



**USA WEIGHTLIFTING, INC.
THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION**

Consolidating Financial Statements

For the Year Ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USA Weightlifting, Inc.
The U.S. Amateur Weightlifting Foundation
Colorado Springs, Colorado

Opinion

We have audited the accompanying consolidating financial statements of USA Weightlifting, Inc. and The U.S. Amateur Weightlifting Foundation (nonprofit organizations), which comprise the consolidating statement of financial position as of December 31, 2022, and the related consolidating statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidating financial position of USA Weightlifting, Inc. and The U.S. Amateur Weightlifting Foundation as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 our report. We are required to be independent of USA Weightlifting, Inc. and The U.S. Amateur Weightlifting Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Weightlifting, Inc.'s and The U.S. Amateur Weightlifting Foundation'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 consolidating 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Weightlifting, Inc.'s and The U.S. Amateur Weightlifting Foundation'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 Weightlifting, Inc.'s and The U.S. Amateur Weightlifting Foundation'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.

Emphasis of Matter

As described in Note A to the financial statements, during the year ended December 31, 2022, USA Weightlifting, Inc. and The U.S. Amateur Weightlifting Foundation adopted Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)* and Accounting Standards Update (ASU) 2020-07, *Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to these matters.

Report on Summarized Comparative Information

We have previously audited USA Weightlifting, Inc.'s and The U.S. Amateur Weightlifting Foundation's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 21, 2022.

In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
August 31, 2023

USA WEIGHTLIFTING, INC.
THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
Consolidating Statement of Financial Position
December 31, 2022
(With Comparative Totals for December 31, 2021)

ASSETS

	USA Weightlifting, Inc.	The U.S. Amateur Weightlifting Foundation	Eliminating Entries	2022 Consolidated Totals	2021 Consolidated Totals
CURRENT ASSETS:					
Cash and cash equivalents	\$ 397,368	\$ 151,457	\$	\$ 548,825	\$ 233,461
Short-term investments	930,606			930,606	1,088,069
Accounts receivable, net	136,961			136,961	106,532
Pledges receivable		40,000		40,000	53,500
Prepaid expenses	22,564	1,084		23,648	42,804
Total current assets	1,487,499	192,541		1,680,040	1,524,366
DESIGNATED CASH	19,836			19,836	32,673
LONG-TERM INVESTMENTS	1,813,515	1,513,010		3,326,525	4,050,117
LONG-TERM PLEDGES RECEIVABLE		45,000		45,000	69,000
RIGHT-OF-USE ASSETS	13,010			13,010	13,185
PROPERTY AND EQUIPMENT, at cost:					
Training equipment	188,808			188,808	174,867
Office furniture	50,577			50,577	50,577
Website & membership database	114,436			114,436	114,436
Less accumulated depreciation	(175,807)			(175,807)	(131,999)
Property and equipment, net	178,014			178,014	207,881
TOTAL ASSETS	\$ 3,511,874	\$ 1,750,551	\$	\$ 5,262,425	\$ 5,897,222

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:					
Accounts payable	\$ 294,509	\$ 218	\$	\$ 294,727	\$ 411,731
Accrued liabilities	54,557			54,557	87,713
Lease liability	10,387			10,387	10,546
Deferred revenue	1,137,287			1,137,287	947,785
Refundable advance	75,500			75,500	55,500
Total current liabilities	1,572,240	218		1,572,458	1,513,275
LEASE LIABILITY	2,623			2,623	2,639
Total liabilities	1,574,863	218		1,575,081	1,515,914
NET ASSETS:					
Without donor restrictions	1,730,021	1,665,333		3,395,354	4,055,790
Without donor restrictions - Board designated	19,836			19,836	32,673
With donor restrictions	187,154	85,000		272,154	292,845
Total net assets	1,937,011	1,750,333		3,687,344	4,381,308
TOTAL LIABILITIES AND NET ASSETS	\$ 3,511,874	\$ 1,750,551	\$	\$ 5,262,425	\$ 5,897,222

See Notes to Consolidating Financial Statements

USA WEIGHTLIFTING, INC.
THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
Consolidating Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

