Scholastic Shooting Sports Foundation, Inc. and Subsidiaries

Consolidated Financial Report

August 31, 2025

SCHOLASTIC SHOOTING SPORTS FOUNDATION, INC. AND SUBSIDIARIES

C O N T E N T S

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Scholastic Shooting Sports Foundation, Inc. and Subsidiaries

Qualified Opinion

We have audited the accompanying financial statements of Scholastic Shooting Sports Foundation, Inc. and Subsidiaries (the "organization"), which comprise the consolidated statements of financial position as of August 31, 2025, 2024, and 2023 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matter described in the Basis for the Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Scholastic Shooting Sports Foundation, Inc. and Subsidiaries as of August 31, 2025, 2024, and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We did not observe the taking of the physical inventories at August 31, 2025, 2024, and 2023, since prior to those dates we were not engaged as auditors for the organization. We were unable to obtain sufficient appropriate audit evidence about inventory quantities by other auditing procedures.

We conducted our audits 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 Scholastic Shooting Sports Foundation, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter – Prior Period Audited by Other Auditors

The financial statements of Scholastic Shooting Sports Foundation, Inc. as of and for the year ended August 31, 2022 were audited by another independent auditor, whose report dated December 5, 2024 expressed a qualified opinion on those statements due to the auditor not observing the physical inventory as of August 31, 2022.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 of the organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

SVA Certified Public Accountants, S.C.

Madison, Wisconsin

July 7, 2026

SCHOLASTIC SHOOTING SPORTS FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31, 2025 and 2024 and 2023

	2025	2024	2023
ASSETS			
Cash and cash equivalents	$ 671,346	$ 799,604	$ 496,376
Accounts receivable, net	133,846	161,780	7,888
Inventory	1,052,522	1,008,065	929,261
Prepaid expenses	3,500	28,004	137,286
Investments	1,174,744	1,409,595	1,271,193
Fixed assets, net	1,873,468	1,809,277	1,842,138
Operating right-of-use assets	870,520	19,929	58,741
TOTAL ASSETS	$ 5,779,946	$ 5,236,254	$ 4,742,883
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable and accrued expenses	$ 278,373	$ 1,194,499	$ 251,819
Note payable - short term	44,869	43,005	37,851
Operating lease liabilities - short term	37,033	19,929	38,813
Note payable - long term	331,552	376,421	419,426
Operating lease liabilities - long term	838,722	0	19,928
Total liabilities	1,530,549	1,633,854	767,837
NET ASSETS			
Net assets without donor restrictions	4,135,900	3,470,026	3,913,867
Net assets with donor restrictions - coach training	113,497	132,374	61,179
Total net assets	4,249,397	3,602,400	3,975,046
TOTAL LIABILITIES AND NET ASSETS	$ 5,779,946	$ 5,236,254	$ 4,742,883

The accompanying notes are an integral part of these financial statements.

SCHOLASTIC SHOOTING SPORTS FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended August 31, 2025

	Without donor restrictions	With donor restrictions	Total
Changes in net assets:			
Public support, revenue and gains:			
Grants	$ 296,053	$ 441,783	$ 737,836
Program fees	3,443,056	0	3,443,056
Contributions	363,924	0	363,924
In-kind contributions	638,167	0	638,167
Sale of merchandise, net	164,946	0	164,946
Special events, net	379,893	0	379,893
Other revenue	18,380	0	18,380
Net investment income (loss)	57,649	0	57,649
Net assets released from restrictions	460,660	(460,660)	0
Total public support, revenue and gains	5,822,728	(18,877)	5,803,851
Expenses:			
Program services	4,952,177	0	4,952,177
Supporting services:			
Management and general	191,248	0	191,248
Fundraising	13,429	0	13,429
Total expenses	5,156,854	0	5,156,854
Change in net assets	665,874	(18,877)	646,997
Net assets, beginning	3,470,026	132,374	3,602,400
Net assets, ending	$ 4,135,900	$ 113,497	$ 4,249,397

The accompanying notes are an integral part of these financial statements.

