



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

Consolidating Financial Statements

For the Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USA Weightlifting, Inc.
Colorado Springs, Colorado

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, 2020, 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.

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 consolidating financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 consolidating financial statements referred to above present fairly, in all material respects, the financial position of USA Weightlifting, Inc. and The U.S. Amateur Weightlifting Foundation as of December 31, 2020, and the changes in their net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited USA Weightlifting, Inc. and The U.S. Amateur Weightlifting Foundation's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
November 3, 2021

USA WEIGHTLIFTING, INC.
THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
Consolidating Statement of Financial Position
December 31, 2020
(With Comparative Totals for December 31, 2019)

	<u>ASSETS</u>			
	USA Weightlifting Inc.	The U.S. Amateur Weightlifting Foundation	2020 Consolidated Totals	2019 Consolidated Totals
CURRENT ASSETS:				
Cash and cash equivalents	\$ 482,231	\$ 1,653	\$ 483,884	\$ 110,759
Short-term investments	1,409,292		1,409,292	1,301,055
Accounts receivable, net	60,821		60,821	198,104
Prepaid expenses	<u>420,211</u>		<u>420,211</u>	<u>420,965</u>
Total current assets	2,372,555	1,653	2,374,208	2,030,883
DESIGNATED CASH	54,054		54,054	73,650
LONG TERM INVESTMENTS	1,708,073	1,594,970	3,303,043	2,786,240
PROPERTY AND EQUIPMENT, at cost:				
Training equipment	428,395		428,395	421,796
Office furniture	48,229		48,229	43,338
Website & membership database	95,006		95,006	95,006
Less accumulated depreciation	<u>(242,574)</u>		<u>(242,574)</u>	<u>(187,923)</u>
Property and equipment, net	<u>329,056</u>		<u>329,056</u>	<u>372,217</u>
TOTAL ASSETS	<u>\$ 4,463,738</u>	<u>\$ 1,596,623</u>	<u>\$ 6,060,361</u>	<u>\$ 5,262,990</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 95,967	\$	\$ 95,967	\$ 628,419
Accrued liabilities	120,520		120,520	95,392
Deferred revenue	934,783		934,783	1,242,461
Refundable advance	<u>32,415</u>		<u>32,415</u>	
Total current liabilities	1,183,685		1,183,685	1,966,272
NET ASSETS:				
Without donor restrictions	3,002,862	1,596,623	4,599,485	2,913,542
Without donor restrictions - board designated	54,054		54,054	73,650
With donor restrictions	<u>223,137</u>		<u>223,137</u>	<u>309,526</u>
Total net assets	<u>3,280,053</u>	<u>1,596,623</u>	<u>4,876,676</u>	<u>3,296,718</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,463,738</u>	<u>\$ 1,596,623</u>	<u>\$ 6,060,361</u>	<u>\$ 5,262,990</u>

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, 2020
(With Comparative Totals For the Year Ended December 31, 2019)

	USA Weightlifting, Inc.		The U.S. Amateur Weightlifting Foundation	2020 Consolidated Totals	2019 Consolidated Totals
	Without donor restrictions	With donor restrictions			
REVENUE AND SUPPORT:					
Membership	\$ 2,058,173	\$	\$	\$ 2,058,173	\$ 2,686,702
National coaching clinics	1,530,642			1,530,642	2,032,818
Investment income (loss), net of fees of \$10,933 and \$13,229	376,680	(1,192)	249,553	625,041	641,165
Sponsorships	417,875			417,875	246,105
Event revenue	367,468			367,468	1,631,743
PPP grant	212,500			212,500	
USOPC revenue:					
Grants	172,023			172,023	184,023
Digital media agreement	150,000			150,000	150,000
Committee income	98,572			98,572	39,837
VIK sponsorship	60,000			60,000	94,415
Contributions	121,783	118,842		240,625	318,276
Refund of donor restricted contributions		(203,889)		(203,889)	
Miscellaneous income	18,669			18,669	40,297
Camp revenue	11,866			11,866	64,095
Merchandise sales, net of costs of \$12,430 and \$17,880	6,614			6,614	12,399
Satisfied program restrictions	150	(150)			
Total revenue and support	5,603,015	(86,389)	249,553	5,766,179	8,141,875
EXPENSES:					
Program services:					
Development and athlete programs	1,473,323			1,473,323	3,357,498
Membership services	1,015,778			1,015,778	1,358,611
Coaching education	717,592			717,592	1,150,361
Events	627,971			627,971	1,411,774
Total program services	3,834,664			3,834,664	7,278,244
Supporting services:					
National headquarters	241,856		4,349	246,205	242,970
Governance	105,352			105,352	83,129
Organizational development					12,000
Total supporting services	347,208		4,349	351,557	338,099
Total expenses	4,181,872		4,349	4,186,221	7,616,343
CHANGE IN NET ASSETS	1,421,143	(86,389)	245,204	1,579,958	525,532
NET ASSETS, beginning of year	1,635,773	309,526	1,351,419	3,296,718	2,771,186
NET ASSETS, end of year	\$ 3,056,916	\$ 223,137	\$ 1,596,623	\$ 4,876,676	\$ 3,296,718