	USA Weightlifting, Inc.		The U.S. Amateur Weightlifting Foundation		2022 Consolidated Totals	2021 Consolidated Totals
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions		
REVENUE AND SUPPORT:						
Membership	\$ 2,385,719	\$	\$	\$	\$ 2,385,719	\$ 2,103,722
National coaching clinics	1,621,561				1,621,561	1,490,888
Event revenue	1,408,371				1,408,371	1,081,331
USOPC revenue:						
Grants	405,869				405,869	202,138
Digital media agreement	150,000				150,000	150,000
VIK sponsorship	291,513				291,513	318,104
Sponsorships	285,065				285,065	448,713
Contributions	101,431	20,000	144,230	2,000	267,661	464,080
WSO income	125,417				125,417	117,929
Miscellaneous income	26,794				26,794	24,037
Merchandise sales, net of costs of \$307 and \$10,230	8,307				8,307	505
Royalties	4,020				4,020	13,900
Camp revenue	2,993				2,993	38,801
PPP grant						216,400
Loss on disposal of assets						(101,772)
Investment income (loss), net of fees of \$8,466 and \$11,792	(435,157)	(3,191)	(242,707)		(681,055)	825,928
Satisfied program restrictions			39,500	(39,500)		
Total revenue and support	6,381,903	16,809	(58,977)	(37,500)	6,302,235	7,394,704
EXPENSES:						
Program services:						
Development and athlete programs	2,899,373				2,899,373	3,387,612
Events	1,407,738				1,407,738	1,372,626
Membership services	1,021,141				1,021,141	1,083,777
Coaching education	855,690				855,690	823,193
Communications and Marketing	100,714				100,714	
Total program services	6,284,656				6,284,656	6,667,208
Supporting services:						
National headquarters	379,593				379,593	459,085
The U.S. Amateur Weightlifting Foundation			172,111		172,111	105,127
Governance	159,839				159,839	658,652
Total supporting services	539,432		172,111		711,543	1,222,864
Total expenses	6,824,088		172,111		6,996,199	7,890,072
CHANGE IN NET ASSETS	(442,185)	16,809	(231,088)	(37,500)	(693,964)	(495,368)
NET ASSETS, beginning of year	2,192,042	170,345	1,896,421	122,500	4,381,308	4,876,676
NET ASSETS, end of year	\$ 1,749,857	\$ 187,154	\$ 1,665,333	\$ 85,000	\$ 3,687,344	\$ 4,381,308

See Notes to Consolidating Financial Statements

USA WEIGHTLIFTING, INC.
THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

	Development and Athlete Programs	Events	Membership Services	Coaching Education	Communications and Marketing	Total Consolidated Program Services
Advertising & promotion	\$ 1,199	\$ 7,213	\$	\$ 3,989	\$ 4,649	\$ 17,050
Airfare & accommodations, net	729,616	63,869	516	2,170	37	796,208
Apparel & outfitting	62,910		685			63,595
Athlete incentives	813,573	200				813,773
Background screening			75,325			75,325
Bad debt expense						
Contract personnel & honorariums	169,622	450,951	7,177	388,140	32,872	1,048,762
Contributions & grants	10,000					10,000
Cost of merchandise sales			307			307
Database & transaction fees	5,440	11,741	22,213	15,393	846	55,633
Depreciation	9,571	363	32,813	559		43,306
Dues & fees	19,147	46,440	110,732	23,932	6,741	206,992
Education				60		60
Event expenses		261				261
Facilities & equipment rental	3,621	140,320	3,607	849		148,397
Gifts & awards	9,956	22,545	285	188	1,988	34,962
Ground transportation	22,084	11,630	103	1,393	368	35,578
Insurance	13,515	52	154,307	76		167,950
Internet expense	8,127	8,934	5,562	2,634		25,257
Legal & professional fees	188,332	26,099	84,573	44,188	22	343,214
Lodging & meals	245,822	131,699	983	940	360	379,804
Media services				1,067	50,717	51,784
Other expense	98					98
Personnel expenses:						
Employee benefits	82,000	24,740	35,421	37,338		179,499
Payroll taxes	32,431	8,479	17,594	14,156		72,660
Salaries & wages	424,194	113,170	221,953	193,046		952,363
Postage & shipping	15,559	134,587	3,022	1,839		155,007
Printing & publications	335	56,314			1,265	57,914
Rebates		134,947		121,407		256,354
Royalty payment				850		850
Small equipment		1,833				1,833
Supplies & materials	29,221	10,531	626	808	849	42,035
Telephone	3,000	820	2,839	668		7,327
Weightlifting State Organization & Masters expenses			240,805			240,805
Total expenses by function	2,899,373	1,407,738	1,021,448	855,690	100,714	6,284,963
Less expenses shown net of revenue in the statement of activities			(307)			(307)
Total expenses reported in the statement of activities	<u>\$ 2,899,373</u>	<u>\$ 1,407,738</u>	<u>\$ 1,021,141</u>	<u>\$ 855,690</u>	<u>\$ 100,714</u>	<u>\$ 6,284,656</u>