SCHOLASTIC SHOOTING SPORTS FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended August 31, 2024

	Without donor restrictions	With donor restrictions	Total
Changes in net assets:			
Public support, revenue and gains:			
Grants	$ 283,797	$ 443,000	$ 726,797
Program fees	3,240,975	0	3,240,975
Contributions	409,770	0	409,770
In-kind contributions	128,570	0	128,570
Sale of merchandise, net	171,963	0	171,963
Special events, net	214,718	0	214,718
Other revenue	3,939	0	3,939
Net investment income (loss)	150,646	0	150,646
Net assets released from restrictions	371,805	(371,805)	0
Total public support, revenue and gains	4,976,183	71,195	5,047,378
Expenses:			
Program services	5,291,144	0	5,291,144
Supporting services:			
Management and general	190,552	0	190,552
Fundraising	9,930	0	9,930
Total expenses	5,491,626	0	5,491,626
Change in net assets	(515,443)	71,195	(444,248)
Net assets, beginning	3,913,867	61,179	3,975,046
Noncash consolidation adjustment - Prairie Grove	71,602	0	71,602
Net assets, ending	$ 3,470,026	$ 132,374	$ 3,602,400

The accompanying notes are an integral part of these financial statements.

SCHOLASTIC SHOOTING SPORTS FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended August 31, 2023

	Without donor restrictions	With donor restrictions	Total
Changes in net assets:			
Public support, revenue and gains:			
Grants	$ 200,561	$ 313,000	$ 513,561
Program fees	2,720,911	0	2,720,911
Contributions	693,681	0	693,681
In-kind contributions	1,250,448	0	1,250,448
Sale of merchandise, net	249,894	0	249,894
Special events, net	56,485	0	56,485
Other revenue	67,751	0	67,751
Net investment income (loss)	(254,816)	0	(254,816)
Net assets released from restrictions	251,821	(251,821)	0
Total public support, revenue and gains	5,236,736	61,179	5,297,915
Expenses:			
Program services	4,527,568	0	4,527,568
Supporting services:			
Management and general	175,977	0	175,977
Fundraising	13,176	0	13,176
Total expenses	4,716,721	0	4,716,721
Change in net assets	520,015	61,179	581,194
Net assets, beginning	3,393,852	0	3,393,852
Net assets, ending	$ 3,913,867	$ 61,179	$ 3,975,046

The accompanying notes are an integral part of these financial statements.

SCHOLASTIC SHOOTING SPORTS FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended August 31, 2025

	Program services	Management and general	Fundraising	Total
Donations to MidwayUSA Foundation	$ 35,763	$ 0	$ 0	$ 35,763
Donations to team endowments	86,809	0	0	86,809
Salaries, benefits, and payroll taxes	1,243,118	138,124	0	1,381,242
Sporting events	19,250	0	0	19,250
Cost of merchandise	964,206	0	0	964,206
Special event merchandise	0	0	51,890	51,890
Cost of donated merchandise	390,520	0	0	390,520
Travel and entertainment	241,722	13,429	13,429	268,580
Scholarships	156,800	0	0	156,800
Facilities cost	1,014,755	0	0	1,014,755
Information technology	10,350	1,150	0	11,500
Contract services	80,618	8,958	0	89,576
Insurance	113,334	12,593	0	125,927
Awards	187,394	0	0	187,394
Postage	14,180	0	0	14,180
Printing and marketing	32,428	0	0	32,428
Materials and supplies	154,011	0	0	154,011
Dues and subscriptions	803,522	0	0	803,522
Depreciation	188,667	0	0	188,667
Interest	0	16,994	0	16,994
Other	178,936	0	0	178,936
Total expenses by function	5,916,383	191,248	65,319	6,172,950
Less cost of merchandise included with revenues on the statement of activities	(964,206)	0	0	(964,206)
Less special event expenses included with revenues on the statement of activities	0	0	(51,890)	(51,890)
Total functional expenses	$ 4,952,177	$ 191,248	$ 13,429	$ 5,156,854

SCHOLASTIC SHOOTING SPORTS FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended August 31, 2024

