



FINANCIAL STATEMENTS

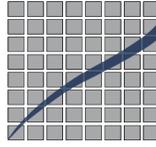
DECEMBER 31, 2021 AND 2020

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Finance Committee
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, 2021 and 2020, 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, 2021 and 2020, 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.

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 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 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 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 auditing standards generally accepted in the United States of America, 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.

Correction of Error

As discussed in Note 12 to the financial statements, management discovered that there was an error in the 2020 financial statements. Accordingly, a prior period adjustment was made to correct the error and the 2020 financial statements have been restated. Our opinion is not modified with respect to this matter.

BiggsKofford, P.C.

Colorado Springs, Colorado
October 19, 2022

USA SHOOTING, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u> (Restated)
<u>ASSETS</u>		
Current assets:		
Cash and equivalents	\$ 945,264	\$ 1,036,427
Accounts receivable	26,765	-
Contributions receivable	98,000	-
Inventory	18,936	135,981
Prepaid expenses and other current assets	30,612	28,069
Total current assets	<u>1,119,577</u>	<u>1,200,477</u>
Investments	3,780,754	3,121,894
Property and equipment, net	321,734	252,086
	<u>4,102,488</u>	<u>3,373,980</u>
Total assets	<u>\$ 5,222,065</u>	<u>\$ 4,574,457</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 288,449	\$ 35,591
Accrued liabilities	158,343	124,004
Due to the USOPC	146,776	375,706
Paycheck Protection Program loan payable	314,560	271,000
Current portion of Economic Injury Disaster Loan	2,081	2,028
Total current liabilities	<u>910,209</u>	<u>808,329</u>
Economic Injury Disaster Loan, net of current portion	154,219	150,089
Total liabilities	<u>1,064,428</u>	<u>958,418</u>
Net assets without donor restrictions:		
Net equity in property and equipment	321,734	252,086
Board-designated net assets	3,652,414	3,017,227
Operating	19,849	36,751
Total net assets without donor restrictions	<u>3,993,997</u>	<u>3,306,064</u>
With donor restrictions	163,640	309,975
Total net assets	<u>4,157,637</u>	<u>3,616,039</u>
Total liabilities and net assets	<u>\$ 5,222,065</u>	<u>\$ 4,574,457</u>

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

USA SHOOTING, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND SUPPORT</u>			
Contributions and grants	\$ 2,798,001	\$ 215,382	\$ 3,013,382
USOPC grants	1,171,446	-	1,171,446
USOPC in-kind contributions	729,918	-	729,918
Competition fees	301,522	-	301,522
Sponsorships and royalties	307,363	-	307,363
Membership dues	143,775	-	143,775
Merchandise sales, net	26,446	-	26,446
Investment income	707,566	-	707,566
Other revenues	202,158	-	202,158
Total revenues and support	6,388,195	215,382	6,603,576
<u>RECLASSIFICATIONS</u>			
Satisfaction of program restrictions	361,717	(361,717)	-
<u>EXPENSES</u>			
Program services	3,726,362	-	3,726,362
General and administrative	839,127	-	839,127
Fundraising	1,496,489	-	1,496,489
Total expenses	6,061,978	-	6,061,978
Change in net assets	687,933	(146,335)	541,598
Net assets, beginning of year	3,306,064	309,975	3,616,039
Net assets, end of year	\$ 3,993,997	\$ 163,640	\$ 4,157,637

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

USA SHOOTING, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions (Restated)	With Donor Restrictions (Restated)	Total (Restated)
<u>REVENUES AND SUPPORT</u>			
Contributions and grants	\$ 2,250,297	\$ 100,000	\$ 2,350,297
USOPC grants	982,574	-	982,574
USOPC in-kind contributions	743,724	-	743,724
Competition fees	163,891	-	163,891
Sponsorships and royalties	36,497	-	36,497
Membership dues	128,179	-	128,179
Merchandise sales, net	43,081	-	43,081
Investment return	499,480	-	499,480
Other revenues	117,237	-	117,237
Total revenues and support	4,964,960	100,000	5,064,960
<u>RECLASSIFICATIONS</u>			
Satisfaction of program restrictions	-	-	-
<u>EXPENSES</u>			
Program services	2,308,726	-	2,308,726
General and administrative	777,919	-	777,919
Fundraising	1,255,013	-	1,255,013
Total expenses	4,341,658	-	4,341,658
Change in net assets	623,302	100,000	723,302
Net assets, beginning of year	2,682,762	209,975	2,892,737
Net assets, end of year	\$ 3,306,064	\$ 309,975	\$ 3,616,039

