

National Skeet Shooting Association

Financial Report and Supplementary Information
November 30, 2020

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RSM US LLP

Independent Auditor's Report

Board of Directors
National Skeet Shooting Association

Report on the Financial Statements

We have audited the accompanying financial statements of National Skeet Shooting Association (NSSA), which comprise the statements of financial position as of November 30, 2020 and 2019, the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to NSSA's preparation and fair presentation of the financial statements 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 NSSA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Skeet Shooting Association as of November 30, 2020 and 2019, 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.

RSM US LLP

San Antonio, Texas
March 9, 2021

National Skeet Shooting Association

Statements of Financial Position November 30, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash	\$ 1,048,767	\$ 152,652
Receivables:		
Trade	217,627	267,451
Life members	95,098	101,438
Other	-	24,311
Inventory	393,425	419,992
Prepaid expenses	211,145	193,172
Total current assets	1,966,062	1,159,016
Property and equipment, net	6,457,649	6,363,089
Investments—cash equivalents and marketable securities (Note 2)	4,922,722	4,573,876
Total assets	\$ 13,346,433	\$ 12,095,981
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 693,086	\$ 911,778
Current portion of unearned and deferred revenue	1,041,486	710,271
Current maturities of long-term debt	8,482	8,482
Current portion of capital lease obligation	9,058	21,285
Total current liabilities	1,752,112	1,651,816
Long-term liabilities:		
Line of credit	248,486	-
Unearned and deferred revenue, less current portion	240,853	173,826
Long-term debt, less current portion	23,325	31,807
Capital lease obligation, less current portion	-	9,058
Total long-term liabilities	512,664	214,691
Total liabilities	2,264,776	1,866,507
Net assets:		
Without donor restrictions:		
Undesignated	7,370,037	6,347,653
Designated for life members	2,300,000	2,778,706
Total unrestricted net assets	9,670,037	9,126,359
With donor restrictions	1,411,620	1,103,115
Total net assets	11,081,657	10,229,474
Total liabilities and net assets	\$ 13,346,433	\$ 12,095,981

See notes to financial statements.

National Skeet Shooting Association

Statement of Activities Year Ended November 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support and other changes:			
Membership dues—individual and clubs	\$ 1,076,785	\$ -	\$ 1,076,785
Event registration, tickets and entry fees	2,455,976	-	2,455,976
Registered target fees collected	866,073	290,219	1,156,292
Advertising revenue	517,769	-	517,769
Donations, sponsorships and affinity programs	410,520	219,664	630,184
Instructor school and referee certification	124,030	-	124,030
Open shooting/practice	419,472	-	419,472
Rental income	524,801	-	524,801
Sales	646,458	-	646,458
Net investment income	509,170	-	509,170
Other income	414,100	-	414,100
Net assets released from restrictions	201,378	(201,378)	-
Total revenues, support and other changes	8,166,532	308,505	8,475,037
Program expenses:			
Association expenses	1,172,099	-	1,172,099
Shooting complex expenses	4,108,510	-	4,108,510
Total program expenses	5,280,609	-	5,280,609
Support services:			
Fundraising and development	136,056	-	136,056
Management and general	1,333,337	-	1,333,337
Membership magazines	872,852	-	872,852
Total support services	2,342,245	-	2,342,245
Total expenses	7,622,854	-	7,622,854
Increase in net assets	543,678	308,505	852,183
Net assets at beginning of year	9,126,359	1,103,115	10,229,474
Net assets at end of year	\$ 9,670,037	\$ 1,411,620	\$ 11,081,657

See notes to financial statements.

National Skeet Shooting Association

Statement of Activities Year Ended November 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support and other changes:			
Membership dues—individual and clubs	\$ 1,055,200	\$ -	\$ 1,055,200
Event registration, tickets and entry fees	4,406,431	-	4,406,431
Registered target fees collected	1,178,261	389,858	1,568,119
Advertising revenue	564,091	-	564,091
Donations, sponsorships and affinity programs	480,809	198,523	679,332
Instructor school and referee certification	149,485	-	149,485
Open shooting/practice	529,873	-	529,873
Rental income	589,471	-	589,471
Sales	1,079,509	-	1,079,509
Net investment income	449,666	-	449,666
Net assets released from restrictions	435,014	(435,014)	-
Total revenues, support and other changes	10,917,810	153,367	11,071,177
Program expenses:			
Association expenses	1,568,711	-	1,568,711
Shooting complex expenses	6,045,651	-	6,045,651
Total program expenses	7,614,362	-	7,614,362
Support services:			
Fundraising and development	520,299	-	520,299
Management and general	1,347,912	-	1,347,912
Membership magazines	960,720	-	960,720
Total support services	2,828,931	-	2,828,931
Total expenses	10,443,293	-	10,443,293
Increase in net assets	474,517	153,367	627,884
Net assets at beginning of year	8,651,842	949,748	9,601,590
Net assets at end of year	\$ 9,126,359	\$ 1,103,115	\$ 10,229,474

See notes to financial statements.