	Program services	Management and general	Fundraising	Total
Donations to MidwayUSA Foundation	$ 808,594	$ 0	$ 0	$ 808,594
Donations to team endowments	45,573	0	0	45,573
Salaries, benefits, and payroll taxes	1,226,946	136,327	0	1,363,273
Sporting events	11,455	0	0	11,455
Cost of merchandise	1,353,489	0	0	1,353,489
Special event merchandise	0	0	36,814	36,814
Cost of donated merchandise	124,633	0	0	124,633
Travel and entertainment	178,739	9,930	9,930	198,599
Scholarships	184,399	0	0	184,399
Facilities cost	945,160	0	0	945,160
Information technology	7,751	861	0	8,612
Contract services	144,839	16,093	0	160,932
Insurance	91,725	10,192	0	101,917
Awards	91,573	0	0	91,573
Postage	13,252	0	0	13,252
Printing and marketing	49,379	0	0	49,379
Materials and supplies	122,631	0	0	122,631
Dues and subscriptions	853,612	0	0	853,612
Depreciation	146,602	0	0	146,602
Interest	0	17,149	0	17,149
Other	244,281	0	0	244,281
Total expenses by function	6,644,633	190,552	46,744	6,881,929
Less cost of merchandise included with revenues on the statement of activities	(1,353,489)	0	0	(1,353,489)
Less special event expenses included with revenues on the statement of activities	0	0	(36,814)	(36,814)
Total functional expenses	$ 5,291,144	$ 190,552	$ 9,930	$ 5,491,626

SCHOLASTIC SHOOTING SPORTS FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended August 31, 2023

	Program services	Management and general	Fundraising	Total
Donations to MidwayUSA Foundation	$ 159,938	$ 0	$ 0	$ 159,938
Donations to team endowments	11,291	0	0	11,291
Salaries, benefits, and payroll taxes	1,016,011	112,890	0	1,128,901
Sporting events	5,838	0	0	5,838
Cost of merchandise	1,899,763	0	0	1,899,763
Special event merchandise	0	0	184,855	184,855
Cost of donated merchandise	154,998	0	0	154,998
Travel and entertainment	237,167	13,176	13,176	263,519
Scholarships	152,596	0	0	152,596
Facilities cost	832,449	0	0	832,449
Information technology	18,139	2,015	0	20,154
Contract services	213,853	23,762	0	237,615
Insurance	89,633	9,959	0	99,592
Awards	173,013	0	0	173,013
Postage	12,825	0	0	12,825
Printing and marketing	178,956	0	0	178,956
Materials and supplies	89,300	0	0	89,300
Dues and subscriptions	512,024	0	0	512,024
Depreciation	111,796	0	0	111,796
Interest	0	14,175	0	14,175
Other	557,741	0	0	557,741
Total expenses by function	6,427,331	175,977	198,031	6,801,339
Less cost of merchandise included with revenues on the statement of activities	(1,899,763)	0	0	(1,899,763)
Less special event expenses included with revenues on the statement of activities	0	0	(184,855)	(184,855)
Total functional expenses	$ 4,527,568	$ 175,977	$ 13,176	$ 4,716,721

SCHOLASTIC SHOOTING SPORTS FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended August 31, 2025, 2024, and 2023

	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	$ 646,997	$ (372,646)	$ 581,194
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Amortization of operating lease right-of-use asset	48,930	38,812	37,462
Depreciation	188,667	146,602	111,796
Net realized and unrealized (gains) losses on investments	(58,287)	(96,990)	286,404
Donation of fixed assets	(109,767)	0	(1,073,298)
Increase (decrease) in cash due to changes in:			
Accounts receivable	27,934	(153,892)	(587)
Inventory	(44,457)	(78,804)	374,007
Prepaid expenses	24,504	109,282	(22,018)
Accounts payable and accrued expenses	(916,126)	942,680	98,985
Operating lease liabilities	(43,695)	(38,812)	(37,462)
Net cash provided by (used in) operating activities	(235,300)	496,232	356,483
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	(143,091)	(146,841)	(107,314)
Proceeds from sale of fixed assets	0	33,100	0
Proceeds from sale of investments	1,230,054	802,787	611,965
Purchases of investments	(936,916)	(844,199)	(965,702)
Net cash provided by (used in) investing activities	150,047	(155,153)	(461,051)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on note payable	(43,005)	(37,851)	(30,825)
Net cash used in financing activities	(43,005)	(37,851)	(30,825)
Net change in cash, cash equivalents, and restricted cash	(128,258)	303,228	(135,393)
Cash, cash equivalents, and restricted cash:			
Beginning	799,604	496,376	631,769
Ending	$ 671,346	$ 799,604	$ 496,376
SUPPLEMENTAL SCHEDULE(S) OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Donated assets capitalized into rental property	$ 109,767	$ 0	$ 1,073,298
Financed assets capitalized into rental property	$ 0	$ 0	$ 488,102
Operating right-of-use assets obtained in exchange for new operating lease liabilities	$ 899,521	$ 0	$ 96,203
Prairie Grove consolidation adjustment	$ 0	$ 71,602	$ 0