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, 2021

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Ammunition and targets	\$ 508,000	\$ -	\$ -	\$ 508,000
Athletes and teams	332,714	-	1,410	334,124
Awards and medals	358,935	-	14,401	373,336
Bank fees	28,791	-	132	28,923
Competition fees	6,297	-	-	6,297
Depreciation	42,208	-	-	42,208
Dues and subscriptions	70,802	34,598	1,999	107,399
Equipment	6,240	5,391	448	12,079
Events	-	30	52,330	52,360
Insurance	36,210	30,148	113	66,471
Interest	-	5,256	-	5,256
Miscellaneous	10,944	13,911	-	24,855
Occupancy	736,570	30,176	995	767,741
Printing and supplies	11,292	8,426	1,166,952	1,186,670
Professional fees	-	104,050	1,650	105,700
Promotional items	32,590	444	85,910	118,944
Range operations	66,016	691	-	66,707
Salaries, wages and benefits	507,127	593,315	166,795	1,267,237
Sports medicine	20,782	-	-	20,782
Supplies	120	275	65	460
Travel	950,724	12,416	3,289	966,429
Total expenses	<u>\$ 3,726,362</u>	<u>\$ 839,127</u>	<u>\$ 1,496,489</u>	<u>\$ 6,061,978</u>
Percentage of totals	<u>61.5%</u>	<u>13.8%</u>	<u>24.7%</u>	<u>100.0%</u>

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, 2020

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Ammunition and targets	\$ 53,917	\$ (15,835)	\$ -	\$ 38,082
Athlete endowment grants	12,094	-	-	12,094
Awards and medals	54,978	182	-	55,160
Bank fees	27,860	-	247	28,107
Competition fees	3,439	-	-	3,439
Depreciation	80,067	-	-	80,067
Dues and subscriptions	32,145	-	21,622	53,767
Equipment	19,319	6	-	19,325
Events	(911)	-	780	(131)
Insurance	30,000	19,354	1,000	50,354
Interest	-	2,217	-	2,217
List maintenance	-	-	11,190	11,190
Miscellaneous	(420)	2,773	-	2,353
Occupancy	644,691	81,675	-	726,366
Printing and supplies	4,845	9,079	1,039,882	1,053,806
Professional fees	103,172	46,623	86,398	236,193
Promotional items	8,290	6,510	9,971	24,771
Range operations	22,370	933	-	23,303
Salaries, wages and benefits	849,647	476,257	82,054	1,407,958
Sports medicine	21,045	-	-	21,045
Stipends	43,550	3,900	-	47,450
Supplies	1,931	2,411	-	4,342
Travel	296,697	141,834	1,869	440,400
Total expenses	\$ 2,308,726	\$ 777,919	\$ 1,255,013	\$ 4,341,658
Percentage of totals	53.2%	17.9%	28.9%	100.0%

