

**NATIONAL ARCHERY ASSOCIATION
OF THE UNITED STATES**

d/b/a USA ARCHERY

Financial Statements

For the Year Ended December 31, 2023

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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, 2023, 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, 2023, 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' 2022 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, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
May 1, 2024

NATIONAL ARCHERY ASSOCIATION OF THE UNITED STATES
d/b/a USA ARCHERY
Statement of Financial Position
December 31, 2023
(With Comparative Totals for 2022)

	<u>ASSETS</u>	
	<u>2023</u>	<u>2022</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 615,366	\$ 867,012
Accounts receivable	221,282	34,215
Inventory	116,936	67,084
Prepaid expenses and deposits	<u>17,332</u>	<u>53,972</u>
Total current assets	970,916	1,022,283
LONG-TERM INVESTMENTS	2,439,705	1,997,429
RIGHT OF USE ASSET	306,008	53,766
PROPERTY AND EQUIPMENT:		
Equipment	504,685	486,293
Software	44,585	47,502
Less accumulated depreciation	<u>(436,541)</u>	<u>(417,461)</u>
Property and equipment - net	<u>112,729</u>	<u>116,334</u>
TOTAL ASSETS	<u>\$ 3,829,358</u>	<u>\$ 3,189,812</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
CURRENT LIABILITIES:		
Accounts payable	\$ 174,931	\$ 194,948
Accrued liabilities	121,686	119,975
Current portion operating lease liability	57,055	57,072
Refundable advances	194,818	
Current portion of capital lease obligations	1,681	1,665
Current portion of deferred revenue	<u>707,874</u>	<u>570,655</u>
Total current liabilities	1,258,045	944,315
LONG-TERM LIABILITIES:		
Long-term portion of capital lease obligations	141	1,824
Long-term portion of operating lease liability	247,271	
Deferred revenue - long term	<u>116,021</u>	<u>78,629</u>
Total liabilities	1,621,478	1,024,768
NET ASSETS:		
Without donor restrictions	2,207,880	2,147,044
With donor restrictions	<u>18,000</u>	<u>18,000</u>
Total net assets	<u>2,207,880</u>	<u>2,165,044</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,829,358</u>	<u>\$ 3,189,812</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, 2023
(With Comparative Totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Totals	2022 Totals
REVENUE:				
Membership registrations	\$ 1,348,502	\$	\$ 1,348,502	\$ 1,385,304
Contributions and grants	1,133,285		1,133,285	620,079
USOPC grants	1,096,321		1,096,321	1,132,256
Tournament revenue	956,014		956,014	826,890
Certification revenue	716,953		716,953	623,402
Inventory sales	492,591		492,591	397,535
Cost of inventory sold	(373,061)		(373,061)	(282,473)
Other income	226,082		226,082	15,061
Investment income (loss)	197,310		197,310	(217,018)
NAA Foundation grant	130,000		130,000	100,000
In-kind donations	114,151		114,151	361,044
Corporate sponsorships	112,228		112,228	122,984
Fundraising revenue	13,700		13,700	
Website/marketing advertising				275
Satisfied program restrictions	<u>18,000</u>	<u>(18,000)</u>		
Total revenue	6,182,076	(18,000)	6,164,076	5,085,339
EXPENSES:				
Program services:				
High performance	1,132,934		1,132,934	1,341,442
National events and trials	1,118,404		1,118,404	850,188
Membership services	765,212		765,212	707,963
Grass roots development	669,284		669,284	496,150
International events	529,933		529,933	382,933
Coach development	514,323		514,323	446,066
Paralympic team	<u>447,989</u>		<u>447,989</u>	<u>445,416</u>
Total program services	5,178,079		5,178,079	4,670,158
Supporting services:				
General and administrative	870,983		870,983	813,806
Direct marketing	<u>72,178</u>		<u>72,178</u>	<u>25,825</u>
Total supporting services	<u>943,161</u>		<u>943,161</u>	<u>839,631</u>
Total expenses	<u>6,121,240</u>		<u>6,121,240</u>	<u>5,509,789</u>
CHANGE IN NET ASSETS	60,836	(18,000)	42,836	(424,450)
NET ASSETS, beginning of year	<u>2,147,044</u>	<u>18,000</u>	<u>2,165,044</u>	<u>2,589,494</u>
NET ASSETS, end of year	<u>\$ 2,207,880</u>	<u>\$</u>	<u>\$ 2,207,880</u>	<u>\$ 2,165,044</u>

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, 2023
(With Comparative Totals for 2022)