The accompanying notes are an integral part of these financial statements.

NOTE A -- Nature of business and significant accounting policies

Nature of business

The consolidated financial statements include the accounts of Scholastic Shooting Sports Foundation, Inc. (the “foundation”); SSSF Sports Properties, Inc. (the “holding company”); and Prairie Grove Gun Club, LLC (“Prairie Grove”); collectively, the “organization.”

The foundation, a tax-exempt 501(c)(3) nonprofit corporation, provides, promotes and perpetuates opportunities for school age youth to participate in clay target sports at the local, state, national and international levels.

The holding company, a tax-exempt 501(c)(2) nonprofit corporation incorporated on March 15, 2023, acts as a title holding corporation for the foundation. The holding company’s sole purpose is to hold the title to real property, to collect income therefrom, and to turn over revenue earned less expenses to the foundation. The articles of organization call for the holding company to have a perpetual life.

Prairie Grove, a wholly owned subsidiary, was formed on March 15, 2023 to operate and conduct the business of a sporting goods store and sporting range. The real property was donated on December 28, 2022, and operation of the new LLC began on September 1, 2023. During the year ended August 31, 2024, the organization included Prairie Grove in consolidation. The consolidation adjustment represents the beginning net asset effect of Prairie Grove activity included in the consolidated financial statements. Prairie Grove is wholly owned by the holding company, as defined in Prairie Grove’s operating agreement. The articles of organization call for Prairie Grove to have a perpetual life.

A summary of significant accounting policies follows:

Basis of accounting and consolidation

The financial statements include the accounts of the foundation, holding company, and Prairie Grove, and have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities. The foundation has control over the holding company and an economic interest in the holding company, and the holding company owns 100% of Prairie Grove. Accordingly, all three entities are required to be included in the consolidated financial statements. There is no non-controlling interest and no consolidation-related restrictions on the organization’s use of specific assets. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of presentation

Under accounting principles generally accepted in the United States of America (U.S. GAAP), the organization is required to report information regarding their financial positions and activities according to two classes of net assets: net assets without donor designations and restrictions and net assets with donor designations and restrictions. Net assets with donor designations and restrictions are those whose use has been restricted or limited by donors to a specific time period or purpose.

NOTE A -- Nature of business and significant accounting policies (Continued)

Use of estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. There were no contingent assets or liabilities as of August 31, 2025, 2024, or 2023.

Exempt status

The foundation is a nonprofit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal income taxes is required. The foundation applies the guidance on accounting for uncertain tax provisions in FASB ASC 740 Income Taxes. The foundation is no longer subject to income tax examinations for tax years up to and including 2020.

The holding company is exempt from federal income taxes under Section 501(c)(2) of the Internal Revenue Code and is not subject to income taxes on activities related to its exempt purpose. Prairie Grove is a wholly owned LLC of the holding company and is treated as a disregarded entity for federal income tax purposes. Its activities are included in the holding company's applicable tax filings. Management has evaluated the organization's activities and determined that no material provision for income taxes is required.

Cash and cash equivalents

For the purpose of the statements of cash flows, the organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents, except for the money market portfolios included with its investment accounts which are treated as investments. Cash and cash equivalents consist of demand deposits in banks. The organization maintains cash in bank deposit accounts and balances, at times, exceed federally insured limits. Management does not believe the organization is exposed to any significant risk as a result of these deposits.

