



FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors

USA Shooting, Inc.

Colorado Springs, Colorado

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, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2020 and 2019, 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.

BiggsKofford, P.C.

Colorado Springs, Colorado
May 14, 2021

USA SHOOTING, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current assets:		
Cash and equivalents	\$ 1,036,427	\$ 402,693
Inventory	135,981	122,414
Prepaid expenses and other current assets	28,069	32,683
Investments	3,018,766	2,493,170
Total current assets	4,219,243	3,050,960
Property and equipment, net	252,086	332,153
Total assets	<u>\$ 4,471,329</u>	<u>\$ 3,383,113</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 35,591	\$ 216,561
Accrued liabilities	124,004	114,317
Due to the USOPC	375,706	159,498
Paycheck Protection Program loan payable	271,000	-
Current portion of Economic Injury Disaster Loan	2,028	-
Total current liabilities	808,329	490,376
Non-current liabilities:		
Economic Injury Disaster Loan, net of current portion	150,089	-
Total liabilities	958,418	490,376
Net assets without donor restrictions:		
Equity in property and equipment	252,086	332,153
Board designated	3,018,766	2,493,170
Operating	(67,916)	(142,561)
Total net assets without donor restrictions	3,202,936	2,682,762
With donor restrictions	309,975	209,975
Total net assets	3,512,911	2,892,737
Total liabilities and net assets	<u>\$ 4,471,329</u>	<u>\$ 3,383,113</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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND SUPPORT</u>			
Contributions and sponsorships	\$ 2,286,794	\$ 100,000	\$ 2,386,794
USOPC grants	982,574	-	982,574
USOPC in-kind contributions	743,724	-	743,724
Competition fees	163,891	-	163,891
Membership dues	128,179	-	128,179
Merchandise sales, net	43,081	-	43,081
Investment income	396,352	-	396,352
Other revenues	117,237	-	117,237
Total revenues and support	<u>4,861,832</u>	<u>100,000</u>	<u>4,961,832</u>
<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	<u>4,341,658</u>	<u>-</u>	<u>4,341,658</u>
Change in net assets	520,174	100,000	620,174
Net assets, beginning of year	<u>2,682,762</u>	<u>209,975</u>	<u>2,892,737</u>
Net assets, end of year	<u>\$ 3,202,936</u>	<u>\$ 309,975</u>	<u>\$ 3,512,911</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, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND SUPPORT</u>			
Contributions and sponsorships	\$ 3,135,909	\$ 209,975	\$ 3,345,884
USOPC grants	1,151,250	-	1,151,250
USOPC in-kind contributions	799,123	-	799,123
Competition fees	502,203	-	502,203
Membership dues	196,872	-	196,872
Merchandise sales, net	161,527	-	161,527
Investment return	405,937	-	405,937
Other revenues	138,028	-	138,028
Total revenues and support	<u>6,490,849</u>	<u>209,975</u>	<u>6,700,824</u>
<u>RECLASSIFICATIONS</u>			
Satisfaction of program restrictions	-	-	-
<u>EXPENSES</u>			
Program services	4,847,180	-	4,847,180
General and administrative	655,245	-	655,245
Fundraising	1,221,165	-	1,221,165
Total expenses	<u>6,723,590</u>	<u>-</u>	<u>6,723,590</u>
Change in net assets	(232,741)	209,975	(22,766)
Net assets, beginning of year	<u>2,915,503</u>	<u>-</u>	<u>2,915,503</u>
Net assets, end of year	<u>\$ 2,682,762</u>	<u>\$ 209,975</u>	<u>\$ 2,892,737</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	\$ 45,469	\$ -	\$ -	\$ 45,469
Athlete endowment grants	12,094	-	-	12,094
Awards and medals	54,978	182	-	55,160
Bank fees	27,860	-	247	28,107
Competition entry 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
Event expense	(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
Targets	8,448	(15,835)	-	(7,387)
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.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Ammunition	\$ 241,056	\$ -	\$ -	\$ 241,056
Athlete endowment grants	63,688	-	-	63,688
Awards and medals	26,331	-	3,317	29,648
Bank fees	29,269	12,806	6,661	48,736
Competition entry fees	57,368	-	-	57,368
Depreciation	87,769	-	-	87,769
Dues and subscriptions	33,871	24	1,529	35,424
Equipment	4,278	67	1,131	5,476
Event expense	37,457	-	-	37,457
Insurance	32,758	11,058	956	44,773
List maintenance	-	-	59,851	59,851
Miscellaneous	115,550	-	50,835	166,385
Occupancy	655,048	71,773	2,054	728,875
Printing and supplies	75,951	5,408	554,488	635,847
Professional fees	176,860	129,292	263,212	569,364
Promotional items	2,387	894	3,702	6,982
Range operations	25,447	-	-	25,447
Salaries, wages and benefits	1,227,042	368,156	142,470	1,737,668
Sports medicine	37,727	-	-	37,727
Stipends	133,355	-	-	133,355
Targets	9,184	-	-	9,184
Travel	1,774,784	55,767	130,959	1,961,510
Total expenses	<u>\$ 4,847,180</u>	<u>\$ 655,245</u>	<u>\$ 1,221,165</u>	<u>\$ 6,723,590</u>
Percentage of totals	<u>72.1%</u>	<u>9.7%</u>	<u>18.2%</u>	<u>100.0%</u>