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, 2020

(With Comparative Totals for the Year Ended December 31, 2019)

	Development and Athlete Programs	Membership Services	Coaching Education	Events	Total Consolidated Program Services
Advertising & promotion	\$ 2,303	\$ 12,683	\$ 8,721	\$ 7,118	\$ 30,825
Airfare & accommodations, net	147,327	1,147	5,256	72,652	226,382
Apparel & outfitting	60,000			2,563	62,563
Athlete incentives	511,924				511,924
Background screening		74,850			74,850
Bad debt expense	36,742				36,742
Committee & masters expenses		41,359			41,359
Contract personnel & honorariums	53,831	40,505	242,626	129,059	466,021
Contributions & grants	2,087	61,104	32,200		95,391
Cost of merchandise sales		12,430			12,430
Database & transaction fees		65,314	40,564	10,622	116,500
Depreciation	3,334	8,211	1,705	40,530	53,780
Dues & fees	23,690	163,546	3,013	75,981	266,230
Education		1,500			1,500
Facilities & equipment rental	14,443	11,574	3,824	31,313	61,154
Gifts & awards	671	1,009	16	17,687	19,383
Insurance	1,456	138,419	774	259	140,908
Internet expense	3,899	3,545	1,994		9,438
Legal & professional fees	151,714	99,779	26,935	21,088	299,516
Media services	130	5,217	440	24,009	29,796
Other expense					
Personnel expenses:					
Employee benefits	62,606	41,088	31,516	11,233	146,443
Payroll taxes	24,481	15,653	12,708	4,348	57,190
Salaries & wages	352,284	210,600	196,717	62,747	822,348
Postage & shipping	8,975	2,090	2,207	12,456	25,728
Printing & publications		48	2,209	2,226	4,483
Rebates		10,612	101,350	85,000	196,962
Royalty payment			1,000		1,000
Small equipment	2,949	961		3,991	7,901
Supplies & materials	5,182	1,384	130	10,723	17,419
Telephone	3,295	3,580	1,687	2,366	10,928
Total expenses	1,473,323	1,028,208	717,592	627,971	3,847,094
Less expenses shown net of revenue on statement of activities		(12,430)			(12,430)
Expenses on statement of activities	\$ 1,473,323	\$ 1,015,778	\$ 717,592	\$ 627,971	\$ 3,834,664