	High Performance	National Events & Trials	Membership Services	Grassroots Development	International Events	Coach Development	Paralympic Team	Total Program Services
Salaries & wages	\$ 535,875	\$ 187,415	\$ 245,421	\$ 178,790	\$	\$ 218,675	\$ 86,516	\$ 1,452,692
Travel & meetings	241,639	125,319	4,637	18,152	357,802	13,649	85,833	847,031
Other contract services	17,635	266,851	31,846	220	10,977	141,649	62,203	531,381
Awards & grants	10,351	177,315	154,368	16,073		2,260	42,600	402,967
Product costs			332,821					332,821
Advertising	49			295,587				295,636
Stipends/honorariums	88,625				123,278	31,100	45,398	288,401
Employee benefits	95,500	26,635	34,996	26,197		28,710	11,575	223,613
Payroll taxes	45,897	17,746	22,239	15,712		18,457	7,214	127,265
Field usage & equipment	25,067	41,100		78,519			1,830	146,516
Insurance			73,821			39,174		112,995
VIK		112,217				1,384		113,601
Merchant fees	707	27,555	74,188		2,027	6,077	1,723	112,277
Printing & postage	1,408	36,720	48,938	12,886	2,135	510	3,662	106,259
Rental & maintenance		3,952				1,173		5,125
Other program costs		3,655					73,814	77,469
Apparel/uniforms	7,408	2,030	1,321	2,545	25,709	339	19,090	58,442
Membership processing/management fees			53,841					53,841
Legal fees	13,160		18,954	1,050				33,164
Depreciation & amortization	8,579	16,043	10,339	3,018		903	538	39,420
IT support	6,232	26,698	3,116	3,348		2,536		41,930
Books, subscriptions, reference	3,339	3,417	11,799	4,003	250	4,327	330	27,465
Payroll service fees	12,218	4,534	5,603	4,016		4,551	1,664	32,586
Supplies	8,775	11,854	110	2,353	2,645	204	3,243	29,184
Marketing & promotion		15,735		779	12		193	16,719
Telephone & telecommunications	2,628	1,174		827	331	804		5,764
Registration & license fees	563		3					566
Web hosting & design			9,912					9,912
Membership & dues	2,189	70			4,501			6,760
Internet/cable		2,922		158		8		3,088
Storage		6,459						6,459
Conference, convention, & meetings	5,030						437	5,467
Other costs						1,018		1,018
Gifts		630			266			896
Inventory write down				4,724		(3,215)		1,509
Bank charges & wire fees	30				255	30	126	441
Staff background screening	30	105		85				220
Fees for service		253		242	(255)			240
Bad debt								
Staff development								
Merchandise shipping/handling								
Total expenses	1,132,934	1,118,404	1,138,273	669,284	529,933	514,323	447,989	5,551,140
Less expenses netted against revenue on statement of activities			(373,061)					(373,061)
	\$ 1,132,934	\$ 1,118,404	\$ 765,212	\$ 669,284	\$ 529,933	\$ 514,323	\$ 447,989	\$ 5,178,079

	General & Administrative	Direct Marketing	Total Supporting Services	2023 Total Expenses	2022 Total Expenses
Salaries & wages	\$ 417,284	\$ 20,278	\$ 437,562	\$ 1,890,254	\$ 1,550,416
Travel & meetings	39,567	5,826	45,393	892,424	896,553
Other contract services	141,066		141,066	672,447	707,048
Awards & grants				402,967	356,721
Product costs				332,821	246,591
Advertising		300	300	295,936	19,301
Stipends/honorariums	582		582	288,983	190,160
Employee benefits	57,248	3,185	60,433	284,046	227,874
Payroll taxes	35,296	1,708	37,004	164,269	140,264
Field usage & equipment				146,516	156,368
Insurance	30,162	3,144	33,306	146,301	125,673
VIK	550		550	114,151	361,044
Merchant fees	39	1,660	1,699	113,976	101,961
Printing & postage	6,125	459	6,584	112,843	86,397
Rental & maintenance	76,349		76,349	81,474	88,496
Other program costs				77,469	88,012
Apparel/uniforms	549	160	709	59,151	49,735
Membership processing/management fees				53,841	53,461
Legal fees		20,030	20,030	53,194	32,395
Depreciation & amortization	11,021		11,021	50,441	59,419
IT support	4,863		4,863	46,793	44,462
Books, subscriptions, reference	17,677	202	17,879	45,344	59,271
Payroll service fees	8,605	496	9,101	41,687	37,639
Supplies	4,060	920	4,980	34,164	20,435
Marketing & promotion	118		118	16,837	6,739
Telephone & telecommunications	7,553	1,288	8,841	14,605	17,883
Registration & license fees	338	10,939	11,277	11,843	10,683
Web hosting & design				9,912	5,879
Membership & dues	1,173		1,173	7,933	5,086
Internet/cable	4,826		4,826	7,914	10,853
Storage				6,459	5,548
Conference, convention, & meetings		646	646	6,113	5,097
Other costs	3,497	875	4,372	5,390	6,203
Gifts	2,024	62	2,086	2,982	3,227
Inventory write down				1,509	13,154
Bank charges & wire fees	361		361	802	192
Staff background screening	50		50	270	375
Fees for service				240	(1,389)
Bad debt					2,220
Staff development					735
Merchandise shipping/handling					81
	870,983	72,178	943,161	6,494,301	5,792,262
Less expenses netted against revenue on statement of activities				(373,061)	(282,473)
	<u>\$ 870,983</u>	<u>\$ 72,178</u>	<u>\$ 943,161</u>	<u>\$ 6,121,240</u>	<u>\$ 5,509,789</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, 2023

