

**NATIONAL ARCHERY ASSOCIATION
OF THE UNITED STATES**

d/b/a USA ARCHERY

Financial Statements

For the Year Ended December 31, 2024

TABLE OF CONTENTS

Independent Auditor's Report	1
Statement of Financial Position	4
Statement of Activities and Changes in Net Assets	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National Archery Association of the United States
d/b/a USA Archery
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of National Archery Association of the United States (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Archery Association of the United States as of December 31, 2024, and the changes in its 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 National Archery Association of the United States 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.

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.

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 National Archery Association of the United States' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the 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, including omissions, 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 National Archery Association of the United States' 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 National Archery Association of the United States' 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 National Archery Association of the United States' 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
April 29, 2025

NATIONAL ARCHERY ASSOCIATION OF THE UNITED STATES
d/b/a USA ARCHERY
Statement of Financial Position
December 31, 2024
(With Comparative Totals for 2023)

	<u>ASSETS</u>	
	<u>2024</u>	<u>2023</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 676,350	\$ 615,366
Accounts receivable	433,727	221,282
Inventory	91,869	116,936
Prepaid expenses and deposits	<u>36,301</u>	<u>17,332</u>
Total current assets	1,238,247	970,916
LONG-TERM INVESTMENTS	2,661,799	2,439,705
RIGHT OF USE ASSET	247,849	306,008
PROPERTY AND EQUIPMENT:		
Equipment	519,137	504,685
Software	44,585	44,585
Less accumulated depreciation	<u>(447,086)</u>	<u>(436,541)</u>
Property and equipment - net	<u>116,636</u>	<u>112,729</u>
TOTAL ASSETS	<u>\$ 4,264,531</u>	<u>\$ 3,829,358</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 213,967	\$ 174,931
Accrued liabilities	155,628	121,686
Current portion operating lease liability	56,420	57,055
Refundable advances	217,667	194,818
Current portion of capital lease obligations		1,681
Current portion of deferred revenue	<u>782,702</u>	<u>708,015</u>
Total current liabilities	1,426,384	1,258,186
LONG-TERM LIABILITIES:		
Long-term portion of capital lease obligations		141
Long-term portion of operating lease liability	195,323	247,130
Deferred revenue - long term	<u>133,186</u>	<u>116,021</u>
Total liabilities	1,754,893	1,621,478
NET ASSETS:		
Without donor restrictions	2,509,638	2,207,880
With donor restrictions		
Total net assets	<u>2,509,638</u>	<u>2,207,880</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,264,531</u>	<u>\$ 3,829,358</u>

See Notes to Financial Statements

NATIONAL ARCHERY ASSOCIATION OF THE UNITED STATES
d/b/a USA ARCHERY
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024
(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Totals	2023 Totals
REVENUE:				
Membership registrations	\$ 1,539,965	\$	\$ 1,539,965	\$ 1,348,502
USOPC grants	1,081,530		1,081,530	1,096,321
Contributions and grants	993,730		993,730	1,133,285
Tournament revenue	841,829		841,829	956,014
Certification revenue	740,265		740,265	716,953
Inventory sales	507,729		507,729	492,591
Cost of inventory sold	(406,664)		(406,664)	(373,061)
Corporate sponsorships	323,050		323,050	112,228
Investment income (loss)	227,764		227,764	197,310
NAA Foundation grant	180,000		180,000	130,000
In-kind donations	139,770		139,770	114,151
Other income	71,268		71,268	226,082
Fundraising revenue	28,701		28,701	13,700
Website/marketing advertising	597		597	
Total revenue	6,269,534		6,269,534	6,164,076
EXPENSES:				
Program services:				
Membership services	1,307,216		1,307,216	765,212
High performance	1,074,685		1,074,685	1,132,934
National events and trials	972,072		972,072	1,118,404
International events	520,002		520,002	529,933
Coach development	457,961		457,961	514,323
Grass roots development	418,038		418,038	669,284
Paralympic team	313,859		313,859	447,989
Total program services	5,063,833		5,063,833	5,178,079
Supporting services:				
General and administrative	774,499		774,499	870,983
Direct marketing	129,444		129,444	72,178
Total supporting services	903,943		903,943	943,161
Total expenses	5,967,776		5,967,776	6,121,240
CHANGE IN NET ASSETS	301,758		301,758	42,836
NET ASSETS, beginning of year	2,207,880		2,207,880	2,165,044
NET ASSETS, end of year	\$ 2,509,638	\$	\$ 2,509,638	\$ 2,207,880

