068,468

CHANGE IN NET ASSETS | 113,222 | 131 | 113,353 | (323,577)

NET ASSETS, beginning of year | 11,294,498 | 25,649 | 11,320,147 | 11,643,724
NET ASSETS, end of year | $11,407,720 | $25,780 | $11,433,500 | $11,320,147

See Notes to Consolidated Financial Statements

4
<table>
<thead>
<tr>
<th>Category</th>
<th>Coaches, Sanctioning</th>
<th>Training Center &amp; Athletes</th>
<th>National &amp; International Events</th>
<th>Merchandise Program Sales</th>
<th>Total Program Services</th>
<th>National Office</th>
<th>Fundraising</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising &amp; promotion</td>
<td>$41,973</td>
<td>$238</td>
<td>$165</td>
<td>$42,376</td>
<td>$804</td>
<td>$147</td>
<td></td>
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<tr>
<td>Airfare</td>
<td>18,618</td>
<td>207,384</td>
<td>5,423</td>
<td>887</td>
<td>232,312</td>
<td>3,643</td>
<td>3,570</td>
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<tr>
<td>Bad debts, net of recoveries</td>
<td>(57)</td>
<td></td>
<td></td>
<td>(57)</td>
<td>(4,820)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank &amp; credit card processing fees</td>
<td>73,069</td>
<td>7,465</td>
<td>6</td>
<td>80,540</td>
<td>132</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Contract labor &amp; fees</td>
<td>1,333,302</td>
<td>344,290</td>
<td>34,959</td>
<td>6,636</td>
<td>1,719,186</td>
<td>20,168</td>
<td>54,580</td>
</tr>
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<td>Cost of sales</td>
<td>30,899</td>
<td>30,899</td>
<td>125,439</td>
<td>30,899</td>
<td>156,218</td>
<td>25,000</td>
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<tr>
<td>Depreciation</td>
<td>359,327</td>
<td>122,458</td>
<td>37,995</td>
<td>1,053</td>
<td>520,833</td>
<td>73,169</td>
<td>5,476</td>
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<tr>
<td>Dues, subscriptions &amp; fees</td>
<td>10,017</td>
<td>16,621</td>
<td>3,927</td>
<td>30,565</td>
<td>135,692</td>
<td>36,087</td>
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<td>Employee benefits</td>
<td>19,924</td>
<td>281,195</td>
<td>51,742</td>
<td>10,212</td>
<td>309,146</td>
<td>4,144</td>
<td>2,514</td>
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<tr>
<td>Foreign exchange loss (gain)</td>
<td>(2,587)</td>
<td></td>
<td></td>
<td>(2,587)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gear, equipment, clothing &amp; supplies</td>
<td>10,110</td>
<td>297,713</td>
<td>12,815</td>
<td>254</td>
<td>320,892</td>
<td>2,149</td>
<td>2,283</td>
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<td>Gifts &amp; grants</td>
<td>61,872</td>
<td>7,331</td>
<td>593</td>
<td>69,796</td>
<td>2,176</td>
<td>528</td>
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<tr>
<td>Ground transportation</td>
<td>10,582</td>
<td>43,475</td>
<td>2,563</td>
<td>56,928</td>
<td>648</td>
<td>1,178</td>
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</tr>
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<td>Insurance</td>
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<td>35,429</td>
<td>10,836</td>
<td>2,351,609</td>
<td>49,197</td>
<td>227</td>
<td></td>
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<td>Local rebates &amp; promoter incentives</td>
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<td></td>
<td></td>
<td>162,832</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Medals, awards &amp; prizes</td>
<td>4,079</td>
<td>9,396</td>
<td>12,471</td>
<td>25,946</td>
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<tr>
<td>Office expense &amp; supplies</td>
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<td>1,488</td>
<td>8</td>
<td>3,654</td>
<td>1,199</td>
<td>317</td>
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<td>Payroll taxes</td>
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<td>67,902</td>
<td>17,412</td>
<td>198,972</td>
<td>32,453</td>
<td>15,135</td>
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<td>Photography, video &amp; artwork</td>
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<td>1,160</td>
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<td>1,258</td>
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<td></td>
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<td>Postage &amp; fulfillment</td>
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<td>7,897</td>
<td>3,098</td>
<td>132,725</td>
<td>1,878</td>
<td>525</td>
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<td>Printing &amp; publications</td>
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<td>674</td>
<td>15,373</td>
<td>617</td>
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<td>24</td>
<td>2,526</td>
<td>75,703</td>
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<td>Race entry fees</td>
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<td></td>
<td></td>
<td>9,181</td>
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<td></td>
<td></td>
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<td>Rental expense</td>
<td>1,907</td>
<td>103,049</td>
<td>9,490</td>
<td>115,410</td>
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<td>89</td>
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<td>Repairs &amp; maintenance</td>
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<td>14,928</td>
<td>7,490</td>
<td>40,915</td>
<td>11,074</td>
<td>914</td>
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<td>Salaries</td>
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<td>242,995</td>
<td>2,822,531</td>
<td>475,611</td>
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<td>Small equipment</td>
<td>9,512</td>
<td>661</td>
<td>248</td>
<td>10,439</td>
<td>1,207</td>
<td>79</td>
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<td>Taxes</td>
<td>39</td>
<td>11,319</td>
<td>6</td>
<td>13,364</td>
<td>24</td>
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<td>Telephone &amp; broadband</td>
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<td>8,195</td>