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, 2021 AND 2020

	<u>2021</u>	<u>2020</u> (Restated)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 541,598	\$ 723,302
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	42,208	80,067
Realized and unrealized gains on investments	(663,410)	(473,814)
Contributions restricted for long-term purposes	(100,000)	(54,200)
(Increase) decrease in operating assets:		
Accounts receivable	(26,765)	-
Contributions receivable	(98,000)	-
Inventory	117,045	(13,567)
Prepaid expenses and other current assets	(2,543)	4,614
Increase (decrease) in operating liabilities:		
Accounts payable	252,858	(180,970)
Accrued liabilities	34,339	9,687
Accrued interest	4,183	2,117
Due to the USOPC	(228,930)	216,208
Net change in cash flows from operating activities	<u>(127,417)</u>	<u>313,444</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of investments	-	(154,910)
Proceeds received from sales of investments	4,550	-
Purchases of property and equipment	(111,856)	-
Net change in cash flows from investing activities	<u>(107,306)</u>	<u>(154,910)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds received from Economic Injury Disaster Loan	-	150,000
Paycheck Protection Program loan proceeds	43,560	271,000
Contributions restricted for long-term purposes	100,000	54,200
Net change in cash flows from financing activities	<u>143,560</u>	<u>475,200</u>
Net change in cash and equivalents	<u>(91,163)</u>	<u>633,734</u>
Cash and equivalents, beginning of year	1,036,427	402,693
Cash and equivalents, end of year	<u>\$ 945,264</u>	<u>\$ 1,036,427</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, 2021 AND 2020

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 accompanying 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 conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid instruments with an initial maturity of three months or less to be cash and equivalents.

The Organization maintains its cash and equivalents in financial institutions that, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At times during the year, cash may exceed the federally insured amount. This risk is managed by maintaining deposits with high-quality financial institutions. The Organization does not anticipate nonperformance by these institutions.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Accounts receivable

Accounts receivable consist of amounts due from competition registrations and sales and are stated at the amount the Organization expects to collect. The Organization grants credit to its customers with normal credit terms and customer payments are typically due on a short-term basis. 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. Accounts receivable are written off when they are determined to be uncollectable. As of December 31, 2021, management considers all accounts to be fully collectable and, accordingly, there is no allowance for doubtful accounts.

Contributions receivable

Contributions receivable, all of which are due within one year, are unconditional and recognized as assets and support in the period made. As of December 31, 2021, management considers contributions receivable to be fully collectible and, accordingly, no allowance for uncollectable contributions has been recorded.

Inventory

Inventory consists 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 the lower of cost or market value using the first-in, first-out method of accounting.

Property and equipment

All acquisitions of property and equipment in excess of \$1,000 with estimated lives exceeding one year are capitalized and recorded at cost, or fair value, if donated. Property and equipment are expensed using the straight-line method over estimated useful lives ranging from five to 20 years.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net assets

The financial statements present information regarding the financial position and activities according to two classes of net assets: net assets without donor restrictions; and net assets with donor restrictions, which represent resources restricted by donors as to purpose or by the passage of time.

Revenue recognition

Contributions and grants

Contribution and grant income is recorded when cash is received, when unconditional promises are made, or when ownership of contributed assets is transferred to the Organization. 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.

Donated services and materials

Donated services and materials are recorded as both contributions and expenditures in the accompanying statements of activities at their estimated fair values. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations (see Note 11).

Program revenues

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, 2021 AND 2020

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Revenue recognition (continued)

Program revenues (continued)

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. Management does not believe warranty expense will be material to the financial statements and has not established a warranty reserve for merchandise returns as of December 31, 2021.

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 allocation of expenses

Expenses are recognized when incurred in accordance with the accrual basis of accounting. 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. Salaries and benefits were allocated based on time and effort, occupancy and depreciation were allocated on a square footage basis, and all remaining expenses were allocated based on the purpose of the expense.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Advertising

The Organization expenses advertising and marketing costs as incurred. Promotional expenses for the years ended December 31, 2021 and 2020 totaled \$118,944 and \$24,771, respectively.

Income taxes

The Organization is exempt from income taxes under Internal Revenue Code ("Code") Section 501(c)(3) 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 450, *Contingencies*. No tax accrual for uncertain tax positions has been recorded as management believes there are no uncertain tax positions for the Organization.

Reclassification

Certain prior period amounts have been reclassified to conform with the current year presentation.