	Governance	National Headquarters	The U.S. Amateur Weightlifting Foundation	Total Consolidated Supporting Services	2022 Consolidated Totals	2021 Consolidated Totals
Advertising & promotion	\$	\$	\$ 788	\$ 788	\$ 17,838	\$ 82,297
Airfare & accommodations, net	34,194	17,194	930	52,318	848,526	705,081
Apparel & outfitting					63,595	27,420
Athlete incentives					813,773	697,797
Background screening		36		36	75,361	31,215
Bad debt expense						38,750
Contract personnel & honorariums	58,260	89,393	78,600	226,253	1,275,015	864,907
Contributions & grants		22,063		22,063	32,063	200
Cost of merchandise sales					307	10,230
Database & transaction fees		2,089		2,089	57,722	79,706
Depreciation	126	377		503	43,809	73,920
Dues & fees	299	31,802	5,641	37,742	244,734	670,448
Education		87		87	147	809
Event expenses					261	2,400
Facilities & equipment rental	361	6,526		6,887	155,284	160,189
Gifts & awards	28	85	1,102	1,215	36,177	24,458
Ground transportation	3,750	4,282	2,852	10,884	46,462	40,398
Insurance	71	57	1,448	1,576	169,526	126,717
Internet expense	556	2,337		2,893	28,150	13,523
Legal & professional fees	866	25,372	11,955	38,193	381,407	1,506,811
Lodging & meals	13,408	18,758	64,801	96,967	476,771	740,857
Media services			1,579	1,579	53,363	121,415
Other expense		164		164	262	6,037
Personnel expenses:						
Employee benefits	4,813	14,120		18,933	198,432	173,720
Payroll taxes	2,553	8,593		11,146	83,806	79,722
Salaries & wages	39,493	125,404		164,897	1,117,260	1,058,702
Postage & shipping	302	907	183	1,392	156,399	189,667
Printing & publications		81		81	57,995	22,331
Rebates		4,836		4,836	261,190	120,143
Royalty payment					850	1,000
Small equipment		2,817		2,817	4,650	5,111
Supplies & materials	475	1,361	2,232	4,068	46,103	94,814
Telephone	284	852		1,136	8,463	8,469
Weightlifting State Organization & Masters expenses					240,805	121,038
Total expenses by function	159,839	379,593	172,111	711,543	6,996,506	7,900,302
Less expenses shown net of revenue in the statement of activities					(307)	(10,230)
Total expenses reported in the statement of activities	\$ 159,839	\$ 379,593	\$ 172,111	\$ 711,543	\$ 6,996,199	\$ 7,890,072

See Notes to Consolidating Financial Statements

USA WEIGHTLIFTING, INC.
THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
Consolidating Statement of Cash Flows
For the Year Ended December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

	USA Weightlifting, Inc.	The U.S. Amateur Weightlifting Foundation	Eliminating Entries	2022 Consolidated Totals	2021 Consolidated Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Change in net assets	\$ (425,376)	\$ (268,588)	\$	\$ (693,964)	\$ (495,368)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:					
Depreciation	43,809			43,809	73,920
Net realized and unrealized (gains) and losses on investments	472,824	259,214		732,038	(766,225)
Loss on disposal of assets					101,772
Decrease (increase) in assets:					
Accounts receivable, net	(30,429)			(30,429)	(45,711)
Pledges receivable		37,500		37,500	(122,500)
Due from The U.S. Amateur Weightlifting Foundation	104,747		(104,747)		
Prepaid expenses	20,240	(1,084)		19,156	377,407
Right-of-use assets	175			175	(13,185)
Increase (decrease) in liabilities:					
Accounts payable	(117,222)	218		(117,004)	315,764
Accrued liabilities	(33,156)			(33,156)	(32,807)
Deferred revenue	189,502			189,502	13,002
Due to USA Weightlifting, Inc.		(104,747)	104,747		
Refundable advance	20,000			20,000	23,085
Lease liabilities	(175)			(175)	13,185
Total adjustments	<u>670,315</u>	<u>191,101</u>		<u>861,416</u>	<u>(62,293)</u>
Net cash provided (used) by operating activities	244,939	(77,487)		167,452	(557,661)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of equipment	(13,942)			(13,942)	(54,517)
Change in investments, net	<u>(34,476)</u>	<u>183,493</u>		<u>149,017</u>	<u>340,374</u>
Net cash provided (used) by investing activities	<u>(48,418)</u>	<u>183,493</u>		<u>135,075</u>	<u>285,857</u>
NET INCREASE (DECREASE) IN CASH	196,521	106,006		302,527	(271,804)
CASH AND CASH EQUIVALENTS, beginning of year	<u>220,683</u>	<u>45,451</u>		<u>266,134</u>	<u>537,938</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 417,204</u>	<u>\$ 151,457</u>	<u>\$</u>	<u>\$ 568,661</u>	<u>\$ 266,134</u>

See Notes to Consolidating Financial Statements

USA WEIGHTLIFTING, INC.
THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
Notes to Consolidating Financial Statements
For the Year Ended December 31, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

USA Weightlifting, Inc. (the Association) is the national governing body for weightlifting, making it responsible for the conduct and administration of weightlifting in the United States. The Association's major objective is to identify, train, and field a team of outstanding athletes to compete in the worldwide Olympic Games.

