



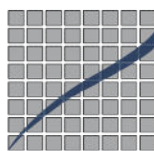
United States
Olympic
& Paralympic
Museum™

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors

United States Olympic and Paralympic Museum

Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of United States Olympic and Paralympic Museum (a Colorado nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United States Olympic and Paralympic Museum as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with US GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United States Olympic and Paralympic Museum's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("US GAAS") will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United States Olympic and Paralympic Museum'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 United States Olympic and Paralympic Museum'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.

BiggsKofford, P.C.

Colorado Springs, Colorado
May 15, 2025

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	2024	2023
<u>ASSETS</u>		
Cash and equivalents	\$ 4,418,160	\$ 2,404,540
Investments	-	974,730
Grants receivable	46,224	-
Promises to give, net	1,327,802	3,063,612
Prepaid expenses	391,450	489,131
Property and equipment, net	88,046,411	90,793,701
Total assets	<u>\$ 94,230,047</u>	<u>\$ 97,725,714</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 880,862	\$ 716,172
Deferred membership revenue	58,470	66,332
Notes payable	12,134,872	12,085,420
Deferred revenue - affiliated organization	3,389,564	3,499,131
Economic Injury Disaster Loan	500,000	500,000
Total liabilities	<u>16,963,768</u>	<u>16,867,055</u>
Net assets:		
Without donor restrictions:		
Operating	(859,327)	(1,868,390)
Equity in property and equipment, net	75,911,539	78,708,281
Total net assets without donor restrictions	75,052,212	76,839,891
With donor restrictions	<u>2,214,067</u>	<u>4,018,768</u>
Total net assets	<u>77,266,279</u>	<u>80,858,659</u>
Total liabilities and net assets	<u>\$ 94,230,047</u>	<u>\$ 97,725,714</u>

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

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>SUPPORT AND REVENUE</u>						
Contributions and grants	\$ 3,466,966	\$ 323,674	\$ 3,790,640	\$ 908,359	\$ 295,000	\$ 1,203,359
Ticket revenue	1,573,842	-	1,573,842	1,166,058	-	1,166,058
Event revenue	626,984	-	626,984	556,373	-	556,373
Membership revenue	42,079	-	42,079	60,622	-	60,622
TIF bond refinancing proceeds	-	-	-	3,751,001	-	3,751,001
Interest income	114,900	-	114,900	109,357	-	109,357
Other revenue	282,336	-	282,336	445,939	-	445,939
Total support and revenue	6,107,107	323,674	6,430,781	6,997,709	295,000	7,292,709
Net assets released from restrictions	2,128,375	(2,128,375)	-	2,708,535	(2,708,535)	-
<u>EXPENSES</u>						
Program services	7,417,565	-	7,417,565	7,232,537	-	7,232,537
Supporting activities:						
General and administrative	883,239	-	883,239	738,348	-	738,348
Fundraising	722,357	-	722,357	651,371	-	651,371
Total expenses	9,023,161	-	9,023,161	8,622,256	-	8,622,256
Loss on uncollectable promises to give	1,000,000	-	1,000,000	350,000	-	350,000
Total expenses and losses	10,023,161	-	10,023,161	8,972,256	-	8,972,256
Change in net assets	(1,787,679)	(1,804,701)	(3,592,380)	733,988	(2,413,535)	(1,679,547)
Net assets, beginning of year	76,839,891	4,018,768	80,858,659	76,105,903	6,432,303	82,538,206
Net assets, end of year	\$ 75,052,212	\$ 2,214,067	\$ 77,266,279	\$ 76,839,891	\$ 4,018,768	\$ 80,858,659