Subsequent events

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

New accounting pronouncements – future adoption

In February 2016, the FASB issued ASU 2016-02, *Leases*, which supersedes existing guidance on accounting for leases and generally requires all leases to be recognized on the statement of financial position. This guidance also requires disclosures about the amount, timing and uncertainty of cash flows arising from leases. The provisions of the new guidance will be effective for the Organization for the period ending December 31, 2022. Management is currently evaluating the potential impact of this new standard on the Organization's financial statements.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	2021	2020
Cash and equivalents	\$ 945,264	\$ 1,036,427
Accounts receivable	26,765	-
Contributions receivable	98,000	-
Investments	3,780,754	3,121,894
 Total financial assets	 4,850,783	 4,158,321
 Less amounts unavailable for general expenditures within one year due to:		
Board-designated	(3,652,414)	(3,017,227)
Donor restrictions	(163,640)	(309,975)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 1,034,729	 \$ 831,119

The Organization structures 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. INVESTMENTS AND FAIR VALUE MEASUREMENTS

USOE investment pool

The Organization's investments are held in an investment pool owned and maintained by the United States Olympic Endowment ("USOE"). All investments 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.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

USOE investment pool (continued)

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.

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.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

USOE investment pool (continued)

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,:

	2021			
	Level 1	Level 2	Level 3	Total
USOE pooled investment	\$ -	\$ 3,780,754	\$ -	\$ 3,780,754
	\$ -	\$ 3,780,754	\$ -	\$ 3,780,754
	2020			
	Level 1	Level 2	Level 3	Total
USOE pooled investment	\$ -	\$ 3,121,894	\$ -	\$ 3,121,894
	\$ -	\$ 3,121,894	\$ -	\$ 3,121,894

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

	2021	2020
Alternative investments*	38%	38%
Domestic equity securities	25%	25%
International equities	25%	25%
Domestic bonds	10%	10%
International bonds	0%	0%
Cash and equivalents	2%	2%
Total	100%	100%

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

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

USOE investment pool (continued)

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

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 44,156	\$ 25,666
Net realized and unrealized gains on investments	<u>663,410</u>	<u>473,814</u>
Total	<u>\$ 707,566</u>	<u>\$ 499,480</u>

4. ENDOWMENTS

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 of Colorado's UPMIFA as permitting preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies the original value of the gift donated to the permanent endowment as restricted net assets.

The Organization's endowment assets are invested in the USOE, pursuant to the Organization's spending objectives of subjecting the fund to low investment risk and providing support for the restricted programs. The Organization has investment and spending policies for endowment assets that emphasize long-term growth and income.

During the year ended December 31, 2021, the Organization received a \$100,000 gift from a donor to benefit the junior world championship team. The original corpus is to be held by the Organization in perpetuity, and any investment income earned thereon is to be spent for the benefit of the junior world championship team, pursuant to the Organization's spending policy.

See independent auditor's report.

USA SHOOTING, INC.
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4. ENDOWMENTS (CONTINUED)

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. Endowment net asset composition by type and changes in endowment net assets for the year ended December 31, 2021 are as follows:

	With Donor Restrictions
Endowment net assets, January 1, 2021	\$ -
Contributions	100,000
Investment return, net	28,340
Appropriated for expenditure	(28,340)
Endowment net assets, December 31, 2021	\$ 100,000

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with US GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of December 31, 2021 and 2020.

5. PROPERTY AND EQUIPMENT

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

	2021	2020
Tournament equipment	\$ 584,416	\$ 472,560
Outdoor range	1,383,806	1,383,806
	1,968,222	1,856,366
Accumulated depreciation	(1,646,488)	(1,604,280)
Property and equipment, net	\$ 321,734	\$ 252,086

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6. DEBT

Paycheck Protection Program Loan

During the year ended December 31, 2020, the Organization applied for and received a \$271,000 forgivable loan from the Small Business Administration ("SBA") as part of the Paycheck Protection Program, which is part of the federal government's Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The loan was forgiven during the year ended December 31, 2021, and the proceeds were included in contributions and grants in the accompanying statement of activities.

During the year ended December 31, 2021, the Organization received an additional \$314,560 forgivable loan from the SBA as part of the Paycheck Protection Program. The loan is not collateralized and the principal and any accrued interest are expected to be fully forgiven. The balance outstanding on this note was \$314,560 as of December 31, 2021.