The U.S. Amateur Weightlifting Foundation (the Foundation) was incorporated in 1985. The purpose of the Foundation is to raise funds and acquire assets that will enable the Association to encourage, improve, and promote weightlifting in the United States. The Foundation is not a private foundation.

Prior-Year Comparisons

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Association and the Foundation's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

In addition, certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Basis of Presentation

The financial statements of the Association are presented on a consolidated basis with the Foundation (collectively the Organization) in order to conform to the requirements of Financial Accounting Standards Board ASC 958. Transactions between the entities are shown as eliminating entries and removed in order to properly reflect consolidated totals.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in the Association's and the Foundation's checking and money market accounts.

The Organization considers all liquid investments with original maturities of three months or less, and which are not held for long-term investment purposes, to be cash equivalents. Cash and highly liquid financial instruments held for long-term investment purposes, regardless of original length to maturity, are reported as investments and excluded from this definition. In the unlikely event of a bank or brokerage firm failure, the Organization might only be able to recover the amounts insured.

Supplemental Cash Flow Information

During the years ended December 31, 2022 and 2021, the Organization did not pay any interest or income taxes.

Accounts Receivable

Accounts receivable recognized by the Association include amounts from contracts with customers, contributions postmarked before the end of the year, and other miscellaneous amounts. They are stated at the amount management expects to collect from balances outstanding at year-end. Gross receivables from contracts with customers at the beginning and end of the period were \$78,370 and \$66,076, respectively.

Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, the Association has concluded that an allowance for doubtful accounts in the amount of \$29,327 and \$80,750 is necessary for the years ending December 31, 2022 and 2021, respectively.

Pledges Receivable

Pledges receivable consist of unconditional promises to give that are expected to be collected in current and future periods by the Foundation. Pledges expected to be collected within one year are recorded at their estimated net realizable values. Material pledges receivable expected to be collected in more than one year are recorded at the present value of their estimated future cash flows, computed using risk-adjusted interest rates.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Pledges Receivable - continued

Amortization of any discount is included in contribution revenue. Pledges receivable are reported as support with donor restrictions unless the donor stipulations or circumstances surrounding the pledge make clear the donor intended it to be used to support activities in the current period.

Pledges receivable are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary. The delinquency and collectability of pledges receivable is determined on a case-by-case basis and pledges receivable are charged to uncollectible pledges when determined to be bad debts.

Contributions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfied program restrictions. Contributions and grants with donor restrictions are reported as support and revenue without donor restrictions if the restriction is met in the same year that the gift is received.

Contributions include United States Olympic & Paralympic Committee (USOPC), Small Business Administration (SBA) Paycheck Protection Program (PPP) grants, and grants received by other Organizations.

Revenue from Contracts with Customers

Membership - Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing membership benefits to its members.

The Association currently has memberships in the following categories with various fees and services provided: youth athlete, junior athlete, senior athlete, master athlete, coach, coach and athlete, and club.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Membership - continued

Members have the option of paying dues either on a monthly or annual basis. Memberships purchased on a monthly basis are valid for one month from the date of purchase, and will be renewed automatically each month, subject to the Association's terms and conditions.

Membership registrations are recognized by the Association as revenue ratably over the membership period as performance obligations are completed.

In the event of membership cancellation, the Association does not refund membership fees.

National Coaching Clinics - The Association provides Level 1 and Level 2 coaching certification courses to weightlifting coaches, strength and conditioning coaches, personal trainers, sport performance coaches, college and university students, functional fitness coaches, and anyone in general that is interested in improving weightlifting technique. All course participants must be current Association members. Revenue for these courses is recognized by the Association as the courses are completed and the performance obligations of the Association are fulfilled.

Registration costs are non-refundable by the Association in most circumstances.

Event revenue - The Association receives revenue from sales related to various events and challenges held for members. Each event has a specified registration fee, varying by type of participant. The revenue is recognized at the time of the event, which recognizes the completion of the Association's performance obligations.

