UNITED STATES BOWLING CONGRESS, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2025 AND 2024



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INDEPENDENT AUDITORS' REPORT

Board of Directors
United States Bowling Congress, Inc.
Arlington, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United States Bowling Congress, Inc. which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United States Bowling Congress, Inc. as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United States Bowling Congress, Inc. 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United States Bowling Congress, Inc.'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.

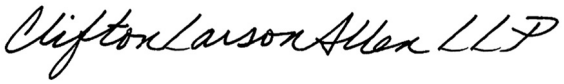
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United States Bowling Congress, Inc.'s ability to continue as a going concern for a reasonable period of time.

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.

Board of Directors
United States Bowling Congress, Inc.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statement of financial position and combining statement of activities is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
October 9, 2026

UNITED STATES BOWLING CONGRESS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 10,530,342	$ 5,832,269
Cash and Cash Equivalents - SMART Program	1,348,202	640,207
Accounts Receivable, Net	364,163	250,284
Due from Related Parties	596,475	726,000
Inventory	58,110	24,230
Prepaid Expenses and Other	811,976	1,885,757
Total Current Assets	13,709,268	9,358,747
INVESTMENTS		
Investments, at Fair Value	44,726,342	45,758,359
Investments, at Fair Value - SMART Program	99,311,730	95,661,776
Investment in International Bowling Campus, LLC	3,781,947	4,031,317
Total Investments	147,820,019	145,451,452
PROPERTY AND EQUIPMENT		
Furniture and Fixtures	599,444	578,486
Tournament Equipment	11,387,731	11,387,731
Vehicles	87,993	87,993
Software	5,577,322	5,327,322
Software - SMART Program	910,467	910,467
Construction in Progress	43,519	187,500
Total, at Cost	18,606,476	18,479,499
Less: Accumulated Depreciation	16,673,296	15,145,500
Less: Accumulated Depreciation - SMART Program	910,467	910,467
Total Property and Equipment	1,022,713	2,423,532
OPERATING LEASE RIGHT-OF-USE ASSETS	89,379	171,674
GOODWILL, NET OF ACCUMULATED AMORTIZATION	241,666	286,666
Total Assets	$ 162,883,045	$ 157,692,071

See accompanying Notes to Financial Statements.

UNITED STATES BOWLING CONGRESS, INC.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2025 AND 2024

	2025	2024
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 671,740	$ 833,202
Accounts Payable - SMART Program	-	33,317
Due to Related Parties	26,232	10,710
Accrued Liabilities	3,350,815	3,549,851
Accrued Liabilities - SMART Program	500,000	750,000
Current Portion of Postretirement Benefit Obligation	53,000	59,000
Current Portion of Deferred Revenue - Tournament Subsidy	-	875,000
Current Portion of Scholarship Awards Payable - SMART Program	15,285,093	13,148,052
Current Portion of Operating Lease Liability	34,873	82,130
Deferred Revenue - National Tournaments	17,745,633	16,427,897
Deferred Revenue - Membership Dues	7,009,338	6,970,923
Deferred Revenue - BowlTV Subscriptions	102,988	170,480
Deferred Revenue - Bowlers Journal Subscriptions	214,217	231,368
Total Current Liabilities	44,993,929	43,141,930
LONG-TERM LIABILITIES		
Deferred Revenue - Tournament Subsidy, Less Current Portion Above	530,000	150,000
Postretirement Benefit Obligation, Less Current Portion Above	340,715	407,443
Scholarship Awards Payable - SMART Program	93,420,123	91,474,763
Long Term Portion of Operating Lease Liability	54,506	89,544
Total Long-Term Liabilities	94,345,344	92,121,750
Total Liabilities	139,339,273	135,263,680
NET ASSETS		
Without Donor Restrictions		
Undesignated	14,220,302	15,705,016
SMART Program	(8,300,364)	(9,270,243)
Designated for Operating Reserve	17,623,834	15,993,618
Total Net Assets	23,543,772	22,428,391
Total Liabilities and Net Assets	$ 162,883,045	$ 157,692,071

See accompanying Notes to Financial Statements.

UNITED STATES BOWLING CONGRESS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Membership Dues	$ 14,984,919	$ -	$ 14,984,919
Merchandise Sales	82,512	-	82,512
Workshops and Seminars	620,421	-	620,421
Special Events, Booths, and Concessions	949,783	-	949,783
Tournament Entry and Prize Fees	20,512,020	-	20,512,020
Tournament and Conventions Subsidy	3,181,478	-	3,181,478
Brackets	2,003,493	-	2,003,493
Advertising	236,274	-	236,274
Royalty	1,195,591	-	1,195,591
Sponsorship	759,291	-	759,291
Contributions	64,048	-	64,048
Net Investment Return	3,063,200	-	3,063,200
Net Investment Return - SMART Program	9,787,386	-	9,787,386
BowlTV	1,297,436	-	1,297,436
Other	383,431	-	383,431
Grant Income	753,520	-	753,520
Bowlers Journal	328,966	-	328,966
Total Revenues	60,203,769	-	60,203,769
EXPENSES			
Salaries	8,333,435	-	8,333,435
Fringe Benefits	2,655,585	-	2,655,585
Employee Recruitment and Training	70,467	-	70,467
Temporary Agency Services	4,931,022	-	4,931,022
Professional Services	5,722,266	-	5,722,266
Professional Services - SMART Program	229,091	-	229,091
Supplies	151,774	-	151,774
Supplies - SMART Program	586	-	586
Resale Merchandise	58,182	-	58,182
Prizes	12,910,700	-	12,910,700
Awards	1,209,268	-	1,209,268
Telephone	8,001	-	8,001
Postage and Freight	1,280,610	-	1,280,610
Postage and Freight - SMART Program	6,748	-	6,748
Facilities	1,132,088	-	1,132,088
Equipment Maintenance and Repairs	1,313,370	-	1,313,370
Depreciation	1,578,190	-	1,578,190
Amortization	45,000	-	45,000
Printing	559,877	-	559,877
Printing - SMART Program	1,807	-	1,807
Promotion, Sponsorships, and Programs	1,486,595	-	1,486,595
Promotion, Sponsorships, and Programs - SMART Program	4,281	-	4,281
Travel	2,699,908	-	2,699,908
Travel - SMART Program	3,131	-	3,131
Insurance	766,441	-	766,441
Contributions	1,101,516	-	1,101,516
Lineage and Construction	2,083,882	-	2,083,882
Contribution Earnings Allocation - SMART Program	8,000,000	-	8,000,000
Miscellaneous	480,341	-	480,341
Total Expenses	58,824,162	-	58,824,162

See accompanying Notes to Financial Statements.

UNITED STATES BOWLING CONGRESS, INC.
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGE IN NET ASSETS FROM OPERATIONS	$ 1,379,607	$ -	$ 1,379,607
EQUITY IN NET LOSS OF INTERNATIONAL BOWLING CAMPUS, LLC	(249,370)	-	(249,370)
CHANGE IN POSTRETIREMENT BENEFIT OBLIGATION, OTHER THAN PERIODIC EXPENSE	(14,856)	-	(14,856)
CHANGE IN NET ASSETS	1,115,381	-	1,115,381
Net Assets - Beginning of Year	22,428,391	-	22,428,391
NET ASSETS - END OF YEAR	$ 23,543,772	$ -	$ 23,543,772

See accompanying Notes to Financial Statements.