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

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Program Services	Supporting Activities		Total
		General and Administrative	Fundraising	
Conferences, meetings, and events	\$ 327,820	\$ 18,212	\$ 18,212	\$ 364,244
Depreciation and amortization	2,848,390	59,966	89,949	2,998,305
Education	470,266	-	-	470,266
Employee and volunteer training and recognition	1,507	3,266	251	5,024
Employee benefits	160,037	21,338	32,007	213,382
Insurance	154,851	20,647	30,970	206,468
Interest	667,532	14,053	21,080	702,665
IT and communications	68,122	9,083	13,624	90,829
Marketing and outreach	80,881	262,863	60,661	404,405
Occupancy	627,697	117,693	39,231	784,621
Office	157,560	21,006	31,512	210,078
Payroll taxes	99,551	13,273	19,910	132,734
Professional fees and contract labor	443,165	136,358	102,269	681,792
Salaries	1,302,683	173,691	260,537	1,736,911
Travel	7,503	11,790	2,144	21,437
Total expenses	<u>\$ 7,417,565</u>	<u>\$ 883,239</u>	<u>\$ 722,357</u>	<u>\$ 9,023,161</u>
Total percentage of expenses	<u>82%</u>	<u>10%</u>	<u>8%</u>	<u>100%</u>

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

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program Services	Supporting Activities		Total
		General and Administrative	Fundraising	
Conferences, meetings, and events	\$ 288,370	\$ 15,177	\$ -	\$ 303,547
Depreciation and amortization	2,850,523	60,011	90,017	3,000,551
Education	351,699	-	-	351,699
Employee and volunteer training and recognition	82,019	-	-	82,019
Employee benefits	124,430	16,590	24,886	165,906
Insurance	172,661	23,021	34,532	230,214
Interest	752,883	15,850	23,775	792,508
IT and communications	34,919	4,655	6,984	46,558
Marketing and outreach	145,004	145,005	32,223	322,232
Occupancy	365,335	68,501	22,833	456,669
Office	134,403	17,920	26,881	179,204
Payroll taxes	92,080	12,277	18,416	122,773
Professional fees and contract labor	770,371	218,463	160,973	1,149,807
Salaries	1,049,254	139,900	209,851	1,399,005
Travel	18,586	978	-	19,564
Total expenses	<u>\$ 7,232,537</u>	<u>\$ 738,348</u>	<u>\$ 651,371</u>	<u>\$ 8,622,256</u>
Total percentage of expenses	<u>84%</u>	<u>9%</u>	<u>7%</u>	<u>100%</u>

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

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (3,592,380)	\$ (1,679,547)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	2,998,305	3,000,551
Bad debt	1,000,000	350,000
(Increase) decrease in operating assets:		
Grants receivable	(46,224)	710,874
Pledges receivable, net	735,810	1,533,356
Prepaid expenses	97,681	154,669
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	164,690	(222,120)
Deferred membership revenue	(7,862)	(173,893)
Deferred revenue - affiliated organization	(109,567)	(99,547)
Net cash flows from operating activities	<u>1,240,453</u>	<u>3,574,343</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments, net	-	(974,730)
Purchases of property and equipment	(251,015)	(233,693)
Proceeds from maturity of investments	974,730	-
Net cash flows from investing activities	<u>723,715</u>	<u>(1,208,423)</u>

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

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from issuance of long-term debt, net of fees	\$ 250,000	\$ 2,900,000
Repayments on lines of credit	-	(3,000,000)
Repayments on notes payable	(200,548)	(1,333,998)
Collections of contributions restricted for museum exhibit	-	415,000
Net cash flows from financing activities	<u>49,452</u>	<u>(1,018,998)</u>
Net change in cash and equivalents	2,013,620	1,346,922
Cash and equivalents, beginning of year	<u>2,404,540</u>	<u>1,057,618</u>
Cash and equivalents, end of year	<u><u>\$ 4,418,160</u></u>	<u><u>\$ 2,404,540</u></u>
<u>SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid for interest expense (none capitalized)	<u><u>\$ 712,269</u></u>	<u><u>\$ 159,204</u></u>

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

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

United States Olympic and Paralympic Museum ("Organization") is incorporated under the laws of the State of Colorado. The Organization's planned principal activities are to honor the Olympic and Paralympic ideas, document the history of the United States Olympic and Paralympic participation, and celebrate the achievements of the United States Olympic and Paralympic competitors. The Organization opened for the first time in July 2020.

