

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

**Financial Statements
& Supporting Schedules**

For the Year Ended December 31, 2009

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INDEPENDENT AUDITORS' REPORT

Executive Committee
USA Weightlifting, Inc.
Colorado Springs, Colorado

We have audited the accompanying consolidating statement of financial position of USA Weightlifting, Inc. and The U.S. Amateur Weightlifting Foundation, (nonprofit organizations) as of December 31, 2009, and the related consolidating statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the consolidating 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, 2009 and the consolidating changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the consolidating financial statements taken as a whole. The supplemental schedules of program services and supporting services for the year ended December 31, 2009, are presented for purposes of additional analysis and are not a required part of the consolidating financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidating financial statements and, in our opinion is fairly stated in all material respects in relation to the consolidating financial statements taken as a whole.

Waugh & Goodwin, LLP
April 15, 2010

USA WEIGHTLIFTING, INC.
 THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
 Consolidating Statement of Financial Position
 For the Year Ended December 31, 2009

ASSETS

	USA Weightlifting Inc.	The U.S. Amateur Weightlifting Foundation	Eliminating Entries	Consolidated Totals
CURRENT ASSETS:				
Cash and cash equivalents	\$ 275,450	\$ 2,303	\$	\$ 277,753
Short-term investments	114,382	296,061		410,443
Accounts receivable	33,861			33,861
Inventory	45,675			45,675
Prepaid expenses	40,445			40,445
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	509,813	298,364		808,177
PROPERTY AND EQUIPMENT,				
at cost:				
Training equipment	490,598			490,598
Office furniture	20,928			20,928
Less accumulated depreciation	(493,406)			(493,406)
	<hr/>	<hr/>	<hr/>	<hr/>
Property and equipment - net	18,120			18,120
TOTAL ASSETS	\$ 527,933	\$ 298,364	\$	\$ 826,297

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:				
Accounts payable	\$ 50,266	\$	\$	\$ 50,266
Accrued liabilities	13,992			13,992
Deferred revenue	179,072			179,072
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	243,330			243,330
NET ASSETS:				
Unrestricted	273,456	298,364		571,820
Unrestricted - board designated	2,664			2,664
Temporarily restricted	8,483			8,483
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	284,603	298,364		582,967
TOTAL LIABILITIES AND NET ASSETS	\$ 527,933	\$ 298,364	\$	\$ 826,297

See Notes to 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, 2009

	USA Weightlifting, Inc.			The U.S. Amateur Weightlifting Foundation		Eliminating Entries	Totals
	Unrestricted	Temporarily Restricted	\$	Weightlifting Foundation	\$		
REVENUE:							
USOC revenue:							
Grants	\$ 263,690	\$	\$		\$		\$ 263,690
Content license agreement	75,000						75,000
National coaching clinics	322,620						322,620
Membership	279,170						279,170
Merchandise sales	159,727						159,727
Less cost of goods sold	(50,574)						(50,574)
Unrealized gain on investments	12,487			68,498			80,985
Sponsorship	68,299						68,299
Event revenue	57,724						57,724
Contributions	7,934						7,934
Interest income	2,149			35,566			37,715
Miscellaneous income	8,059						8,059
VIK sponsorship	2,425						2,425
Realized gain on investments	997			18,342			19,339
Satisfied program restrictions	189,857		(189,857)		516		2,425
Total revenue	1,399,564		(154,291)	87,356			1,332,629
EXPENSES:							
Program services:							
Development and athlete programs	448,779						448,779
International events	155,078						155,078
Membership services	118,504						118,504
National events	46,952						46,952
Total program services	769,313						769,313
Supporting services:							
National headquarters	374,755			1,962			376,717
Fundraising	12,542						12,542
Board of Directors	4,715						4,715
Total supporting services	392,012			1,962			393,974
Total expenses	1,161,325			1,962			1,163,287
CHANGES IN NET ASSETS							
NET ASSETS, beginning of year	238,239		(154,291)	85,394			169,342
NET ASSETS, end of year	37,881		162,774	212,970			413,625
	\$ 276,120	\$	\$ 8,483	\$ 298,364	\$	\$	\$ 582,967

See Notes to Financial Statements

USA WEIGHTLIFTING, INC.
 THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
 Consolidating Statement of Cash Flows
 For the Year Ended December 31, 2009