Merchandise sales - The Association sells USA Weightlifting, Inc. flags, notebooks, referee scarfs, referee ties, and various sizes of club banners to members and nonmembers through their website and at national events. Revenue is recognized as products are sold and provided to customers.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Sponsorships - The Association recognizes revenue from contracts with both sponsors, the USOPC digital media agreement, and suppliers of the Association. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Association will recognize revenue over time. The Association has concluded that the performance obligations within these contracts are substantially the same in each year and are satisfied ratably over the term of the agreement.

Camp revenue - The Association offers skills camps to the Association members. The Association recognizes revenue from these camps as the camps are completed and the performance obligations of the Association are fulfilled. The Association reviews cancellations on a case-by-case basis and determines if a refund will be issued. An administration fee is often charged upon cancellation.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of the Association. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Certain costs and expenses are allocated among the various programs and supporting service expenses based on salary, time and effort spent, and dedicated resources.

Income Taxes

The Association and the Foundation qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and, accordingly, are not subject to federal income tax. Accordingly, no income tax provision has been recorded.

The Association and the Foundation's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by various taxing authorities, generally for three years after the date they were filed.

Management of the Organization believe that they do not have any uncertain tax positions that are material to the financial statements.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Depreciation

Depreciation is recorded for office furniture and equipment, website and membership database, and training equipment using the straight-line method over estimated useful lives of three to 10 years. Depreciation expense for the years ended December 31, 2022 and 2021 was \$43,809 and \$73,920, respectively.

Compensated Absences

In prior years, employees of the Association earned a vested right to compensation for unused vacation. Accordingly, an accrual has been made for vacation compensation that employees have earned but not yet taken. Effective January 1, 2021, the Association's policy was changed to allow for an unrestricted amount of time off as long as employee's assigned duties have been completed. Due to this change, further amounts are not being accrued. Any amounts accrued but still unused as of December 31, 2023 will be paid as compensation to the respective employees in January 2024.

Value-in-kind

During the year ended December 31, 2022, the Association adopted Accounting Standards Update (ASU) 2020-07, *Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*.

The Association received various types of value-in-kind (VIK) contributions that supported the Association's program and supporting services.

The Association recognizes VIK sponsorship revenue and a corresponding VIK expense to a relevant expense account in an amount approximating the respective fair value at the time of the donation. Information on the fair value of value-in-kind contributions is often provided by the respective sponsor. VIK distribution expense has been allocated to the respective program and supporting services based upon usage in the accompanying statements of functional expenses. The Association recognizes donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Value-in-kind - continued

The Association received the following gifts-in-kind during the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Event & equipment services	\$ 209,200	\$ 209,200
Apparel & outfitting	58,336	
Athletic supplies & materials	12,442	
Athlete travel & lodging	6,091	
Occupancy related services	5,444	5,444
Contract services		103,460
	<hr/>	<hr/>
Total	\$ 291,513	\$ 318,104

The Association's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Association. If an asset is provided that does not allow the Association to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. The Association did not sell any gifts-in-kind received during the years ending December 31, 2022 and 2021.

Athlete travel & lodging is used in the programs for development and athletes and events. Contract services are used by the National Office. Event & equipment services are used in the programs by events. The Association occupies office space in the USOPC Sport Building at a discounted rental rate. Provided services and common area maintenance are provided in-kind by the USOPC. Occupancy-related services include utilities, garbage, janitorial services, and plumbing services. Office space is used by the National Office.

A number of volunteers donated time to the Association's program services; however, the estimated value was not recorded because they did not meet the criteria described above.

The Foundation did not receive any value-in-kind donations during the years ending December 31, 2022 and 2021

New Accounting Standards Update - Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), which supersedes existing guidance for

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

New Accounting Standards Update - Leases - continued

accounting for leases under Topic 840, Leases. The FASB also subsequently issued additional ASUs which amend and clarify Topic 842. The most significant change in the new lease guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position. During the year ended December 31, 2022, the Association adopted the standards using the modified retrospective approach with January 1, 2022, as the date of initial adoption. The Association elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Association to carry forward the historical lease classification. In addition, the Association elected the practical expedient to use hindsight in determining the lease term for existing leases. The adoption did not have a material impact on the Association's statement of financial position and did not have any impact on the Association's statement of activities. Adoption of the standard required the Association to restate amounts at December 31, 2021, resulting in an increase of \$13,185 in operating lease ROU assets and operating lease liabilities. There was no impact on beginning net assets.

The Foundation did not have any leases during the years ended December 31, 2022 and 2021, and therefore has not recorded respective right-of-use assets or liabilities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 31, 2023, the date that the financial statements were available to be issued.