Basis of accounting

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

Use of estimates

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

Collections

The Organization has collections that consist primarily of Olympic and Paralympic artifacts such as medals and torches, and athlete apparel and equipment. The collections are maintained for public exhibition and education and are directly related to documenting the history of the United States Olympic and Paralympic athletes and honoring the Olympic and Paralympic ideals. These collections have been acquired through contributions and purchases since the Organization's inception. In accordance with accounting policies generally followed by museums, the value of the Organization's collections is not reflected in the statements of financial position, and donations of collection items are excluded from support and revenue in the statements of activities. Any proceeds from the sale of collection items are used for the acquisition to the collections.

Cash and equivalents

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

See independent auditor's report.

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Investments

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

Pledges receivable

Pledges receivable consist of unconditional promises-to-give and are recorded at net realizable value. Pledges receivable that are expected to be collected beyond one year are initially recorded at fair value using present value techniques. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the year in which the promises are received. Discount amortization is included in contribution revenue. The Organization also maintains an allowance for expected uncollectable pledges receivable, determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Pledges receivable are written off when deemed uncollectable.

The allowance for doubtful pledges totaled \$1,151,250 and \$350,000 as of December 31, 2024 and 2023, respectively.

Property and equipment

Acquisitions of property and equipment with original cost of \$5,000 or greater and useful lives exceeding one year are capitalized and recorded at cost, or fair value, if donated. Property and equipment are depreciated and amortized using the straight-line method over estimated useful lives, or in the case of capitalized leased assets or leasehold improvements, the shorter of the useful life of the assets or the lease term as follows:

Buildings and improvements	5-40 years
Furniture, fixtures and equipment	2-7 years
Software	5 years

Leases

Management determines if an arrangement is a lease at inception of the arrangement. For leases that do not state or imply an interest rate, the Organization elected to use a risk-free rate based on asset composition. The Organization elected to account for all leases with original terms of 12 months or fewer as short-term leases, which are expensed over the term of the lease and do not require recognition of right-of-use assets or lease liabilities. As of December 31, 2024 and 2023, the Organization had no material leases with terms exceeding 12 months.

See independent auditor's report.

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Net assets

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

Contributions and grants

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

Contributed nonfinancial assets

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

Revenue recognition

The Organization receives revenue from membership dues, events, and product sales. Revenue from these sources is considered to be contracts with customers under ASC Topic 606. Revenue is recognized as performance obligations are met. For membership dues, performance obligations for annual dues are considered to be met on a monthly basis. For all other revenues, performance obligations are met when services are rendered or when goods are exchanged. Payments are due upon invoice.

See independent auditor's report.

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Contract assets and liabilities

The timing of revenue recognition, billings, and cash collections results in accounts receivable (contract assets), and deferred revenue (contract liabilities). Changes in the contract asset and liability balances during the years ended December 31, 2024 and 2023 were not materially impacted by other factors.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Deferred membership revenue	\$ 58,470	\$ 66,332	\$ 240,225
Deferred revenue - affiliated organization	3,389,564	3,499,131	3,598,678

Functional expenses

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

Marketing

Marketing costs are expensed as incurred and totaled \$404,405 and \$322,232, respectively, for the years ended December 31, 2024 and 2023.

Income taxes

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

Reclassifications

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

See independent auditor's report.

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Subsequent events

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

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and equivalents	\$ 4,418,160	\$ 2,404,540
Investments	-	974,730
Grants receivable	46,224	-
Pledges receivable due within one year	<u>686,583</u>	<u>1,336,584</u>
Total financial assets at year end	5,150,967	4,715,854
Less amounts unavailable for general expenditures within one year due to:		
Net assets with donor purpose restrictions	<u>(840,041)</u>	<u>(955,156)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,310,926</u>	<u>\$ 3,760,698</u>

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

3. INVESTMENTS AND FAIR VALUE MEASUREMENT

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

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

See independent auditor's report.

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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

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

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

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

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

The fair value of debt securities is based on their face value and the current interest rate environment.

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

	2023	
	Level 1	Total
Debt securities	\$ 974,730	\$ 974,730
Total investments		\$ 974,730

The Organization holds no investments classified as level 2 or 3. The Organization held no investments as of December 31, 2024.