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, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 620,174	\$ (22,766)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	80,067	87,769
Realized and unrealized gains on investments	(370,686)	(385,144)
Contributions restricted for long-term purposes	(54,200)	(51,826)
(Increase) decrease in operating assets:		
Inventory	(13,567)	(24,590)
Prepaid expenses and other current assets	4,614	23,543
Increase (decrease) in operating liabilities:		
Accounts payable	(180,970)	61,294
Accrued liabilities	9,687	(84,881)
Due to the USOPC	216,208	105,226
Net cash flows from operating activities	<u>311,327</u>	<u>(291,375)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of investments	(154,910)	(51,353)
Purchases of property and equipment	-	(8,685)
Net cash flows from investing activities	<u>(154,910)</u>	<u>(60,038)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds received from Economic Injury Disaster Loan	152,117	-
Proceeds received from Paycheck Protection Program Loan	271,000	-
Contributions restricted for long-term purposes	54,200	51,826
Net cash flows from financing activities	<u>477,317</u>	<u>51,826</u>
Net change in cash and equivalents	633,734	(299,587)
Cash and equivalents, beginning of year	402,693	702,280
Cash and equivalents, end of year	<u>\$ 1,036,427</u>	<u>\$ 402,693</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, 2020 AND 2019

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 Presentation

The financial statements of the Organization 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 reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Accounting pronouncements adopted

In 2019, the Organization adopted ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("ASC Topic 958") on a modified prospective basis. This ASU clarifies how a not-for-profit entity determines whether a resource provider is participating in an exchange transaction or a contribution, helps an entity to evaluate whether contributions are considered conditional or unconditional by stating that a conditional contribution must have (1) a barrier that must be overcome and (2) a right of return or release of obligation, and modifies the simultaneous release option currently in US GAAP, which allows a not-for-profit entity to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that revenue is recognized.

Cash and equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be 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 various times throughout the year, the Organization may have cash that exceeds the federally insured amount. The Organization does not anticipate nonperformance by these financial institutions.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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

Inventory

Inventory consists of merchandise, targets and ammunition 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 are capitalized and recorded at cost or fair value if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets ranging from five to 20 years.

Depreciation expense for the years ended December 31, 2020 and 2019 totaled \$80,067 and \$87,769, respectively.

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.

Contributions

Contribution income is recorded when cash is received, when unconditional promises are made, or when ownership of contributed assets are 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. When a restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as satisfaction of program restrictions.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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

Donated services and materials

Donated services and materials are recorded as both a revenue and expenditure in the accompanying statements of activities at their estimated 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.

Revenue recognition

The Organization receives revenue from membership dues, entry fees for competitions, and from the sale of its merchandise from the online store. Revenue from these sources are considered to be contracts with customers under ASC Topic 606. Revenue from these sources are recognized as performance obligations are met. 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 and merchandise sales, performance obligations are considered to have been met when the competition takes place or when the customer receives the merchandise.

Functional allocation of expenses

The costs of providing various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses are recorded when costs are incurred. The majority of expenses are comprised of travel, lodging, food, site costs, etc. which are allocated to program as the costs are associated with events the Organization hosts and/or events their athletes attend. For salaries expense, the Organization reviewed the salaries for each employee and allocated the expense as a percentage of time effort spent in each category. Remaining expenses are allocated to the category to which they directly relate.

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.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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

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.

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, comprise the following as of December 31,:

	2020	2019
Cash and equivalents	\$ 1,036,427	\$ 402,693
Investments	3,018,766	2,493,170
Total financial assets	4,055,193	2,895,863
Less amounts unavailable for general expenditures within one year due to: donor restrictions		
Donor restrictions	(309,975)	(209,975)
Board designated assets	(3,018,766)	(2,493,170)
Financial assets available to meet cash needs for general expenditures within one year	\$ 726,452	\$ 192,718

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. Additionally, the organization invests cash in investments with the United States Olympic Endowment. In addition to financial assets available to meet general expenditures over the next 12 months in the table above, the Organization also operates in accordance with a board approved budget and anticipates collecting sufficient revenue to cover general expenditures.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization has investments which 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 which 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 is subject to a framework for measuring fair value pursuant to US GAAP. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 - quoted prices in active markets for identical assets or liabilities.