See Notes to Financial Statements

NATIONAL ARCHERY ASSOCIATION OF THE UNITED STATES
d/b/a USA ARCHERY
Statement of Functional Expenses
For the Year Ended December 31, 2024
(With Comparative Totals for 2023)

	High Performance	National Events & Trials	Membership Services	Grassroots Development	International Events	Coach Development	Paralympic Team	Total Program Services
Salaries & wages	\$ 416,644	\$ 205,529	\$ 560,687	\$ 143,922	\$	\$ 143,437	\$ 19,135	\$ 1,489,354
Other contract services	73,568	285,560	60,703		19,978	187,985	93,804	721,598
Travel & meetings	240,981	106,290	30,321	9,811	302,142	10,640	90,767	790,952
Awards & grants		148,996	160,705	155,290	29,510	12,165	16,264	522,930
Product costs			368,589					368,589
Employee benefits	57,298	32,057	87,929	20,790		21,616	2,533	222,223
Stipends/honorariums	141,650	5,436			104,550	1,700	6,221	259,557
Payroll taxes	35,409	17,984	48,686	12,201		13,218	1,595	129,093
Insurance			78,227			42,991		121,218
VIK	28,218	75,909	9,183		19,415	2,170	3,281	138,176
Merchant fees	269	19,633	77,456	1,189	8,744	1,183	1,224	109,698
Rental & maintenance	512	6,842						7,354
Printing & postage	572	15,220	58,913	4,069	3,878	419	4,576	87,647
Field usage & equipment	17,010	3,669		50,776			49	71,504
Other program costs		2,437			512		67,545	70,494
Membership processing/management fees			61,839					61,839
Apparel/uniforms	15,526	82	3,220	290	26,956	158	13,887	60,119
Payroll service fees	22,639	5,315	13,601	3,388		3,576	420	48,939
Books, subscriptions, reference	3,060	5,631	22,123	3,785		4,134	120	38,853
Depreciation & amortization	6,968	5,316	8,941	1,127		621	538	23,511
IT support	8,668	4,499	7,306	2,879		2,879		26,231
Legal fees	1,190		23,954	2,625				27,769
Internet/cable		3,597	18,464	150	100	8		22,319
Supplies	3,492	10,300	3,588	1,963	1,525	264	(10,061)	11,071
Telephone & telecommunications	896	2,039		971	2,226	698	227	7,057
Inventory write down				498		7,954		8,452
Registration & license fees		(65)			95			30
Bank charges & wire fees					135		60	195
Marketing & promotion		2,998	380	1,914	1,650		1,650	8,592
Web hosting & design			8,665					8,665
Storage		6,479						6,479
Other costs					90	145		235
Gifts			100		248			348
Membership & dues			140					140
Bad debt								
Staff development		149		400				549
Conference, convention, & meetings	70						150	220
Staff background screening	45	170	160					375
Advertising								
Fees for service					(1,752)		(126)	(1,878)
Total expenses	1,074,685	972,072	1,713,880	418,038	520,002	457,961	313,859	5,470,497
Less expenses netted against revenue on statement of activities			(406,664)					(406,664)
	<u>\$ 1,074,685</u>	<u>\$ 972,072</u>	<u>\$ 1,307,216</u>	<u>\$ 418,038</u>	<u>\$ 520,002</u>	<u>\$ 457,961</u>	<u>\$ 313,859</u>	<u>\$ 5,063,833</u>