UNITED STATES BOWLING CONGRESS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Membership Dues	$ 14,347,507	$ -	$ 14,347,507
Merchandise Sales	36,170	-	36,170
Workshops and Seminars	361,270	-	361,270
Special Events, Booths, and Concessions	1,002,275	-	1,002,275
Tournament Entry and Prize Fees	18,442,149	-	18,442,149
Tournament and Conventions Subsidy	3,692,220	-	3,692,220
Brackets	1,767,908	-	1,767,908
Advertising	224,297	-	224,297
Royalty	911,079	-	911,079
Sponsorship	608,001	-	608,001
Contributions	62,708	-	62,708
Net Investment Return	3,029,811	-	3,029,811
Net Investment Return - SMART Program	6,178,501	-	6,178,501
BowlTV	1,208,698	-	1,208,698
Other	126,962	-	126,962
Bowlers Journal	336,918	-	336,918
Total Revenues	52,336,474	-	52,336,474
EXPENSES			
Salaries	7,929,963	-	7,929,963
Fringe Benefits	2,438,802	-	2,438,802
Employee Recruitment and Training	51,244	-	51,244
Temporary Agency Services	4,209,043	-	4,209,043
Professional Services	5,306,617	-	5,306,617
Professional Services - SMART Program	344,339	-	344,339
Supplies	168,325	-	168,325
Supplies - SMART Program	194	-	194
Resale Merchandise	29,539	-	29,539
Prizes	12,424,910	-	12,424,910
Awards	770,091	-	770,091
Telephone	30,085	-	30,085
Postage and Freight	1,349,387	-	1,349,387
Postage and Freight - SMART Program	6,534	-	6,534
Facilities	1,077,620	-	1,077,620
Equipment Maintenance and Repairs	1,069,043	-	1,069,043
Depreciation	774,366	-	774,366
Amortization	45,000	-	45,000
Printing	431,792	-	431,792
Printing - SMART Program	2,399	-	2,399
Promotion, Sponsorships, and Programs	1,184,615	-	1,184,615
Promotion, Sponsorships, and Programs - SMART Program	9,195	-	9,195
Travel	1,975,885	-	1,975,885
Travel - SMART Program	2,871	-	2,871
Insurance	697,807	-	697,807
Contributions	488,124	-	488,124
Lineage and Construction	552,160	-	552,160
Contribution Earnings Allocation - SMART Program	9,072,318	-	9,072,318
Miscellaneous	316,546	-	316,546
Miscellaneous - SMART Program	(16,514)	-	(16,514)
Total Expenses	52,742,300	-	52,742,300

See accompanying Notes to Financial Statements.

UNITED STATES BOWLING CONGRESS, INC.
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGE IN NET ASSETS FROM OPERATIONS	$ (405,826)	$ -	$ (405,826)
EQUITY IN NET LOSS OF INTERNATIONAL BOWLING CAMPUS, LLC	(340,104)	-	(340,104)
NET ASSETS OBTAINED FROM IBC YOUTH BUSINESS COMBINATION	1,459,725	-	1,459,725
CHANGE IN POSTRETIREMENT BENEFIT OBLIGATION, OTHER THAN PERIODIC EXPENSE	39,405	-	39,405
CHANGE IN NET ASSETS	753,200	-	753,200
Net Assets - Beginning of Year	21,675,191	-	21,675,191
NET ASSETS - END OF YEAR	$ 22,428,391	$ -	$ 22,428,391

See accompanying Notes to Financial Statements.

UNITED STATES BOWLING CONGRESS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services	Management and General	Total
Salaries	$ 7,055,363	$ 1,278,072	$ 8,333,435
Fringe Benefits	2,481,367	174,218	2,655,585
Employee Recruitment and Training	45,673	24,794	70,467
Temporary Agency Services	4,931,022	-	4,931,022
Professional Services	5,194,242	528,024	5,722,266
Professional Services - SMART Program	-	229,091	229,091
Supplies	149,860	1,914	151,774
Supplies - SMART Program	-	586	586
Resale Merchandise	58,182	-	58,182
Prizes	12,910,700	-	12,910,700
Awards	1,190,717	18,551	1,209,268
Telephone	8,001	-	8,001
Postage and Freight	1,279,136	1,474	1,280,610
Postage and Freight - SMART Program	-	6,748	6,748
Facilities	54,446	1,077,642	1,132,088
Equipment Maintenance and Repairs	1,246,329	67,041	1,313,370
Depreciation	1,344,712	233,478	1,578,190
Amortization	-	45,000	45,000
Printing	547,003	12,874	559,877
Printing - SMART Program	-	1,807	1,807
Promotion, Sponsorships, and Programs	836,539	650,056	1,486,595
Promotion, Sponsorships, and Programs - SMART Program	-	4,281	4,281
Travel	2,245,045	454,863	2,699,908
Travel - SMART Program	-	3,131	3,131
Insurance	93,693	672,748	766,441
Contributions	871,074	230,442	1,101,516
Lineage and Construction	2,083,882	-	2,083,882
Contribution Earnings Allocation - SMART Program	-	8,000,000	8,000,000
Miscellaneous	453,042	27,299	480,341
Total Expenses by Function	$ 45,080,028	$ 13,744,134	$ 58,824,162

See accompanying Notes to Financial Statements.

UNITED STATES BOWLING CONGRESS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Management and General	Total
Salaries	$ 6,623,693	$ 1,306,270	$ 7,929,963
Fringe Benefits	2,203,209	235,593	2,438,802
Employee Recruitment and Training	29,666	21,578	51,244
Temporary Agency Services	4,196,251	12,792	4,209,043
Professional Services	4,719,835	586,782	5,306,617
Professional Services - SMART Program	-	344,339	344,339
Supplies	162,196	6,129	168,325
Supplies - SMART Program	-	194	194
Resale Merchandise	29,539	-	29,539
Prizes	12,424,910	-	12,424,910
Awards	751,613	18,478	770,091
Telephone	30,085	-	30,085
Postage and Freight	1,341,604	7,783	1,349,387
Postage and Freight - SMART Program	-	6,534	6,534
Facilities	64,160	1,013,460	1,077,620
Equipment Maintenance and Repairs	1,023,961	45,082	1,069,043
Depreciation	678,377	95,989	774,366
Amortization	-	45,000	45,000
Printing	420,403	11,389	431,792
Printing - SMART Program	-	2,399	2,399
Promotion, Sponsorships, and Programs	541,082	643,533	1,184,615
Promotion, Sponsorships, and Programs - SMART Program	-	9,195	9,195
Travel	1,517,020	458,865	1,975,885
Travel - SMART Program	-	2,871	2,871
Insurance	112,014	585,793	697,807
Contributions	249,064	239,060	488,124
Lineage and Construction	552,160	-	552,160
Contribution Earnings Allocation - SMART Program	-	9,072,318	9,072,318
Miscellaneous	254,005	62,541	316,546
Miscellaneous - SMART Program	-	(16,514)	(16,514)
Total Expenses by Function	$ 37,924,847	$ 14,817,453	$ 52,742,300

See accompanying Notes to Financial Statements.

