

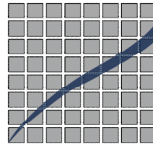


FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
USA Shooting, Inc.
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of USA Shooting, Inc. (a 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 USA Shooting, Inc. 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 USA Shooting, 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 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 USA Shooting, Inc.'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 USA Shooting, 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 USA Shooting, 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.

BiggsKofford, P.C.

Colorado Springs, Colorado
April 17, 2025

USA SHOOTING, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Cash and equivalents	\$ 938,272	\$ 389,406
Accounts receivable	6,523	9,212
Inventory	18,185	-
Prepaid expenses and other assets	94,517	67,198
Operating lease right-of-use asset	76,041	83,746
Property and equipment, net	213,159	262,607
Endowment assets	3,818,275	3,468,396
Total assets	\$ 5,164,972	\$ 4,280,565
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 685,900	\$ 345,932
Due to the USOPC	47,472	39,550
Deferred revenue	134,299	483,600
Economic Injury Disaster loan	140,485	143,893
Operating lease liabilities	76,041	83,746
Total liabilities	1,084,197	1,096,721
Net assets:		
Without donor restrictions:		
Operating	(223,160)	(772,910)
Equity in property and equipment, net	213,159	262,607
Total net assets without donor restrictions	(10,001)	(510,303)
With donor restrictions	4,090,776	3,694,147
Total net assets	4,080,775	3,183,844
Total liabilities and net assets	\$ 5,164,972	\$ 4,280,565

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

USA SHOOTING, INC.
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	\$ 208,150	\$ 1,623,972	\$ 1,832,122	\$ 1,418,853	\$ 120,071	\$ 1,538,924
USOPC grants	1,358,000	-	1,358,000	1,427,500	-	1,427,500
In-kind donations	924,179	-	924,179	777,937	-	777,937
Competition fees	491,252	-	491,252	581,314	-	581,314
Sponsorship and royalties	774,400	-	774,400	224,025	-	224,025
Membership dues	154,234	-	154,234	125,501	-	125,501
Merchandise sales, net	46,040	-	46,040	(62,905)	-	(62,905)
Investment income	1,153	414,579	415,732	500	370,290	370,790
Other revenues	267,391	-	267,391	48,133	-	48,133
Total support and revenue	4,224,799	2,038,551	6,263,350	4,540,858	490,361	5,031,219
Net assets released from restrictions	1,641,922	(1,641,922)	-	149,319	(149,319)	-
<u>EXPENSES</u>						
Program services	3,712,108	-	3,712,108	4,464,329	-	4,464,329
Supporting activities:						
General and administrative	473,497	-	473,497	605,054	-	605,054
Fundraising	1,180,814	-	1,180,814	805,904	-	805,904
Total expenses	5,366,419	-	5,366,419	5,875,287	-	5,875,287
Change in net assets	500,302	396,629	896,931	(1,185,110)	341,042	(844,068)
Net assets, beginning of year	(510,303)	3,694,147	3,183,844	674,807	3,353,105	4,027,912
Net assets, end of year	\$ (10,001)	\$ 4,090,776	\$ 4,080,775	\$ (510,303)	\$ 3,694,147	\$ 3,183,844

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

USA SHOOTING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 612,398	\$ 74,683	\$ 59,746	\$ 746,827
Benefits	43,261	5,276	4,221	52,758
Payroll taxes	33,419	4,076	3,260	40,755
Total compensation expense	689,078	84,035	67,227	840,340
Advertising and promotion	-	23,181	-	23,181
Ammunition and targets	163,020	-	-	163,020
Athlete and team funding	993,927	-	-	993,927
Competition fees	328,497	-	-	328,497
Depreciation	42,031	7,417	-	49,448
Dues and subscriptions	14,209	15,083	100	29,392
Fund development	-	-	1,105,574	1,105,574
Insurance	38,028	16,298	-	54,326
Interest expense	-	4,284	-	4,284
Miscellaneous	84,508	36,218	-	120,726
Occupancy	583,641	145,910	-	729,551
Office	52,189	13,913	3,479	69,581
Professional fees	153,993	109,423	-	263,416
Travel	568,987	17,735	4,434	591,156
Total expenses	\$ 3,712,108	\$ 473,497	\$ 1,180,814	\$ 5,366,419
Percentage of total expenses	69%	9%	22%	100%