National Skeet Shooting Association

Statements of Cash Flows Years Ended November 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Increase in net assets	\$ 852,183	\$ 627,884
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	525,373	488,929
Gain on sale of assets	(48,011)	-
Net realized and unrealized (gain) loss on fair value of marketable securities	(409,993)	(287,292)
Forgiveness of Paycheck Protection Program (PPP) Loan	(414,100)	-
Changes in:		
Receivables	80,475	(77,941)
Inventory	26,567	(63,866)
Prepaid expenses	(17,973)	41,717
Accounts payable and accrued expenses	(218,692)	(82,216)
Unearned and deferred revenue	398,242	86,513
Net cash provided by operating activities	774,071	733,728
Cash flows from investing activities:		
Capital expenditures	(622,521)	(947,979)
Purchases of investments	(554,761)	(473,722)
Proceeds from sale of land and equipment	50,599	-
Sales and maturities of investments	615,908	597,016
Net cash used in investing activities	(510,775)	(824,685)
Cash flows from financing activities:		
Proceeds from borrowings of line of credit	550,000	-
Proceed from issuance of PPP Loan	414,100	-
Payments on long-term debt	(8,482)	(2,120)
Payments on line of credit	(301,514)	-
Payments on capital lease obligations	(21,285)	(20,660)
Net cash (used in) provided by financing activities	632,819	(22,780)
Net increase (decrease) in cash	896,115	(113,737)
Cash at beginning of year	152,652	266,389
Cash at end of year	\$ 1,048,767	\$ 152,652
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 11,444	\$ 4,862
Supplemental disclosures of noncash flow information:		
Fair market value of donated inventory	\$ 169,769	\$ 206,153
Equipment acquired through financing	\$ -	\$ 42,409

See notes to financial statements.

National Skeet Shooting Association

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies

Organization: Founded in 1946 and headquartered in San Antonio, Texas, the National Skeet Shooting Association (NSSA) was incorporated in 1984 in the state of Texas as a nonprofit 501(c)(3) tax-exempt organization owned and operated by its members. Its purpose is to foster national and international amateur sports competition in shotgun target shooting, particularly skeet and sporting clay shooting. A few of the means by which NSSA accomplishes its purpose are: (1) educating individuals in the proper conduct and effective techniques of shotgun target shooting and the safe and efficient handling of shotguns; (2) assisting other organizations in promoting amateur shotgun target shooting by maintaining a standard set of rules and regulations, keeping records and publicizing activities; (3) sponsoring an annual World Skeet Shooting and National Sporting Clays Championship and (4) publishing a monthly magazine called Clay Target Nation. In addition, National Sporting Clays Association (NSCA) is a division of NSSA and accomplishes many of the same objectives indicated above through the competition in sporting clays.

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting applicable to not-for-profit organizations in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Support and revenue are reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (e.g., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Use of estimates: The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Recent accounting pronouncements: In February 2016, the Financial Accounting Standards Board (FASB), issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, effective January 2022, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

A modified retrospective transition approach is required. The new standard provides a number of practical expedients. Upon adoption, NSSA expects to elect all the practical expedients available. NSSA is currently evaluating the impact of the adoption of this guidance on its financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU No. 2015-14, which defers the effective date of ASU No. 2014-09 one year, making it effective for NSSA's fiscal year ending November 30, 2021. NSSA has not yet selected a transition method and is currently evaluating the effect the standard will have on its financial statements.

National Skeet Shooting Association

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies (Continued)

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements by removing, modifying or adding certain disclosures. ASU No. 2018-13 is effective for NSSA's fiscal year ending November 30, 2021. An entity is permitted to early adopt any removed or modified disclosures and delay adoption of the additional disclosures until their effective date. NSSA is currently evaluating the impact of this new standard on its financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which specifies requirements for the recognition and initial measurement of contributions and disclosure requirements for contributed services. The amendments in this Update improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for NFPs, including additional disclosure requirements for recognized contributed services. The amendments in this ASU should be applied on a retrospective basis and are effective for annual periods beginning after November 30, 2021. Early adoption is permitted. NSSA is currently evaluating the impact of this new standard on its financial statements.