Accounts receivable

The organization uses a calculated loss rate as the basis to determine expected credit losses related to accounts receivable. When applicable, the allowance for credit losses is estimated based on expected credit losses considering the organization's historical losses, if any, the existing economic conditions in the shooting sports industry, and such other factors, which, in management's best judgment, deserve current recognition in estimating losses; and certain forward-looking information, including reasonable and supportable forecasts. There were no allowances related to accounts receivable as of August 31, 2025, 2024 or 2023. Accounts receivable are non-interest bearing.

Inventory

Inventory consists of guns and related supplies and equipment used primarily for competitions and merchandise for sale or promotion. Inventory is stated at the lower of cost or net realizable value with cost determined on the first-in, first-out (FIFO) method. Donated inventory is recorded at its estimated fair value on the date of contribution.

NOTE A -- Nature of business and significant accounting policies (Continued)

Investments

Investments are carried at fair value. The fair value of a financial instrument is the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Donated investments are recorded at fair value at the date of donation. Interest and dividend income and realized and unrealized gains and losses are reflected in the statements of activities as investment return. Gains and losses on sales of investments are determined based on the specific security sold. Income is recorded as earned. Investment return is reported net of external investment expenses. Investments are comprised of money market funds and marketable securities that can be readily liquidated.

The organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in these financial statements.

Revenue recognition – contributions and grants

Cash contributions and grants received are recorded as net assets without donor designations and restrictions or net assets with donor designations and restrictions depending on the existence and/or nature of any donor restrictions. The organization recognizes contributions when cash, securities, or other assets or an unconditional promise to give is received. Conditional promises to give are those that contain a measurable performance or other barrier and a right of return and are not recognized until the conditions on which they depend have been met. Unconditional promises to give are recorded at net present value.

Support that is restricted by the donor is reported as an increase in net assets with donor designations and restrictions, depending on the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor designations and restrictions are reclassified to net assets without donor designations and restrictions and reported in the statement of activities as net assets released from donor designations and restrictions. Donor-restricted support whose restrictions are met in the same reporting period in which the contributions are received are reported within net assets without donor restrictions.

Revenue recognition – program registration fees, sales of merchandise

Program registration fees, which are nonrefundable, and sales of merchandise are considered exchange transactions. The organization satisfies its performance obligations for program registration fees over time as the benefits are consumed. For some events, the program fees are recognized as the event occurs. Performance obligations for merchandise sales are met at a point in time and are recognized when the sale occurs. Deferred revenue, if any, is recorded for the portion of program fees received in the current year that relates to the following year.

NOTE A -- Nature of business and significant accounting policies (Continued)

Revenue recognition – special events

Special events are considered fundraising events. During the years ended August 31, 2025, 2024, and 2023, the organization recognized net revenue from the special events totaling $379,893, $214,718, and $56,485, respectively. The cost of the events included in net revenue above totaled $51,890, $36,814, and $184,855 for the years then ended, respectively.

Revenue recognition – investment transactions

Interest, dividends, and gains on investments, net of external investment fees and losses on investments, are recognized when earned and are reported as an increase or decrease in net assets without donor designations and restrictions unless explicitly restricted by donors.

Property and equipment

Property and equipment are stated at cost. Depreciation of property and equipment is computed principally by the straight-line method based upon management's estimate of each asset's useful life exceeding one year or more:

	Years
Computers and IT equipment	3 – 5
Office furniture and equipment	3 – 15
Vehicles	5
Building	40

The organization's policy is to capitalize computer equipment and other assets with a unit cost of $5,000 or greater that has a useful life greater than one year and to expense any items that do not meet these criteria. Depreciation expense totaled $188,667, $146,602, and $111,796 for the years ended August 31, 2025, 2024 and 2023, respectively.

Leases - Lessee

The organization determines if an arrangement is or contains a lease at inception. The organization has entered into an operating lease for warehouse storage space. Operating leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term.

The organization does not report ROU assets and lease liabilities for its short-term leases for event facilities (leases with a term of 12 months or less and that do not include an option to purchase the underlying assets that is reasonably certain to be exercised). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. See Note D for short-term lease expense recognized for those leases for each respective year ended.

