

**MINUTES
OF THE MEETING OF
THE BOARD OF DIRECTORS OF
UNITED STATES TENNIS ASSOCIATION INCORPORATED**

TELECONFERENCE

DECEMBER 4, 2025

PRESENT: Brian Vahaly, Chairman of the Board and Interim Co-CEO, J. Christopher Lewis, First Vice President, Maggie Chan Jones, Vice President, Megan Moulton-Levy, Vice President, William McGugin, Secretary-Treasurer, Catherine (CiCi) Bellis, Laura F. Canfield, Chris Capossela, Violet Clark, Amanda Fink-Moore, Kathleen Francis, Jon Rydberg, Hon. Derek J. White, Perren Wong, Directors at Large, and Dr. Brian Hainline, Immediate Past President.

ALSO PRESENT: Andrea S. Hirsch, USTA Chief Operating Officer and Interim Co-CEO, Kevin Flaherty, Chief Financial Officer, and Rachel Booth, General Counsel.

1. **Welcome & Opening Remarks.** Vahaly called the meeting to order at 10:30 a.m. (EST) on Thursday, December 4, 2025. A roll call was taken and a quorum certified.

2. **CFO Update.**

a. **2026 Budget Review and Approval.** McGugin reviewed the work of the Budget Committee, noting the excellent presentations from staff and active participation by the committee members and Section advisors. He recounted that consensus was reached to move the budget forward as presented with the caveat that adjustments may be made in 2026 (contingent on Board approval).

Flaherty presented an overview of the Budget Committee meeting, noting that 2025 US Open revenue reached a record \$608 million, which was \$34 million (6%) better than budget. This revenue upside was the primary driver of 2025 net excess before other items exceeding budget by 29%. He also presented the 2026-2027 US Open budget, projecting revenue to climb by over \$100 million in 2026, with further significant growth anticipated in 2027 when the renovation project is completed. Flaherty noted this revenue increase would be partly offset by higher direct expenses and debt service.

Flaherty presented the enterprise-wide 2026 budget, noting that a projected 7% year-over-year decline in net excess before other items is anticipated. He explained this decline is largely attributable to increased investment in 35 x 35 initiatives and elevated temporary US Open expenses, but also noted that the net excess is expected to increase substantially in 2027. He clarified that increases in 2026 for shared services are primarily related to Section support services centralized at the National level. He further detailed the 2026-2027 programs and services budget, noting that two-thirds of the 30% year-over-year increase relates to facilities (largely enhanced facilities grants).

Flaherty then reviewed the 2026 capital budget, cash flow forecast and balance sheet, noting that total capex of \$458 million is driven by nearly \$400 million of spending related to the NTC renovations.

He fielded questions on funding details for facilities, USA Tennis, youth tennis, wheelchair, adaptive, mental skills training, and prize money for men's Pro Circuit. Concerns were expressed as to the size of the wheelchair budget in the lead up to the 2028 Olympics in LA.

Discussion ensued regarding the demand for Section facility grants. Questions were raised about operating plans for red ball, JTT/youth and the tennis narrative project. Robust discussion continued, expressing support for youth programming, and Section inclusion in planning. The Board expressed the perspective that although they were supportive of the budget, there could be the need to revisit certain line items during the course of the coming year based on further analysis and progress against initiatives. Hirsch advised that the Board has the authority to do so and to approve amendments to the budget at any time and confirmed the Sections will be consulted and involved as next steps are formulated.

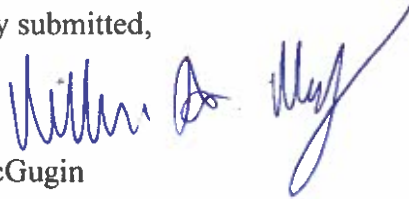
Upon motion duly made by White, and seconded, the Board unanimously approved the USTA 2026 Operating Budget of \$83,136,000 as submitted.

Upon motion duly made by White, and seconded, the Board unanimously approved the USTA 2026 Capital Budget of \$33,834,000 as submitted.

Upon motion duly made by White, and seconded, the USTA Coaching Inc. Board unanimously approved the USTA Coaching Inc. 2026 Operating Deficit of \$16,693,000 as submitted.

The meeting concluded at 11:20 a.m. (EST) on Thursday, December 4, 2025.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'William McGugin', is written over the typed name.

William McGugin
Secretary-Treasurer