FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Audit 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, 2023 and 2022, 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, 2023 and 2022, 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.

BiggsKofford, P.C.

Colorado Springs, Colorado
November 13, 2024

USA SHOOTING, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and equivalents	$ 389,406	$ 442,130
Accounts receivable	9,212	88,390
Accounts receivable - USOPC	-	22,500
Employee Retention Credit receivable	-	397,015
Inventory	-	13,936
Prepaid expenses and other assets	67,198	70,923
Operating lease right-of-use asset	83,746	91,326
Property and equipment, net	262,607	326,833
Endowment assets	3,468,396	3,353,105
Total assets	$ 4,280,565	$ 4,806,158
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 345,932	$ 262,095
Due to the USOPC	39,550	174,825
Deferred revenue	483,600	100,000
Economic Injury Disaster loan	143,893	150,000
Operating lease liabilities	83,746	91,326
Total liabilities	1,096,721	778,246
Net assets:		
Without donor restrictions:		
Net equity in property and equipment	262,607	326,833
Operating	(772,910)	347,974
Total net assets without donor restrictions	(510,303)	674,807
With donor restrictions	3,694,147	3,353,105
Total net assets	3,183,844	4,027,912
Total liabilities and net assets	$ 4,280,565	$ 4,806,158

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions and grants	$ 1,418,857	$ 120,071	$ 1,538,928
USOPC grants	1,427,500	-	1,427,500
Contributed nonfinancial assets	777,937	-	777,937
Competition fees	581,314	-	581,314
Sponsorships and royalties	224,025	-	224,025
Membership dues	125,501	-	125,501
Merchandise sales, net	(62,905)	-	(62,905)
Investment income (loss)	496	370,290	370,786
Other revenues	48,133	-	48,133
Total revenues and support	4,540,858	490,361	5,031,219
RECLASSIFICATIONS			
Net assets released from restrictions	149,319	(149,319)	-
EXPENSES			
Program services	4,464,329	-	4,464,329
General and administrative	605,054	-	605,054
Fundraising	805,904	-	805,904
Total expenses	5,875,287	-	5,875,287
Change in net assets	(1,185,110)	341,042	(844,068)
Net assets, beginning of year	674,807	3,353,105	4,027,912
Net assets, end of year	$ (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 ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions and grants	$ 2,603,562	$ 418,600	$ 3,022,162
USOPC grants	1,387,738	-	1,387,738
Contributed nonfinancial assets	762,342	-	762,342
Competition fees	518,897	-	518,897
Sponsorships and royalties	252,456	-	252,456
Membership dues	110,457	-	110,457
Merchandise sales, net	44,141	-	44,141
Investment income (loss)	-	(513,420)	(513,420)
Other revenues	381,951	-	381,951
Total revenues and support	6,061,544	(94,820)	5,966,724
RECLASSIFICATIONS			
Net assets released from restrictions	465,304	(465,304)	-
EXPENSES			
Program services	3,784,633	-	3,784,633
General and administrative	724,185	-	724,185
Fundraising	1,587,631	-	1,587,631
Total expenses	6,096,449	-	6,096,449
Change in net assets	430,399	(560,124)	(129,725)
Net assets, beginning of year	244,408	3,913,229	4,157,637
Net assets, end of year	$ 674,807	$ 3,353,105	$ 4,027,912

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
Advertising and promotion	$ -	$ 17,822	$ -	$ 17,822
Ammunition and targets	74,705	-	-	74,705
Athletes 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	-	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
Salaries, wages and benefits	1,194,071	145,619	116,495	1,456,185
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	76.0%	10.3%	13.7%	100.0%

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, 2022

	Program Services	General and Administrative	Fundraising	Total
Advertising and promotion	$ -	$ 40,326	$ -	$ 40,326
Ammunition and targets	293,959	-	-	293,959
Athletes and team funding	354,877	273	-	355,150
Competition fees	131,683	87	-	131,770
Depreciation	61,726	-	-	61,726
Dues and subscriptions	35,474	37,655	249	73,378
Fund development	4,877	33,870	1,400,572	1,439,319
Insurance	160	93,375	-	93,535
Interest	-	7,912	-	7,912
Miscellaneous	4,912	39,331	87	44,330
Occupancy	584,317	150,985	72,862	808,164
Office	12,780	13,969	7,100	33,849
Professional fees	-	171,396	-	171,396
Salaries, wages and benefits	1,030,859	125,715	100,572	1,257,146
Travel	1,269,009	9,291	6,189	1,284,489
Total expenses	$ 3,784,633	$ 724,185	$ 1,587,631	$ 6,096,449
Percentage of total expenses	62.1%	11.9%	26.0%	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, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (844,068)	$ (129,725)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Forgiveness of Paycheck Protection Program loan	-	(314,560)
Recognition of Employee Retention Credit	397,015	(397,015)
Depreciation	64,226	61,726
Realized and unrealized (gains) losses on investments	(330,922)	549,170
Contributions restricted for long-term purposes	(90,000)	(90,000)
(Increase) decrease in operating assets:		
Accounts receivable	101,678	(84,125)
Contributions receivable	-	98,000
Inventory	13,936	5,000
Prepaid expenses and other current assets	3,725	(40,311)
Increase (decrease) in operating liabilities:		
Accounts payable	83,837	(211,823)
Accrued liabilities	-	20,826
Due to the USOPC	(135,275)	28,049
Deferred revenue	383,600	100,000
Net cash flows from operating activities	(352,248)	(404,788)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	20,631	(186,521)
Proceeds received from sales of investments	195,000	65,000
Purchases of property and equipment	-	(66,825)
Net cash flows from investing activities	215,631	(188,346)
CASH FLOWS FROM FINANCING ACTIVITIES		
Economic Injury Disaster Loan payments	(6,107)	-
Contributions restricted for long-term purposes	90,000	90,000
Net cash flows from financing activities	83,893	90,000
Net change in cash and equivalents	(52,724)	(503,134)
Cash and equivalents, beginning of year	442,130	945,264
Cash and equivalents, end of year	$ 389,406	$ 442,130