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

USA SHOOTING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 1,010,235	\$ 123,200	\$ 98,560	\$ 1,231,995
Benefits	100,057	12,202	9,761	122,020
Payroll taxes	83,779	10,217	8,174	102,170
Total compensation expense	1,194,071	145,619	116,495	1,456,185
Advertising and promotion	-	17,822	-	17,822
Ammunition and targets	74,705	-	-	74,705
Athlete and team funding	303,486	-	-	303,486
Competition fees	225,582	-	-	225,582
Depreciation	54,591	9,635	-	64,226
Dues and subscriptions	17,327	18,392	122	35,841
Fund development	-	-	673,093	673,093
Insurance	70,121	30,052	-	100,173
Interest expense	-	11,860	-	11,860
Miscellaneous	83,973	35,989	-	119,962
Occupancy	628,004	157,001	-	785,005
Office	57,791	15,410	3,853	77,054
Professional fees	170,862	113,908	-	284,770
Travel	1,583,816	49,366	12,341	1,645,523
Total expenses	\$ 4,464,329	\$ 605,054	\$ 805,904	\$ 5,875,287
Percentage of total expenses	76%	10%	14%	100%

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

USA SHOOTING, INC.
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	\$ 896,931	\$ (844,068)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Recognition of Employee Retention Credit	-	397,015
Depreciation	49,448	64,226
Realized and unrealized (gains) losses on investments	(366,146)	(330,922)
Contributions restricted for long-term purposes	-	(90,000)
(Increase) decrease in operating assets:		
Accounts receivable	2,689	101,678
Inventory	(18,185)	13,936
Prepaid expenses and other assets	(27,319)	3,725
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	339,968	83,837
Due to the USOPC	7,922	(135,275)
Deferred revenue	(349,301)	383,600
Net cash flows from operating activities	<u>536,007</u>	<u>(352,248)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of investments	(73,733)	20,631
Proceeds received from sales of investments	90,000	195,000
Purchases of property and equipment	-	-
Net cash flows from investing activities	<u>16,267</u>	<u>215,631</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Economic Injury Disaster Loan payments	(3,408)	(6,107)
Contributions restricted for long-term purposes	-	90,000
Net cash flows from financing activities	<u>(3,408)</u>	<u>83,893</u>
Net change in cash and equivalents	548,866	(52,724)
Cash and equivalents, beginning of year	389,406	442,130
Cash and equivalents, end of year	<u>\$ 938,272</u>	<u>\$ 389,406</u>
<u>SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid for interest expense (none capitalized)	<u>\$ 4,284</u>	<u>\$ 1,757</u>

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

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

USA Shooting, Inc. ("Organization") was incorporated on March 18, 1994 as a Colorado nonprofit corporation. The purpose of the Organization is to advance amateur competition both nationally and internationally in the sport of shooting.

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.

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.

Accounts receivable and allowance for credit losses

Accounts receivable are unsecured and reported at the amount management expects to collect. The Organization maintains an allowance for credit losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. If the financial conditions of the Organization's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required.

Management considers accounts receivable to be fully collectable as of December 31, 2024. Accordingly, no allowance for credit losses has been recorded.

Inventories

Inventories consist of USA Shooting, Inc. merchandise held for sale. Donated inventory is recorded at fair market value on the date of receipt. Purchased inventory is recorded at net realizable value using the first-in, first-out method of accounting.

See independent auditor's report.

USA SHOOTING, INC.
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.

Property and equipment

Acquisitions of property and equipment with original cost of \$1,000 or greater and useful lives exceeding one year are capitalized and recorded at cost, or fair value, if donated. Property and equipment are depreciated 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, ranging from 5 to 20 years.

Leases

Management determines if an arrangement is a lease at inception of the arrangement. Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement of the lease based on the present value of lease payments over the lease term. The right-of-use assets also include any lease payments made and exclude lease incentives. The Organization's lease terms may include options to extend or terminate the lease at management's discretion. Such options are included in the calculation of the right-of-use asset and lease liability, and are included in the future maturities of lease liabilities, if management determines they are reasonably certain to exercise the options. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term.

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.