<td>946</td>
<td>37,206</td>
<td>2,551</td>
<td>637</td>
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<td>Utilities</td>
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<td>7,923</td>
<td>1,829</td>
<td>21,243</td>
<td>7,008</td>
<td>593</td>
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<tr>
<td>VAT</td>
<td>(13,655)</td>
<td></td>
<td></td>
<td>(13,655)</td>
<td></td>
<td></td>
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<tr>
<td>Total expenses</td>
<td>$6,700,536</td>
<td>$2,821,621</td>
<td>$464,419</td>
<td>$62,429</td>
<td>$10,049,005</td>
<td>$920,440</td>
<td>$335,829</td>
</tr>
<tr>
<td>Less expenses shown net of revenue on statement of activities</td>
<td></td>
<td></td>
<td></td>
<td>(62,429)</td>
<td>(41,166)</td>
<td>(25,000)</td>
<td></td>
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<tr>
<td>Expenses on statement of activities</td>
<td>$6,700,536</td>
<td>$2,821,621</td>
<td>$464,419</td>
<td>$9,986,576</td>
<td>$879,274</td>
<td>$310,829</td>
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<tr>
<td>Category</td>
<td>USA Cycling</td>
<td>Total</td>
<td>2019</td>
<td>2020</td>
<td>2019</td>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
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<tr>
<td></td>
<td>Governance</td>
<td>Development</td>
<td>Supporting</td>
<td>Supporting</td>
<td>Expenses</td>
<td>Expenses</td>
<td></td>
</tr>
<tr>
<td>Advertising &amp; promotion</td>
<td>$</td>
<td>$</td>
<td>$951</td>
<td>$1,575</td>
<td>$43,327</td>
<td>$36,206</td>
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<tr>
<td>Airfare</td>
<td>353</td>
<td>$7,566</td>
<td>62,841</td>
<td>239,878</td>
<td>979,991</td>
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<td></td>
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<tr>
<td>Bad debts, net of recoveries</td>
<td>(4,820)</td>
<td>$2,544</td>
<td>(4,877)</td>
<td>8,762</td>
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<td>Bank &amp; credit card processing fees</td>
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<td>Contract labor &amp; fees</td>
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<td>3,328,106</td>
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<tr>
<td>Cost of sales</td>
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<td>58,899</td>
<td>148,528</td>
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<tr>
<td>Depreciation</td>
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<td>42,809</td>
<td>601,163</td>
<td>413,404</td>
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<td>Dues, subscriptions &amp; fees</td>
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<td>$31,697</td>
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<td>62,262</td>
<td>131,013</td>
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<td>$252,018</td>
<td>228,610</td>
<td>941,057</td>
<td>1,064,067</td>
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<tr>
<td>Food &amp; housing</td>
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<td>$9,310</td>
<td>75,312</td>
<td>319,154</td>
<td>1,192,379</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange loss (gain)</td>
<td></td>
<td>(2,587)</td>
<td>576</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gear, equipment, clothing &amp; supplies</td>
<td>265</td>
<td>$4,697</td>
<td>9,659</td>
<td>325,589</td>
<td>537,027</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts &amp; grants</td>
<td>2,156</td>
<td>$4,860</td>
<td>3,366</td>
<td>74,456</td>
<td>63,595</td>
<td></td>
<td></td>
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<tr>
<td>Ground transportation</td>
<td>2,216</td>
<td>$4,042</td>
<td>21,923</td>
<td>60,970</td>
<td>337,359</td>
<td></td>
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<tr>
<td>Insurance</td>
<td>49,424</td>
<td>$51,128</td>
<td>2,401,033</td>
<td>2,258,538</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Local rebates &amp; promoter incentives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medals, awards &amp; prizes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office expense &amp; supplies</td>
<td>155</td>
<td>$1,671</td>
<td>4,187</td>
<td>5,325</td>
<td>35,181</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>4,132</td>
<td>$71,113</td>
<td>77,868</td>
<td>270,085</td>
<td>369,156</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Photography, video &amp; artwork</td>
<td>792</td>
<td>$3,195</td>
<td>6,315</td>
<td>135,920</td>
<td>301,699</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postage &amp; fulfillment</td>
<td>32</td>
<td>$649</td>
<td>11,718</td>
<td>16,022</td>
<td>103,291</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional fees</td>
<td>75,724</td>
<td>$111,689</td>
<td>78,250</td>
<td>112,185</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Race entry fees</td>
<td>75</td>
<td>$868</td>
<td>717</td>
<td>115,988</td>
<td>24,123</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental expense</td>
<td>11,988</td>
<td>$12,513</td>
<td>52,103</td>
<td>131,481</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repairs &amp; maintenance</td>
<td>61,018</td>
<td>$990,987</td>
<td>1,089,648</td>
<td>3,813,518</td>
<td>4,972,216</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>22</td>
<td>$1,308</td>
<td>716</td>
<td>11,747</td>
<td>39,980</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small equipment</td>
<td>839</td>
<td>$4,027</td>
<td>5,657</td>
<td>41,233</td>
<td>44,203</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>181</td>
<td>$7,782</td>
<td>6,760</td>
<td>29,025</td>
<td>42,136</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone &amp; broadband</td>
<td></td>
<td>(24,878)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expenses</td>
<td>94,881</td>
<td>$1,284,984</td>
<td>$1,841,353</td>
<td>$11,271,560</td>
<td>$17,068,468</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Less expenses shown net of revenue on statement of activities