(With Comparative Totals for 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 42,836	\$ (424,450)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
(Gain) loss on disposal of equipment	(4,802)	2,784
Realized and unrealized losses on investments	172,980	235,628
Depreciation and amortization	50,441	59,419
Decrease (increase) in assets:		
Accounts receivable	(187,067)	15,881
Grants receivable		348,669
Right of use asset	(252,242)	(53,766)
Inventory	(49,852)	19,827
Prepaid expenses and deposits	36,640	48,079
Increase (decrease) in liabilities:		
Accounts payable	(20,017)	(81,742)
Accrued and lease liabilities	243,905	66,928
Refundable advance	194,818	(91,980)
Deferred revenue	<u>174,752</u>	<u>(80,730)</u>
Net cash provided by operating activities	402,392	64,547
CASH FLOWS FROM INVESTING ACTIVITIES:		
Long-term investments, net	(615,256)	(367,609)
Proceeds from disposal of equipment	10,300	
Acquisition of equipment	<u>(47,415)</u>	<u>(68,609)</u>
Net cash used by investing activities	(652,371)	(436,218)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of capitalized lease obligations	<u>(1,667)</u>	<u>(1,665)</u>
Net cash used by financing activities	<u>(1,667)</u>	<u>(1,665)</u>
NET DECREASE IN CASH	(251,646)	(373,336)
CASH AND CASH EQUIVALENTS, beginning of year	<u>867,012</u>	<u>1,240,348</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 615,366</u>	<u>\$ 867,012</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, 2023

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 2023 were \$34,215 and \$221,282, 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 \$114,151 and \$361,044 of in-kind revenue during the years ended December 31, 2023 and 2022, 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 amounts insured.

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, 2023 and 2022, was \$50,441 and \$59,419, 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, 2023 and 2022.

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial 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, 2023 and 2022, the Association paid \$27 and \$26, 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, 2022, 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 May 1, 2024, 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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 615,366	\$ 867,012
Investments	2,439,705	1,997,429
Accounts and grants receivable	<u>221,282</u>	<u>34,215</u>
	3,276,353	2,898,656
Less amounts with donor restrictions	<u> </u>	<u>(18,000)</u>
Total financial assets available within one year	<u>\$ 3,276,353</u>	<u>\$ 2,880,656</u>

Although the Association does not intend to liquidate its investments for general expenditures, the funds are available, if necessary.

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, 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		<u>1,571,935</u>		<u>1,571,935</u>
	<u>\$ 521</u>	<u>\$ 2,439,184</u>	<u>\$</u>	<u>\$ 2,439,705</u>

<u>Assets at Fair Value as of December 31, 2022</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market	\$ 151,888	\$	\$	\$ 151,888
Certificates of deposit		437,583		437,583
United States Olympic & Paralympic Endowment investment portfolio		<u>1,407,958</u>		<u>1,407,958</u>
	<u>\$ 151,888</u>	<u>\$ 1,845,541</u>	<u>\$</u>	<u>\$ 1,997,429</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, 2023, 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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 24,330	18,610
Unrealized gains (losses) on securities	152,830	(262,426)
Realized gains on securities	<u>20,150</u>	<u>26,798</u>
	<u>\$ 197,310</u>	<u>\$ (217,018)</u>

D. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2023 and 2022, the USOPC provided grants to the Association as follows:

	<u>2023</u>	<u>2022</u>
NGB funding	\$ 836,321	\$ 871,643
Paralympic funding	225,000	45,000
Other support	14,500	201,000
Team trials	12,500	8,113
International relations grant	<u>8,000</u>	<u>6,500</u>
	<u>\$ 1,096,321</u>	<u>\$ 1,132,256</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, 2023 and 2022, to be \$201,000 each year. 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 \$19,984 and \$16,318 for the years ended December 31, 2023 and 2022, respectively.