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

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.

Accounting pronouncements adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASC Topic 842"), which replaces numerous requirements in US GAAP and requires organizations to recognize lease assets and lease liabilities on the statement of financial position. On January 1, 2022, the Organization adopted the requirements of ASC Topic 842 and the amendments related thereto, and applied the new requirements to all contracts using the modified retrospective method. Upon adoption of ASC Topic 842, management determined no material adjustment to net assets was required. Additional disclosures required by ASC Topic 842 are presented within the notes to the financial statements. The comparative information continues to be presented in accordance with the previous lease accounting guidance ("ASC Topic 840").

On January 1, 2022, the Organization adopted ASU No. 2020-07, *Not-for-Profit Entities: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ("ASC Topic 958") on a retrospective basis. These amendments increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The amendments in this update also require not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statements of activities.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses* (“ASC Topic 326”). This ASU revises how companies account for credit losses for most financial assets. On January 1, 2023, the Organization adopted the requirements of ASC Topic 326. The adoption of ASC Topic 326 did not have a material impact on the Organization’s financial statements.

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.

Accounts receivable

Accounts receivable are unsecured 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, 2022 and 2021, management considers accounts receivable to be fully collectable and, accordingly, has not recorded an allowance for credit losses.

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 net realizable value using the first-in, first-out method of accounting.

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

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 5 to 20 years.

Depreciation expense for the years ended December 31, 2023 and 2022 totaled $64,226 and $61,726, respectively.

Leases

Management determines if an arrangement is a lease at inception of the arrangement. Operating leases are included in operating lease right-of-use assets and lease liabilities in the accompanying statements of financial position.

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 date 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.

The Organization elected certain practical expedients permitted under the transition guidance that allowed the Organization not to reassess: (1) whether expired or previously existing contracts are or contain leases, (2) lease classification for expired or previously existing leases, and (3) initial direct costs for expired or previously existing leases.

For leases that do not state or imply an interest rate, the Organization elected a practical expedient to use a risk-free rate based on asset composition.

Deferred revenue

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

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 and those resources invested in property and equipment. Net assets with donor restrictions consist of resources restricted by donors as to purpose or by the passage of time.

Revenue recognition

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. When a donor restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed nonfinancial assets

Contributed services and materials are recorded as both a revenue and an expenditure in the accompanying financial statements 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 donation.

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.

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 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 are allocated based on time and effort, occupancy and depreciation are allocated on a square footage basis, and all remaining expenses are allocated based on the purpose of the expense.

Advertising

The Organization expenses advertising and marketing costs as incurred. Advertising and marketing expenses for the years ended December 31, 2023 and 2022 totaled $17,822 and $40,326, 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 Topic 450, *Contingencies*. No tax accrual for uncertain tax positions has been recorded as management believes there are no uncertain tax positions for the Organization.

Reclassifications

Certain prior period amounts have been reclassified to conform with the current year presentation. Specifically, the amounts previously reported under investments have been reclassified to endowment assets to comply with the donor intention and nature of these funds. See Note 3 for a breakdown of endowment assets.

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.

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,:

	2023	2022
Cash and equivalents	$ 389,406	$ 442,130
Accounts receivable	9,212	110,890
Employee Retention Credit receivable	-	397,015
Endowment assets	3,468,396	3,353,105
Total financial assets	3,867,014	4,303,140
Less amounts unavailable for general expenditures within one year due to:		
Donor restrictions	(3,694,147)	(3,353,105)
Financial assets available to meet cash needs for general expenditures within one year	$ 172,867	$ 950,035

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. 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.