	National Headquarters	Governance	Total Consolidated Supporting Services	2020 Consolidated Totals	2019 Consolidated Totals
Advertising & promotion	\$	\$	\$	\$	\$
Airfare & accommodations, net	22,187	(17,781)	4,406	30,825	96,870
Apparel & outfitting				230,788	1,876,127
Athlete incentives				62,563	102,626
Background screening	848		848	511,924	820,983
Bad debt expense				75,698	38,740
Committee & masters expenses				36,742	42,207
Contract personnel & honorariums	29,075		30,575	41,359	93,811
Contributions & grants		1,500	11,263	496,596	889,635
Cost of merchandise sales		11,263	11,263	106,654	
Database & transaction fees	908		908	12,430	17,880
Depreciation	682	189	871	117,408	281,692
Dues & fees	20,204		20,204	54,651	49,129
Education	49		49	286,434	366,512
Facilities & equipment rental	2,604	723	3,327	1,549	1,765
Gifts & awards	6	2	8	64,481	199,874
Insurance	1,740	166	1,906	19,391	47,904
Internet expense		222	222	142,814	140,529
Legal & professional fees	13,724	60,245	73,969	9,660	14,735
Media services	1,839		1,839	373,485	297,157
Other expense	3,137		3,137	31,635	270,933
Personnel expenses:				3,137	2,770
Employee benefits	18,497	6,005	24,502	170,945	164,707
Payroll taxes	6,794	2,346	9,140	66,330	65,441
Salaries & wages	109,203	40,261	149,464	971,812	882,017
Postage & shipping	459	140	599	26,327	90,019
Printing & publications	217		217	4,700	9,342
Rebates				196,962	658,766
Royalty payment				1,000	320
Small equipment	3,829		3,829	11,730	1,717
Supplies & materials	9,949		9,949	27,368	92,176
Telephone	254	71	325	11,253	17,839
Total expenses	246,205	105,352	351,557	4,198,651	7,634,223
Less expenses shown net of revenue on statement of activities				(12,430)	(17,880)
Expenses on statement of activities	<u>\$ 246,205</u>	<u>\$ 105,352</u>	<u>\$ 351,557</u>	<u>\$ 4,186,221</u>	<u>\$ 7,616,343</u>

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, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	USA Weightlifting Inc.	The U.S. Amateur Weightlifting Foundation	2020 Consolidated Totals	2019 Consolidated Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 1,334,754	\$ 245,204	\$ 1,579,958	\$ 525,532
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Depreciation	54,651		54,651	49,129
Net realized and unrealized gains on investments	(342,461)	(236,268)	(578,729)	(587,835)
Decrease (increase) in assets:				
Accounts receivable, net	137,283		137,283	(59,667)
Prepaid expenses	754		754	(369,107)
Increase (decrease) in liabilities:				
Accounts payable	(532,452)		(532,452)	246,072
Accrued liabilities	25,128		25,128	31,516
Deferred revenue	(307,678)		(307,678)	23,600
Refundable advance	32,415		32,415	
Accrued event expenses				(50,000)
Total adjustments	<u>(932,360)</u>	<u>(236,268)</u>	<u>(1,168,628)</u>	<u>(716,292)</u>
Net cash provided (used) by operating activities	402,394	8,936	411,330	(190,760)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of equipment	(11,490)		(11,490)	(184,513)
Change in investments, net	<u>(33,026)</u>	<u>(13,285)</u>	<u>(46,311)</u>	<u>222,670</u>
Net cash provided (used) by investing activities	<u>(44,516)</u>	<u>(13,285)</u>	<u>(57,801)</u>	<u>38,157</u>
NET INCREASE (DECREASE) IN CASH	357,878	(4,349)	353,529	(152,603)
CASH AND CASH EQUIVALENTS, beginning of year	<u>178,407</u>	<u>6,002</u>	<u>184,409</u>	<u>337,012</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 536,285</u>	<u>\$ 1,653</u>	<u>\$ 537,938</u>	<u>\$ 184,409</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, 2020

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, 2019, 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 being presented on a consolidated basis with the Foundation in order to conform to the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, "Consolidation."

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation - continued

The standard requires consolidation when one nonprofit has a financial interest and controls the appointment of a majority of Board of Directors of another nonprofit entity. Transactions between the two entities are shown as eliminating entries and removed in order to properly reflect consolidated totals. There were no transactions between the two entities during the years ended December 31, 2020 and 2019.

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivable recognized by the Association include amounts from contracts with customers and 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 \$258,920 and \$66,396 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 \$42,000 and \$65,000 is necessary for the years ending December 31, 2020 and 2019, respectively.

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, 2020 and 2019 was \$54,651 and \$49,129, respectively.

Compensated Absences

Employees of the Association earn 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.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

United States Olympic & Paralympic Committee (USOPC) grants are treated as contributions by the Association.

Donated Services

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. For the years ended December 31, 2020 and 2019, there were no donated services recorded.

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.

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 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.

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.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Membership - continued

Annual 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.

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.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

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 Association and Foundation believe that they do not have any uncertain tax positions that are material to the financial statements.