Deferred revenue

Deferred revenue primarily consists of payments received under sponsorship agreements for which the services will be performed in a subsequent year.

See independent auditor's report.

USA SHOOTING, INC.
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.

In-kind donations

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, entry fees for competitions, sponsorships and royalties, and from the sale of its merchandise from the online store. Revenues from these sources are considered to be contracts with customers under ASC Topic 606. The Organization has elected to use a portfolio approach as a practical expedient to account for contracts with customers as a group rather than individually since the financial statement effects are not expected to materially differ from an individual contract approach. Revenue is recognized as performance obligations are met. The transaction price is equal to the fee agreed upon within the fixed-price contracts.

See independent auditor's report.

USA SHOOTING, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

For membership dues, management determined upon implementation of ASC Topic 606 that there were no material performance obligations of the Organization and, accordingly, membership dues are recognized as revenue when received.

For entry fees for competitions, sponsorships, royalties, and merchandise sales, revenues are recognized at the point in time that control of the ordered products is transferred to customers, which is when merchandise arrives at the common carrier, or when the related event takes place. The amounts billed to customers and not yet collected are classified as accounts receivable in the statements of financial position and require payment on a short-term basis.

The Organization has elected various practical expedients. The Organization has made an accounting policy election to account for shipping as a fulfillment activity to transfer the goods, as opposed to as a separate performance obligation. Shipping costs are included in net merchandise sales. The Organization has made an accounting policy election to exclude sales taxes collected on behalf of customers from the transaction price.

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 and depreciation, which are allocated based on an estimate of square footage, and all remaining expenses are allocated based on the purpose of the expense.

Advertising

Advertising costs are expensed as incurred and totaled \$23,181 and \$17,822, for the years ended December 31, 2024 and 2023, respectively.

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.

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.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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,:

	2024	2023
Financial assets at year end:		
Cash and equivalents	\$ 938,272	\$ 389,406
Accounts receivable	6,523	9,212
Endowment assets	3,818,275	3,468,396
 Total financial assets at year end	 4,763,070	 3,867,014
 Less amounts unavailable for general expenditures within one year due to:		
Net assets with donor restrictions	(4,090,776)	(3,694,147)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 672,294	 \$ 172,867

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. In addition to the above, the Organization operates in accordance with a board-approved budget and anticipates collecting sufficient revenue to cover general expenditures.

3. ENDOWMENT ASSETS

USOE investment pool

The Organization's endowment assets are held in an investment pool owned and maintained by the United States Olympic Endowment ("USOE"). All endowment assets are in the name of the USOE. The USOE invests in investment securities that are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that change in the values of investments will occur in the near term and that such changes could materially affect the recorded amount of investments in the Organization's financial statements.

The Organization may terminate its investment agreement with the USOE effective at the end of any calendar month upon providing at least a 90-day written notice or upon shorter notice acceptable to the USOE if the USOE determines that adequate liquidity exists in the portfolio to permit early termination.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets that the Organization has the ability to access at the measurement date for assets or liabilities

Level 2 - Observable prices that are based on inputs not quoted in active markets, but corroborated by market data

Level 3 - Unobservable inputs in which there is little or no market data and that require the Organization to develop its own assumptions about fair value

The valuation methodologies used for assets measured at fair value are as follows:

The Organization's investment in the USOE investment pool is stated at the fair value provided by the USOE. Certain alternative investments in the USOE investment pool are stated at the estimated net asset values of the underlying investments. The Organization's investment in this portfolio is classified as Level 2.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement. These classifications are intended to reflect the quality and character of the inputs used in valuation and are not necessarily an indication of risk or liquidity. The following presents the fair value measurements of assets recognized in the accompanying statement of financial position as of December 31,:

	2024			
	Level 1	Level 2	Level 3	Total
USOE pooled investment	\$ -	\$ 3,818,275	\$ -	\$ 3,818,275
	\$ -	\$ 3,818,275	\$ -	\$ 3,818,275
	2023			
	Level 1	Level 2	Level 3	Total
USOE pooled investment	\$ -	\$ 3,468,396	\$ -	\$ 3,468,396
	\$ -	\$ 3,468,396	\$ -	\$ 3,468,396

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

The allocation of the USOE investment pool to the Organization consisted of the following for the years ended December 31,:

	2024	2023
Alternative investments*	39%	39%
Domestic equity securities	36%	36%
International equities	13%	17%
Domestic bonds	7%	7%
International bonds	0%	0%
Cash and equivalents	5%	1%
Total	100%	100%

*Alternative investments include hedge equity funds, private equity funds, real estate funds, and limited partnerships.