	USA Weightlifting Inc.	The U.S. Amateur Weightlifting Foundation	Eliminating Entries	Consolidated Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 83,948	\$ 85,394	\$	\$ 169,342
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	6,635			6,635
Realized and unrealized gain on investments	(13,484)			(13,484)
Changes in assets and liabilities:				
Decrease in accounts receivable	85,848			85,848
Decrease in inventory	11,411			11,411
Increase in prepaid expenses	(33,534)			(33,534)
Decrease in accounts payable and accrued liabilities	(14,149)	(10,791)		(24,940)
Decrease in deferred revenue	(6,983)			(6,983)
Total adjustments	<u>35,744</u>	<u>(10,791)</u>		<u>24,953</u>
Net cash provided by operating activities	119,692	74,603		194,295
CASH FLOWS FROM INVESTING ACTIVITIES:				
Net change in short-term investments	<u>(89,132)</u>	<u>(86,021)</u>		<u>(175,153)</u>
Net cash used by investing activities	<u>(89,132)</u>	<u>(86,021)</u>		<u>(175,153)</u>
NET INCREASE (DECREASE) IN CASH	30,560	(11,418)		19,142
CASH AND CASH EQUIVALENTS, beginning of year	<u>244,890</u>	<u>13,721</u>		<u>258,611</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 275,450</u>	<u>\$ 2,303</u>	<u>\$</u>	<u>\$ 277,753</u>

See Notes to Financial Statements

USA WEIGHTLIFTING, INC.
THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
Notes to Consolidating Financial Statements
For the Year Ended December 31, 2009

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of USA Weightlifting, Inc. are being presented on a consolidated basis with The U.S. Amateur Weightlifting Foundation in order to conform to the requirements of Statement of Position No. 94-3 issued by the American Institute of Certified Public Accountants. The Statement of Position requires consolidation when one nonprofit has a financial interest and controls the appointment of a majority of board of directors of another nonprofit entity.

Transactions between the two entities are shown as eliminating entries and removed in order to properly reflect consolidated totals.

Organization

USA Weightlifting, Inc. (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 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.

The U.S. Amateur Weightlifting Foundation (the USWF) was incorporated in 1985. The purpose of the Foundation is to raise funds and acquire assets that will enable USA Weightlifting, Inc. to encourage, improve and promote weightlifting in the United States. The Foundation is not a private foundation.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Financial Statements

The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily or permanently restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Accounts Receivable

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

Inventory

Inventory consists of promotional items, clothing, and publications which are stated at the lower of cost (first-in, first-out method) or market.

Membership Registrations

Membership registrations consist of annual, two-year, three-year and four-year registrations. Annual registrations are recognized as revenue ratably over the membership period. Registrations relating to future years are recorded as deferred revenue and recognized as they are earned.

Depreciation

Depreciation is recorded for office furniture and equipment and training equipment using the straight-line method over estimated useful lives of 3 to 10 years. Depreciation expense for the year ended December 31, 2009 was \$6,635.

Cash and Cash Equivalents

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

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Compensated Absences

Employees of the Association earn a vested right to compensation for unused vacation. Accordingly, an accrual has been made for vacation compensation that employees have earned but not yet taken.

Income Taxes

No provision for income taxes has been made in the accompanying financial statements because the Association and USWF are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986.

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," an Interpretation of FASB Statement No. 109 (FIN 48), that clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Association's income tax returns. The revised effective date for FIN 48 is years beginning after December 15, 2008; accordingly, the Association and USWF adopted the standard effective January 1, 2009.

The Association and USWF's income tax filings are subject to audit by various taxing authorities. The Association and USWF's open audit periods are 2005 - 2008. The Association and USWF believe that their operations have been conducted in accordance with its tax-exempt status.

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 that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 15, 2010, the date that the financial statements were available to be issued.

Notes to Consolidating Financial Statements

B. FAIR VALUE MEASUREMENTS

The Foundation 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 has 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, 2009:

Assets at Fair Value as of December 31, 2009

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market	\$ 659	\$	\$	\$ 659
Equities	10,165			10,165
Mutual funds	3,983			3,983
United States Olympic Foundation			395,636	395,636
	<u>\$ 14,807</u>	<u>\$</u>	<u>\$ 395,636</u>	<u>\$ 410,443</u>

Notes to Consolidating Financial Statements

B. FAIR VALUE MEASUREMENTS - Continued

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended December 31, 2009:

Beginning balance	\$ 0
Investments	325,781
Net realized and unrealized gains included in the statement	<u>69,855</u>
Ending balance	<u>\$ 395,636</u>

Gain included in the statement of activities attributable to the change in unrealized gains relating to assets still held at December 31, 2009	<u>\$ 63,380</u>
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The United States Olympic Foundation (USOF) investment consists of units in a pooled portfolio managed by the USOF. At December 31, 2009, the USOF portfolio consisted of the following types of securities:

Domestic equities	28.62%
Limited partnerships	28.61
International equities	19.48
Domestic bonds	15.00
Cash & cash equivalents	8.10
Convertible securities	<u>.19</u>
	<u>100.00%</u>

C. DEFERRED REVENUE

Deferred revenue consists of the following at December 31, 2009:

Membership registrations	\$ 141,952
Coaching courses	32,420
Bid fees	4,250
Event fees	<u>450</u>
	<u>\$ 179,072</u>

Notes to Consolidating Financial Statements

D. BOARD DESIGNATED NET ASSETS

The Board of Directors has designated a portion of the Association's unrestricted net assets, known as the Gold Medal Fund, to be used for future programs.

E. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2009 consist of amounts received that are restricted for the following programs:

Jennifer Roy medal fund	\$ 7,550
Jack Hughes award	<u>933</u>
	<u>\$ 8,483</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the year ended December 31, 2009, net assets were released from restrictions for satisfying the following purposes:

WerkSan fund	\$ 123,990
Honorary Team Captain	64,434
De Garmo Insurance	<u>1,433</u>
	<u>\$ 189,857</u>

F. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2009, the United States Olympic Committee (USOC) provided grants to the Association under the following project categories:

NGB funding	\$ 196,514
International relations	45,090
VIK	<u>22,086</u>
	<u>\$ 263,690</u>

In 2007 the Corporation entered into a content license agreement with the USOC. The term of the agreement is July 1, 2007 through December 31, 2012. Under the terms of the content license agreement the joint marketing agreement was terminated. The Association received \$75,000 in 2009 under this agreement.

The Association is economically dependent upon grants from the USOC in order to maintain its programs at current levels.

Notes to Consolidating Financial Statements

F. RELATED PARTY TRANSACTIONS - Continued

The USOC also provides the Association with a portion of its office facilities at no cost. These facilities have been valued at \$9,335 and recorded as USOC grant revenue in the accompanying financial statements. Rent paid to the USOC for the year ended December 31, 2009 amounted to \$81 per month.

G. RETIREMENT PLAN

The Association has established a tax sheltered annuity program qualified under Section 403(b) of the Internal Revenue Code in which the employer contributes 5% of eligible compensation. Employees are eligible to participate in the plan after completing 90 days of service. Employer contributions for the year ended December 31, 2009 were \$7,258.

H. LEASES

The Association leased a storage unit on a month-to-month basis for \$140 per month through April. In addition, the Association leases office space, as explained in Note F, on a month-to-month basis for \$81 per month. Total rent expense under these leases amounted to \$1,532 for the year ended December 31, 2009.

USA WEIGHTLIFTING, INC.
 THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
 Schedule of Program Services
 For the Year Ended December 31, 2009

	Development and Athlete Programs	International Events	Membership Services	National Events	Total Program Services
Airfare & other travel	\$ 34,161	\$ 135,501	\$	\$ 5,882	\$ 175,544
Apparel & outfitting	2,206	90			2,296
Contract personnel	632			240	872
Dues & fees	15,941	15,450	116	29,308	60,699
Gifts & awards		1,675		352	2,143
Honorariums	17,850			300	18,150
Incentives	42,726				42,726
Insurance		1,501	63,750		65,251
Internet expense	11	119	24,143		24,273
Other expense	336			3,922	4,258
Postage & shipping	5,715	434		5,891	12,040
Printing & publications	397				397
Rebates	35,585		29,871		65,456
Rent	1,306			500	1,806
Salaries	139,260				139,260
Payroll taxes	11,622				11,622
Employee benefits	29,633		624		29,633
Small equipment	171				171
Supplies & materials	107,529	308		557	108,394
Telephone	3,698				3,698
	<u>\$ 448,779</u>	<u>\$ 155,078</u>	<u>\$ 118,504</u>	<u>\$ 46,952</u>	<u>\$ 769,313</u>

USA WEIGHTLIFTING, INC.
 THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
 Schedule of Supporting Services
 For the Year Ended December 31, 2009

	National Headquarters	Fundraising	Board of Directors	Total
Advertising & promotion	700			700
Airfare & other travel	4,979	8,271	3,725	16,975
Bank charges	736			736
Contract personnel	10,654			10,654
Depreciation	6,635			6,635
Dues & fees	17,700			17,700
Gifts & awards	1,521		788	2,309
Insurance	54,565			54,565
Legal & professional fees	30,980			30,980
Other expense	3,981	150		4,131
Postage & shipping	4,467		50	4,517
Printing & publications	510		152	662
Rent	10,864			10,864
Repairs & maintenance	841			841
Salaries	173,800	1,500		175,300
Payroll taxes	14,458			14,458
Employee benefits	31,721	1,715		33,436
Small equipment	1,666			1,666
Supplies & materials	1,575			1,575
Telephone	4,364	906		5,270
	<u>\$ 376,717</u>	<u>\$ 12,542</u>	<u>\$ 4,715</u>	<u>\$ 393,974</u>