The organization has also made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments for all leases in which the implicit rate was not available. The risk-free rate is based on the information available at the lease commencement date in determining the present value of the lease payments.

NOTE A -- Nature of business and significant accounting policies (Continued)

Expense allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and benefits are allocated on the basis of estimates of time. Non-personnel expenses are attributed to individual programs or supporting function. These expenses are directly identifiable with a specific individual program or supporting function and are directly allocated to the related individual program or supporting function.

Donation to team endowment and scholarships

Donations to team endowment and scholarships are considered conditional grants. These amounts are recorded as expenses when the conditions related to the award or scholarship have been met.

Subsequent events

These financial statements have not been updated for subsequent events occurring after July 7, 2026, which is the date these financial statements were available to be issued. The organization has no responsibility to update these financial statements for events and circumstances occurring after the report date.

NOTE B -- Accounts receivable

A summary of the accounts receivable as of August 31 is as follows:

	2025	2024	2023
Accounts receivable	$ 133,846	$ 161,780	$ 7,888
Less: Allowance for credit losses	0	0	0
Accounts receivable, net	$ 133,846	$ 161,780	$ 7,888

NOTE C -- Property and equipment, net

Net property and equipment consists of the following components at August 31:

	2025	2024	2023
Property and equipment:			
Land	$ 924,000	$ 924,000	$ 924,000
Building	337,400	337,400	337,400
Computers and IT	183,786	175,137	152,225
Furniture and equipment	890,173	656,224	650,639
Vehicles	197,703	187,443	102,199
Less: accumulated depreciation	(659,594)	(470,927)	(324,325)
Total property and equipment, net	$ 1,873,468	$ 1,809,277	$ 1,842,138

NOTE D -- Leases

The organization leases its warehouse/leased its office space under operating leases with 5-year initial terms. The office space lease expired in February 2025. The warehouse lease includes two five-year renewal options. The exercise of the renewal options for the warehouse space is at the sole discretion of the organization and only lease options that the organization believes are reasonably certain to be exercised are included in the measurement of the lease assets and liabilities. The warehouse lease expires in December 2039, assuming renewal options are exercised.

The components of lease expense are as follows for the year ended August 31:

	2025	2024	2023
Operating lease cost	$ 75,972	$ 40,152	$ 40,152
Short term lease cost	6,248	11,135	5,429
Total lease cost	$ 82,220	$ 51,287	$ 45,581

NOTE D -- Leases (Continued)

Supplemental statement of cash flows information related to leases as of August 31 is as follows:

	2025	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:	$ 70,740	$ 40,152	$ 40,152
Noncash financing and investing cash flow:			
Right-of-use assets obtained in exchange for lease obligations:	$ 899,521	$ 0	$ 96,203

Supplemental statement of financial position information related to leases as of August 31 is as follows:

	2025	2024	2023
Weighted average remaining lease Term (in years):	14.33	.58	1.58
Weighted average discount rate:	4.57%	3.55%	3.55%

Future minimum lease payments to be paid under leases as of August 31, 2025 are as follows:

Year ending August 31,	Operating lease
2026	$ 75,996
2027	75,996
2028	75,996
2029	75,996
2030	81,060
Thereafter	822,012
Total future minimum lease payments	1,207,056
Less amount of lease payments representing interest	(331,301)
Present value of future minimum lease payments (lease liabilities)	$ 875,755

NOTE E -- Note payable

In connection with the donation of Prairie Grove, the foundation entered into a note payable in the amount of $488,102, on December 22, 2022; maturing on December 5, 2032; payable in 120 payments of $5,000; bearing interest at 4.25%, compounding quarterly (effective rate of 4.32%). Current maturities as of August 31, 2025 are as follows:

Year ending August 31,		
2026	$	44,869
2027		46,814
2028		48,843
2029		50,960
2030		53,168
Thereafter		131,767
	$	376,421

NOTE F -- Investments at fair value

The organization holds its investments with a brokerage firm and utilizes an investment advisor as its investment management consultant. As of August 31, 2023, investments in equity securities includes money market funds and investments in individual stocks in various industries, as detailed below. As of August 31, 2025 and 2024, the organization's investment consisted of money market funds, mutual funds and ETFs, rather than individual equity securities.