Economic Injury Disaster Loan

On June 10, 2020, the Organization received an Economic Injury Disaster Loan ("EIDL") from SBA in the amount of \$150,000; bearing interest at 2.75% per annum; requiring monthly installments of \$641 including principal and interest beginning on June 10, 2022; and one final payment consisting of the outstanding principal and interest at maturity on June 10, 2050. The loan is collateralized by all assets of the Organization. As of December 31, 2021, the balance outstanding on this note was \$156,300, including \$6,300 of accrued interest.

Future maturities of the EIDL are as follows as of December 31, 2021:

Years Ending December 31,		
2022	\$	2,081
2023		3,567
2024		3,567
2025		3,567
2026		3,567
Thereafter		<u>133,651</u>
		<u>\$ 150,000</u>

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USA SHOOTING, INC.
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7. NET ASSETS

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

	<u>2021</u>	<u>2020</u>
ISSF Olympic Grant	\$ -	\$ 209,975
Junior world championship team endowment	100,000	100,000
Athlete Grants	50,900	-
USAS Team Foundation	<u>12,740</u>	<u>-</u>
	<u>\$ 163,640</u>	<u>\$ 309,975</u>

Board-designated net assets as of December 31, 2021 and 2020 consist of investments held with the USOE to be used to support the Organization's athletes and teams.

8. COMMITMENTS

Effective June 2004, the United States Olympic & Paralympic Committee ("USOPC") assigned its rights to the Organization in a lease of the outdoor range at Ft. 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.

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 monthly lease payments represent below-market lease payments (see Note 11). Total rent expense under this lease totaled \$711,306 for both the years ended December 31, 2021 and 2020, which includes \$702,306 of contributed rent each year.

Effective August 2021, the Organization entered into a three-year software agreement which expires in June 2024, with a two-year renewal option at the option of the Organization and requires monthly payments ranging from \$2,667 to \$2,917. Lease expense paid under this lease totaled approximately \$13,335 for the year ended December 31, 2021.

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8. COMMITMENTS (CONTINUED)

Future minimum lease payments consist of the following:

<u>Years Ending</u> <u>December 31,</u>	
2022	\$ 42,250
2023	44,000
2024	<u>21,167</u>
	<u>\$ 107,416</u>

9. RETIREMENT PLAN

The Organization sponsors a 401(k) retirement plan covering all eligible employees. The Organization can make discretionary matching contributions of 3% to 5% of eligible employee compensation. Employer contributions to the plan for the years ended December 31, 2021 and 2020, totaled \$20,837 and \$19,362, respectively.

10. RELATED PARTY TRANSACTIONS

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 support received from the USOPC during the years ended December 31, 2021 and 2020 totaled \$1,171,446 and \$982,574, respectively. The Organization is economically dependent upon the grants from the USOPC in order to maintain its programs at current levels.

As of December 31, 2021 and 2020, the Organization owed the USOPC \$146,776 and \$375,706, respectively.

11. CONTRIBUTED SUPPLIES AND SERVICES

For both the years ended December 31, 2021 and 2020, the Organization received contributed rent from the USOPC totaling \$702,306 each year.

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11. CONTRIBUTED SUPPLIES AND SERVICES (CONTINUED)

For both the years ended December 31, 2021 and 2020, the Organization received contributed travel from the USOPC totaling \$27,612 and \$41,418, respectively.

For the year ended December 31, 2021, the Organization also received in-kind contributions consisting of athlete ammunition, targets, travel, and other supplies totaling \$335,570. These amounts have been recognized as both revenues and expenses in the accompanying financial statements, and the expenses have been allocated to the programs benefited.

12. RESTATEMENT OF 2020 FINANCIAL STATEMENTS

The Organization's previously issued 2020 financial statements contained an error with respect to unrealized gains on investments which were understated. The impact of correcting that error is as follows:

Change in net assets without donor restrictions, as previously reported	\$ 620,174
Understatement of unrealized gains on investments	<u>103,128</u>
Change in net assets without donor restrictions, as restated	<u><u>\$ 723,302</u></u>
Investments, as previously reported	\$ 3,018,766
Correction of error	<u>103,128</u>
Investments, as restated	<u><u>\$ 3,121,894</u></u>

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See independent auditor's report.