Supplemental Cash Flow Information

During the years ended December 31, 2020 and 2019, the Association and the Foundation did not pay any interest or income taxes.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates - Continued

Accordingly, actual results could differ from those estimates.

Date of Management's Review

In preparing the financial statements, the Association and the Foundation have evaluated events and transactions for potential recognition or disclosure through November 3, 2021, the date that the financial statements were available to be issued.

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 Association and the Foundation. 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 Association 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 Association and the Foundation's financial assets as of December 31, 2020 and 2019. Additionally, the Association has funds designated by the Board of Directors for the benefit of the regional Local Weightlifting Committees, as well as the USA Masters Weightlifting Committee (Note E), and funds designated by donors for the benefit of various program services (Note F).

Notes to Consolidating Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 537,938	\$ 184,409
Accounts receivable, net	60,821	198,104
Investments	<u>4,712,335</u>	<u>4,087,295</u>
Total financial assets	5,311,094	4,469,808
Less amounts with board designations (Note E)	(54,054)	(73,650)
Less amounts with donor restrictions (Note F)	<u>(223,137)</u>	<u>(309,526)</u>
Financial assets available within one year	<u>\$ 5,033,903</u>	<u>\$ 4,086,632</u>

C. FAIR VALUE MEASUREMENTS

The Association and the Foundation apply GAAP for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. 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.

Notes to Consolidating Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2020 and 2019:

<u>Assets at Fair Value as of December 31, 2020</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt securities:				
Fixed income securities	\$ 883,903	\$	\$	\$ 883,903
Equity securities:				
Common stock & ETFs	442,424			442,424
Money market	39,736			39,736
USOE pooled fund		3,303,043		3,303,043
	<u>\$ 1,366,063</u>	<u>\$ 3,303,043</u>	<u>\$</u>	<u>4,669,106</u>
Investments measured at net asset value				<u>43,229</u>
Total investments				<u>\$ 4,712,335</u>

<u>Assets at Fair Value as of December 31, 2019</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt securities:				
Fixed income securities	\$ 852,739	\$	\$	\$ 852,739
Equity securities:				
Common stock & ETFs	377,414			377,414
Money market	32,298			32,298
USOE pooled fund		2,786,240		2,786,240
	<u>\$ 1,262,451</u>	<u>\$ 2,786,240</u>	<u>\$</u>	<u>4,048,691</u>
Investments measured at net asset value				<u>38,604</u>
Total investments				<u>\$ 4,087,295</u>

Investment income in the accompanying statement of activities consists of the following for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Realized gains	\$ 284,984	\$ 169,986
Unrealized gains	293,745	417,849
Interest and dividends	57,245	66,559
Investment fees	<u>(10,933)</u>	<u>(13,229)</u>
	<u>\$ 625,041</u>	<u>\$ 641,165</u>

Notes to Consolidating Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

The United States Olympic Endowment (USOE) investment consists of units in a pooled portfolio managed by the USOE. At December 31, 2020, the USOE portfolio consisted of the following types of securities:

Alternative investments	33.30 %
Domestic bonds	23.66
Domestic equities	23.63
International equities	15.39
Cash and equivalents	<u>4.02</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. 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, 2020 and 2019:

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.

Notes to Consolidating Financial Statements

D. DEFERRED REVENUE

Deferred revenue, a contract with customers liability, consists of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Memberships	\$ 756,964	\$ 837,646
Coaching courses	116,172	145,925
Event fees	29,147	132,036
Sponsorships	25,000	20,000
Other	<u>7,500</u>	<u>106,854</u>
	<u>\$ 934,783</u>	<u>\$ 1,242,461</u>

E. 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 local weightlifting committees, 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.

F. NET ASSETS WITH DONOR RESTRICTIONS - TEMPORARY

Net assets with temporary donor restrictions at December 31, 2020 and 2019, are available for the following purposes:

	<u>2020</u>	<u>2019</u>
Tokyo Strong	\$ 184,958	\$ 270,005
Jennifer Roy medal fund	23,300	23,300
Glen Middleton award	9,696	10,888
Jack Hughes award	<u>5,183</u>	<u>5,333</u>
	<u>\$ 223,137</u>	<u>\$ 309,526</u>

During the year ended December 31, 2020, the Association contacted donors to the Tokyo Strong initiative and offered the opportunity to request a refund of this support due to the postponement and uncertainty surrounding the Olympic Games which were scheduled to be held in Tokyo during 2020. Contributions which were refunded to donors totaled \$203,889 and this amount is shown as a reduction in donor restricted funds in the accompanying financial statements.