UNITED STATES BOWLING CONGRESS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 1,115,381	$ 753,200
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	1,578,190	774,366
Amortization	45,000	45,000
Amortization of ROU Asset	82,295	85,272
Decrease in Post-Retirement Benefit Obligation	(72,728)	(152,487)
Net Realized and Unrealized Gains on Investments	(12,640,026)	(9,117,747)
Net Assets Obtained from IBC Youth Business Combination	-	(1,459,725)
Equity in Net Loss of International Bowling Campus, LLC	249,370	340,104
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(113,879)	405,254
Due from Related Parties	129,525	66,941
Inventory	(33,880)	9,592
Prepaid Expenses and Other	1,073,781	(1,131,301)
Accounts Payable	(194,779)	(26,577)
Due to Related Parties	15,522	7,763
Accrued Liabilities	(449,036)	1,147,747
Deferred Revenue	776,508	1,245,781
Scholarship Awards Payable	4,082,401	5,487,618
Lease Liability - Operating	(82,295)	(85,272)
Net Cash Used by Operating Activities	(4,438,650)	(1,604,471)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Investments	110,641,087	29,122,817
Purchases of Investments	(100,588,461)	(26,828,171)
Purchases of Property and Equipment	(177,371)	(462,438)
Proceeds from IBC Youth Business Combination	-	475,031
IBC Capital Contribution	-	(279,000)
Net Cash Provided by Investing Activities	9,875,255	2,028,239
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,436,605	423,768
Cash and Cash Equivalents - Beginning of Year	6,472,476	6,048,708
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 11,909,081	$ 6,472,476
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Construction in Progress included in Accounts Payable	$ -	$ 62,500

See Note 2 for Noncash Addition of IBC Youth's Assets and Assumption of IBC Youth's Liabilities

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The United States Bowling Congress, Inc. (USBC) was incorporated on June 3, 2004 in the state of Wisconsin for the purposes of developing interest and participation in the sport of bowling by overseeing competition and providing programs and services to its membership. USBC also administers a scholarship program, overseen by the SMART Oversight Committee established by USBC in 2021. USBC's revenues are derived primarily from membership dues and tournament entry fees, as well as investment returns as part of administering the scholarship program. The following footnotes report information for the years ended December 31, 2025 and 2024. Significant accounting policies followed by USBC are presented below.

Use of Estimates

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

Cash Equivalents

USBC considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are uncollateralized obligations. Accounts receivable are stated at the invoice amount. Payments of accounts receivable are applied to the specific invoices identified on the remittance advice or, if unspecified, to the earliest unpaid invoices or unfunded scholarships.

USBC establishes an allowance for credit losses to present the net amount of accounts receivable expected to be collected. The allowance represents the estimate of expected credit losses based on a calculated percentage of sales, historical experience, current economic conditions, and certain forward-looking information. If there is a deterioration of credit worthiness, or actual defaults are higher than the historical experience, management's estimates of recoverability of amounts due to USBC could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. The allowance for doubtful accounts was $9,510 and $16,700 at December 31, 2025 and 2024, respectively.

Inventory

Inventory consists of resale merchandise and awards and is valued at the lower of cost or net realizable value with cost determined on a first-in, first-out (FIFO) basis.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are reported at fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses on investments are included in the statements of activities as net investment return.

Risks and Uncertainties

USBC utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect USBC's account balances and the amounts reported in the financial statements.

Investment in International Bowling Campus, LLC

USBC owns a 50% interest in International Bowling Campus, LLC (IBC). The investment is accounted for using the equity method. Under the equity method, the investment is carried at cost, adjusted for USBC's proportionate share of undistributed earnings or losses, and capital contributions and distributions.

Property and Equipment

Property and equipment over $5,000 with a useful life three years or more are stated at cost and depreciated on the straight-line method over their estimated useful lives, which range from 3 to 20 years.

Maintenance, repairs, and replacements are generally included as expenses of operations during the year in which the expense is incurred. Cost of replacements, which constitute improvements or extend the life of the respective assets, are recorded as additions to property and equipment.

Impairment of Long-Lived Assets

USBC reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

USBC determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statement of financial position.

ROU assets represent USBC's right to use an underlying asset for the lease term, and lease liabilities represent USBC's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that USBC will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. USBC has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, USBC has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

USBC has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Net Assets

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. However, donor-restricted contributions whose restrictions are met during the same year are directly reported as increases in net assets without donor restrictions. The net assets of USBC and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Those resources subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, which will be satisfied by actions of USBC or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. USBC does not have any net assets held in perpetuity as of December 31, 2025 and 2024.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill

Goodwill is recorded when the cost of acquired businesses exceed the fair value of the identifiable net assets acquired. USBC has elected to amortize goodwill over an estimated useful life of 10 years.

Scholarship Awards Payable

USBC administers a scholarship program for the bowling community known as Scholarship Management and Accounting Reports for Tenpins (SMART) Program. USBC collects, manages, and disburses scholarship funds for youth bowling scholarships. A scholarship awards payable is recorded for payments received. USBC effectively acts as an agent for these funds. Investment income is used to pay the administrative costs of operating the program. Investment income in excess of these administrative costs may be allocated to the accounts of the provider organizations. As of the years ended December 31, 2025 and 2024, the SMART program reflects a deficit of approximately $8,300,000 and $9,270,000, respectively. On an annual basis since 2021 USBC has engaged a third-party to perform an actuarial study of the redemption of the scholarship liability. The 2025 study found that of the $108,705,216 in scholarship liability, 44.49% or $48,362,950 will be requested by awardees at December 31, 2025. The 2024 study found that of the $104,622,815 in scholarship liability, 47.58% or $49,779,535 will be requested by awardees at December 31, 2024. The cash and investment balance is greater than the actuarial redemption value of the scholarship liability.

Revenue Recognition

Revenue is recognized when performance obligations are met. Membership dues are recognized ratably over the period of membership. Unearned membership revenue is reflected as deferred revenue on the statements of financial position. Workshops and Seminars, Special Events, Booths, and Concessions, Tournament Entry and Prize Fees, Tournament and Conventions Subsidy, Brackets, and Advertising are recognized when the events are held. Tournament entry fees are collected in advance, resulting in deferred revenue (contract liability) on the statements of financial position. Royalty revenue is recognized quarterly based on use of preferred service providers and merchandise sales. Sponsorship revenue is recognized ratably over the sponsorship period. Bowlers Journal and BowlTV subscription revenue is recognized ratably over the subscription period, which provides access to either BowlTV or the Bowlers Journal.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Deferred Revenue

National tournaments consist of tournament subsidies and tournament entry fees. These amounts are recognized as revenue in the period in which the event is held or the related expenses are incurred.

Membership dues are recognized in the fiscal year in which the individual receives the privileges that membership offers.

BowlTV subscriptions are recognized over the course of time which aligns with the individual subscription periods.

Bowlers Journal subscriptions are recognized over the course of time which aligns with the individual subscription periods.

Advertising

USBC expenses advertising costs as they are incurred.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a natural basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries, fringe benefits, employee recruitment and training, professional services, supplies, awards, postage and freight, facilities, equipment maintenance and repairs, printing, promotion, sponsorships, and programs, travel, insurance, contributions, and miscellaneous expenses, which are allocated on the basis of estimates of time and effort.