	General & Administrative	Direct Marketing	Total Supporting Services	2024 Total Expenses	2023 Total Expenses
Salaries & wages	\$ 328,113	\$ 84,347	\$ 412,460	\$ 1,901,814	\$ 1,890,254
Other contract services	121,406		121,406	843,004	672,447
Travel & meetings	46,417	2,076	48,493	839,445	892,424
Awards & grants				522,930	402,967
Product costs				368,589	332,821
Employee benefits	48,067	13,774	61,841	284,064	284,046
Stipends/honorariums				259,557	288,983
Payroll taxes	28,705	6,909	35,614	164,707	164,269
Insurance	30,337		30,337	151,555	146,301
VIK	1,594		1,594	139,770	114,151
Merchant fees	783	1,520	2,303	112,001	113,976
Rental & maintenance	87,501		87,501	94,855	81,474
Printing & postage	2,651	1,384	4,035	91,682	112,843
Field usage & equipment				71,504	146,516
Other program costs				70,494	77,469
Membership processing/management fees				61,839	53,841
Apparel/uniforms	1,292	78	1,370	61,489	59,151
Payroll service fees	7,530	2,140	9,670	58,609	41,687
Books, subscriptions, reference	13,279	292	13,571	52,424	45,344
Depreciation & amortization	15,715	600	16,315	39,826	50,441
IT support	10,254		10,254	36,485	46,793
Legal fees				27,769	53,194
Internet/cable	4,800		4,800	27,119	7,914
Supplies	3,941	427	4,368	15,439	34,164
Telephone & telecommunications	5,463	1,571	7,034	14,091	14,605
Inventory write down	3,474		3,474	11,926	1,509
Registration & license fees	93	10,890	10,983	11,013	11,843
Bank charges & wire fees	8,995	45	9,040	9,235	802
Marketing & promotion	226		226	8,818	16,837
Web hosting & design				8,665	9,912
Storage				6,479	6,459
Other costs	231	2,755	2,986	3,221	5,390
Gifts	1,283		1,283	1,631	2,982
Membership & dues	1,250		1,250	1,390	7,933
Bad debt	830		830	830	
Staff development	189		189	738	
Conference, convention, & meetings		359	359	579	6,113
Staff background screening	80		80	455	270
Advertising		277	277	277	295,936
Fees for service				(1,878)	240
	<u>774,499</u>	<u>129,444</u>	<u>903,943</u>	<u>6,374,440</u>	<u>6,494,301</u>
Less expenses netted against revenue on statement of activities				<u>(406,664)</u>	<u>(373,061)</u>
	<u>\$ 774,499</u>	<u>\$ 129,444</u>	<u>\$ 903,943</u>	<u>\$ 5,967,776</u>	<u>\$ 6,121,240</u>

See Notes to Financial Statements

NATIONAL ARCHERY ASSOCIATION OF THE UNITED STATES
d/b/a USA ARCHERY

Statement of Cash Flows

For the Year Ended December 31, 2024

(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 301,758	\$ 42,836
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
(Gain) loss on disposal of equipment	(5,000)	(4,802)
Realized and unrealized losses on investments	199,092	172,980
Depreciation and amortization	39,826	50,441
Decrease (increase) in assets:		
Accounts receivable	(212,445)	(187,067)
Right of use asset	58,159	(252,242)
Inventory	25,067	(49,852)
Prepaid expenses and deposits	(18,969)	36,640
Increase (decrease) in liabilities:		
Accounts payable	39,036	(20,017)
Accrued and lease liabilities	(18,500)	243,905
Refundable advance	22,849	194,818
Deferred revenue	<u>91,852</u>	<u>174,752</u>
Net cash provided by operating activities	522,725	402,392
CASH FLOWS FROM INVESTING ACTIVITIES:		
Long-term investments, net	(421,186)	(615,256)
Proceeds from disposal of equipment	5,000	10,300
Acquisition of equipment	<u>(43,733)</u>	<u>(47,415)</u>
Net cash used by investing activities	(459,919)	(652,371)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of capitalized lease obligations	<u>(1,822)</u>	<u>(1,667)</u>
Net cash used by financing activities	<u>(1,822)</u>	<u>(1,667)</u>
NET INCREASE (DECREASE) IN CASH	60,984	(251,646)
CASH AND CASH EQUIVALENTS, beginning of year	<u>615,366</u>	<u>867,012</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 676,350</u>	<u>\$ 615,366</u>