NAAF provided the Association with grants of \$130,000 and \$100,000 for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, the Association paid stipends and awards to several Board Members in the amount of \$20,222 and \$28,080, 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, 2023 and 2022, the Association conducted business with a company owned by a member serving on the Association's Board of Directors.

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 the respective years. During the years ended December 31, 2023 and 2022, the Association received \$15,000 each year in sponsorship revenue from the agreements. During 2023 the company provided a \$5,900 sponsorship for the Barebow prize money of the Indoor Nationals Finals. This agreement was renewed for 2024. 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 years ended December 31, 2023 and 2022, the Association recorded \$7,614 and \$8,332, respectively, in national indoor revenue related to transactions with the Board Member's company.

At December 31, 2023 and 2022, the Association owed the Board Member's company \$12,426 and \$19,585, respectively. At December 31, 2023 and 2022, the Board Member's company owed the Association \$0 and \$3,750, respectively.

The Association purchased field equipment, facility usage, and other small items in the amount of \$2,197 and \$31,491 from the Board Member's company for Association program use during the years ended December 31, 2023 and 2022, respectively.

E. DEFERRED REVENUE

Deferred revenue consists of the following at December 31:

	<u>2023</u>	<u>2022</u>
Membership dues	\$ <u>823,895</u>	\$ <u>649,284</u>

F. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Time restricted	\$ _____	\$ <u>18,000</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended December 31, 2023 and 2022, net assets were released from restrictions for satisfying the following purposes:

	<u>2023</u>	<u>2022</u>
Time restricted	\$ <u>18,000</u>	\$ <u>15,807</u>

Notes to Financial Statements

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. The Association matches employee contributions up to 3% of their total wages.

For the years ended December 31, 2023 and 2022, the Association contributed \$33,121 and \$28,699, respectively.

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, 2023 and 2022, are as follows:

	<u>2023</u>	
Services:		
Travel and facilities	\$ 98,151	\$ 221,318
Production services		<u>30,000</u>
	<u>98,151</u>	<u>251,318</u>
Tangible goods:		
Field equipment	<u>16,000</u>	<u>109,726</u>
	<u>16,000</u>	<u>109,726</u>
Total in-kind goods and services	<u>\$ 114,151</u>	<u>\$ 361,044</u>

I. LEASES

The Association assesses whether an arrangement qualifies as a lease at inception and only reassess 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 selected to expense the cost of the short-term leases on the straight-line basis in the accompanying Statement of Activities.

Notes to Financial Statements

I. LEASES - Continued

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 \$1,665 for the equipment under capital lease for each of the years ended December 31, 2023 and 2022.

The assets included in the statement of financial position are:

	<u>2023</u>
Capitalized equipment	\$ 8,460
Accumulated amortization	<u>(6,768)</u>
	<u>\$ 1,692</u>

Future minimum lease payments under this financing lease for the year ended December 31 are as follows:

2024	\$ 1,681
2025	141

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.

Notes to Financial Statements

I. LEASES - Continued

The following summarizes the line items in the statement of activities which include the components of lease expense for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Operating lease rent, included in general and administrative expenses	\$ 57,276	\$ 53,971
Variable payments, included in program service expenses	<u>25,637</u>	<u>23,890</u>
Total lease cost	<u>\$ 82,913</u>	<u>\$ 77,861</u>

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

Operating Leases:

Weighted Average Remaining Lease Term	5.0 years	1.0 years
Weighted Average Discount Rate	3.84%	0.78%

Financing Leases:

Weighted Average Remaining Lease Term	1.08 years	2.08 years
Weighted Average Discount Rate	1.04%	1.04%

Maturities of operating lease liabilities as of December 31:

2024	\$ 63,004
2025	64,894
2026	66,841
2027	68,846
2027	<u>70,911</u>
Total lease payments	334,496
Less: interest	<u>(30,170)</u>
Present value of lease liabilities	<u>\$ 304,326</u>

Notes to Financial Statements

I. LEASES - Continued

Supplemental cash flow information for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Operating cash flows:		
Cash paid for amounts included in measurement of lease liabilities for operating leases	\$ <u>50,664</u>	\$ <u>44,502</u>
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ <u>304,185</u>	\$ <u> </u>
Financing cash flows:		
Cash paid for amounts included in measurement of lease liabilities for financing leases	\$ <u>1,666</u>	\$ <u>1,692</u>
Cash paid for interest on financing leases	\$ <u>27</u>	\$ <u>26</u>

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.

Notes to Financial Statements

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.