Notes to Consolidating Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY

The Association and the Foundation regularly monitor liquidity required to meet their operating needs and other commitments, while also striving to effectively invest funds by protecting and strengthening the financial position of the Organization. The Association and the Foundation have various sources of liquidity at their disposal, including cash and cash equivalents, accounts receivable, and investments.

The Association and the Foundation currently do not have an investment policy that govern the management of the respective portfolios; however, management and the Board of Directors oversee all investment decisions. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization strives to produce a conservative budget and anticipates collecting revenue from conducting its program services to adequately cover operating expenses.

The following table reflects the Organization's financial assets as of December 31, 2022 and 2021. Additionally, the Association has funds designated by the Board of Directors for the benefit of the regional Weightlifting State Organizations, as well as the USA Masters Weightlifting Committee (Note F), and the Organization has funds designated by donors for the benefit of various program and supporting services (Note G).

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 420,519	\$ 266,134
Accounts receivable, net	136,961	106,532
Pledges receivable - current	40,000	53,500
Investments	<u>4,257,131</u>	<u>5,138,186</u>
Total financial assets	4,854,611	5,564,352
Less amounts with Board designations	(19,836)	(32,673)
Less amounts with donor restrictions	<u>(187,154)</u>	<u>(170,345)</u>
Financial assets available within one year	<u>\$ 4,647,621</u>	<u>\$ 5,361,334</u>

C. FAIR VALUE MEASUREMENTS

The Organization applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis.

Notes to Consolidating Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

GAAP establishes 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association and Foundation have the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following tables present assets that are measured at fair value on a recurring basis at December 31, 2022 and 2021:

<u>Assets at Fair Value as of December 31, 2022</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt securities:				
Fixed income securities	\$ 600,069	\$	\$	\$ 600,069
Equity securities:				
Common stock & ETFs	272,183			272,183
Money market	32,785			32,785
USOPE pooled fund		<u>3,326,525</u>		<u>3,326,525</u>
	<u>\$ 905,037</u>	<u>\$ 3,326,525</u>	<u>\$</u>	<u>4,231,562</u>
Investments measured at net asset value				<u>25,569</u>
Total investments				<u>\$ 4,257,131</u>

Notes to Consolidating Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

<u>Assets at Fair Value as of December 31, 2021</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt securities:				
Fixed income securities	\$ 714,881	\$	\$	\$ 714,881
Equity securities:				
Common stock & ETFs	308,773			308,773
Money market	30,540			30,540
USOPE pooled fund		4,050,117		4,050,117
	<u>\$ 1,054,194</u>	<u>\$ 4,050,117</u>	<u>\$</u>	5,104,311
Investments measured at net asset value				<u>33,875</u>
Total investments				<u>\$ 5,138,186</u>

Investment income in the accompanying consolidating statement of activities consists of the following for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Realized gains	\$ 63,813	\$ 519,355
Unrealized gains (losses)	(795,851)	246,870
Interest and dividends	59,449	71,495
Investment fees	(8,466)	(11,792)
	<u>\$ (681,055)</u>	<u>\$ 825,928</u>

The United States Olympic & Paralympic Endowment (USOPE) investment consists of units in a pooled portfolio managed by the USOPE. At December 31, 2022, the USOPE portfolio consisted of the following types of securities:

Alternative investments	34.47 %
Domestic equities	24.49
Domestic bonds	23.46
International equities	13.40
Cash and equivalents	<u>4.18</u>
	<u>100.00 %</u>

Investments in equity securities fluctuate in value in response to many factors, such as the activities and financial condition of individual companies, general business and industry market conditions, and the state or perceived direction of the economy.

The values of debt securities fluctuate in response to changing interest rates, credit worthiness of issuers, and overall economic policies that impact market conditions.

Notes to Consolidating Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

The values of certain investments, such as hedge funds, can fluctuate in response to direct market conditions and other factors that may or may not have a high correlation to overall market direction.

The following summarizes liquidity considerations for investments measured at fair value that calculate net asset value as a practical expedient at December 31, 2022 and 2021:

Vanguard Real Estate ETF invests in stocks issued by real estate investment trusts (REITs), companies that purchase office buildings, hotels, and other real property.

The investment strategy is to closely track the return of the MSCI US Investable Market Real Estate 25/50 Index and to offer a high potential for investment income and some growth.

Though the market values of investments are subject to fluctuation, management and the investment committee believe that the investment policy is prudent for the long-term welfare of the portfolio.

D. PLEDGES RECEIVABLE

As of December 31, 2022 and 2021, the Foundation had pledges receivable of \$85,000 and \$122,500, respectfully, representing unconditional promises to give made during the year.

