

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

**Financial Statements
& Supporting Schedules**

For the Year Ended December 31, 2008

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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, (a nonprofit organization) as of December 31, 2008, 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, 2008 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, 2008, 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

June 22, 2009

USA WEIGHTLIFTING, INC.
THE U.S.AMATEUR WEIGHTLIFTING FOUNDATION
Consolidating Statement of Financial Position
For the Year Ended December 31, 2008

ASSETS

	USA Weightlifting Inc.	The U.S. Amateur Weightlifting Foundation	Eliminating Entries	Consolidated Totals
CURRENT ASSETS:				
Cash and cash equivalents	\$ 244,890	\$ 13,721	\$	\$ 258,611
Short-term investments	11,765	210,040		221,805
Accounts receivable	119,709		(10,791)	108,918
Inventory	57,086			57,086
Prepaid expenses	<u>6,911</u>			<u>6,911</u>
Total current assets	440,361	223,761	(10,791)	653,331
PROPERTY AND EQUIPMENT,				
at cost:				
Training equipment	492,963			492,963
Office furniture	20,928			20,928
Less accumulated depreciation	<u>(489,136)</u>			<u>(489,136)</u>
Property and equipment - net	<u>24,755</u>			<u>24,755</u>
TOTAL ASSETS	<u>\$ 465,116</u>	<u>\$ 223,761</u>	<u>\$ (10,791)</u>	<u>\$ 678,086</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 43,910	\$ 10,791	\$ (10,791)	\$ 43,910
Accrued liabilities	34,496			34,496
Deferred revenue	<u>186,055</u>			<u>186,055</u>
Total liabilities	264,461	10,791	(10,791)	264,461
NET ASSETS:				
Unrestricted	37,881	212,970		250,851
Temporarily restricted	<u>162,774</u>			<u>162,774</u>
Total net assets	<u>200,655</u>	<u>212,970</u>		<u>413,625</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 465,116</u>	<u>\$ 223,761</u>	<u>\$ (10,791)</u>	<u>\$ 678,086</u>

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, 2008

	USA Weightlifting, Inc.		The U.S. Amateur Weightlifting Foundation	Eliminating Entries	Totals
	Unrestricted	Temporarily Restricted			
REVENUE:					
USOC revenue:					
Grants	\$ 324,470	\$	\$	\$	\$ 324,470
Content license agreement	97,000				97,000
National coaches clinics	288,180				288,180
Membership	245,924				245,924
Contributions	6,806	175,285			182,091
Interest Income	3,072		158,589		161,661
Merchandise sales	94,225				94,225
Less cost of goods sold	(42,725)				(42,725)
Event revenue	92,755				92,755
Miscellaneous income	74,305				74,305
Sponsorship	58,859				58,859
VIK sponsorship	24,765				24,765
Grant from USWF	40,791			(40,791)	
Realized loss on investments			(533,758)		(533,758)
Unrealized loss on investments	(6,830)		(129,463)		(136,293)
Satisfied program restrictions	27,020	(27,020)			
Total revenue	1,328,617	148,265	(504,632)	(40,791)	931,459
EXPENSES:					
Program services:					
Development and athlete programs	476,348				476,348
International events	205,095				205,095
Membership services	85,529				85,529
National events	77,093				77,093
Grant to USA Weightlifting			40,791	(40,791)	
Total program services	844,065		40,791	(40,791)	844,065
Supporting services:					
National headquarters	482,705		1,950		484,655
Fundraising	14,684				14,684
Board of Directors	3,384				3,384
Total supporting services	500,773		1,950		502,723
Total expenses	1,344,838		42,741	(40,791)	1,346,788
CHANGES IN NET ASSETS	(16,221)	148,265	(547,373)		(415,329)
NET ASSETS, beginning of year	54,102	14,509	760,343		828,954
NET ASSETS, end of year	\$ 37,881	\$ 162,774	\$ 212,970	\$	\$ 413,625

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, 2008

	USA Weightlifting Inc.	The U.S. Amateur Weightlifting Foundation	Eliminating Entries	Consolidated Totals
CASH FLOWS FROM OPERATING				
ACTIVITIES:				
Change in net assets	\$ 132,044	\$ (547,373)	\$	\$ (415,329)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Depreciation	7,089			7,089
Realized and unrealized losses on investments	6,830			6,830
Changes in assets and liabilities:				
Increase in accounts receivable	(75,866)		10,791	(75,866)
Decrease in inventory	4,962			4,962
Decrease in prepaid expenses	57,746			57,746
Increase in accounts payable and accrued liabilities	26,491	10,791	(10,791)	37,282
Increase in deferred revenue	6,580			6,580
Total adjustments	<u>33,832</u>	<u>10,791</u>		<u>44,623</u>
Net cash provided (used) by operating activities	165,876	(536,582)		(370,706)
CASH FLOWS FROM INVESTING				
ACTIVITIES:				
Net change in short-term investments	<u>(1,009)</u>	<u>548,550</u>		<u>547,541</u>
Net cash provided (used) by investing activities	<u>(1,009)</u>	<u>548,550</u>		<u>547,541</u>
NET INCREASE IN CASH	164,867	11,968		176,835
CASH AND CASH EQUIVALENTS, beginning of year	<u>80,023</u>	<u>1,753</u>		<u>81,776</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 244,890</u>	<u>\$ 13,721</u>	<u>\$</u>	<u>\$ 258,611</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, 2008

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.

