



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

Consolidating Financial Statements

For the Year Ended December 31, 2021

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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, 2021, 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, 2021, 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.

Report on Summarized Comparative Information

We have previously audited USA Weightlifting, Inc.'s and The U.S. Amateur Weightlifting Foundation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 3, 2021.

In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
June 21, 2022

USA WEIGHTLIFTING, INC.
THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
Consolidating Statement of Financial Position
December 31, 2021
(With Comparative Totals for December 31, 2020)

	USA Weightlifting, Inc.	The U.S. Amateur Weightlifting Foundation	Eliminating Entries	2021 Consolidated Totals	2020 Consolidated Totals
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 188,010	\$ 45,451	\$	\$ 233,461	\$ 483,884
Short-term investments	1,088,069			1,088,069	1,409,292
Accounts receivable, net	106,532			106,532	60,821
Pledges receivable		53,500		53,500	
Due from The U.S. Amateur Weightlifting Foundation	104,747		(104,747)		
Prepaid expenses	<u>42,804</u>			<u>42,804</u>	<u>420,211</u>
Total current assets	1,530,162	98,951	(104,747)	1,524,366	2,374,208
DESIGNATED CASH	32,673			32,673	54,054
LONG-TERM INVESTMENTS	2,094,400	1,955,717		4,050,117	3,303,043
LONG-TERM PLEDGES RECEIVABLE		69,000		69,000	
PROPERTY AND EQUIPMENT, at cost:					
Training equipment	174,867			174,867	428,395
Office furniture	50,577			50,577	48,229
Website & membership database	114,436			114,436	95,006
Less accumulated depreciation	<u>(131,999)</u>			<u>(131,999)</u>	<u>(242,574)</u>
Property and equipment, net	<u>207,881</u>			<u>207,881</u>	<u>329,056</u>
TOTAL ASSETS	<u>\$ 3,865,116</u>	<u>\$ 2,123,668</u>	<u>\$ (104,747)</u>	<u>\$ 5,884,037</u>	<u>\$ 6,060,361</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable	\$ 411,731	\$	\$	\$ 411,731	\$ 95,967
Accrued liabilities	87,713			87,713	120,520
Deferred revenue	947,785			947,785	934,783
Due to USA Weightlifting, Inc. Refundable advance	<u>55,500</u>	104,747	(104,747)	<u>55,500</u>	<u>32,415</u>
Total current liabilities	1,502,729	104,747	(104,747)	1,502,729	1,183,685
NET ASSETS:					
Without donor restrictions	2,159,369	1,896,421		4,055,790	4,599,485
Without donor restrictions - Board designated	32,673			32,673	54,054
With donor restrictions	<u>170,345</u>	<u>122,500</u>		<u>292,845</u>	<u>223,137</u>
Total net assets	<u>2,362,387</u>	<u>2,018,921</u>		<u>4,381,308</u>	<u>4,876,676</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,865,116</u>	<u>\$ 2,123,668</u>	<u>\$ (104,747)</u>	<u>\$ 5,884,037</u>	<u>\$ 6,060,361</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, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	<u>USA Weightlifting, Inc.</u>		<u>The U.S. Amateur Weightlifting Foundation</u>		2021 Consolidated Totals	2020 Consolidated Totals
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>		
REVENUE AND SUPPORT:						
Membership	\$ 2,103,722	\$	\$	\$	\$ 2,103,722	\$ 2,058,173
National coaching clinics	1,490,888				1,490,888	1,530,642
Event revenue	1,081,331				1,081,331	367,468
Investment income, net of fees of \$11,792 and \$10,933	463,301	1,844	360,783		825,928	625,042
Contributions	19,652	277,786	44,142	122,500	464,080	240,625
Refund of donor restricted contributions						(203,889)
Sponsorships	448,713				448,713	408,075
USOPC revenue:						
Grants	207,582				207,582	172,023
Digital media agreement	150,000				150,000	150,000
PPP grant	216,400				216,400	212,500
WSO income	117,929				117,929	98,572
VIK sponsorship	103,460				103,460	60,000
Camp revenue	38,801				38,801	11,866
Miscellaneous income	24,037				24,037	18,669
Royalties	13,900				13,900	9,800
Merchandise sales, net of costs of \$10,230 and \$12,430	505				505	6,614
Loss on disposal of assets	(101,772)				(101,772)	
Satisfied program restrictions	332,422	(332,422)				
Total revenue and support	6,710,871	(52,792)	404,925	122,500	7,185,504	5,766,180
EXPENSES:						
Program services:						
Development and athlete programs	3,387,612				3,387,612	1,473,323
Events	1,163,426				1,163,426	627,971
Membership services	1,083,777				1,083,777	1,015,778
Coaching education	823,193				823,193	717,592
Total program services	6,458,008				6,458,008	3,834,664
Supporting services:						
Governance	658,652				658,652	105,352
National headquarters	459,085				459,085	241,856
The U.S. Amateur Weightlifting Foundation			105,127		105,127	4,350
Total supporting services	1,117,737		105,127		1,222,864	351,558
Total expenses	7,575,745		105,127		7,680,872	4,186,222
CHANGE IN NET ASSETS	(864,874)	(52,792)	299,798	122,500	(495,368)	1,579,958
NET ASSETS, beginning of year	3,056,916	223,137	1,596,623		4,876,676	3,296,718
NET ASSETS, end of year	\$ 2,192,042	\$ 170,345	\$ 1,896,421	\$ 122,500	\$ 4,381,308	\$ 4,876,676