Income Tax Status

The Internal Revenue Service (IRS) has issued a determination letter dated October 5, 2004, granting USBC an exemption from federal income tax under IRS Code Section 501(c)(3). However, income received from certain activities is subject to income tax as unrelated business income. No income tax expense has been recorded in the financial statements as cumulative unrelated business net operating loss carryforwards would offset any current tax liability. In addition, a 100% valuation allowance has been provided against the deferred tax asset resulting from the net operating loss carryforwards. Management is not aware of any items that could cause revocation of the tax-exempt status.

NOTE 2 IBC YOUTH BUSINESS COMBINATION

On December 31, 2024, IBC Youth and USBC entered into a business combination and IBC Youth was subsequently dissolved. All of IBC Youth's assets and liabilities were assumed by USBC.

In connection with the business combination, USBC received the following assets and assumed the following liabilities:

Assets:		
Cash	$	475,031
Investments, at Fair Value		1,383,439
Accounts Receivable, Net		883
Inventory		19,350
Prepaid Expenses		99,414
Software and Equipment, Net		237,462
Total Assets	$	2,215,579
Liabilities:		
Accounts Payable	$	1,667
Accrued Expenses and Other Liabilities		81,535
Deferred Revenue		843,014
Total Liabilities	$	926,216
Net Assets - Without Donor Restrictions	$	1,459,725

USBC recognized the $1,459,725 of excess assets received over liabilities assumed as an in-kind contribution. This amount is presented as "net assets obtained from IBC Youth Business Combination" on the statement of activities for the year ended December 31, 2024.

NOTE 3 LIQUIDITY AND AVAILABILITY

USBC's liquidity goal is to have sufficient assets available to meet operational expenditures for a six-month period. USBC regularly reviews the liquidity required to meet the ongoing needs for membership, governance, research, and the services needed to support those functions. Various forms of funds are available which include cash, marketable investment securities, expected collections of receivables, and a commercial line of credit (see Note 14).

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

For the purpose of analyzing available resources, USBC reviews assets not covered by donor restrictions or restricted for future use. USBC also excludes assets related to the SMART program from their liquidity and availability calculation, which are overseen by the SMART Oversight Committee and designated for the ongoing needs of administering a scholarship program for the bowling community and the other services needed to support that function. As of December 31, 2025 and 2024, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	2025	2024
Cash and Cash Equivalents	$ 10,530,342	$ 5,832,269
Accounts Receivable, Net	364,163	250,284
Due From Related Parties	596,475	726,000
Investments, at Fair Value	44,726,342	45,758,359
Total	56,217,322	52,566,912
Less: Board-Designated Reserve	(17,623,834)	(15,993,618)
Financial Assets Available to Meet General Expenditures Within One Year	$ 38,593,488	$ 36,573,294

USBC maintains the investments above in investment vehicles that allow access to these funds for satisfaction of current liabilities.

USBC's Board-Designated Reserve consists of investments internally designated for specific purposes. Although USBC does not intend to spend this board-designated reserve within the next year, these amounts could be made available if necessary.

In addition to financial assets available to meet operational expenditures, USBC operates with a balanced budget to ensure that the entity can meet current and future obligations. USBC believes that future revenues will be sufficient to cover expenditures without materially impacting the entity's liquidity.

NOTE 4 INVESTMENTS

Investments consist of the following at December 31:

	2025	2024
Interest-Bearing Cash	$ 16,231,883	$ 24,817,460
Interest-Bearing Cash - SMART Program	3,002,935	890,024
Equities	52,847,027	6,113,807
Exchange-Traded Funds	963,065	212,951
Bonds	2,252,603	1,446,353
Certificates of Deposit	500,816	200,319
Mutual Funds	17,578,743	12,944,014
Mutual Funds - SMART Program	45,114,375	89,376,017
Hedge Fund - SMART Program	-	-
Limited Partnerships - SMART Program	5,546,625	5,419,190
Total Investments	$ 144,038,072	$ 141,420,135

NOTE 5 FAIR VALUE MEASUREMENTS

GAAP establishes a framework for measuring fair value. That framework provides 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 unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Equities: Valued based on the closing price reported in the active market in which the individual security is traded.

Bonds and Certificates of Deposit: Valued with an institutional bid evaluation or an institutional mid evaluation. A bid evaluation is an estimated price at which a dealer would pay for a security (typically in an institutional round lot). A mid evaluation is the average of the estimated price at which a dealer would sell a security and the estimated price at which a dealer would pay for a security (typically in an institutional round lot). Oftentimes, these evaluations are based on proprietary models which pricing vendors establish for these purposes. In some cases, there may be manual sources used when primary price vendors do not supply prices.

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

Mutual Funds and Exchange-Traded Funds: Valued based on quoted market prices, which represent the net asset value (NAV) of shares held by USBC at year-end.

Hedge Fund: Valued based on the NAV per unit (or its equivalent) based upon the fair value of the underlying investments. NAV is used as a practical expedient to estimate fair value. The investment strategy of the hedge fund is to maximize long-term total return, consistent with prudent investment management. The fund seeks to achieve its objective by investing in at least 70% in other commingled investment vehicles, in investment grade debt and fixed income securities rated at the time of purchase at least Baa3 or BBB- by a nationally recognized rating agency. USBC has no additional committed capital obligations.

Limited Partnerships: As part of the SMART mutual termination agreement USBC became a partner in four limited partnerships. The limited partnerships are valued at an amount equal to the ownership interest in the partners' capital, NAV, used as a practical expedient to estimate fair value. Two partnerships have a 10-year term after final closing, subject to two two-year extensions at the election of the General Partner. The investment strategy of these two limited partnerships is to achieve attractive risk-adjusted returns relative to more liquid fixed income alternatives, with an emphasis on current income and preservation of capital. The fund seeks to achieve its objective primarily by investing in senior secured, floating rate middle market loans, through wholly and partially owned holding companies and other investment vehicles.

One partnership will continue until July 31, 2031, subject to three one-year extensions at the election of the General Partner. The investment strategy of this limited partnership is to generate significant returns principally through long-term capital appreciation, by making, holding and disposing of privately negotiated equity and equity related investments in venture capital and private equity partnerships and operating companies, primarily in the healthcare, information technology, communications, and digital asset industries.

The last partnership is open-ended, allowing USBC to withdraw or submit a repurchase request at the end of the three-year quarter date. The investment strategy of this limited partnership is to net 8%-10% yields through long-term leases on investments in long-lived, capital-intensive transportation assets (aircraft, rail, maritime, vehicles, equipment and energy logistics).