Total investment income consists of the following for the years ended December 31,:

	2024	2023
Interest and dividend income	\$ 49,586	\$ 39,868
Net realized and unrealized gains (losses)	366,146	330,922
Investment income, net	\$ 415,732	\$ 370,790

The Organization's endowment assets are held for the benefit of the junior world championship team. During 2008, the state of Colorado passed the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Effective September 1, 2008, UPMIFA provides statutory guidance for management, investment and expenditures of endowment funds held by nonprofit organizations.

The Organization has interpreted the state Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As of December 31, 2024 and 2023, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purpose of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization

As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The entire endowment is classified as with donor restrictions as of December 31,:

	2024	2023
<u>Donor-restricted endowment funds:</u>		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 2,409,475	\$ 2,409,175
Accumulated investment earnings	1,609,551	1,284,972
Total funds	\$ 4,019,026	\$ 3,694,147

The Organization has adopted investment and spending policies for the endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments. The target minimum rate of return is the Consumer Price Index plus 5 percent on an annual basis. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

The Organization uses an endowment spending-rate formula to determine the maximum amount to spend from the endowment each year as determined by the board of directors. In establishing this policy, the Organization considers the long-term expected return on the endowment and sets the rate with the objective of maintaining the purchasing power of the endowment over time.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Changes in endowment assets are as follows for the years ended December 31,:

	Total
Endowment net assets, January 1, 2023	\$ 3,353,105
Contributions	90,000
Investment return, net	369,990
Appropriated for expenditure	(118,948)
Endowment net assets, December 31, 2023	3,694,147
Contributions	300
Investment return, net	414,579
Appropriated for expenditure	(90,000)
Endowment net assets, December 31, 2024	\$ 4,019,026

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of December 31, 2024 and 2023, the endowment assets were underwater by \$200,751 and \$225,751, respectively.

4. PROPERTY AND EQUIPMENT

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

	2024	2023
Tournament equipment	\$ 651,240	\$ 651,240
Outdoor range	1,383,806	1,383,806
	2,035,046	2,035,046
Accumulated depreciation	(1,821,887)	(1,772,439)
Property and equipment, net	\$ 213,159	\$ 262,607

Depreciation expense related to property and equipment totaled \$49,448 and \$64,226 for the years ended December 31, 2024 and 2023, respectively.

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5. ECONOMIC INJURY DISASTER LOAN

The debt of the Organization consists of the following as of December 31,:

	2024	2023
Economic Injury Disaster Loan ("EIDL") from SBA in the amount of \$150,000, requiring monthly payments of principal and interest to commence at a later date, bearing interest at 2.75% per annum, maturing in June 2050, and collateralized by all assets of the Organization.	<u>\$ 140,485</u>	<u>\$ 143,893</u>

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 as of December 31,:

2025	\$ 3,502
2026	3,600
2027	3,700
2028	3,803
2029	3,909
Thereafter	<u>121,971</u>
	<u>\$ 140,485</u>

6. LEASES

Effective January 2014, the Organization entered into a 10-year building lease agreement with the USOPC. The terms of lease require monthly payments of \$750 and the USOPC is responsible for all building maintenance expenses. The lease also contains 5 options to extend the lease for 10 years each. Management has determined that the Organization is more likely than not to exercise the first lease option and, accordingly, that option has been included in the calculation of the right-of-use asset and lease liability, and the future maturities of lease liabilities below. The monthly lease payments represent below-market lease payments (see Note 8).

Effective June 2004, the United States Olympic & Paralympic Committee ("USOPC") assigned its rights to the Organization in a lease of the outdoor range at Fort Carson, Colorado. No payments are required under the terms of the lease, and consideration is given in the form of maintenance, protection, repair and restoration of the premises.

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Operating lease expense totaled \$711,306 and \$711,306 for the years ended December 31, 2024 and 2023, respectively. This includes \$702,306 and \$702,306 of contributed rent for the years ended December 31, 2024 and 2023, respectively.