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, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Development and Athlete Programs	Events	Membership Services	Coaching Education	Total Consolidated Program Services
Advertising & promotion	\$ 12,577	\$ 34,041	\$ 20,731	\$ 2,053	\$ 69,402
Airfare & accommodations, net	633,039	37,523		1,029	671,591
Apparel & outfitting	25,431	285			25,716
Athlete incentives	697,797				697,797
Background screening	240		30,420		30,660
Bad debt expense					
Contract personnel & honorariums	170,774	331,129	18,175	283,056	803,134
Contributions & grants	200				200
Cost of merchandise sales			10,230		10,230
Database & transaction fees	12,672	15,319	30,357	20,651	78,999
Depreciation	39,278	649	31,947	1,222	73,096
Dues & fees	323,744	118,858	181,106	1,965	625,673
Education	27	720			747
Event expenses		2,400			2,400
Facilities & equipment rental	17,481	86,276	5,548	1,645	110,950
Gifts & awards		24,301	87	42	24,430
Ground transportation	25,535	12,640	37	736	38,948
Insurance	10,802	310	114,360	540	126,012
Internet expense	3,431	3,295	3,754	1,803	12,283
Legal & professional fees	294,798	61,813	248,497	116,493	721,601
Lodging & meals	543,890	140,258	227	1,204	685,579
Media services	3,543	100,236	15,523	2,108	121,410
Other expense	72	271	28		371
Personnel expenses:					
Employee benefits	68,909	16,201	34,399	33,404	152,913
Payroll taxes	29,029	7,830	16,164	15,286	68,309
Salaries & wages	388,262	103,581	185,499	215,757	893,099
Postage & shipping	42,545	7,971	6,152	2,956	59,624
Printing & publications	371	6,532	14,852		21,755
Rebates		1,364	769	118,010	120,143
Royalty payment				1,000	1,000
Small equipment	2,529	1,221	153		3,903
Supplies & materials	38,509	47,560	159	1,043	87,271
Telephone	2,127	842	3,795	1,190	7,954
Weightlifting State Organization & Masters expenses			<u>121,038</u>		<u>121,038</u>
Total expenses by function	3,387,612	1,163,426	1,094,007	823,193	6,468,238
Less expenses shown net of revenue in the statement of activities			<u>(10,230)</u>		<u>(10,230)</u>
Total expenses reported in the statement of activities	<u>\$ 3,387,612</u>	<u>\$ 1,163,426</u>	<u>\$ 1,083,777</u>	<u>\$ 823,193</u>	<u>\$ 6,458,008</u>