In each limited partnership, USBC may not sell, assign, or transfer its interest except with prior written consent of the General Partner. Withdrawals of capital are not permitted except in limited instances.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while USBC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, USBC's assets at fair value as of December 31:

	2025			
	Level 1	Level 2	Level 3	Total
Assets at Fair Value:				
Equities	$ 52,847,027	$ -	$ -	$ 52,847,027
Exchange-Traded Funds	963,065	-	-	963,065
Bonds:				
U.S. Treasuries	2,003,395	-	-	2,003,395
Corporate Bonds	-	249,208	-	249,208
Certificates of Deposit	-	500,816	-	500,816
Mutual Funds:				
International - SMART Program	-	-	-	-
Small Cap - SMART Program	-	-	-	-
Large Cap	47,591	-	-	47,591
Large Cap - SMART Program	-	-	-	-
Fixed Income	9,319,617	-	-	9,319,617
Fixed Income - SMART Program	45,114,375	-	-	45,114,375
Allocation	7,372,444	-	-	7,372,444
Specialty	839,091	-	-	839,091
Total Assets at Fair Value	$ 118,506,605	$ 750,024	$ -	119,256,629
Assets Valued at NAV:				
Hedge Fund - SMART Program				-
Limited Partnerships - SMART Program				5,546,625
Total Assets at NAV				5,546,625
Assets Not Valued Under Fair Value Measurements:				
Interest-Bearing Cash				16,231,883
Interest-Bearing Cash - SMART Program				3,002,935
Total Investments				$ 144,038,072

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

	2024			
	Level 1	Level 2	Level 3	Total
Assets at Fair Value:				
Equities	$ 6,113,807	$ -	$ -	$ 6,113,807
Exchange Traded Funds	212,951	-	-	212,951
Bonds:				
U.S. Treasuries	500,874	-	-	500,874
Corporate Bonds	-	945,479	-	945,479
Certificate of Deposit	-	200,319	-	200,319
Mutual Funds:				
International - SMART Program	13,884,006	-	-	13,884,006
Small cap - SMART Program	8,446,950	-	-	8,446,950
Large Cap	46,895	-	-	46,895
Large Cap - SMART Program	21,679,241	-	-	21,679,241
Fixed Income	5,754,213	-	-	5,754,213
Fixed Income - SMART Program	45,365,820	-	-	45,365,820
Allocation	6,968,756	-	-	6,968,756
Specialty	174,150	-	-	174,150
Total Assets at Fair Value	$ 109,147,663	$ 1,145,798	$ -	110,293,461
Assets Valued at NAV:				
Hedge Fund - SMART Program				-
Limited Partnerships - SMART Program				5,419,190
Total Assets at NAV				5,419,190
Assets Not Valued Under Fair Value Measurements:				
Interest-Bearing Cash				24,817,460
Interest-Bearing Cash - SMART Program				890,024
Total Investments				$ 141,420,135

As of December 31 2025 and 2024, USBC has $350,000 of unfunded commitments.

NOTE 6 INVESTMENT IN INTERNATIONAL BOWLING CAMPUS, LLC

IBC holds title to the land and building which USBC uses as its national headquarters. For the years ended December 31, 2025 and 2024, there was $-0- and $558,000 of capital contributions respectively. Summarized financial information for IBC for the years ended December 31 is shown below.

	2025	2024
Total Assets	$ 7,333,247	$ 8,057,514
Total Liabilities	378,555	604,082
Net Assets - Without Donor Restrictions	$ 6,954,692	$ 7,453,432
Decrease in Net Assets	$ (498,740)	$ (680,209)
Capital Contributions	$ -	$ 558,000

NOTE 7 GOODWILL

During the year ended December 31, 2023, USBC purchased a Bowling program and tournament for $100,000. No identifiable net assets were acquired by USBC through this purchase. Therefore, $100,000 was attributed to goodwill at the time of the purchase. The statements of financial position includes $78,333 and $88,333 of goodwill, net of $21,667 and $11,667 of accumulated amortization as of December 31, 2025 and 2024, respectively, and the statement of activities includes $10,000 of related amortization expense for the years ended December 31, 2025 and 2024.

During the year ended December 31, 2020, USBC purchased the *Bowlers Journal International* magazine, *Pro Shop Operator* magazine and its related business operations, including Bowlers Journal Championships bowling tournament for $350,000. No identifiable net assets were acquired by USBC through this purchase. Therefore, $350,000 was attributed to goodwill at the time of purchase. The statements of financial position includes $163,333 and $198,333 of goodwill, net of $186,667 and $151,667 of accumulated amortization as of December 31, 2025 and 2024, respectively, and the statements of activities includes $35,000 of related amortization expense for the years ended December 31, 2025 and 2024.

NOTE 8 POSTRETIREMENT BENEFIT OBLIGATION

USBC provides defined benefit postretirement health and life benefits to certain current and former employees. Covered employees became eligible for these benefits at retirement after meeting minimum age and service requirements.

The postretirement health care plan is unfunded. The following reconciles the change in accumulated benefit obligation and the amounts included in the statements of financial position at December 31:

	2025	2024
Benefit Obligation - Beginning of Year	$ 466,443	$ 618,930
Interest Cost	21,921	25,671
Benefits Paid	(56,673)	(61,762)
Actuarial Gain	(37,976)	(138,670)
Prior Service Cost	-	22,274
Total Accrued Postretirement Benefit Obligation	393,715	466,443
Less: Current Portion	(53,000)	(59,000)
Long-Term Accrued Postretirement Benefit Obligation	$ 340,715	$ 407,443

NOTE 8 POST RETIRMENT BENEFIT OBLIGATION (CONTINUED)

In accordance with GAAP, all previously unrecognized actuarial gains or losses are reflected in the statements of financial position. The plan items not yet recognized as a component of periodic plan expenses, but included as a charge to change in net assets at December 31 are as follows:

	2025	2024
Cumulative Changes - Beginning of Year	$ (337,216)	$ (297,811)
Actuarial Change and Current Year (Increase) Decrease in Net Assets	14,856	(39,405)
Cumulative Changes - End of Year	$ (322,360)	$ (337,216)

Net periodic postretirement benefit cost (credit) for the years ended December 31 included the following components:

	2025	2024
Interest Cost	$ 21,921	$ 25,671
Amortization of Net Gain from Prior Periods	(70,651)	(81,446)
Periodic Postretirement Benefit Cost (Credit)	$ (48,730)	$ (55,775)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Year Ending December 31,	Amount
2026	$ 53,000
2027	49,000
2028	45,000
2029	41,000
2030	37,000
2031 - 2035	144,000

The assumptions used to develop the present value of the accumulated postretirement benefit obligation is as follows:

	2025	2024
Discount Rate	5.45%	5.15%
Health Care Cost Trend Rate for the New Year	5.0 to 7.0%	5.0 to 7.0%

The health care cost trend rate assumption has a significant effect on the amounts reported. The health care cost trend rate used to value the accumulated postretirement benefit obligation is 7.0% for 2025 and 2024, with an ultimate rate of 5.0%.

NOTE 9 RETIREMENT PLANS

USBC participates in a 401(k) retirement plan, along with Bowling Proprietors' Association of America, Inc. (BPAA), International Bowling Museum and Hall of Fame, Inc. (IBM&HF), IBC, and IBC Youth Bowling, Inc. (IBCYB), available to all employees who have reached the age of 21 and completed one month of service. Employees may contribute to their accounts up to the annual amount allowed by law. USBC matches 100% of the first 3% of employee contributions, plus 50% of the next 2% of the employee's contribution.

Total contribution expense recorded under the plan was $265,731 and $245,652 for the years ended December 31, 2025 and 2024, respectively.