Expenses on statement of activities $94,881 $1,284,984 $1,841,353 $11,271,560 $17,068,468

See Notes to Consolidated Financial Statements
USA CYCLING, INC.
USA CYCLING BV
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2020
(With Comparative Amounts for 2019)

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES:</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$113,353</td>
<td>$(323,577)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash used by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>601,163</td>
<td>413,404</td>
</tr>
<tr>
<td>Gain on disposal of property and equipment</td>
<td>(1,500)</td>
<td>(7,889)</td>
</tr>
<tr>
<td>Change in allowance for doubtful accounts</td>
<td>(19,709)</td>
<td>5,691</td>
</tr>
<tr>
<td>Net unrealized and realized (gains) losses on investments</td>
<td>(592,820)</td>
<td>(1,173,473)</td>
</tr>
<tr>
<td>(Increase) decrease in assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(283,957)</td>
<td>179,254</td>
</tr>
<tr>
<td>Due from USACDF</td>
<td>170,984</td>
<td>(44,423)</td>
</tr>
<tr>
<td>Due from USOC</td>
<td>17,203</td>
<td>6,663</td>
</tr>
<tr>
<td>Inventory</td>
<td>270,976</td>
<td>41,660</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>120,783</td>
<td>(1,444)</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(1,055,902)</td>
<td>271,827</td>
</tr>
<tr>
<td>Insurance litigation reserves</td>
<td>313,339</td>
<td>211,039</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(398,532)</td>
<td>86,877</td>
</tr>
<tr>
<td>Refundable advance</td>
<td>(3,368)</td>
<td>(42,561)</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>(861,340)</td>
<td>(66,701)</td>
</tr>
<tr>
<td>Net cash used by operating activities</td>
<td>(747,987)</td>
<td>(390,278)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sale of investments</td>
<td>2,371,753</td>
<td>2,441,433</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(1,549,908)</td>
<td>(696,082)</td>
</tr>
<tr>
<td>Proceeds from sale of property and equipment</td>
<td>1,500</td>
<td>7,889</td>
</tr>
<tr>
<td>Acquisition of property and equipment</td>
<td>(477,182)</td>
<td>(825,801)</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>346,163</td>
<td>927,439</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM FINANCING ACTIVITIES:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal payments on notes payable</td>
<td></td>
</tr>
<tr>
<td>Net cash used by financing activities</td>
<td>(2,191)</td>
</tr>
</tbody>
</table>

| NET INCREASE (DECREASE) IN CASH | (401,824) |
| CASH AND CASH EQUIVALENTS, beginning of year | 2,837,529 |
| CASH AND CASH EQUIVALENTS, end of year | $2,435,705 |

See Notes to Consolidated Financial Statements
A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

USA Cycling, Inc. (the Corporation) is the national governing body for cycling, making it responsible for the conduct and administration of amateur and professional cycling in the United States. The mission of the Corporation is to achieve sustained success in international cycling competition and to grow competitive cycling in America.

During the year ended December 31, 2013, the Corporation established an international wholly owned for-profit subsidiary, USA Cycling BV (Subsidiary), to support ongoing program activities of the Corporation in Europe. The Subsidiary's financial statements have been consolidated with the Corporation.