Adopted accounting pronouncements: In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU No. 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. NSSA adopted this ASU during the year ended November 30, 2020, using the modified retrospective transition method. The adoption of this ASU did not have a material impact on NSSA's results of operations or financial position.

Basis of presentation: Under these provisions, net assets and revenue, expenses, gains and losses are classified based upon the following criteria:

Without donor restrictions: Funds consist of net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions result from operating revenues, unrestricted contributions, and unrestricted dividend and interest income. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors (the Board). The balance designated to support future expenses relating to maintaining life memberships totals \$2,300,000 at November 30, 2020 (\$2,778,706 in 2019).

With donor restrictions: Funds consist of assets that are subject to donor-imposed stipulations that require the passage of time or the occurrence of a specified event. When the donor restriction expires, the net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Investments: Investments, which include cash and cash equivalents earmarked for investment purposes, are stated at fair value based upon quoted market prices, when available, or estimates of fair value in the statements of financial position. Unrealized gains and losses are included in the statements of activities.

National Skeet Shooting Association

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies (Continued)

NSSA has an investment policy that sets guidelines and constraints to ensure the portfolio is appropriately diversified. NSSA invests in a professionally managed portfolio that contains common shares and bonds of publicly traded companies, United States government obligations, mutual funds and certificates of deposits. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements. Market volatility of equity-based investments is expected to substantially impact the value of such investments at any given time. Management evaluates the investment portfolio on an ongoing basis.

Trade receivable: The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the uncollectibility of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. As of November 30, 2020 and 2019, an allowance was not deemed necessary by management.

Inventory: Inventory is stated at the lower of cost (first-in, first-out method) or market (net realizable value). At November 30, 2020 and 2019, all inventory was stated at cost, which was less than net realizable value.

Property and equipment: Property and equipment are stated at cost if purchased, or fair value if donated. Depreciation is calculated on the straight-line method based on the following estimated useful lives: buildings and improvements—five to 35 years and equipment and furniture—three to 30 years. NSSA has adopted a capitalization policy for property and equipment of \$500.

Impairment of long-lived assets: NSSA reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets.

The factors considered by management in performing this assessment include current operating results; trends and prospects; and the effects of obsolescence, demand, competition and other economic factors. NSSA did not recognize an impairment loss during the years ended November 30, 2020 and 2019.

Donated property and equipment: Donations of property and equipment are recorded as support at their estimated fair value. Such donations, if any, are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, NSSA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. NSSA reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

National Skeet Shooting Association

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies (Continued)

Federal income tax: NSSA is a not-for-profit organization and is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code, except to the extent it has unrelated business activities. As such, no provision for federal income taxes has been made in the accompanying financial statements.

NSSA's policy is to record interest and penalty expense related to income taxes as interest and other expense, respectively. At November 30, 2020 and 2019, no interest or penalties have been or are required to be accrued.

Membership dues: In the period life memberships are initiated and the dues become receivable, the life membership dues are recognized as revenue as future fees are expected to cover the future costs of membership. Annual memberships are recognized as revenue in the period earned.

Event income: Registration, ticket and entry fees are recognized at the time the event occurs.

Registered target fees: Daily fees for all registered skeet targets and sporting clays targets used are recognized when earned.

Public support and revenue: Contributions are recorded at fair value when NSSA is in possession of or receives an unconditional promise to give. Contributions are recorded as with or without donor restrictions based on the existence or nature of any donor restrictions. As donor or time restrictions are satisfied, net assets are reclassified to net assets without donor restrictions. NSSA's policy is to report restricted support that is satisfied in the year of receipt as restricted and then fully released in the same year.

Unconditional promises to give, or pledges, are recorded in the financial statements when there is sufficient evidence in the form of verifiable documentation that a promise is made and received. Pledges receivable of more than one year, are discounted to an estimated present value.

Contributed services that create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills, and which would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributed goods are recorded at their fair value in the period received.

Unearned exhibitor buildings and camper rental revenue: NSSA leases three buildings to exhibitors and rental space to campers who have prepaid for the use of those facilities over five- and 10-year periods, respectively.