See Notes to Financial Statements

NATIONAL ARCHERY ASSOCIATION OF THE UNITED STATES
d/b/a USA ARCHERY

Notes to Financial Statements

For the Year Ended December 31, 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

National Archery Association of the United States (the Association) is the national governing body for the sport of archery, making it responsible for the conduct and administration of archery in the United States.

Income Taxes

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

The Association's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date it was filed. Management of the Association believes that it does not have any uncertain tax positions that are material to the financial statements.

Accounts Receivable

Accounts receivable include amounts from contracts with customers, contributions postmarked before the end of the year and other miscellaneous amounts. Receivables from contracts with customers at the beginning and end of 2024 were \$41,282 and \$95,536, respectively.

Accounts receivable are stated at the amount the Association expects to collect from balances outstanding at year-end. Based on the Association's experience with individuals and entities having outstanding balances, it has concluded that any losses on balances outstanding at year-end will not be material. Therefore, no allowance for credit loss is considered necessary.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers

Membership registrations - The Association's membership dues are renewed based on the member's anniversary date. The Association offers annual, three-year, and life memberships which are recognized as revenue over the duration of the membership period.

Corporate sponsorship - The Association recognizes revenue from contracts with both sponsors and suppliers of National Archery Association of the United States. 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. Therefore, partnership marketing revenue from contracts with customers will be recognized on a straight-line basis over the term of the agreement.

In-kind revenue - Sponsorship income in the form of in-kind goods is reported as revenue and expense in the fiscal year it is received. The Association received \$139,770 and \$114,151 of in-kind revenue during the years ended December 31, 2024 and 2023, respectively.

Tournament revenue - The Association receives revenue from registration fees for sporting events, which are recognized at the time of the event. The Association also receives ticket revenue for range passes and premium seating revenue. This revenue is also recognized at the time of the event.

Sales revenue - The Association receives a royalty from a third party for the sale of merchandise at events. The revenue is variable based on the terms of the agreement and related sales. The revenue is recognized upon receipt of the royalty. The Association also sells equipment and program merchandise through their website. This revenue is recognized when the sale occurs.

Coaching and judge certification revenue - Coach certification revenue is recognized when application for certification is received.

Notes to 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.

Contributions include United States Olympic and Paralympic Committee (USOPC) grants, National Archery Association Foundation, Inc. (NAAF) grants and US Performance Center (USPC) grants.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Association's checking and money market accounts. The Association maintains its cash and cash equivalents at commercial banks. In the unlikely event of a bank failure, the Association might only be able to recover the insured amounts.

Inventory

Inventory is stated at the lower of cost (first-in, first-out method) or net realizable value and consists of program merchandise, apparel and accessories.

Depreciation

Property and equipment are recorded at cost as of the date of acquisition or fair value as of the date of receipt in the case of gifts. Depreciation and amortization are recorded using the straight-line method over estimated useful lives of three to five years. Depreciation and amortization expense for the years ending December 31, 2024 and 2023, was \$39,826 and \$50,441, respectively.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Donated Assets, Property and Equipment, and Services

The Association's policy related to donated assets is to utilize the assets given to carry out the mission of the Association. If an asset is provided that does not allow the Association to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. The Association did not sell any donated assets received during the years ending December 31, 2024 and 2023.