Foreign Currency Translation

The Corporation's wholly owned for-profit subsidiary is in the Netherlands. The functional currency is the U.S. dollar. All statement of financial position accounts are translated, where applicable, using the exchange rate in effect at the statement of financial position dates. Foreign currency translation adjustments resulted in gains and (losses) of $2,590 and $(576) during the years ended December 31, 2020 and 2019, respectively, and are included in program services in the consolidated statement of activities and reported separately on the consolidated statement of functional expenses.

Accounting Standards Update

On January 1, 2020, the Corporation and Subsidiary adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The new revenue recognition standard affects all entities, including public, private, and not for profit entities that have contracts with customers. The ASU supersedes or replaces nearly all accounting principles generally accepted in the United States of America (U.S. GAAP). The ASU is intended to improve GAAP by providing a framework and a single, comprehensive revenue recognition model to address revenue recognition issues, creating more
A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Consistency and comparability of revenue recognition practices across entities and industries and improving the usefulness of information provided to financial statement users through more robust disclosure requirements.

Prior-Year Comparisons

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's consolidated financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Contributions

Contributions are recorded when received as without donor restrictions, with donor restrictions - temporary, or with donor restrictions - perpetual depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions include United States Olympic and Paralympic Committee (USOPC) grants.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in the Corporation's checking, savings, and money market accounts.

The Corporation maintains its cash and cash equivalents in a commercial bank and credit union. In the unlikely event of an institution failure, the Corporation could suffer a loss to the extent its deposits exceed the respective institution's insurance limits.
Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Supplemental Cash Flow Information

During the years ended December 31, 2020 and 2019, the Corporation did not pay any interest. During the years ended December 31, 2020 and 2019, the Corporation paid income taxes of $1,854 and $2,000, respectively.

Accounts Receivable

The Corporation's and Subsidiary's accounts receivable are recorded at the amount management expects to collect from balances outstanding at year-end. Management closely monitors outstanding balances. Outstanding receivables are recorded net of an allowance for doubtful accounts of $22,801 and $42,510 at December 31, 2020 and 2019, respectively.

Gross amount of accounts receivable from contracts with customers was $39,110 and $43,558 as of the beginning and end of the year December 31, 2020, respectively.

Inventory

Inventory consists primarily of competitive clothing, bicycles, and bicycle parts, which are stated at the lower of cost (first-in, first-out method) or net realizable value. These items are used internally as well as held for sale. Some inventory items are non-cash contributions which are budget relieving in nature. The Corporation's policy is to record as revenue, value-in-kind merchandise received that is budget relieving and to expense these items as they are used.

Property and Equipment

Property and equipment with estimated useful lives over one year are recorded at cost or at fair value, if donated, at the date of acquisition. The Corporation's capitalization policy states that property and equipment with an initial cost of $1,500 or more will be capitalized. Cost of repairs and maintenance, which do not materially prolong the useful lives of the assets, are charged to expense when incurred.
Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**Property and Equipment - continued**

Depreciation is recorded using the straight-line method over estimated useful lives as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>1.5-3 years</td>
</tr>
<tr>
<td>Office furniture and equipment,</td>
<td>3-10 years</td>
</tr>
<tr>
<td>training equipment, and vehicles</td>
<td></td>
</tr>
<tr>
<td>Building and improvements</td>
<td>4-39 years</td>
</tr>
</tbody>
</table>

Depreciation expense for the years ended December 31, 2020 and 2019, amounted to $601,163 and $413,404, respectively.

**Revenue from Contracts with Customers**

**Membership Dues Revenue** - Revenue from contracts with members for dues is reported at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing membership to its members. Revenue is recognized as performance obligations are satisfied, which generally is ratably over the membership term. Membership dues are nonrefundable.

**Fees, Sales and Other Income** - The Corporation receives revenue from fees and sales related to programs, services, and merchandise for the sport. These activities include competitions, athlete programs, national teams, sport development, sanctioning, education, merchandise sales, and other similar activities. Revenue is recognized at the time the performance obligations are met which is when services are provided, or goods provided or delivered to the customer.

**Sponsorship, Licensing, and Royalties** - The Corporation recognizes revenue from contracts with both sponsors and suppliers. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Corporation will recognize revenue over time. Sponsorship revenue related to specific events is recognized at the time of the performance obligations are met which is generally when the event occurs. For sponsorship not related to a specific event, the Corporation has concluded that the performance obligations within these contracts are substantially the same in each year and are satisfied ratably over the term of the agreement. Licensing and royalty revenue related to merchandise sales are recognized at the time of the related merchandise sale. For any fixed or guaranteed licensing or royalty amount the Corporation has concluded that the
Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

*Sponsorship, Licensing, and Royalties* - continued

performance obligations within these contracts are substantially the same in each year and are satisfied ratably over the term of the agreement.