Future maturities of lease liabilities are as follows for the years ending December 31,:

2025	\$	9,000
2026		9,000
2027		9,000
2028		9,000
2029		9,000
Thereafter		36,750
Total minimum lease payments		81,750
Less amount representing interest		(5,709)
Present value of lease liabilities	\$	76,041

Other information with respect to leases is as follows as of and for the year ended December 31,:

	2024	2023
Right-of-use assets obtained for lease liabilities	\$ -	\$ 98,784
Weighted-average remaining years in lease terms	10.1	11.1
Weighted-average discount rate	163.00%	1.63%

7. NET ASSETS

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

	2024	2023
Purpose restricted	\$ 71,750	\$ -
Bunker Club - Corpus	2,135,175	2,135,175
Bunker Club - Earnings	1,567,044	1,254,130
Glassen - Corpus	270,000	270,000
Glassen - Earnings	41,076	30,000
Lones Wigger - Corpus	4,300	4,000
Lones Wigger - Earnings	1,431	842
Total net assets with donor restrictions	\$ 4,090,776	\$ 3,694,147

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8. IN-KIND DONATIONS

For the years ended December 31, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included the following:

	<u>2024</u>	<u>2023</u>
Rent	\$ 702,306	\$ 702,306
Air travel, room and board	64,401	44,486
Ammunition, targets and accessories	<u>157,472</u>	<u>31,145</u>
	<u>\$ 924,179</u>	<u>\$ 777,937</u>

Contributed rent is utilized for the Organization's Olympic Training Center and benefits the Organization's programs and supporting services. Contributed air travel, room and board, ammunition, targets and accessories are utilized for the Organization's athlete programs; for use in training and competitions in which the Organization sponsors various teams and tournaments; and preparing athletes for Olympic, Paralympic, and world championship level competition.

The Organization uses an estimate of fair value to measure contributed nonfinancial assets. The Organization measures contributed rent at the value provided by the USOPC, which is based on market studies done for rental rates of similar facilities. The Organization measures contributed air travel, room and board, and ammunition, targets and accessories at the value that would have been paid had the Organization purchased the nonfinancial assets, based on comparable sales prices for similar items at similar quantities.

All contributed nonfinancial assets received during the years ended December 31, 2024 and 2023 were received without donor restrictions.

9. 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.

Accounts payable and accrued expenses

For the years ended December 31, 2024 and 2023, one vendor accounted for approximately 63% and 30%, respectively, of total accounts payable and accrued expenses.

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Contributions and grants

For the years ended December 31, 2024 and 2023, one grantor accounted for approximately 36% and 48%, respectively, of total contributions and grants.

10. RETIREMENT PLAN

The Organization sponsors a 401(k) retirement plan ("Plan") covering all eligible employees. Employees may make contributions to the Plan up to the maximum allowed by the Internal Revenue Code and the Organization can make discretionary matching contributions of 3% to 5% of eligible employee compensation. The Organization's contributions to the Plan for the years ended December 31, 2024 and 2023 totaled \$18,614 and \$18,686, respectively.

11. RELATED PARTIES

The Organization is a member of the USOPC. The USOPC serves as the National Olympic Committee and National Paralympic Committee for the United States and was formed to support the US Olympic and Paralympic athletes. The Organization receives grants from the USOPC for sports development, international competition and team preparation.

Total grant funding received from the USOPC during the years ended December 31, 2024 and 2023 totaled \$1,358,000 and \$1,377,500, respectively. Contributed nonfinancial assets received from the USOPC during the years ended December 31, 2024 and 2023 totaled \$766,707 and \$751,686, respectively, which consisted of contributed rent and air travel. The Organization is economically dependent upon the grants from the USOPC in order to maintain its programs at current levels.

As of December 31, 2024 and 2023, the Organization owed the USOPC \$47,472 and \$39,550, respectively.

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12. EMPLOYEE RETENTION CREDIT

The Organization claimed the Employee Retention Credit under the CARES Act totaling \$397,015. This amount was included in grants and contributions in the statement of activities for the year ended December 31, 2022 and was subsequently fully collected in 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.

13. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2024, the Organization replenished its endowment assets, resolving the underwater endowment issue.

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