Donated services are recognized as contributions if the services: (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Association.

The Association also receives donated services from other contributors and volunteers that are not measurable and therefore are excluded from the financial statements.

Supplemental Cash Flow Disclosures

During the years ended December 31, 2024 and 2023, the Association paid \$11 and \$27, respectively, of interest and no income taxes.

Use of Estimates in Preparation of Financial Statements

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 that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Association. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel expenses are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services made by the Association's management.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Prior-Year Comparisons

The financial statements include certain prior year summarized comparative information in total but not by net asset and functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Certain reclassifications have been made to the prior-year amounts in order to conform to the current year's financial statement format.

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 29, 2025, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Association regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Association has cash and cash equivalents as a current source of liquidity at its disposal.

In addition to currently held financial assets available to meet general expenditures over the next 12 months, the Association operates under a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

Notes to Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

The table below presents financial assets available for general expenditures with one year at December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 676,350	\$ 615,366
Investments	2,661,799	2,439,705
Accounts and grants receivable	<u>433,727</u>	<u>221,282</u>
	3,771,876	3,276,353
Less amounts with donor restrictions	<u> </u>	<u>(18,000)</u>
Total financial assets available within one year	<u>\$ 3,771,876</u>	<u>\$ 3,258,353</u>

Although the Association does not intend to liquidate its investments for general expenditures, the funds are available, if necessary, subject to any restrictions imposed by an individual investment within the investment portfolio.

C. FAIR VALUE MEASUREMENTS

The Association 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 Quoted prices in active markets for identical assets or liabilities, accessible to the Association at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs that are not corroborated by market data.

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

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.

<u>Assets at Fair Value as of December 31, 2024</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market	\$ 420	\$	\$	\$ 420
Certificates of deposit		900,873		900,873
United States Olympic & Paralympic Endowment investment portfolio		1,760,506		1,760,506
	<u>\$ 420</u>	<u>\$ 2,661,379</u>	<u>\$</u>	<u>\$ 2,661,799</u>

<u>Assets at Fair Value as of December 31, 2023</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market	\$ 521	\$	\$	\$ 521
Certificates of deposit		867,249		867,249
United States Olympic & Paralympic Endowment investment portfolio		1,571,935		1,571,935
	<u>\$ 521</u>	<u>\$ 2,439,184</u>	<u>\$</u>	<u>\$ 2,439,705</u>

The Association has placed its investments in a pooled investment fund sponsored and managed by the United States Olympic & Paralympic Endowment (USOPE). The USOPE invests on behalf of the USOPC and various national sports organizations recognized by the USOPC.

As of December 31, 2024, the USOPE portfolio was invested in the following types of securities:

Alternative investments	39.20%
Domestic equities	35.60
Domestic bonds	6.90
International equities	17.20
Cash and cash equivalents	<u>1.10</u>
	<u>100.00%</u>

The alternative investments include hedge equity funds, private equity funds, real estate funds and limited partnerships.

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

Some investments are exposed to various risks that may cause their reported fair values to fluctuate from period to period and could materially affect the recorded amount of investments in the Association's financial statements. 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.

Though the market values of investments are subject to fluctuation, management believes that the investment policy is prudent for the long-term welfare of the Association.

Investment income (loss) consists of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 28,672	24,330
Unrealized gains on securities	147,396	152,830
Realized gains on securities	<u>51,696</u>	<u>20,150</u>
	<u>\$ 227,764</u>	<u>\$ 197,310</u>

D. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2024 and 2023, the USOPC provided grants to the Association as follows:

	<u>2024</u>	<u>2023</u>
NGB funding	\$ 849,966	\$ 836,321
Paralympic funding	200,000	225,000
Other support	13,064	14,500
Team trials	12,500	12,500
International relations grant	<u>6,000</u>	<u>8,000</u>
	<u>\$ 1,081,530</u>	<u>\$ 1,096,321</u>

Notes to Financial Statements

D. RELATED PARTY TRANSACTIONS - Continued

The USOPC provides training facilities, meals, and lodging primarily for the Association's resident athletes at the Chula Vista Olympic Training Center. The USOPC support provided directly for the Olympic Training Center usage for the years ended December 31, 2024 and 2023, is estimated to be \$201,000 and \$201,000, respectively. These amounts have not been recorded in the financial statements.