The current pledges are expected to be received by the Foundation through December 31, 2025. The Foundation has analyzed the potential discount for long-term pledges receivable using the risk-free interest rate ranging from 0.11% to 0.97% for the year in which they were received. The Foundation has considered the discount for long-term pledges immaterial as of December 31, 2022 and 2021.

E. DEFERRED REVENUE

Deferred revenue, a contract with customers liability, consists of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Memberships	\$ 882,259	\$ 807,012
Coaching courses	255,028	125,773
Sponsorships		15,000
	<u>\$ 1,137,287</u>	<u>\$ 947,785</u>

Notes to Consolidating Financial Statements

F. NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED

A portion of the net assets without donor restrictions has been designated by the Board of Directors to be used for the support of Regional Weightlifting State Organizations, as well as the USA Masters Weightlifting Committee. Designations have been made to segregate net assets for the support of the committees that are affiliated with the Association.

G. NET ASSETS WITH DONOR RESTRICTIONS - TEMPORARY

Net assets with temporary donor restrictions at December 31, 2022 and 2021, are available for the following purposes:

	<u>2022</u>	<u>2021</u>
Purpose restrictions:		
Jennifer Roy medal fund	\$ 173,622	\$ 153,622
Glen Middleton award	8,349	11,540
Jack Hughes award	<u>5,183</u>	<u>5,183</u>
Total purpose restrictions	187,154	170,345
Time restrictions:		
Weightlifting Foundation pledges	<u>85,000</u>	<u>122,500</u>
	<u>\$ 272,154</u>	<u>\$ 292,845</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended December 31, 2022 and 2021, net assets with donor restrictions were released for the following programs:

	<u>2022</u>	<u>2021</u>
Time restrictions	\$ 39,500	\$
Tokyo Strong	<u> </u>	<u>332,422</u>
	<u>\$ 39,500</u>	<u>\$ 332,422</u>

H. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2022 and 2021, the USOPC provided revenue under the following categories:

	<u>2022</u>	<u>2021</u>
High performance support	\$ 303,005	\$ 153,002
Special grants	69,350	
International relations grant	30,000	15,000
VIK Rent	5,444	5,444
Other grants	3,514	1,721
COVID-19 support grant	<u> </u>	<u>32,415</u>
	<u>\$ 411,313</u>	<u>\$ 207,582</u>

Notes to Consolidating Financial Statements

H. RELATED PARTY TRANSACTIONS - Continued

During the years ended December 31, 2022 and 2021, the USOPC owed the Association \$6,000 and \$3,000, respectively, and the Association owed the USOPC \$0 and \$13,097, respectively.

In 2013 the Association entered into a digital media agreement with the USOPC. The term of the agreement was January 1, 2013, through December 31, 2016. The Association signed an amended agreement with the USOPC that extended the term of the agreement through December 31, 2023.

The Association received \$150,000 under this agreement in both of the years ended December 31, 2022 and 2021.

The USOPC provides the Association with a portion of its current office facilities at no cost, which have been valued at \$5,444 for both of the years ended December 31, 2022 and 2021, respectively.

Excluding value-in-kind, rent paid to the USOPC for the years ended December 31, 2022 and 2021 amounted to \$10,560, respectively. In addition, the Association paid \$19,776 and \$11,040, respectively, to the USOPC for IT Services during the years ended December 31, 2022 and 2021.

The Association may, from time to time, compensate Board Members for services provided for Association events pursuant to normal compensation practices for the services provided. No Board Members receive compensation for their service on the Board of Directors.

As of December 31, 2021, the Foundation owed the Association \$104,747 for various contract services incurred by the Foundation that have been paid by the Association. There were no other transactions between the Foundation and the Association during the year ended December 31, 2021. This was paid in full by the Foundation during the year ended December 31, 2022. There were no other transactions between the Association and the Foundation during the year ended December 31, 2022.

I. LEASES

During the year ended December 31, 2022, the Association adopted Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The Association has an operating lease for office space.

Notes to Consolidating Financial Statements

I. LEASES - Continued

The Association assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As the Association's leases do not provide an implicit rate, the Association has elected to use the risk-free discount rate based on the two-year Treasury note rate as of the later of the initial date of the lease term in determination of the respective right-of-use (ROU) assets and liabilities.

As discussed in Note H, the Association has leased its office space from the USOPC under an operating lease through December 31, 2021, with automatic annual renewals. This lease requires monthly payments of \$880 per month. This lease includes monthly variable lease payments for printing and copy services used on a monthly basis. The lease includes an option to terminate for both the Association and the lessor. The option allows the Association to terminate the lease without penalty prior to the expiration date, if the Association notifies the lessor no less than 60 days from any potential vacate date.