Notes to Consolidating Financial Statements

F. NET ASSETS WITH DONOR RESTRICTIONS - TEMPORARY - Continued

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended December 31, 2020 and 2019, net assets with donor restrictions were released for the following programs:

	<u>2020</u>	<u>2019</u>
Jack Hughes award	\$ 150	\$
Glen Middleton award	<u> </u>	<u>1,000</u>
	<u>\$ 150</u>	<u>\$ 1,000</u>

G. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2020 and 2019, the USOPC provided revenue to the Association under the following categories:

	<u>2020</u>	<u>2019</u>
High performance support	\$ 143,820	\$ 143,820
International relations grant	10,000	25,000
Other grants	10,000	7,000
VIK Rent	<u>8,203</u>	<u>8,203</u>
	<u>\$ 172,023</u>	<u>\$ 184,023</u>

During the years ended December 31, 2020 and 2019, the USOPC owed the Association \$12,744 and \$4,184, respectively, and the Association owed the USOPC \$1,190 and \$74,957, 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 extends the term of the agreement through December 31, 2021. The Association received \$150,000 under this agreement in both of the years ended December 31, 2020 and 2019.

The USOPC provides the Association with a portion of its current office facilities at no cost, which have been valued at \$8,203 for the years ended December 31, 2020 and 2019.

Notes to Consolidating Financial Statements

G. RELATED PARTY TRANSACTIONS - Continued

Excluding value-in-kind, rent paid to the USOPC for the years ended December 31, 2020 and 2019 amounted to \$21,353. In addition, the Association paid \$11,520 and \$17,184, respectively, to the USOPC for IT Services during the years ended December 31, 2020 and 2019.

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.

H. LEASES

As mentioned in Note G, the Association entered into a lease agreement for office space with the USOPC commencing May 1, 2015 and expiring April 30, 2020. The Association amended that lease effective April 1, 2017, and the term was extended through December 31, 2020. During the year ending December 31, 2020, the Association entered into a new lease with the USOPC with effective dates of January 1, 2021 through December 31, 2021, with automatic annual renewals unless either party informs the other in writing no less than 60 days prior to the end of the then current lease term.

The Association pays \$6.50 a square foot per year for the office space. The initial amendment of the lease increased the Association's usable office space from 1,898 to 3,285 square feet and the common space from 1,458 to 2,254 square feet. The lease entered into during the year ending December 31, 2021, decreases the Association's usable square footage to 1,625 with monthly base rent payments of \$880. The Association does not pay for the use of the common space and has recorded value in kind in the amount of \$3.25 a square foot for use of this space.

Future minimum lease payments for the year ending December 31, 2021 are \$10,560.

I. 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, 2020 and 2019, were \$74,808 and \$68,964, respectively.

Notes to Consolidating Financial Statements

J. PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Association received a \$212,500 loan from Community Banks of Colorado through the Small Business Administration's Paycheck Protection Program. Under this program, a portion or all of the loan may be forgiven by the Small Business Administration 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 not less than two years and an interest rate of 1.0%. Loan payments are deferred for 10 months. In November 2020, the Association met the criteria for forgiveness of the loan and has received confirmation from the Small Business Administration that they qualified for full loan forgiveness. The proceeds from the loan have been included in the statement of activities as PPP grant income.

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 Paycheck Protection Program. A portion or all of the loan may be forgiven by the Small Business Administration 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%. Loan payments are deferred for 10 months.

K. UNCERTAINTIES

During the year ended December 31, 2020, the outbreak of a novel strain of coronavirus (the COVID-19 outbreak) has been recognized as a pandemic by the World Health Organization, and the COVID-19 outbreak has become increasingly widespread in the United States. The COVID-19 outbreak has had a notable impact on general economic conditions, including the 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 affect the operations, collections, or financial results of the Association and the Foundation is uncertain.