4. PLEDGES RECEIVABLE

Pledges receivable consist of the following as of December 31,:

	2024	2023
Within one year	\$ 686,583	\$ 1,336,584
In one to five years	1,585,000	2,449,509
Greater than five years	400,000	-
	2,671,583	3,786,093
Less discount on pledges receivable	(192,531)	(372,481)
Less allowance for doubtful pledges	(1,151,250)	(350,000)
Pledges receivable, net	\$ 1,327,802	\$ 3,063,612

See independent auditor's report.

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Pledges receivable were discounted using a risk-free rate of 4.58% and 3.88% for the years ended December 31, 2024 and 2023, respectively.

5. PROPERTY AND EQUIPMENT

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

	<u>2024</u>	<u>2023</u>
Depreciable assets:		
Buildings and improvements	\$ 89,373,110	\$ 89,244,342
Furniture and equipment	3,278,198	3,272,243
Software	<u>603,609</u>	<u>566,516</u>
	93,254,917	93,083,101
Accumulated depreciation and amortization	<u>(12,547,167)</u>	<u>(9,548,861)</u>
Total depreciable assets, net	80,707,750	83,534,240
Non-depreciable assets:		
Construction in progress	402,186	322,986
Works of art	61,475	61,475
Land	<u>6,875,000</u>	<u>6,875,000</u>
Total property and equipment, net	<u><u>\$ 88,046,411</u></u>	<u><u>\$ 90,793,701</u></u>

Depreciation and amortization expense related to property and equipment totaled \$2,998,305 and \$3,000,551 for the years ended December 31, 2024 and 2023, respectively.

6. DEBT

Lines of credit

The Organization has a revolving line of credit with a financial institution allowing the Organization to borrow up to \$3,000,000. The line of credit bears interest at the financial institution's prime rate, matures in August 2025, and is secured through a deed of trust and assignments of deposit account. The balance outstanding totaled \$0 for both years ended December 31, 2024 and 2023.

During the year ended December 31, 2024, the Organization entered into a revolving line of credit for up to \$2,000,000 with four individuals, including two board members. The line of credit bears interest at the applicable federal rate minus 2% for mid-term loans, is secured by deposit accounts and receivables, and matures on December 31, 2028.

See independent auditor's report.

UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Notes payable

Notes payable consist of the following as of December 31,:

	<u>2024</u>	<u>2023</u>
Note payable to a capital provider in the amount of \$8,486,756, requiring annual payments of principal and interest totaling \$720,248, bearing interest at 6.78% per annum, maturing in April 2048, and secured by real property.	\$ 8,349,901	\$ 8,486,756
Note payable to USOPC in the amount of \$2,900,000, requiring monthly payments of principal and interest totaling \$14,518, bearing interest at 3.50% per annum, maturing in January 2031, and unsecured.	2,794,545	2,869,524
Note payable to a foundation in the amount of \$1,000,000 bearing interest at 0.00% per annum, maturing in December 2027, and unsecured.	1,000,000	1,000,000
Note payable to a foundation in the amount of \$500,000, with \$250,000 received during the year ended December 31, 2024, and the remaining \$250,000 expected to be received during the year ended December 31, 2025, bearing interest at 0.00% per annum, with all outstanding principal due at maturity in June 2029, and unsecured.	250,000	-
Economic Injury Disaster Loan ("EIDL") with the Small Business Administration in the amount of \$500,000, requiring monthly payments of principal and interest totaling \$2,227, bearing interest at 2.75% per annum, maturing in December 2050, and secured by the Organization's personal property.	<u>500,000</u>	<u>500,000</u>
Total notes payable	12,894,446	12,856,280
Less unamortized debt issuance costs	<u>(259,574)</u>	<u>(270,860)</u>
Notes payable, net	<u><u>\$ 12,634,872</u></u>	<u><u>\$ 12,585,420</u></u>

Management believes the impact of below market interest rates is immaterial to the financial statements as a whole as of and for the year ended December 31, 2024.

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UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

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The Organization is subject to certain financial and other covenants on certain notes payable above. Management has determined that, as of December 31, 2024, the Organization was in compliance with or had obtained appropriate waivers for all such covenants.