NOTE 10 REVENUE

The following tables show USBC's revenue disaggregated according to the timing of the transfer of goods or services:

Revenue Recognized at a Point in Time:	2025	2024
Merchandise Sales	$ 82,512	$ 36,170
Workshops and Seminars	620,421	361,270
Special Events, Booths, and Concessions	794,432	864,297
Tournament Entry and Prize Fees	20,512,020	18,442,149
Tournament and Conventions Subsidy	3,181,478	3,692,220
Brackets	2,003,493	1,767,908
Advertising	236,274	224,297
Royalty	1,195,591	911,079
Total Revenue Recognized at a Point in Time	$ 28,626,221	$ 26,299,390
Revenue Recognized over Time:		
Membership Dues	$ 14,984,919	$ 14,347,507
Special Events, Booths, and Concessions	155,351	137,978
Sponsorship	759,291	608,001
Other	383,431	126,962
BowlTV	1,297,436	1,208,698
Bowlers Journal	328,966	336,918
Total Revenue Recognized over Time	$ 17,909,394	$ 16,766,064

NOTE 10 REVENUE (CONTINUED)

USBC's contract assets and liabilities are comprised of the following at December 31:

	2025	2024	2023
Contract Assets - Receivables:			
Tournament Entry and Prize Fees	$ 9,510	$ 1,832	$ 2,871
Tournament and Conventions Subsidy	-	-	252,821
Royalty	17,682	-	31,128
BowlTV Subscriptions	-	86,880	156,722
Other	345,426	177,667	79,405
Total Contract Assets	$ 372,618	$ 266,379	$ 522,947
Contract Liabilities - Deferred Revenues:			
National Tournaments	$ 17,745,633	$ 16,427,897	$ 14,992,465
Tournament Subsidy	530,000	1,025,000	750,000
Membership Dues	7,009,338	6,970,923	6,797,035
BowlTV Subscriptions	102,988	170,480	141,609
Bowlers Journal Subscriptions	214,217	231,368	226,126
Total Contract Liabilities	$ 25,602,176	$ 24,825,668	$ 22,907,235

NOTE 11 SIGNIFICANT ESTIMATES, CONCENTRATIONS, AND CONTINGENCIES

GAAP requires disclosure of information about certain significant estimates and current vulnerabilities due to certain concentrations. These matters include the following:

Reserve for Self-Insurance

Under its self-insurance plan, USBC accrues the estimated expense of health care claims costs based on claims filed subsequent to year-end and an additional amount for incurred but not yet reported claims based on prior experience. Accruals for such costs of $180,412 and $147,499 are included in accrued liabilities at December 31, 2025 and 2024, respectively. Claims payments based on actual claims ultimately filed could differ materially from these estimates.

Concentration of Credit Risk

USBC maintains the majority of its cash and investments in two commercial banks. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of these limits are uninsured. At December 31, 2025 and 2024, USBC had $12,065,655 and $6,483,530 in excess of FDIC limits, respectively.

NOTE 12 RELATED PARTY TRANSACTIONS

BPAA is represented by two members on the USBC board of directors. For various shared costs, USBC has a receivable of $244,792 and $373,064 from BPAA as of December 31, 2025 and 2024, respectively. BPAA provided $1,024,094 and $649,825 to USBC during the years ended December 31, 2025 and 2024, respectively, for operations.

NOTE 12 RELATED PARTY TRANSACTIONS (CONTINUED)

USBC is represented by one member on Contemporary Bowling Association's (CBA) board of directors and appoints a second. USBC has a payable to CBA of $18,654 and receivable of $4,316 as of December 31, 2025 and 2024, respectively. USBC provided $364,992 and $240,000 for operations to CBA for the years ended December 31, 2025 and 2024, respectively.

USBC provides certain shared services to IBM&HF. USBC has a payable to IBM&HF of $7,578 and $1,358 as of December 31, 2025 and 2024, respectively. USBC contributed $107,650 and $213,639 to IBM&HF for the years ended December 31, 2025 and 2024, respectively.

IBCYB is represented by two members of the USBC board of directors. IBCYB incurred awards expenses of $-0- and $88,256 for services provided by USBC during the years ended December 31, 2025 and 2024, respectively.

USBC leases its facilities from IBC under an annual operating lease agreement. Annually, IBC sets the lease rate based off of market evaluation and square footage USBC occupies. Rent payments to IBC totaled $1,068,029 and $1,011,384 for the years ended December 31, 2025 and 2024, respectively. USBC also provides IBC with the use of various employees at no cost, resulting in an in-kind contribution of $110,950 and $105,370 for the years ended December 31, 2025 and 2024, respectively. USBC has a receivable from IBC of $351,683 and $347,901 as of December 31, 2025 and 2024, respectively.

NOTE 13 COMMITMENTS

On July 1, 2017, the SMART Scholarship Funding Corporation invested in a limited partnership. As part of this investment, USBC has committed $2,000,000 in future contributions to be called upon at the discretion of the General Partner. As of December 31, 2023, USBC has contributed $1,750,000 of their $2,000,000 committed capital. USBC's unfunded committed capital as of December 31, 2025 and 2024 is $250,000.

On December 13, 2019, SMART Scholarship Funding Corporation invested in a limited partnership. As part of this investment, USBC has committed $1,000,000 in future contributions to be called upon at the discretion of the General Partner. As of December 31, 2023, USBC has contributed $900,000 of its committed capital. USBC's unfunded committed capital as of December 31, 2025 and 2024 is $100,000.

NOTE 14 LINE OF CREDIT

USBC has a $4,000,000 revolving line of credit agreement with a bank. Borrowings under the line of credit bear interest, not to be less than 3.50%, (6.75% and 7.50% as of December 31, 2025 and 2024, respectively). The line is unsecured and matures in September 2027. No borrowings on the line of credit were outstanding at December 31, 2025 and 2024.

NOTE 15 LEASES

USBC leases office equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2028.

Total operating lease cost of $29,606 for the year ended December 31, 2025 is included in Equipment Maintenance and Repairs on USBC's statement of activities.

Amounts reported on the statement of financial position as of December 31, 2025, are as follows:

	Amount
Operating Lease Right-of-Use Assets	$ 89,379
Operating Lease Obligation	89,379
Weighted-Average Remaining Lease Term	2.9 Years
Weighted-Average Discount Rate	8.50%

The following is a schedule of total future minimum lease payments and the present value of future minimum lease payments for operating leases:

Year Ending December 31,	Amount
2026	$ 40,471
2027	30,099
2028	28,847
Less: Imputed Interest	(10,038)
Total Operating Lease Obligation	89,379
Current Portion	34,873
Long-Term Operating Lease Obligation	$ 54,506

Amounts reported on the statement of financial position as of December 31, 2024, are as follows:

	Amount
Operating Lease Right-of-Use Assets	$ 171,674
Operating Lease Obligation	171,674
Weighted-Average Remaining Lease Term	2.8 Years
Weighted-Average Discount Rate	8.31%

NOTE 15 LEASES (CONTINUED)

The following is a schedule of total future minimum lease payments and the present value of future minimum lease payments for operating leases as of December 31, 2024:

Year Ending December 31,	Amount
2025	$ 92,329
2026	40,471
2027	30,099
2028	29,379
2029	-
Less: Imputed Interest	(20,604)
Total Operating Lease Obligation	171,674
Current Portion	82,130
Long-Term Operating Lease Obligation	$ 89,544

NOTE 16 SUBSEQUENT EVENTS

Management evaluated subsequent events through October 9, 2026, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2025, but prior to October 9, 2026 that provided additional evidence about conditions that existed at December 31, 2025, have been recognized in the financial statements for the year ended December 31, 2025. Events or transactions that provided evidence about conditions that did not exist at December 31, 2025, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended December 31, 2025.