The USOPC also provides VIK for use of AirBnB facilities. The amount of VIK, included in travel in Note H, was \$72,830 and \$19,984 for the years ended December 31, 2024 and 2023, respectively.

NAAF provided the Association with grants of \$180,000 and \$130,000 for the years ended December 31, 2024 and 2023, respectively.

The Association receives significant economic benefits from grants provided by Easton Sports Development Foundation, the USOPC and the NAAF in order to maintain its programs at current levels. The amount of funding from each of these organizations is dependent upon an annual grant application process.

During the years ended December 31, 2024 and 2023, the Association paid stipends and awards to several Board Members in the amount of \$6,959 and \$20,222, respectively, for coaching and officiating services, athlete stipends and awards. These payments are made pursuant to the Association's normal compensation practices.

During the years ended December 31, 2024 and 2023, the Association conducted business with a company owned by a member serving on the Association's Board of Directors. The member ceased serving on the Board of Directors in 2023, therefore the company was not considered a related party in 2024.

The Board Member's company entered into annual sponsorship agreements with the Association. The term of the agreement was from January 1 through December 31 of each year. During the year ended December 31, 2023, the Association received \$15,000 in sponsorship revenue from the agreement. During the year ended December 31, 2023, the Association received \$5,900 for sponsorship of the Barebow prize money of the Indoor Nationals Finals. During 2023 the company also provided a travel grant of \$8,000 for WUGS.

Notes to Financial Statements

D. RELATED PARTY TRANSACTIONS - Continued

The Association provides archery products in support of its membership. The Association utilizes the Board Member's company, which is the largest distributor of target archery products in the U.S., to fulfill online and State organization equipment orders. The Association generates a gross profit on these sales fulfilled by the Board Member's company.

During the year ended December 31, 2023, the Association recorded \$7,614, in national indoor revenue related to transactions with the Board Member's company.

At December 31, 2023, the Association owed the Board Member's company \$12,426.

The Association purchased field equipment, facility usage, and other small items in the amount of \$2,197 from the Board Member's company for Association program use during the year ended December 31, 2023.

E. DEFERRED REVENUE

Deferred revenue consists of the following at December 31:

	<u>2024</u>	<u>2023</u>
Membership dues	\$ 910,488	\$ 824,036
Tournament registrations	<u>5,400</u>	<u></u>
	<u>\$ 915,888</u>	<u>\$ 824,036</u>

F. NET ASSETS WITH DONOR RESTRICTIONS

There were no net assets with donor restrictions or releases from donor restrictions as of and for the years ended December 31, 2024 and 2023.

G. EMPLOYEE BENEFIT PLAN

The Association has adopted a Simple IRA employee retirement plan. The plan covers all employees who are at least 21 years of age and meet plan criteria. The Association matches employee contributions up to 3% of their total wages.

For the years ended December 31, 2024 and 2023, the Association contributed \$32,574 and \$33,121, respectively.

Notes to Financial Statements

H. DONATED GOODS AND SERVICES

The fair value of donated goods and services included as contributions in the financial statements and the corresponding expense categories for the years ended December 31, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Services:		
Travel and facilities	\$ 76,830	\$ 98,151
Tangible goods:		
Field equipment	<u>62,940</u>	<u>16,000</u>
Total in-kind goods and services	<u>\$ 139,770</u>	<u>\$ 114,151</u>

I. LEASES

The Association assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As the Association's leases do not provide an implicit rate, the Association uses its risk-free interest rate based on the information available at the commencement date in determining the present value of lease payments in determination of the respective right-of-use (ROU) assets and liabilities.