	Governance	National Headquarters	The U.S. Amateur Weightlifting Foundation	Total Consolidated Supporting Services	2021 Consolidated Totals	2020 Consolidated Totals
Advertising & promotion	\$ 12,895	\$	\$	\$ 12,895	\$ 82,297	\$ 30,825
Airfare & accommodations, net	3,028	30,462		33,490	705,081	111,171
Apparel & outfitting		1,704		1,704	27,420	62,563
Athlete incentives					697,797	511,924
Background screening		555		555	31,215	75,698
Bad debt expense		38,750		38,750	38,750	36,742
Contract personnel & honorariums	2,500	59,273		61,773	864,907	496,596
Contributions & grants					200	109,791
Cost of merchandise sales					10,230	12,430
Database & transaction fees		572	135	707	79,706	108,635
Depreciation	150	674		824	73,920	54,651
Dues & fees	2,809	41,966		44,775	670,448	285,123
Education		62		62	809	1,549
Event expenses					2,400	
Facilities & equipment rental	326	6,913		7,239	118,189	64,481
Gifts & awards	5	23		28	24,458	19,391
Ground transportation	235	1,215		1,450	40,398	12,845
Insurance	124	372	209	705	126,717	142,815
Internet expense	221	1,019		1,240	13,523	19,744
Legal & professional fees	580,108	100,355	104,747	785,210	1,506,811	373,485
Lodging & meals	6,400	9,678		16,078	701,657	106,772
Media services		5		5	121,415	31,635
Other expense		5,630	36	5,666	6,037	
Personnel expenses:						
Employee benefits	5,195	15,612		20,807	173,720	170,945
Payroll taxes	2,732	8,681		11,413	79,722	66,330
Salaries & wages	41,345	124,258		165,603	1,058,702	971,812
Postage & shipping	414	1,629		2,043	61,667	26,327
Printing & publications		576		576	22,331	4,700
Rebates					120,143	196,962
Royalty payment					1,000	1,000
Small equipment		1,208		1,208	5,111	11,730
Supplies & materials	71	7,472		7,543	94,814	27,368
Telephone	94	421		515	8,469	11,253
Weightlifting State Organization & Masters expenses					121,038	41,359
Total expenses by function	658,652	459,085	105,127	1,222,864	7,691,102	4,198,652
Less expenses shown net of revenue in the statement of activities					(10,230)	(12,430)
Total expenses reported in the statement of activities	\$ 658,652	\$ 459,085	\$ 105,127	\$ 1,222,864	\$ 7,680,872	\$ 4,186,222

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, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	USA Weightlifting, Inc.	The U.S. Amateur Weightlifting Foundation	Eliminating Entries	2021 Consolidated Totals	2020 Consolidated Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Change in net assets	\$ (917,666)	\$ 422,298	\$	\$ (495,368)	\$ 1,579,958
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:					
Depreciation	73,920			73,920	54,651
Net realized and unrealized gains on investments	(428,053)	(338,172)		(766,225)	(578,730)
Loss on disposal of assets	101,772			101,772	
Decrease (increase) in assets:					
Accounts receivable, net	(45,711)			(45,711)	137,283
Pledges receivable		(122,500)		(122,500)	
Due from The U.S. Amateur Weightlifting Foundation	(104,747)		104,747		
Prepaid expenses	377,407			377,407	754
Increase (decrease) in liabilities:					
Accounts payable	315,764			315,764	(532,452)
Accrued liabilities	(32,807)			(32,807)	25,128
Deferred revenue	13,002			13,002	(307,678)
Due to USA Weightlifting, Inc.		104,747	(104,747)		
Refundable advance	23,085			23,085	32,415
Total adjustments	<u>293,632</u>	<u>(355,925)</u>		<u>(62,293)</u>	<u>(1,168,629)</u>
Net cash provided (used) by operating activities	(624,034)	66,373		(557,661)	411,329
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of equipment	(54,517)			(54,517)	(11,490)
Change in investments, net	<u>362,949</u>	<u>(22,575)</u>		<u>340,374</u>	<u>(46,310)</u>
Net cash provided (used) by investing activities	<u>308,432</u>	<u>(22,575)</u>		<u>285,857</u>	<u>(57,800)</u>
NET INCREASE (DECREASE) IN CASH	(315,602)	43,798		(271,804)	353,529
CASH AND CASH EQUIVALENTS, beginning of year	<u>536,285</u>	<u>1,653</u>		<u>537,938</u>	<u>184,409</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 220,683</u>	<u>\$ 45,451</u>	<u>\$</u>	<u>\$ 266,134</u>	<u>\$ 537,938</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, 2021

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, 2020, 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, 2021 and 2020, 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 \$66,396 and \$78,370, 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 \$80,750 and \$42,000 is necessary for the years ending December 31, 2021 and 2020, 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) and Small Business Administration (SBA) Paycheck Protection Program (PPP) grants.

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, 2021 and 2020 was \$73,920 and \$54,651, 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.

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, 2021 and 2020, \$103,460 and \$0, respectively, were recorded as donated services.

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.