UNITED STATES BOWLING CONGRESS, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	USBC, Excluding SMART Program	SMART Program	Combining Entries	Total
CURRENT ASSETS				
Cash and Cash Equivalents	$ 10,530,342	$ 1,348,202	$ -	$ 11,878,544
Accounts Receivable, Net	364,163	-	-	364,163
Due from Related Parties	596,475	244,920	(244,920)	596,475
Inventory	58,110	-	-	58,110
Prepaid Expenses and Other	811,976	-	-	811,976
Total Current Assets	12,361,066	1,593,122	(244,920)	13,709,268
INVESTMENTS				
Investments, at Fair Value	44,726,342	99,311,730	-	144,038,072
Investment in International Bowling Campus, LLC	3,781,947	-	-	3,781,947
Total Investments	48,508,289	99,311,730	-	147,820,019
PROPERTY AND EQUIPMENT				
Furniture and Fixtures	599,444	-	-	599,444
Tournament Equipment	11,387,731	-	-	11,387,731
Vehicles	87,993	-	-	87,993
Software	5,577,322	910,467	-	6,487,789
Total, at Cost	17,696,009	910,467	-	18,606,476
Less: Accumulated Depreciation	16,673,296	910,467	-	17,583,763
Total Property and Equipment	1,022,713	-	-	1,022,713
OPERATING LEASE RIGHT-OF-USE ASSETS	89,379	-	-	89,379
GOODWILL, NET OF ACCUMULATED AMORTIZATION	241,666	-	-	241,666
Total Assets	$ 62,223,113	$ 100,904,852	$ (244,920)	$ 162,883,045

UNITED STATES BOWLING CONGRESS, INC.
COMBINING STATEMENT OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

LIABILITIES AND NET ASSETS	USBC, Excluding SMART Program	SMART Program	Combining Entries	Total
CURRENT LIABILITIES				
Accounts Payable	$ 671,740	$ -	$ -	$ 671,740
Due to Related Parties	271,152	-	(244,920)	26,232
Accrued Liabilities	3,350,815	500,000	-	3,850,815
Current Portion of Postretirement Benefit Obligation	53,000	-	-	53,000
Current Portion of Scholarship Awards Payable	-	15,285,093	-	15,285,093
Current Portion of Operating Lease Liability	34,873	-	-	34,873
Deferred Revenue - National Tournaments	17,745,633	-	-	17,745,633
Deferred Revenue - Membership Dues	7,009,338	-	-	7,009,338
Deferred Revenue - BowlTV Subscriptions	102,988	-	-	102,988
Deferred Revenue - Bowlers Journal Subscriptions	214,217	-	-	214,217
Total Current Liabilities	29,453,756	15,785,093	(244,920)	44,993,929
LONG-TERM LIABILITIES				
Deferred Revenue - Tournament Subsidy, Less Current Portion Above	530,000	-	-	530,000
Postretirement Benefit Obligation, Less Current Portion Above	340,715	-	-	340,715
Scholarship Awards Payable	-	93,420,123	-	93,420,123
Long Term Portion of Operating Lease Liability	54,506	-	-	54,506
Total Long-Term Liabilities	925,221	93,420,123	-	94,345,344
Total Liabilities	30,378,977	109,205,216	(244,920)	139,339,273
NET ASSETS				
Without Donor Restrictions				
Undesignated	14,220,302	-	-	14,220,302
SMART Program	-	(8,300,364)	-	(8,300,364)
Board-Designated Operating Reserve	17,623,834	-	-	17,623,834
Total Net Assets	31,844,136	(8,300,364)	-	23,543,772
Total Liabilities and Net Assets	$ 62,223,113	$ 100,904,852	$ (244,920)	$ 162,883,045

UNITED STATES BOWLING CONGRESS, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	USBC, Excluding SMART Program	SMART Program	Combining Entries	Total
CURRENT ASSETS				
Cash and Cash Equivalents	$ 5,832,269	$ 640,207	$ -	$ 6,472,476
Accounts Receivable, Net	250,284	-	-	250,284
Due from Related Parties	892,094	-	(166,094)	726,000
Inventory	24,230	-	-	24,230
Prepaid Expenses and Other	1,885,757	-	-	1,885,757
Total Current Assets	8,884,634	640,207	(166,094)	9,358,747
INVESTMENTS				
Investments, at Fair Value	45,758,359	95,661,776	-	141,420,135
Investment in International Bowling Campus, LLC	4,031,317	-	-	4,031,317
Total Investments	49,789,676	95,661,776	-	145,451,452
PROPERTY AND EQUIPMENT				
Furniture and Fixtures	578,486	-	-	578,486
Tournament Equipment	11,387,731	-	-	11,387,731
Vehicles	87,993	-	-	87,993
Software	5,327,322	910,467	-	6,237,789
Construction in Progress	187,500	-	-	187,500
Total, at Cost	17,569,032	910,467	-	18,479,499
Less: Accumulated Depreciation	15,145,500	910,467	-	16,055,967
Total Property and Equipment	2,423,532	-	-	2,423,532
OPERATING LEASE RIGHT-OF-USE ASSETS	171,674	-	-	171,674
GOODWILL, NET OF ACCUMULATED AMORTIZATION	286,666	-	-	286,666
Total Assets	$ 61,556,182	$ 96,301,983	$ (166,094)	$ 157,692,071

UNITED STATES BOWLING CONGRESS, INC.
COMBINING STATEMENT OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

LIABILITIES AND NET ASSETS	USBC, Excluding SMART Program	SMART Program	Combining Entries	Total
CURRENT LIABILITIES				
Accounts Payable	$ 833,202	$ 33,317	$ -	$ 866,519
Due to Related Parties	10,710	166,094	(166,094)	10,710
Accrued Liabilities	3,549,851	750,000	-	4,299,851
Current Portion of Postretirement Benefit Obligation	59,000	-	-	59,000
Current Portion of Deferred Revenue - Tournament Subsidy	875,000	-	-	875,000
Current Portion of Scholarship Awards Payable	-	13,148,052	-	13,148,052
Current Portion of Operating Lease Liability	82,130	-	-	82,130
Deferred Revenue - National Tournaments	16,427,897	-	-	16,427,897
Deferred Revenue - Membership Dues	6,970,923	-	-	6,970,923
Deferred Revenue - BowlTV Subscriptions	170,480	-	-	170,480
Deferred Revenue - Bowlers Journal Subscriptions	231,368	-	-	231,368
Total Current Liabilities	29,210,561	14,097,463	(166,094)	43,141,930
LONG-TERM LIABILITIES				
Deferred Revenue - Tournament Subsidy, Less Current Portion Above	150,000	-	-	150,000
Postretirement Benefit Obligation, Less Current Portion Above	407,443	-	-	407,443
Scholarship Awards Payable	-	91,474,763	-	91,474,763
Long Term Portion of Operating Lease Liability	89,544	-	-	89,544
Total Long-Term Liabilities	646,987	91,474,763	-	92,121,750
Total Liabilities	29,857,548	105,572,226	(166,094)	135,263,680
NET ASSETS				
Without Donor Restrictions				
Undesignated	15,705,016	-	-	15,705,016
SMART Program	-	(9,270,243)	-	(9,270,243)
Board-Designated Operating Reserve	15,993,618	-	-	15,993,618
Total Net Assets	31,698,634	(9,270,243)	-	22,428,391
Total Liabilities and Net Assets	$ 61,556,182	$ 96,301,983	$ (166,094)	$ 157,692,071