Level 2 - observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Fair value measurements of assets recognized in the accompanying financial statements, measured at fair value on a recurring basis, consist of the following as of December 31:

	2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
USOE pooled investment	-	3,018,766	-	3,018,766
	<u>\$ -</u>	<u>\$ 3,018,766</u>	<u>\$ -</u>	<u>\$ 3,018,766</u>

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

	2019			
	Level 1	Level 2	Level 3	Total
USOE pooled investment	-	2,493,170	-	2,493,170
	<u>\$ -</u>	<u>\$ 2,493,170</u>	<u>\$ -</u>	<u>\$ 2,493,170</u>

USOE investment pool

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 Organization may terminate its investment agreement with the USOE effective at the end of any calendar month upon the giving of at least 90 days 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.

The allocation of the USOE investment pool to the Organization consisted of the following at December 31:

	2020	2019
Alternative investments*	38%	37%
Domestic equity securities	25%	32%
International equities	25%	19%
Domestic bonds	10%	7%
International bonds	0%	3%
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, 2020 AND 2019

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

USOE investment pool (continued)

Total investment income is comprised of the following for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$ 25,666	\$ 20,793
Net realized and unrealized gains on investments	<u>370,686</u>	<u>385,144</u>
Total	<u>\$ 396,352</u>	<u>\$ 405,937</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Tournament equipment	<u>\$ 472,560</u>	<u>\$ 472,560</u>
Accumulated depreciation	1,856,366 <u>(1,604,280)</u>	1,856,366 <u>(1,524,213)</u>
Property and equipment, net	<u>\$ 252,086</u>	<u>\$ 332,153</u>

5. LOANS

Paycheck Protection Program Loan

The Organization applied for and received a \$271,000 forgivable loan from the Small Business Administration ("SBA") as part of the Paycheck Protection Program ("PPP"), which is part of the federal government's Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The note is not collateralized and the principal and any accrued interest are expected to be fully forgiven under the CARES Act. The balance outstanding on this note was \$271,000 as of December 31, 2020.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

5. LOANS (CONTINUED)

Economic Injury Disaster Loan

The Organization applied for and received a \$150,000 Economic Injury Disaster Loan ("EIDL") from the Small Business Administration ("SBA"). The note is collateralized by all assets of the Organization and bears interest at 2.75% per annum. The note is payable in monthly installments of \$641 including principle and interest, beginning in June 2021. The balance outstanding on this note was \$152,117 as of December 31, 2020.

Future maturities of the EIDL loan as of December 31, 2020 are as follows:

Years ending December			
2021	\$	2,028	
2022		3,552	
2023		3,651	
2024		3,753	
2025		3,858	
Thereafter		135,275	
			<u>\$ 152,117</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

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

ISSF Olympic grant	\$	209,975	\$	209,975
Glassen Foundation Grant		100,000		-
		<u>\$ 309,975</u>		<u>\$ 209,975</u>

7. COMMITMENTS AND CONTINGENCIES

Leases

Effective June 2004, the USOPC assigned its rights to the Organization in a lease of the outdoor range at Ft. Carson, Colorado. The Organization currently has a lease for the outdoor range which expires on April 30, 2022. 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.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

7. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Leases (continued)

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. Total rent expense under this lease totaled \$9,000 each year for the years ended December 31, 2020 and 2019.

Effective December 2020, the Organization entered into a six month lease agreement expiring on May 31, 2021. The terms of the lease require monthly payments of \$3,000. Total rent expense under this lease totaled \$1,500 for the year ended December 31, 2020.

Future minimum payments under these lease agreements as of December 31, 2020 are as follows:

<u>Years Ending</u> <u>December 31,</u>	
2021	\$ 24,000
2022	9,000
2023	9,000
2024	<u>750</u>
	<u>\$ 42,750</u>

8. 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, 2020 and 2019, totaled \$19,362 and \$26,897, respectively.

9. 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.

See independent auditor's report.

USA SHOOTING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

9. RELATED PARTY TRANSACTIONS (CONTINUED)

Total support received from the USOPC during the years ended December 31, 2020 and 2019 totaled \$982,574 and \$1,151,250, 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, 2020 and 2019, the Organization owed the USOPC \$375,706 and \$159,498, respectively.

10. CONTRIBUTED SUPPLIES AND SERVICES

During the years ended December 31, 2020 and 2019, the Organization received contributed rent from the USOPC totaling \$702,306 each year.

Additionally, during the years ended December 31, 2020 and 2019, the Organization received contributed travel from the USOPC totaling \$41,418 and \$96,817, respectively.

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.

11. RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization characterized an outbreak of novel strain of coronavirus ("COVID-19") as a pandemic and on March 13, 2020, the United States declared a national emergency. As a result, the current economic environment has presented companies and organizations with unprecedented circumstances and challenges. Potential impacts to the Organization include disruptions and restrictions on the ability of employees to work, travel and other restrictions imposed by governments, as well as the possibility of post-ponements and cancellations of events. COVID-19 is also expected to adversely affect economies and financial markets in the United States and throughout the world. The extent of the impact on the Organization's financial position, operating results and cash flows will depend on future developments, including the duration and spread of the outbreak, which are highly uncertain and cannot be predicted.

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See independent auditor's report.