The organization applies FASB ASC 820, *Fair Value Measurements* (ASC 820), which establishes a framework for measuring fair value and expands disclosure requirements about fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The three general valuation techniques that may be used to measure fair value are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities inactive markets that the organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted market prices for similar assets or liability in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

NOTE F -- Investments at fair value (Continued)

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following are descriptions of the valuation methods and assumptions used by the organization to estimate the fair values of certain financial instruments. There have been no changes to the methodologies used as of August 31, 2025, 2024, or 2023.

Exchange-traded funds consist of mutual funds which are primarily invested in equity securities. The fair value of mutual funds, which are readily marketable, money market funds, and equity securities, are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

The following tables set forth by level, within the fair value hierarchy, the recorded amount of the organization's assets measured at fair value on a recurring basis as of August 31:

		Fair value measurement using		
	8/31/2025	Level 1	Level 2	Level 3
Assets				
Mutual funds[1]:				
Bond funds	$ 500,555	$ 500,555	$ 0	$ 0
Exchange-traded funds[1]:				
Large blend	151,346	151,346	0	0
Large growth	42,726	42,726	0	0
Large value	85,096	85,096	0	0
Emerging markets	40,855	40,855	0	0
Money market funds[1]:	354,166	354,166	0	0
	$ 1,174,744	$ 1,174,744	$ 0	$ 0

		Fair value measurement using		
	8/31/2024	Level 1	Level 2	Level 3
Assets				
Mutual funds[1]:				
Bond funds	$ 739,241	$ 739,241	$ 0	$ 0
Exchange-traded funds[1]:				
Large blend	214,852	214,852	0	0
Large growth	60,687	60,687	0	0
Large value	72,203	72,203	0	0
Emerging markets	45,028	45,028	0	0
Money market funds[1]:	277,584	277,584	0	0
	$ 1,409,595	$ 1,409,595	$ 0	$ 0

NOTE F -- Investments at fair value (Continued)

		Fair value measurement using		
	8/31/2023	Level 1	Level 2	Level 3
Assets				
Mutual funds[1]:				
Bond funds	$ 185,228	$ 185,228	$ 0	$ 0
Equity securities[1]:				
Consumer discretionary	59,591	59,591	0	0
Consumer staples	50,371	50,371	0	0
Communication services	18,644	18,644	0	0
Energy	49,614	49,614	0	0
Financials	121,736	121,736	0	0
Health care	68,695	68,695	0	0
Industrials	53,411	53,411	0	0
Information technology	167,203	167,203	0	0
Materials	37,050	37,050	0	0
Real estate	6,357	6,357	0	0
Utilities	27,696	27,696	0	0
Money market funds[1]:	425,597	425,597	0	0
	$ 1,271,193	$ 1,271,193	$ 0	$ 0

[1] The carrying amount reported approximates fair value since the values are derived from quoted prices in active markets for identical assets.

NOTE G -- Concentrations

A significant vendor is defined as one from whom at least 10% of annual expenses are incurred. During the year ended August 31, 2025, the organization incurred expenses of $1,424,518 from two vendors, which comprised approximately 23% of expenses for the year then ended. During the year ended August 31, 2024, the organization incurred expenses of $2,600,034 from three vendors which comprised approximately 38% of expenses for the year then ended. During the year ended August 31, 2023, the organization incurred expenses of $1,836,472 from one vendor, which comprised approximately 27% of expenses for the year then ended.

NOTE H -- MidwayUSA Foundation, Inc.

In 2013, the organization established a fund with MidwayUSA Foundation, Inc. (“MUF”) to support participation of school age youth in shooting sports at the local, state, national and international levels. These assets can be used at MUF’s discretion and therefore, the assets of this fund are not included with those of the organization. Available distributions (according to MUF spending guidelines) are made based on a percentage of market value and may also be made to the organization upon request to be used for the aforementioned, stated purpose. The fund’s balance was $4,212,428; $4,515,525; and $6,844,244 as of August 31, 2025 and 2024 and 2023, respectively.

