



BiggsKofford

January 22, 2026

Audit Committee and Board of Directors
United States Fencing Association and Foundation
Colorado Springs, Colorado

We have audited the financial statements of United States Fencing Association and Foundation (collectively, the "Organization"). Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America ("US GAAS"), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 13, 2025. Professional standards also require that we communicate to you the following related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended July 31, 2025. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of functional expense allocation is based on actual time spent in relation to each functional category for payroll expenses, which is also used for occupancy-related costs and is based on estimates of usage for other categories. We evaluated the key factors and assumptions used to develop the functional expense allocation in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the fair value of investments is based on the fair value provided by the USOE. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- The disclosure of liquidity and availability of resources in Note 2 to the financial statements reflects the amount of financial assets available for current general expenditures, liabilities, and other obligations as they come due.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes misstatements detected as a result of audit procedures. The adjusting journal entries include those corrected by management. The passed adjusting journal entries include uncorrected misstatements which management has determined to be immaterial both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

Supplementary Information

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Internal Controls

In planning and performing our audit of the financial statements of the Organization as of and for the year ended July 31, 2025, in accordance with US GAAS, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances and for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

We consider the following to be a significant deficiency:

- As part of our audit, we proposed entries to net assets for both the Association and Foundation as beginning balances did not roll forward from the prior year audited balances. We recommend that at the conclusion of the audit, all audit adjustments are entered in the accounting software, the balances and amounts are agreed to the final audited trial balance, and the accounting software is locked. This will ensure the internal accounting records agree to the audited accounting records, reduce inefficiencies in future periods, and help with internal reconciliations.

Other matter:

Although not considered material weaknesses or significant deficiencies in internal control over financial reporting, we observed the following matter and offer the following as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving accounting controls and the financial and administrative practices and procedures.

- *Unrelated business income*: over the last year, the Association has seen revenue growth from new sources, which include merchandise sales and growing sponsorship revenues. These revenue streams may have potential unrelated business income considerations. We recommend that the Association perform an analysis of these streams on an ongoing basis throughout the year, including individual sponsorship agreements, and review expenses that can be deducted from the income, if necessary. This will help ensure that, moving forward, the Association is ahead of these issues and there will be no surprises if there is tax owed on the net income from these sources.

This information is intended solely for the use of the board of directors and the audit committee and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

BiggsKofford LLP

BiggsKofford LLP

Adjusting Journal Entries

Adjusting Journal Entries - USFA

ADJUSTING: To roll forward net assets from the prior year audited balance.

500430	Prior Year Adjustments	40,576.00	
300200	Retained Earnings		40,576.00
Total		40,576.00	40,576.00

ADJUSTING: To adjust client entries posted to the allowance instead of to bad debt expense.

500060	Bad Debt Expense	31,333.00	
110010	Allowance for Bad Debt		31,333.00
Total		31,333.00	31,333.00

ADJUSTING: To adjust amount due to the Foundation in order to properly eliminate payables/receivables for FS presentation.

500360	Miscellaneous	11,149.00	
29999-BK	Due to Foundation		11,149.00
Total		11,149.00	11,149.00

ADJUSTING: To adjust deferred USOPC revenue to actual.

410600	Miscellaneous Revenue	15,023.00	
410700	Grants	87,148.00	
220900	Deferred USOPC Revenue		15,023.00
410710	Base Funding		87,148.00
Total		102,171.00	102,171.00

ADJUSTING: To reverse tracking entries for grants between the Association and Foundation.

220050	Deferred Revenue - Restricted	200,282.00	
110000	Accounts receivable		100,773.00
410700	Grants		99,509.00
Total		200,282.00	200,282.00

ADJUSTING: To accrue for 2024 tax liability based on Form 1042.

500220	Honorarium	42,752.00	
200000	Accounts Payable		42,752.00
Total		42,752.00	42,752.00

ADJUSTING: To adjust sales and COGS to agree to report provided by URM.

500000	Cost of Goods Sold	60,280.00	
410458	Merchandise Retail Operations		53,023.00
500360	Miscellaneous		7,257.00
Total		60,280.00	60,280.00

Adjusting Journal Entries - USFF

ADJUSTING: To roll forward net assets from the prior year audited balance.

200000-FDN	Accounts Payable	74,083.00	
200005-FDN	Grants payable	51,698.00	
300001-FDN	Retained Earnings	67,913.00	
500360-FDN	Miscellaneous	1.00	
180000-FDN	US Olympic Endowment-Unrestricted		193,695.00
Total		193,695.00	193,695.00

ADJUSTING: To write off remaining pledges receivable as of July 31, 2025.

181000-FDN	Discount Pledges Receivable	672.00	
182000-FDN	Allowance for Doubtful Pledges	2,801.00	
99999-FDN-BK	Bad debt expense	16,089.00	
111000-FDN	Pledges Receivable - Current		19,562.00
Total		19,562.00	19,562.00

ADJUSTING: To record grant expense for 4% grant to Association.

200000-FDN	Accounts Payable	99,780.00	
180000-FDN	US Olympic Endowment-Unrestricted		99,780.00
Total		99,780.00	99,780.00

ADJUSTING: To update investment income and balances to actual at year end.

180001-FDN	US Olympic Endowment-Restricted	5,843.00	
180000-FDN	US Olympic Endowment-Unrestricted		2,953.00
450200-FDN	Realized gain/(loss) on security		721.00
450250-FDN	Unrealized gain/(loss)		397.00
450300-FDN	Interest		36.00
450350-FDN	Dividends		1,736.00
Total		5,843.00	5,843.00

Uncorrected Misstatements

Proposed Journal Entries

PASSED: To record extrapolated error in accounts payable testing based on exception noted.

300200	Retained Earnings	42,752.00	
500360	Miscellaneous		42,752.00
Total		42,752.00	42,752.00

PASSED: To capitalize website development costs for new website.

160150	Computer Software	80,000.00	
500602	Company Software/Hardware		80,000.00
Total		80,000.00	80,000.00

PASSED: For extrapolated impact to accounts receivable testing.

500060	Bad Debt Expense	46,020.00	
110010	Allowance for Bad Debt		46,020.00
Total		46,020.00	46,020.00

PASSED: To adjust indirect costs to agree to amount reported by URM.

500360	Miscellaneous	27,906.00	
200000	Accounts Payable		27,906.00
Total		27,906.00	27,906.00

PASSED: To pass on allowing for the balance of the VAT IT receivable based on communications received.

500060	Bad Debt Expense	43,407.00	
110010	Allowance for Bad Debt		43,407.00
Total		43,407.00	43,407.00