**Income Taxes**

The Corporation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax for income related to its exempt purpose. Accordingly, no income tax provision has been recorded.

The Corporation's form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date filed. Management of the Corporation believes that it does not have any uncertain tax positions that are material to the financial statements.

The Subsidiary is required to file income tax returns and pay the appropriate tax to the Netherlands.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Functional Allocation of Expenses**

The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of the Corporation. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel expenses are allocated on the basis of time and effort spent by personnel in the various program and supporting services made by the Corporation's management. Depreciation expense is allocated based upon respective assets that benefit each program or supporting service.
A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Date of Management's Review

In preparing the consolidated financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through October 18, 2021, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Corporation strives to maintain liquid financial assets sufficient to cover approximately two months of operating expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds, and other short-term investments. In the normal course of business, 5% of the three-year average of portfolio assets are incorporated in the annual budget. Portfolio capital assets are also available for extraordinary expenditures and for strategic initiatives.

The table below reflects the Corporation's financial assets as of December 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal Board of Directors (Board) designations. Amounts not available include a Board-designated special projects fund that is intended to fund special Board initiatives not considered in the annual operating budget. In the event the need arises to utilize the Board-designated funds for liquidity purposes, the reserves could be drawn upon through Board resolution. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,435,705</td>
<td>$2,837,529</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>7,501,339</td>
<td>7,730,364</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>416,123</td>
<td>112,457</td>
</tr>
<tr>
<td>Due from USACDF</td>
<td>70,062</td>
<td>241,046</td>
</tr>
<tr>
<td>Due from USOPC</td>
<td>693</td>
<td>17,896</td>
</tr>
<tr>
<td>Total liquid financial assets</td>
<td>10,423,922</td>
<td>10,939,292</td>
</tr>
</tbody>
</table>
Notes to Consolidated Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY – Continued

Less amounts not available to be used within one year:

Board designated - John R. Stenner scholarship fund (10,583) (10,583)
Assets with donor restrictions (Note H) (25,780) (25,649)

Financial assets available within one year $10,387,559 $10,903,060

C. FAIR VALUE MEASUREMENTS

The Corporation applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis.

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

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

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.
C. FAIR VALUE MEASUREMENTS - Continued

The following tables present assets that are measured at fair value on a recurring basis at December 31, 2020 and 2019:

**Assets at Fair Value as of December 31, 2020**

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual funds and ETFs</td>
<td>$3,639,725</td>
<td>$</td>
<td>$</td>
<td>$3,639,725</td>
</tr>
<tr>
<td>Stocks</td>
<td>985,407</td>
<td></td>
<td></td>
<td>985,407</td>
</tr>
<tr>
<td>Debt securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual funds</td>
<td>2,796,825</td>
<td></td>
<td>2,796,825</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>79,382</td>
<td></td>
<td></td>
<td>79,382</td>
</tr>
<tr>
<td>Total</td>
<td>$7,501,339</td>
<td>$</td>
<td>$</td>
<td>$7,501,339</td>
</tr>
</tbody>
</table>

**Assets at Fair Value as of December 31, 2019**

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual funds and ETFs</td>
<td>$3,728,611</td>
<td>$</td>
<td>$</td>
<td>$3,728,611</td>
</tr>
<tr>
<td>Stocks</td>
<td>941,697</td>
<td></td>
<td></td>
<td>941,697</td>
</tr>
<tr>
<td>Publicly traded partnership</td>
<td>5,594</td>
<td></td>
<td></td>
<td>5,594</td>
</tr>
<tr>
<td>Debt securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual funds</td>
<td>3,032,775</td>
<td></td>
<td></td>
<td>3,032,775</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>21,687</td>
<td></td>
<td></td>
<td>21,687</td>
</tr>
<tr>
<td>Total</td>
<td>$7,730,364</td>
<td>$</td>
<td>$</td>
<td>$7,730,364</td>
</tr>
</tbody>
</table>

Investment income (loss) in the accompanying statement of activities consists of the following for the years ended December 31, 2020 and 2019:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrealized gains</td>
<td>$469,792</td>
<td>$796,092</td>
</tr>
<tr>
<td>Realized gains</td>
<td>123,028</td>
<td>377,381</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>206,552</td>
<td>301,639</td>
</tr>
<tr>
<td>Investment fees</td>
<td>(24,308)</td>
<td>(31,591)</td>
</tr>
<tr>
<td></td>
<td>$775,064</td>
<td>$1,443,521</td>
</tr>
</tbody>
</table>
D. DEFERRED REVENUE

Deferred revenue is a contract liability from contracts with customers. Deferred revenue consists of the following at December 31, 2020 and 2019:

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Club, membership and permit fees</td>
<td>$2,128,319</td>
<td>$2,836,378</td>
</tr>
<tr>
<td>Marketing royalties and sponsorship</td>
<td>348,839</td>
<td>129,179</td>
</tr>
<tr>
<td>Bid fees</td>
<td>65,758</td>
<td>1,700</td>
</tr>
<tr>
<td>Race clean fees</td>
<td>35,600</td>
<td>14,945</td>
</tr>
<tr>
<td>Other</td>
<td>5,888</td>
<td>734</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,584,404</strong></td>
<td><strong>$2,982,936</strong></td>
</tr>
</tbody>
</table>

E. REFUNDABLE ADVANCE

The Corporation receives special grants from the USOPC for specific purposes which must be refunded to the USOPC if not utilized for the specified purpose. At December 31, 2020 and 2019, the refundable advances were $4,071 and $7,439, respectively.

F. DONATED SERVICES

The Corporation recognizes donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation. At December 31, 2020 and 2019, donated services recorded were for insurance brokerage services and amounted to $100,000 each year.

G. NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED NET ASSETS

The Board of Directors has designated a portion of the assets without donor restrictions of the Corporation to support the John R. Stenner scholarship program.
H. NET ASSETS WITH DONOR RESTRICTIONS – TEMPORARY

Net assets with temporary donor restrictions at December 31, 2020 and 2019, consist of contributions received for the following purposes:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trail tune-up</td>
<td>$ 8,700</td>
<td>$ 8,669</td>
</tr>
<tr>
<td>Collegiate scholarships</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>Junior athlete travel</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 8,800</td>
<td>$ 8,669</td>
</tr>
</tbody>
</table>

During the year ended December 31, 2007, the Corporation was the recipient of donated land and building valued at $3,895,000. The donor has stipulated that as a condition of this gift, the Corporation must use the property as its national headquarters until December 31, 2027.

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose or the passage of time. During the year ended December 31, 2020, net assets were released from restrictions for satisfying the following purposes:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>USOPC programs</td>
<td>$ 2,049,748</td>
</tr>
<tr>
<td>USA Cycling Development Foundation programs</td>
<td>337,609</td>
</tr>
<tr>
<td>HBCU/TCU</td>
<td>25,000</td>
</tr>
<tr>
<td>El Paso County Economic program</td>
<td>16,000</td>
</tr>
<tr>
<td>Anti-doping programs</td>
<td>2,407</td>
</tr>
<tr>
<td>Armando fund program</td>
<td>42</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 2,430,806</td>
</tr>
</tbody>
</table>

I. NET ASSETS WITH DONOR RESTRICTIONS – PERPETUAL

Net assets with perpetual donor restrictions at December 31, 2020 and 2019, consist entirely of the Armando fund, which is restricted in perpetuity (Note J). Income from the Armando fund is used to support racing in the Northeast area of the United States.

Earnings on these net assets are subject to donor restrictions that stipulate that the original principal of the gift is to be held and invested by the Corporation indefinitely and income from the fund is to be used for racing in the Northeast area of the United States.
I. NET ASSETS WITH DONOR RESTRICTIONS – PERPETUAL – Continued

At December 31, 2020 and 2019, the underlying assets of the endowment fund are included in the consolidated statement of financial position as cash.

J. ENDOWMENT FUNDS

In accordance with generally accepted accounting principles, net assets associated with endowment funds are classified as funds with donor restrictions based on the existence of donor-imposed designations.

Interpretation of Relevant Law

The Corporation's Board has interpreted the Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restriction except for explicit donor-stipulations to the contrary. As a result of this interpretation, permanently donor restricted assets include the original value of the gift and any required accumulations for inflation stipulated by the donor.

The Corporation's permanently donor restricted net assets consist of an endowment gift received from one donor. The gift instrument does not require that a percentage of the annual income, including realized and unrealized gains, be added to the original gift as a hedge against the effects of inflation. As of December 31, 2020, the original gift was equal to the fair market value of the net assets with donor restrictions – perpetual.

The remaining portion of the donor-restricted endowment that is not classified as net assets with donor restrictions – perpetual, is classified as net assets with donor restrictions – temporary, until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA and the Corporation's investment and spending policies.