Under ASU 2016-02, the Association has made an accounting policy election to apply the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with a term of 12 months or less that do not include an option to purchase the underlying asset, are not recorded on the balance sheet as ROU assets or lease liabilities. The Association has elected to expense the cost of the short-term leases on the straight-line basis in the accompanying Statement of Activities.

The Association has a financing lease for a copier which is recorded as equipment and a capital lease obligation in the accompanying statement of financial position. The copier lease requires monthly payments of \$141 through January 2025.

The asset is amortized over its estimated useful life. Amortization expense reported in the statements of activities includes \$1,692 and \$1,665 for the equipment under capital lease for the years ended December 31, 2024 and 2023, respectively.

Notes to Financial Statements

I. LEASES - Continued

The assets included in the statement of financial position are:

	<u>2024</u>
Capitalized equipment	\$ 8,460
Accumulated amortization	<u>(8,460)</u>
	<u>\$</u>

In September 2020, the Association signed a 38-month operating lease. Lease payments are due in the amount of \$3,671 per month through December 2021 with annual increases due each January. Additional payments for operating expenses, including repairs, landscaping, utilities, and insurance are required under the lease.

A new lease for this space was signed in October 2023 for five years with monthly payments of \$5,250 beginning in January 2024. Annual increases begin each January. The lease term extends through December 2028. Additional payments for operating expenses are required.

The following summarizes the line items in the statement of activities which include the components of lease expense for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating lease rent, included in general and administrative expenses	\$ 63,004	\$ 57,276
Variable payments, included in program service expenses	<u>19,394</u>	<u>25,637</u>
Total lease cost	<u>\$ 82,398</u>	<u>\$ 82,913</u>

The following summarizes lease term and discount rate for operating and financing leases as of December 31, 2024 and 2023:

Notes to Financial Statements

I. LEASES - Continued

	<u>2024</u>	<u>2023</u>
Operating Leases:		
Weighted Average Remaining Lease Term	4.0 years	5.0 years
Weighted Average Discount Rate	3.84%	3.84%
Financing Leases:		
Weighted Average Remaining Lease Term	0.08 years	1.08 years
Weighted Average Discount Rate	1.04%	1.04%
Maturities of operating lease liabilities as of December 31:		
2025		\$ 64,894
2026		66,841
2027		68,846
2028		<u>70,911</u>
Total lease payments		271,492
Less: interest		<u>(19,749)</u>
Present value of lease liabilities		<u>\$ 251,743</u>

Supplemental cash flow information for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating cash flows:		
Cash paid for amounts included in measurement of lease liabilities for operating leases	<u>\$ 63,004</u>	<u>\$ 57,276</u>
Right-of-use assets obtained in exchange for new operating lease liabilities	<u>\$</u>	<u>\$ 304,185</u>
Financing cash flows:		
Cash paid for amounts included in measurement of lease liabilities for financing leases	<u>\$ 1,681</u>	<u>\$ 1,666</u>
Cash paid for interest on financing leases	<u>\$ 11</u>	<u>\$ 27</u>

Notes to Financial Statements

J. EMPLOYEE RETENTION CREDITS

The 2021 Coronavirus Aid, Relief, and Economic Security (CARES) act included a provision that created the employee retention credit, a refundable tax credit against certain employment wages and payroll taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States Government which extended the credit through September 30, 2021 and expanded the credit to allow it to be equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee was \$10,000 of qualified wages per quarter.

During the year ended December 31, 2023, the Association determined it was eligible for the Employee Retention Credit and submitted amended payroll tax returns. The Association has determined that as of December 31, 2023, the criteria for recognition of this conditional grant had been met. Due to this determination, the Association has recorded \$180,000 in relation to the employee retention credit in the accompanying statement of activities and changes in net assets.

K. UNCERTAINTIES

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