Unearned membership dues: Annual dues received in the current year that relate to a future year are deferred and recorded as revenue in the year earned. Six-year and three-year membership dues are recognized as revenue ratably over the period to which the dues relate.

Paycheck Protection Program Loan: NSSA has accounted for their fully forgiven Paycheck Protection Program Loan as revenue in accordance with Accounting Standards Codification Topic 958-605, Revenue Recognition.

Functional allocation of revenues and expenses: The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain benefits and costs have been allocated among the programs and supporting services benefited.

National Skeet Shooting Association

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies (Continued)

Contingencies: Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to NSSA, but which will only be resolved when one or more future events occur or fail to occur. NSSA's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against NSSA or unasserted claims that may result in such proceedings, NSSA's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in NSSA's financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable, but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

Advertising: Advertising costs totaled \$24,871 and \$70,891 for the years ended November 30, 2020 and 2019, respectively, and are expensed as incurred.

Note 2. Investments

As of November 30, 2020 and 2019, cash equivalents and marketable securities with a total fair market value of \$4,922,722 and \$4,573,876, respectively, have been designated by NSSA's executive committee and approved by the Board to be funds which will be kept in an investment capacity and not used for operations during the next year. Investments totaling approximately \$2,300,000 at November 30, 2020, are identified as net assets designated specifically for life membership matters (approximately \$2,779,000 in 2019). All securities are valued at market value, as determined by their closing sales prices at November 30, 2020 and 2019. All balances are unrestricted.

The following are the major categories of assets measured at fair value on a recurring basis as of November 30, 2020 and 2019, using quoted prices in active markets for identical assets:

	November 30, 2020		November 30, 2019	
	Cost	Fair Market Value	Cost	Fair Market Value
Cash	\$ 963,653	\$ 963,653	\$ 371,177	\$ 371,177
Domestic stocks	520,428	980,371	606,957	993,160
Mutual funds:				
United States equity funds	805,430	1,256,264	1,061,171	1,358,755
United States bond funds	931,200	1,013,004	904,478	1,024,995
International equity funds	416,082	488,462	586,129	575,822
International bond funds	231,689	220,968	283,955	249,967
	<u>\$ 3,868,482</u>	<u>\$ 4,922,722</u>	<u>\$ 3,813,867</u>	<u>\$ 4,573,876</u>

During the years ended November 30, 2020 and 2019, NSSA had brokerage fees of \$26,569 and \$33,870, respectively, on these investments and other cash balances. These have been netted against investment income in the statements of activities.

National Skeet Shooting Association

Notes to Financial Statements

Note 3. Fair Value Measurements and Disclosures

The requirements of Fair Value Measurements and Disclosures of the *FASB Accounting Standards Codification* apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair Value Measurements and Disclosures also establishes a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels.

Level 1 inputs: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 inputs: Inputs are observable and other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 inputs: Inputs are unobservable and are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following table summarizes the assets measured at fair value on a recurring basis as of November 30, 2020 and 2019, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	Fair Value Measurement at November 30, 2020			
	Level 1	Level 2	Level 3	Total
Investments:				
Domestic stocks	\$ 980,371	\$ -	\$ -	\$ 980,371
Mutual funds:				
United States equity funds	1,256,264	-	-	1,256,264
United States bond funds	1,013,004	-	-	1,013,004
International equity funds	488,462	-	-	488,462
International bond funds	220,968	-	-	220,968
	<u>\$ 3,959,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,959,069</u>
No fair value measurement assigned:				
Cash				963,653
				<u>\$ 4,922,722</u>
	Fair Value Measurement at November 30, 2019			
	Level 1	Level 2	Level 3	Total
Investments:				
Domestic stocks	\$ 993,160	\$ -	\$ -	\$ 993,160
Mutual funds:				
United States equity funds	1,358,755	-	-	1,358,755
United States bond funds	1,024,995	-	-	1,024,995
International equity funds	575,822	-	-	575,822
International bond funds	249,967	-	-	249,967
	<u>\$ 4,202,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>4,202,699</u>
No fair value measurement assigned:				
Cash				371,177
				<u>\$ 4,573,876</u>

National Skeet Shooting Association

Notes to Financial Statements

Note 4. Profit Sharing Plan

The Board approved a profit sharing plan effective January 1, 1993, in which substantially all full-time employees become qualified participants after attaining 21 years of age and completing one year of continuous employment with NSSA. NSSA's contribution was determined annually by the Board, but could not exceed the maximum allowable deduction permitted under the Internal Revenue Code at the time of the contribution.