Composition of Endowment

These funds are invested in cash and cash equivalents, pursuant to the Corporation's spending objectives of subjecting the fund to low investment risk and providing this program with current income. The Corporation expends this fund's investment earnings for the restricted purpose in the year of receipt.
J. ENDOWMENT FUNDS - Continued

Composition of Endowment - continued

<table>
<thead>
<tr>
<th></th>
<th>With donor restrictions:</th>
<th>With donor restrictions:</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>temporary</td>
<td>perpetual</td>
<td></td>
</tr>
<tr>
<td>Endowment net assets,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 1, 2019</td>
<td>$</td>
<td>$ 16,980</td>
<td>$ 16,980</td>
</tr>
<tr>
<td>Investment income</td>
<td>42</td>
<td></td>
<td>42</td>
</tr>
<tr>
<td>Expenditures</td>
<td>(42)</td>
<td></td>
<td>(42)</td>
</tr>
<tr>
<td>Endowment net assets,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2019</td>
<td>$</td>
<td>$ 16,980</td>
<td>$ 16,980</td>
</tr>
<tr>
<td>Investment income</td>
<td>42</td>
<td></td>
<td>42</td>
</tr>
<tr>
<td>Expenditures</td>
<td>(42)</td>
<td></td>
<td>(42)</td>
</tr>
<tr>
<td>Endowment net assets,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2020</td>
<td>$</td>
<td>$ 16,980</td>
<td>$ 16,980</td>
</tr>
</tbody>
</table>

Return Objectives and Risk Parameters

The Corporation has adopted objectives and parameters in its investment policy for the purpose of providing reasonably predictable earnings while preserving the required fair value of the endowment's permanently donor restricted net assets.

Spending Policy and Relation to Investment Objectives

To the extent that expenses satisfy donor stipulations, the Corporation considers the long-term expected return on the Endowment to determine appropriate distributions each year. Accordingly, over the long-term, the Corporation expects its spending policy to provide funding for its programs as well as preserve the required fair values of the endowment's net assets with donor restrictions - perpetual.

Strategies Employed for Achieving Objectives

The Corporation employs a total-return strategy to achieve its investment objectives, which utilizes current yield (interest). Full allocation in cash is applied to maintain an acceptable level of prudent risk.
K. LINE OF CREDIT

In April 2020, the Corporation entered into a line of credit arrangement with Stifel Bank & Trust. The maximum amount available under this line is $2,500,000, and is secured by the Corporation's investment portfolio. Interest accrues at 1.75% plus 30-day LIBOR on any outstanding amount. At December 31, 2020 there was no outstanding balance.

L. PAYCHECK PROTECTION PROGRAM

In April 2020, the Corporation received a $1,005,700 loan from J.P. Morgan through the Small Business Administration's Paycheck Protection Program (PPP). A portion or all of loan may be forgiven by the Small Business Administration if certain payroll criteria are met and funds are used for payroll, rent, mortgage interest, or utilities. Any portion of the loan that is not forgiven has a minimum maturity of two years and an interest rate of .98%. Loan payments are deferred for 10 months.

Subsequent to year-end the Corporation received confirmation that the entire first round PPP loan was forgiven. The forgiveness is included in Government COVID grants.

Also subsequent to year-end the Corporation received a second round of PPP funding of $1,053,805 with the same terms as the first round of funding.

M. INSURANCE SURCHARGE

Costs for athlete accident medical and general liability insurance are charged to the different expense categories as applicable. Premiums for these policies are based on a formula which takes into account prior losses, the number of events, and the number of members. In addition to the insurance costs reported in the consolidated statement of functional expenses, there are significant indirect costs associated with administering this insurance program. The Corporation collects an insurance surcharge when athletes register for events. The Corporation collects an insurance surcharge when athletes register for road, track, mountain bike, and cyclocross events. The Corporation also collects insurance surcharges and fees from event organizers, clubs, mechanics, and coaches. This income, which is included in sanction and entry fees, is recorded when received and amounted to $622,309 and $2,274,535, for the years ended December 31, 2020 and 2019, respectively.
N. RETIREMENT PLANS

Effective July 1, 2007, the Corporation adopted a Safe Harbor 403(b) plan. The Corporation's non-elective Safe Harbor contribution matches 100% of each employee's elective deferrals up to 4% of eligible compensation. The Corporation may also make employer supplemental contributions at its discretion which will be allocated among all eligible employees, whether or not they make contributions.

Employer contributions to the 403(b) plan for the years ended December 31, 2020 and 2019, were $286,904 and $354,521, respectively. The Corporation's contributions are fully funded.

O. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2020 and 2019, the United States Olympic Paralympic Committee (USOPC) provided grants to the Corporation under the following project categories:

<table>
<thead>
<tr>
<th>Project Category</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGB funding</td>
<td>$1,730,806</td>
<td>$1,785,000</td>
</tr>
<tr>
<td>High performance operations</td>
<td>266,158</td>
<td>390,000</td>
</tr>
<tr>
<td>COVID relief</td>
<td>32,415</td>
<td></td>
</tr>
<tr>
<td>Youth cycling</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td>International relations</td>
<td>5,369</td>
<td>2,561</td>
</tr>
<tr>
<td>BMX park Chula Vista, CA</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Paralympic</td>
<td>22,800</td>
<td></td>
</tr>
<tr>
<td>Sport psychology</td>
<td>16,875</td>
<td></td>
</tr>
<tr>
<td>Next Olympic Hopeful</td>
<td>15,500</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,049,748</td>
<td>$2,282,736</td>
</tr>
</tbody>
</table>

The USOPC also paid stipends, performance bonuses, and tuition support of $421,875 and $476,250 directly to athletes or on their behalf in 2020 and 2019, respectively.