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,:

	2023			
	Level 1	Level 2	Level 3	Total
USOE pooled investment	$ -	$ 3,468,396	$ -	$ 3,468,396
	$ -	$ 3,468,396	$ -	$ 3,468,396

	2022			
	Level 1	Level 2	Level 3	Total
USOE pooled investment	$ -	$ 3,353,105	$ -	$ 3,353,105
	$ -	$ 3,353,105	$ -	$ 3,353,105

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

	2023	2022
Alternative investments*	39%	35%
Domestic equity securities	36%	25%
International equities	17%	13%
Domestic bonds	7%	23%
International bonds	0%	0%
Cash and equivalents	1%	4%
Total	100%	100%

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

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

	2023	2022
Interest and dividend income	$ 39,864	$ 35,750
Net realized and unrealized gains (losses)	330,922	(549,170)
Total	$ 370,786	$ (513,420)

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 of Colorado's 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, 2023 and 2022, 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 the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

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. The minimum average market value to be maintained as the corpus cannot drop below 90% of the total gifts to the fund, calculated over a three-year period. No expenditures may be appropriated if the market value of the endowment drops below this threshold.

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,:

	2023	2022
Donor-restricted endowment funds:		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ 2,409,175	$ 2,319,175
Accumulated investment earnings	1,284,972	1,033,930
Total funds	$ 3,694,147	$ 3,353,105

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, 2023 and 2022.

Endowment net assets, January 1, 2022	$ 3,849,589
Contributions	90,300
Investment return, net	(513,420)
Appropriated for expenditure	(73,364)
Endowment net assets, December 31, 2022	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

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, 2023 and 2022, the endowment assets were underwater by $225,751 and $0, respectively.

4. PROPERTY AND EQUIPMENT

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

	2023	2022
Tournament equipment	$ 651,241	$ 651,240
Outdoor range	1,383,806	1,383,806
	2,035,047	2,035,046
Accumulated depreciation	(1,772,440)	(1,708,213)
Property and equipment, net	$ 262,607	$ 326,833

5. 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). Operating lease expense under this lease totaled $711,306, which includes $702,306 of contributed rent, for both the years ended December 31, 2023 and 2022.

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.

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

December 31,		
2024	$	9,000
2025		9,000
2026		9,000
2027		9,000
2028		9,000
Thereafter		45,750
Total minimum lease payments		90,750
Less amount representing interest		(7,004)
Present value of operating lease liabilities	$	83,746

Other information with respect to leases is as follows as of and for the year ended December 31, 2023:

Right of use assets obtained in exchange for new lease liabilities	$	98,784
Weighted average remaining lease term in years		11.1
Weighted average discount rate		1.63%

6. DEBT

Paycheck Protection Program Loans

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. The loan was forgiven during the year ended December 31, 2022, and the proceeds were included in contributions and grants in the accompanying statement of activities.

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; and requiring monthly payments consisting of principal and interest to commence at a later date. The loan is collateralized by all assets of the Organization.

7. NET ASSETS

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

	2023	2022
Bunker Club - Corpus	$ 2,135,175	$ 2,135,175
Bunker Club - Earnings	1,254,130	990,176
Glassen - Corpus	270,000	180,000
Glassen - Earnings	30,000	29,114
Lones Wigger - Corpus	4,000	4,000
Lones Wigger - Earnings	842	14,640
	$ 3,694,147	$ 3,353,105

8. CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities included the following:

	2023	2022
Rent	$ 702,306	$ 702,306
Air travel, room and board	44,486	56,121
Ammunition, targets and accessories	31,145	3,915
	$ 777,937	$ 762,342

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; 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, 2023 and 2022 were received without donor restrictions.

9. COMMITMENTS

The Organization has a noncancelable agreement for software subscription services expiring in June 2024, with a two-year option to renew. The agreement requires monthly payments ranging from $2,667 to $2,917. Amounts incurred under this agreement for the years ended December 31, 2023 and 2022, totaled approximately $35,000 and $33,000, respectively.

10. RETIREMENT PLAN

The Organization sponsors a 401(k) retirement plan ("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, 2023 and 2022, totaled $18,686 and $19,695, respectively.

11. 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 grant funding received from the USOPC during the years ended December 31, 2023 and 2022 totaled $1,377,500 and $1,387,738, respectively. Contributed nonfinancial assets received from the USOPC during the years ended December 31, 2023 and 2022 totaled $751,686 and $733,466, 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, 2023 and 2022, the Organization owed the USOPC $39,550 and $174,825, respectively.

12. EMPLOYEE RETENTION CREDIT

The Organization claimed the Employee Retention Credit under the CARES Act totaling $397,015. This amount has been included in grants and contributions in the accompanying statement of activities for the year ended December 31, 2022. The entire amount was outstanding and was included in Employee Retention Credit receivable in the accompanying statement of financial position as of December 31, 2022. 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. FINANCIAL CONDITION

During the years ended December 31, 2023 and 2022, the Organization incurred a reduction in net assets totaling $844,068 and $129,725, respectively, which resulted in an deficit in operating net assets of $772,910 as of December 31, 2023. Subsequent to year end, management has adjusted its operations to minimize future losses and has developed plans to address its financial condition to include eliminating and reducing significant expenditures related to overhead, software and services. Management has reviewed and adjusted key performance indicators necessary to become more efficient to include lowering employee headcount.

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