UNITED STATES BOWLING CONGRESS, INC.
COMBINING STATEMENT OF ACTIVITIES
DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	USBC, Excluding SMART Program	SMART Program	Combining Entries	Total
REVENUES				
Membership Dues	$ 14,984,919	$ -	$ -	$ 14,984,919
Merchandise Sales	82,512	-	-	82,512
Workshops and Seminars	620,421	-	-	620,421
Special Events, Booths, and Concessions	949,783	-	-	949,783
Tournament Entry and Prize Fees	20,512,020	-	-	20,512,020
Tournament and Conventions Subsidy	3,181,478	-	-	3,181,478
Brackets	2,003,493	-	-	2,003,493
Advertising	236,274	-	-	236,274
Royalty	1,195,591	-	-	1,195,591
Sponsorship	759,291	-	-	759,291
Contributions	64,048	-	-	64,048
Net Investment Gain	3,063,200	9,787,386	-	12,850,586
BowlTV	1,297,436	-	-	1,297,436
Other	383,431	-	-	383,431
Bowlers Journal	328,966	-	-	328,966
Total Revenues	50,416,383	9,787,386	-	60,203,769
EXPENSES				
Salaries	7,890,735	442,700	-	8,333,435
Fringe Benefits	2,526,422	129,163	-	2,655,585
Employee Recruitment and Training	70,467	-	-	70,467
Temporary Agency Services	4,931,022	-	-	4,931,022
Professional Services	5,722,266	229,091	-	5,951,357
Supplies	151,774	586	-	152,360
Resale Merchandise	58,182	-	-	58,182
Prizes	12,910,700	-	-	12,910,700
Awards	1,209,268	-	-	1,209,268
Telephone	8,001	-	-	8,001
Postage and Freight	1,280,610	6,748	-	1,287,358
Facilities	1,132,088	-	-	1,132,088
Equipment Maintenance and Repairs	1,313,370	-	-	1,313,370
Depreciation	1,578,190	-	-	1,578,190
Amortization	45,000	-	-	45,000
Printing	559,877	1,807	-	561,684
Promotion, Sponsorships, and Programs	1,486,595	4,281	-	1,490,876
Travel	2,699,908	3,131	-	2,703,039
Insurance	766,441	-	-	766,441
Contributions	1,101,516	-	-	1,101,516
Lineage and Construction	2,083,882	-	-	2,083,882
Contribution Earnings Allocation - SMART Program	-	8,000,000	-	8,000,000
Miscellaneous	480,341	-	-	480,341
Total Expenses	50,006,655	8,817,507	-	58,824,162
CHANGE IN NET ASSETS FROM OPERATIONS	409,728	969,879	-	1,379,607
EQUITY IN NET LOSS OF INTERNATIONAL BOWLING CAMPUS, LLC	(249,370)	-	-	(249,370)
CHANGE IN POSTRETIREMENT BENEFIT OBLIGATION, OTHER THAN PERIODIC EXPENSE	(14,856)	-	-	(14,856)
CHANGE IN NET ASSETS	145,502	969,879	-	1,115,381
Net Assets - Beginning of Year	31,698,634	(9,270,243)	-	22,428,391
NET ASSETS (DEFICIT) - END OF YEAR	$ 31,844,136	$ (8,300,364)	$ -	$ 23,543,772

UNITED STATES BOWLING CONGRESS, INC.
COMBINING STATEMENT OF ACTIVITIES
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	USBC, Excluding SMART Program	SMART Program	Combining Entries	Total
REVENUES				
Membership Dues	$ 14,347,507	$ -	$ -	$ 14,347,507
Merchandise Sales	36,170	-	-	36,170
Workshops and Seminars	361,270	-	-	361,270
Special Events, Booths, and Concessions	1,002,275	-	-	1,002,275
Tournament Entry and Prize Fees	18,442,149	-	-	18,442,149
Tournament and Conventions Subsidy	3,692,220	-	-	3,692,220
Brackets	1,767,908	-	-	1,767,908
Advertising	224,297	-	-	224,297
Royalty	911,079	-	-	911,079
Sponsorship	608,001	-	-	608,001
Contributions	62,708	-	-	62,708
Net Investment Return	3,029,811	6,178,501	-	9,208,312
BowlTV	1,208,698	-	-	1,208,698
Other	126,962	-	-	126,962
Bowlers Journal	336,918	-	-	336,918
Total Revenues	46,157,973	6,178,501	-	52,336,474
EXPENSES				
Salaries	7,526,985	402,978	-	7,929,963
Fringe Benefits	2,322,659	116,143	-	2,438,802
Employee Recruitment and Training	51,244	-	-	51,244
Temporary Agency Services	4,209,043	-	-	4,209,043
Professional Services	5,306,617	344,339	-	5,650,956
Supplies	168,325	194	-	168,519
Resale Merchandise	29,539	-	-	29,539
Prizes	12,424,910	-	-	12,424,910
Awards	770,091	-	-	770,091
Telephone	30,085	-	-	30,085
Postage and Freight	1,349,387	6,534	-	1,355,921
Facilities	1,077,620	-	-	1,077,620
Equipment Maintenance and Repairs	1,069,043	-	-	1,069,043
Depreciation	774,366	-	-	774,366
Amortization	45,000	-	-	45,000
Printing	431,792	2,399	-	434,191
Promotion, Sponsorships, and Programs	1,184,615	9,195	-	1,193,810
Travel	1,975,885	2,871	-	1,978,756
Insurance	697,807	-	-	697,807
Contributions	488,124	-	-	488,124
Lineage and Construction	552,160	-	-	552,160
Contribution Earnings Allocation - SMART Program	-	9,072,318	-	9,072,318
Miscellaneous	316,546	(16,514)	-	300,032
Total Expenses	42,801,843	9,940,457	-	52,742,300
CHANGE IN NET ASSETS FROM OPERATIONS	3,356,130	(3,761,956)	-	(405,826)
EQUITY IN NET LOSS OF INTERNATIONAL BOWLING CAMPUS, LLC	(340,104)	-	-	(340,104)
NET ASSETS OBTAINED FROM IBC YOUTH BUSINESS COMBINATION	1,459,725	-	-	1,459,725
CHANGE IN POSTRETIREMENT BENEFIT OBLIGATION, OTHER THAN PERIODIC EXPENSE	39,405	-	-	39,405
CHANGE IN NET ASSETS	4,515,156	(3,761,956)	-	753,200
Net Assets - Beginning of Year	27,183,478	(5,508,287)	-	21,675,191
NET ASSETS - END OF YEAR	$ 31,698,634	$ (9,270,243)	$ -	$ 22,428,391



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