In 2021, the organization established a fund with MUF to support participation of school age youth in clay target sporting events at the local, state, national and international levels. These assets can be used at MUF’s discretion and therefore, the assets of this fund are not included with those of the organization. Available distributions (according to MUF spending guidelines) are made based on a percentage of market value and may also be made to the organization upon request to be used for the aforementioned, stated purpose. The fund’s balance was $169,600; $193,726; and $222,188 as of August 31, 2025, 2024, and 2023,respectively.

In 2021, the organization established a fund with MUF to support participation of school age youth in action shooting sporting events at the local, state, national and international levels. These assets can be used at MUF’s discretion and therefore, the assets of this fund are not included with those of the organization. Available distributions (according to MUF spending guidelines) are made based on a percentage of market value and may also be made to the organization upon request to be used for the aforementioned, stated purpose. The fund’s balance was $105,752; 119,565; and $143,249 as of August 31, 2025, 2024, and 2023, respectively.

In 2022, the organization received contributions from Robert Bruce Wallace trust and established a fund with MUF to provide support for the reimbursement of funds expended by members. These assets can be used at MUF’s discretion and therefore, the assets of this fund are not included with those of the organization. Available distributions (according to MUF spending guidelines) are made based on a percentage of market value and may also be made to the organization upon request to be used for the aforementioned, stated purpose. During the year ended August 31, 2022, the fund received matching and other contributions at MUF. The fund’s balance was $623,172; 667,532; and 796,011 as of August 31, 2025., 2024, and 2023, respectively.

In 2023, the organization received contributions from Bruno Buttie & Mae (Domenica Careri) Butti to establish a fund for the benefit of youth shooting sports. These assets can be used at MUF’s discretion and therefore, the assets of this fund are not included with those of the organization. Available distributions (according to MUF spending guidelines) are made based on a percentage of market value and may also be made to the organization upon request to be used for the aforementioned, stated purpose. During the year ended August 31, 2023, the fund received matching and other contributions at MUF. The fund’s balance was $605,966; $655,780; and $685,303 as of August 31, 2025; 2024; and 2023, respectively.

NOTE I -- Contributed nonfinancial assets

The organization received the following contributions of nonfinancial assets for the years ended August 31:

	2025	2024	2023
Firearms and shooting gear	$ 428,400	$ 112,203	$ 163,199
Ammunition and targets	100,000	16,367	13,451
Property, plant, and equipment	109,767	0	1,073,298
Total contributed nonfinancial assets	$ 638,167	$ 128,570	$ 1,250,448

Contributed firearms, shooting gear, ammunition, equipment, and targets are recognized at fair market value, estimated at the retail value of similar items. The Prairie Grove gun club property, plant, and equipment was measured based on the appraised value of the property. Contribution revenue was recognized as the excess of the appraised value over the related note payable entered into with the donor (see note E). The organization's policy is to use the contributed assets in shooting events. Certain contributed nonfinancial assets were monetized through merchandise sales and banquet auctions. There were no donor restrictions on contributions of nonfinancial assets for the years ended August 31 2025, 2024, or 2023.

NOTE J -- Availability of financial assets and liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting use, within one year of the statement of financial position date, comprise the following as of August 31:

	2025	2024	2023
Financial assets available for general expenditure within one year:			
Cash and cash equivalents	$ 671,346	$ 799,604	$ 496,376
Less: restricted for coach training	(113,497)	(132,374)	(61,179)
Accounts receivable	133,846	161,780	7,888
Investments	1,174,744	1,409,595	1,271,193
Total financial assets available for general expenditure within one year:	$ 1,866,439	$ 2,238,605	$ 1,714,278

As part of the organization’s liquidity management, the organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition to the financial assets available to meet cash needs for general expenditure within one year, the organization is primarily supported by contributions, program fees, and grant revenue (see Note H). Because the donor restrictions require resources to be used in a particular manner or in future periods, the organization maintains sufficient resources to meet the responsibility to its donors. Thus, financial assets as they relate to donor restrictions may not be available for general expenditure within one year. Net assets with donor restrictions are restricted for coach training and are released from restriction when qualifying coach training costs are incurred.