In addition, at December 31, 2020 and 2019, the Corporation owed the USOPC $4,220 and $46,035, respectively. The USOPC owed the Corporation $693 and $17,896, respectively, at December 31, 2020 and 2019.
O. RELATED PARTY TRANSACTIONS - Continued

The USA Cycling Development Foundation (USACDF) was formed to operate exclusively for the benefit and support of the Corporation. The purpose of the USACDF is to raise funds and acquire assets that will enable the Corporation to encourage, improve, and promote cycling in the United States. The Corporation does not control the USACDF and therefore does not prepare consolidated financial statements with the Foundation.

During the years ended December 31, 2020 and 2019, the Foundation provided grants in support of the Corporation's programs in the amount of $1,565,390 and $1,575,382, respectively. Also, during the years ended December 31, 2020 and 2019, grant funds in the amount of $4,500 and $14,924, respectively, were provided to the Corporation in support of the High Performance and John Stenner Collegiate Grant programs.

The Corporation also provided administrative services to the USACDF. Total gross revenue for these services for the years ended December 31, 2020 and 2019, amounted to $360,340 and $361,908, respectively. Revenues that exceed expenses paid are considered grants from the USACDF for work performed by the Foundation on the Corporation's program services. The Corporation also provides administrative services and office space to the USACDF at no cost. During the years ended December 31, 2020 and 2019, $40,000 was recorded as in-kind services by the USACDF each year.

The USACDF owed the Corporation $70,062 and $241,046 at December 31, 2020 and 2019, respectively.

The Corporation is economically dependent upon grants from the USOPC and the USACDF in order to maintain its programs at current levels.

The Corporation made payments to certain non-employee Board Members, Trustees, members of their immediate families and entities whose officers or directors are members of the Corporation's Board during the years ended December 31, 2020 and 2019, for the following:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athlete stipends, prize money, officiating, and other</td>
<td>$14,424</td>
<td>$26,060</td>
</tr>
</tbody>
</table>

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Notes to Consolidated Financial Statements

O. RELATED PARTY TRANSACTIONS - Continued

The Corporation also signed an affiliate agreement with an entity whose CEO serves on the Corporation's Board. The Corporation recorded income from the agreement of $120,000 during both of the years ended December 31, 2020 and 2019, respectively. The Corporation was owed $0 and $0 at December 31, 2020 and 2019, respectively. This amount has been paid in full to the Corporation subsequent to year end.

The Corporation does not compensate any non-employee Board members for their service on the Board of Directors.

P. CONTINGENCIES

The Corporation has been named as a defendant in several lawsuits.

The Corporation has accrued $1,710,915 and $1,397,576 for the years ending December 31, 2020 and 2019, respectively, for insurance deductibles on its high deductible insurance policy. The accrual was based on historical claim data and will be monitored for adjustment periodically.

The outbreak of COVID-19 (the COVID-19 outbreak) has been recognized as a pandemic by the World Health Organization, and the COVID-19 outbreak has become increasingly widespread in the United States. The COVID-19 outbreak has had a notable impact on general economic conditions, including but not limited to the decline in global financial markets, temporary closures of many businesses, suspension or cancelation of sporting events including cycling events, "shelter in place" and other governmental regulations, and job losses. The extent to which the COVID-19 outbreak will affect the long-term operations, collections, or financial results of the Organizations is uncertain.

Q. LEASES

The Corporation leased a postage meter under a 60-month operating lease. This lease required monthly payments of $255 through May 2019. This lease continues on a month-to-month basis.

The Corporation entered into a lease for warehouse space in the Netherlands through February 14, 2018. This lease required annual rent in the amount of €15,300, with annual increases, not to exceed 2.5%. The original five year lease
Q. LEASES - Continued

expired February 14, 2018. This lease was extended for an additional five years expiring February 14, 2023 under the same terms as the original lease.

In addition, the Corporation leases housing facilities in the Netherlands for athletes and coaches on a month-to-month basis.

Future minimum lease payments for the years ending December 31 are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$20,717</td>
</tr>
<tr>
<td>2022</td>
<td>20,717</td>
</tr>
<tr>
<td>2023</td>
<td>1,726</td>
</tr>
</tbody>
</table>

Rental expense under operating leases was $82,063 and $117,130 during the years ended December 31, 2020 and 2019, respectively.