Future maturities of long-term debt consist of the following for the years ending December 31,:

2025	\$ 286,231
2026	428,870
2027	1,577,078
2028	723,459
2029	1,128,425
Thereafter	<u>8,750,383</u>
	<u>\$ 12,894,446</u>

7. DEFERRED REVENUE - AFFILIATED ORGANIZATION

Deferred revenue from an affiliated organization consists of funds received from the United States Olympic and Paralympic Committee ("USOPC") in the amount of \$4,000,000. The funds received are to be used to provide the USOPC and any third party it designates the use of the museum facilities for hosting events at the museum, as well as to provide tickets and VIP tours of the museum facilities upon request of the USOPC. Yearly event costs are not to exceed \$400,000 per year unless approved by museum management. Management has determined this agreement constitutes a contract with a customer under ASC Topic 606 and, accordingly, the Organization recognizes revenue as the services are provided. Amounts recognized as revenue under the agreement totaled \$109,566 and \$99,548 for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the outstanding balance on the advance totaled \$3,389,564 and \$3,499,131, respectively.

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8. NET ASSETS

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

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Becoming Your Personal Best Youth Program	\$ 10,041	\$ 125,156
Bill Daniels Gallery of Inspiration	<u>830,000</u>	<u>830,000</u>
	<u>840,041</u>	<u>955,156</u>
Subject to the passage of time:		
Grants receivable	46,224	-
Promises to give, net	<u>1,327,802</u>	<u>3,063,612</u>
	<u>1,374,026</u>	<u>3,063,612</u>
Total net assets with donor restrictions	<u><u>\$ 2,214,067</u></u>	<u><u>\$ 4,018,768</u></u>

9. CONDITIONAL GRANTS

During the year ended December 31, 2023, the Organization received a conditional grant from the USOPC totaling \$1,000,000. Under the terms of the grant agreement, the grant period is for the period from July 7, 2023 through July 7, 2026, and the funding is to be used to retain a search firm to hire a Chief Revenue Officer ("CRO"), to cover personnel expenses for the CRO, and to support revenue generating programs created and managed by the CRO. In connection with this grant agreement, management determined that certain conditions were met during the years ended December 31, 2024 and 2023, and, accordingly, approximately \$278,000 and \$50,000 was recognized as contribution and grant revenue, respectively. The remaining \$672,000 will be recognized as the conditions are met over the period of the grant agreement.

During the year ended December 31, 2024, the Organization received a conditional grant from the Department of Education for the Organization's Becoming Your Personal Best Program for up to \$889,000. In connection with this grant agreement, management determined that certain conditions were met during the year ended December 31, 2024 and, accordingly, approximately \$78,000 was recognized as contribution and grant revenue. The remaining \$811,000 will be recognized as the conditions are met over the period of the grant agreement.

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UNITED STATES OLYMPIC AND PARALYMPIC MUSEUM

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DECEMBER 31, 2024 AND 2023

10. CONCENTRATIONS

Cash and equivalents

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

Pledges receivable

Three donors accounted for 80% of pledges receivable as of December 31, 2024. Three donors accounted for 70% of pledges receivable as of December 31, 2023.

Contributions and grants

Three donors accounted for 68% of contributions and grants as of December 31, 2024. One donor accounted for 21% of contributions and grants as of December 31, 2023.

11. RETIREMENT PLAN

The Organization sponsors a 401(k) retirement plan ("Plan") covering all eligible employees. Under the Plan, the Organization matches 100% of employee contributions up to 3% of the employee's eligible compensation, plus 50% of the next 2% of employee contributions that do not exceed 5% of the employee's eligible compensation. The Organization's contributions to the Plan for the years ended December 31, 2024 and 2023 totaled \$60,930 and \$33,407, respectively.

12. EMPLOYEE RETENTION CREDIT

The Organization claimed the Employee Retention Credit under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, totaling \$710,874. The total balance was collected in full as of December 31, 2023. While management believes the claim complies with the provisions of the CARES Act, such provisions are subject to varying interpretations and may be subject to retroactive review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the Employee Retention Credit, and it is not possible to determine the impact, if any, this would have on the Organization.

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See independent auditor's report.