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.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 21, 2022, 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 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, 2021 and 2020. 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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 266,134	\$ 537,938
Accounts receivable, net	106,532	60,821
Pledges receivable - current	53,500	
Investments	<u>5,138,186</u>	<u>4,712,335</u>
Total financial assets	5,564,352	5,311,094
Less amounts with Board designations	(32,673)	(54,054)
Less amounts with donor restrictions	<u>(170,345)</u>	<u>(223,137)</u>
Financial assets available within one year	<u>\$ 5,361,334</u>	<u>\$ 5,033,903</u>

Notes to Consolidating Financial Statements

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. 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, 2021 and 2020:

<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
USOE 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>

Notes to Consolidating Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

<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>	4,669,106
Investments measured at net asset value				<u>43,229</u>
Total investments				<u>\$ 4,712,335</u>

Investment income in the accompanying consolidating statement of activities consists of the following for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Realized gains	\$ 519,355	\$ 284,984
Unrealized gains	246,870	293,746
Interest and dividends	71,495	57,245
Investment fees	(11,792)	(10,933)
	<u>\$ 825,928</u>	<u>\$ 625,042</u>

The United States Olympic Endowment (USOE) investment consists of units in a pooled portfolio managed by the USOE. At December 31, 2021, the USOE portfolio consisted of the following types of securities:

Alternative investments	35.11 %
Domestic bonds	22.56
Domestic equities	24.42
International equities	14.80
Cash and equivalents	<u>3.11</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.

Notes to Consolidating Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

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, 2021 and 2020:

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, 2021, the Foundation had pledges receivable of \$122,500, representing unconditional promises to give made during the year. The Foundation did not have any pledges receivable as of December 31, 2020.

The current pledges are expected to be received by the Foundation through December 31, 2024. 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, 2021.

Notes to Consolidating Financial Statements

E. DEFERRED REVENUE

Deferred revenue, a contract with customers liability, consists of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Memberships	\$ 807,012	\$ 756,964
Coaching courses	125,773	116,172
Sponsorships	15,000	25,000
Event fees		29,147
Other		7,500
	<u>\$ 947,785</u>	<u>\$ 934,783</u>

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, 2021 and 2020, are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Purpose restrictions:		
Jennifer Roy medal fund	\$ 153,622	\$ 23,300
Glen Middleton award	11,540	9,696
Jack Hughes award	5,183	5,183
Tokyo Strong		<u>184,958</u>
Total purpose restrictions	170,345	223,137
Time restrictions:		
Weightlifting Foundation pledges	<u>122,500</u>	
	<u>\$ 292,845</u>	<u>\$ 223,137</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.

Notes to Consolidating Financial Statements

G. NET ASSETS WITH DONOR RESTRICTIONS - TEMPORARY - Continued

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. There were no refunds to donors during the year ended December 31, 2021.

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended December 31, 2021 and 2020, net assets with donor restrictions were released for the following programs:

	<u>2021</u>	<u>2020</u>
Tokyo Strong	\$ 332,422	\$
Jack Hughes award	<u> </u>	<u>150</u>
	<u>\$ 332,422</u>	<u>\$ 150</u>

H. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2021 and 2020, the USOPC provided revenue under the following categories:

	<u>2021</u>	<u>2020</u>
High performance support	\$ 153,002	\$ 143,820
COVID-19 support grant	32,415	
International relations grant	15,000	10,000
VIK Rent	5,444	8,203
Other grants	<u>1,721</u>	<u>10,000</u>
	<u>\$ 207,582</u>	<u>\$ 172,023</u>

During the years ended December 31, 2021 and 2020, the USOPC owed the Association \$3,000 and \$12,744, respectively, and the Association owed the USOPC \$13,097 and \$1,190, 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, 2021. The Association received \$150,000 under this agreement in both of the years ended December 31, 2021 and 2020.

The USOPC provides the Association with a portion of its current office facilities at no cost, which have been valued at \$5,444 and \$8,203 for the years ended December 31, 2021 and 2020, respectively.

Notes to Consolidating Financial Statements

H. RELATED PARTY TRANSACTIONS - Continued

Excluding value-in-kind, rent paid to the USOPC for the years ended December 31, 2021 and 2020 amounted to \$13,258 and \$21,353, respectively. In addition, the Association paid \$11,040 and \$11,520, respectively, to the USOPC for IT Services during the years ended December 31, 2021 and 2020.

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. There were no related party transactions between the Foundation and Association during the year ended December 31, 2020.

I. LEASES

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.

The Association does not pay for the use of the common space and has recorded value-in-kind for use of this space.

Estimated future minimum lease payments for the years ending December 31 are as follows:

2022	\$	10,560
2023		2,640

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, 2021 and 2020, were \$83,518 and \$74,808, respectively.

Notes to Consolidating Financial Statements

K. 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 (SBA) Paycheck Protection Program (PPP). 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 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 during the year ended December 31, 2020.

In February 2021, the Association received a \$216,400 loan from Community Banks of Colorado through the second round of the SBA's 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 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.

L. 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, 2021, are either without merit or will not exceed insurance limits.

Notes to Consolidating Financial Statements

M. UNCERTAINTIES

During the year ended December 31, 2020, the outbreak of a novel strain of coronavirus (COVID-19) 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 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.