Maturities of lease liabilities, and the Weighted Averages for the leases recorded on the Statement of Financial Position are as follows as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Operating lease rent, included in program service expenses	\$ 9,117	\$ 8,765
Operating lease rent, included in supporting service expenses	1,443	1,795
Variable payments, included in supporting service expenses	<u>9,703</u>	<u>12,618</u>
Total lease cost	<u>\$ 20,263</u>	<u>\$ 23,178</u>
	<u>2022</u>	<u>2021</u>
Weighted Average Remaining Lease Term	1.25 years	1.05
Weighted Average Discount Rate	0.17%	3.20%

The following table represents lease expense for the years ended December 31, 2022 and 2021. Variable cost includes those specifically mentioned as part of lease arrangements outlined above.

Notes to Consolidating Financial Statements

I. LEASES - Continued

	<u>2022</u>	<u>2021</u>
2022	\$	\$ 10,560
2023	10,560	2,640
2024	<u>2,640</u>	<u> </u>
Total lease payments	13,200	13,200
Less: interest	<u>(190)</u>	<u>(15)</u>
Present value of lease liabilities	<u>\$ 13,010</u>	<u>\$ 13,185</u>

Supplemental cash flow information for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash paid for amounts included in measurement of lease liabilities for operating leases	\$ 10,560	\$ 10,560
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 10,371	\$ 21,086

J. RETIREMENT PLAN

The Association has established a qualified 401(k) retirement plan in which the employer contributes a percentage of eligible compensation. Employees are eligible to participate in the plan after completing 90 days of service. Employer contributions for the years ended December 31, 2022 and 2021, were \$90,437 and \$83,518, respectively.

K. PAYCHECK PROTECTION PROGRAM AND OTHER GOVERNMENT GRANTS

In February 2021, the Association received a \$216,400 loan from Community Banks of Colorado through the second round of the Small Business Administration's (SBA) Paycheck Protection Program (PPP). A portion or all of the loan may be forgiven by the SBA if certain payroll criteria are met and funds are used for payroll, rent, mortgage interest, or utilities. Any portion of the loan that is not forgiven has a maturity of up to five years and an interest rate of 1.0%. Loan payments are deferred for 10 months.

In November 2021, the Association met the criteria for forgiveness of the loan and has received confirmation from the

Notes to Consolidating Financial Statements

K. PAYCHECK PROTECTION PROGRAM AND OTHER GOVERNMENT GRANTS - Continued

SBA that they qualified for full loan forgiveness. The proceeds from the loan have been included in the statement of activities as PPP grant income for the year ended December 31, 2021.

The 2021 Coronavirus Aid, Relief, and Economic Security (CARES) act included a provision that created the employee retention credit, a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employees through December 31, 2020. Additional relief provisions were passed by the United States Government which extended the credit through September 30, 2021, and expanded the credit to allow it to be equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee was \$10,000 of qualified wages per quarter. The Association has not submitted a request for the credit as of December 31, 2022.

L. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2022, the Association determined it was eligible for the Employee Retention Credit and submitted amended payroll tax returns in August 2023. The Association has determined that as of December 31, 2022, the criteria for recognition of this conditional grant had not been met as applications for the credit had not yet been completed and full eligibility was not yet known. Subsequent to year-end, the Association filed amended payroll tax returns for the Employee Retention Tax Credit in the amount of \$335,665.

The Association expects this amount to be accepted by the Internal Revenue Service, and expects to recognize the respective revenue for the conditional grant in the amount of \$335,665 during the year ended December 31, 2023.

M. CONTINGENCIES

Occasionally, in the normal conduct of business, the Association may be named defendant in a lawsuit or other form of legal action. In the opinion of management, any pending or threatened claims against the Association, as of December 31, 2022, are either without merit or will not exceed insurance limits.

Notes to Consolidating Financial Statements

N. UNCERTAINTIES

The outbreak of a novel strain of coronavirus (COVID-19) has been recognized as a pandemic by the World Health Organization, and the outbreak has become increasingly widespread in the United States. The COVID-19 outbreak has had a notable impact on general economic conditions including, but not limited to, uncertainty in global financial markets, temporary closures of many businesses, suspension or cancelation of events, "shelter in place" and other governmental regulations, and job losses. The extent to which the COVID-19 outbreak will continue to affect the operations, collections or financial results of the Association is uncertain.

With the rising cost of inflation and potential risk of recession, it is uncertain what effect these factors may have on the operations of the Association in the coming years.