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, 2008 was \$7,089.

Cash and Cash Equivalents

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

Compensated Absences

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

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

B. SHORT-TERM INVESTMENTS

Short-term investments are recorded at quoted market values and consist of the following at December 31, 2008:

Mutual funds:

Alpine Total Dynamic Dividend	\$ 167,731
Cohen & Steers Global Inc. Bldr.	31
DOW 30SM Enhanced Premium	17,780
Blackrock Preferred & EQ Advantage	2,923
Domestic equities	6,292
Money market accounts	<u>27,048</u>
At market value	<u>\$ 221,805</u>
At cost	<u>\$ 358,098</u>

C. DEFERRED REVENUE

Deferred revenue consists of the following at December 31, 2008:

Membership registrations	\$ 137,450
Coaching courses	37,005
Sponsorship	9,600
Bid fees	<u>2,000</u>
	<u>\$ 186,055</u>

D. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2008 consist of amounts received that are restricted for the following programs:

WerkSan fund	\$ 90,224
Honorary Team Captain program	64,434
Jennifer Roy medal fund	5,750
De Garmo Insurance fund	1,433
Jack Hughes award	<u>933</u>
	<u>\$ 162,774</u>

Notes to Consolidating Financial Statements

D. TEMPORARILY RESTRICTED NET ASSETS - Continued

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the year ended December 31, 2008, net assets were released from restrictions for satisfying the following purposes:

WerkSan fund	\$ 18,106
De Garmo Insurance fund	<u>8,914</u>
	<u>\$ 27,020</u>

E. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2008, the United States Olympic Committee (USOC) provided grants to the Association under the following project categories:

NGB funding	\$ 269,780
International relations	28,400
VIK	<u>26,290</u>
	<u>\$ 324,470</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 \$97,000 in 2008 under this agreement.

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

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 VIK sponsorship revenue in the accompanying financial statements. Rent paid to the USOC for the year ended December 31, 2008 amounted to \$81 per month.

During the year ended December 31, 2008 The U.S. Amateur Weightlifting Foundation provided a grant to the Corporation in the amount of \$40,791.

Notes to Consolidating Financial Statements

F. 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, 2008 was \$16,454.

G. LEASES

The Organization leases a storage unit on a month-to-month basis for \$140 per month. In addition, the Association leases office space, as explained in Note E, on a month-to-month basis for \$81 per month. Total rent expense under these leases amounted to \$2,649 for the year ended December 31, 2008.

USA WEIGHTLIFTING, INC.
THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
Schedule of Program Services
For the Year Ended December 31, 2008

	Development and Athlete Programs	International Events	Membership Services	National Events	Total Program Services
Advertising & promotion	\$	\$ 510	\$	\$	\$ 510
Airfare & other travel	49,911	164,562		17,685	232,158
Apparel & outfitting	16,623	26,465			43,088
Contract Personnel				1,321	1,321
Dues & fees	9,285	8,610	36	29,580	47,511
Education	300				300
Gifts and awards			3,643	1,743	5,386
Honorariums	23,275				23,275
Incentives	18,106				18,106
Insurance	9,221	1,603			10,824
Internet expense			36,127		36,127
Other expense	4	994		5,444	6,442
Postage & shipping	8,774	1,589	5,644	14,559	30,566
Printing & publications	19,693		8,929		28,622
Rebates	40,769		31,150		71,919
Rent	1,972			3,371	5,343
Salaries	183,232				183,232
Payroll taxes	14,245				14,245
Employee benefits	19,953				19,953
Supplies & materials	58,483	384		3,390	62,257
Telephone	2,502	378			2,880
	<u>\$ 476,348</u>	<u>\$ 205,095</u>	<u>\$ 85,529</u>	<u>\$ 77,093</u>	<u>\$ 844,065</u>

USA WEIGHTLIFTING, INC.
THE U.S. AMATEUR WEIGHTLIFTING FOUNDATION
Schedule of Supporting Services
For the Year Ended December 31, 2008

	National Headquarters	Fundraising	Board of Directors	Total
Advertising & promotion	\$ 573	\$	\$	\$ 573
Bad debt expense	(225)			(225)
Airfare & other travel	2,706	10,226	1,395	14,327
Bank charges	163			163
Contract personnel	24,142			24,142
Depreciation	7,089			7,089
Dues & fees	12,221	4,195		16,416
Gifts and awards	754			754
Insurance	120,561			120,561
Internet expense	84			84
Legal & professional fees	39,416		1,650	41,066
Other expense	7,099	46		7,145
Postage & shipping	6,803	7	339	7,149
Printing & publications	1,818			1,818
Rent	11,990			11,990
Repairs & maintenance	2,443			2,443
Salaries	188,097			188,097
Payroll taxes	13,871			13,871
Employee benefits	33,912			33,912
Small equipment	3,161			3,161
Supplies & materials	2,838	45		2,883
Telephone	5,139	165		5,304
	<u>\$ 484,655</u>	<u>\$ 14,684</u>	<u>\$ 3,384</u>	<u>\$ 502,723</u>