This plan was restated effective January 1, 2005, as the National Skeet Shooting Association 401(k) Profit Sharing Plan. A nonelective matching contribution up to 3% of the participants' base compensation for the plan year is made. Total contributions for the years ended November 30, 2020 and 2019, were \$21,449 and \$9,101, respectively.

Note 5. Commitments and Contingent Liabilities

Leases: NSSA lease certain equipment under a capital lease. The equipment cost \$62,800 and is included in equipment and furniture in the accompanying statement of financial position. Amortization expense totaled approximately \$9,000 at November 30, 2020 and 2019.

NSSA leases various equipment pursuant to noncancelable operating lease agreements expiring through 2023. Lease expense for these and other leases for the years ended November 30, 2020 and 2019, totaled \$122,863 and \$148,332, respectively.

Future minimum lease payments under noncancelable operating leases and future minimum lease payments under capital leases together as of November 30, 2020, were as follows:

	Capital Leases	Operating Leases
Years ending November 30:		
2021	\$ 9,126	\$ 103,656
2022	-	50,196
2023	-	32,376
Future minimum lease payments	9,126	<u>\$ 186,228</u>
Less amount of minimum lease payments attributable to interest	<u>68</u>	
Present value of net minimum lease payments	9,058	
Current portion of capital lease obligations	<u>9,058</u>	
Long-term portion of capital lease obligations	<u>\$ -</u>	

Amortization of assets held under capital leases is included with depreciation expense.

Claims and litigation: NSSA is involved in claims and litigation in the normal course of business. Management believes the applicable insurance coverage is adequate to cover costs of settlement and defense of such claims and litigation.

Environmental remediation: NSSA has instituted a lead management program to control and contain lead migration and to take all practical steps to remove and recycle lead. In the event the real estate of NSSA is sold, the buyer may request remediation as a condition of the sale. Because there is no legal or contractual requirement to remediate the property, and the extent of remediation, if any, is unknown, no liability is recorded in the financial statements.

National Skeet Shooting Association

Notes to Financial Statements

Note 6. Line of Credit

In June 2020, NSSA entered into a \$3,000,000 line of credit, which expires June 2022, available with a local bank at prime rate plus 0.25%. The collateral and security for the indebtedness is real property. There was a balance of \$248,486 outstanding on this line of credit at November 30, 2020 (\$0 at November 30, 2019).

Note 7. Inventory

Inventory consists of the following:

	November 30	
	2020	2019
General store merchandise	\$ 9,367	\$ 8,136
Targets	158,750	194,644
Ammunition	48,184	26,383
Guns	177,124	190,829
	<u>\$ 393,425</u>	<u>\$ 419,992</u>

Note 8. Property and Equipment

A summary of property and equipment is as follows:

	November 30	
	2020	2019
Land and improvements	\$ 3,180,435	\$ 3,180,435
Buildings and improvements	7,017,860	6,936,565
Equipment and furniture	2,457,054	2,663,722
Construction in progress	753,668	450,258
	<u>13,409,017</u>	<u>13,230,980</u>
Less accumulated depreciation	6,951,368	6,867,891
	<u>\$ 6,457,649</u>	<u>\$ 6,363,089</u>

National Skeet Shooting Association

Notes to Financial Statements

Note 9. Unearned and Deferred Revenue

Unearned and deferred revenue consisted of the following:

	November 30	
	2020	2019
Annual dues:		
Sporting clays and skeet	\$ 158,265	\$ 157,070
Clubs	28,425	34,416
Six-year membership dues	431,516	237,701
Prepaid exhibitor buildings and camper rentals	42,193	40,661
Advanced deposits—subsequent year shoots	621,940	414,249
	<u>1,282,339</u>	<u>884,097</u>
Less current portion	1,041,486	710,271
	<u>\$ 240,853</u>	<u>\$ 173,826</u>

Note 10. Long-Term Debt

In September 2019, NSSA entered into a financing agreement with a third party supplier to purchase equipment at a nominal interest rate. The agreement matures in August 2024. The balance outstanding was \$31,807 and \$40,289 at November 30, 2020 and 2019, respectively.

Future minimum payments under financing agreement as of November 30, 2020, were as follows:

Years ending November 30:	
2021	\$ 8,482
2022	8,482
2023	8,482
2024	6,361
	<u>\$ 31,807</u>

Note 11. Major Suppliers

For the year ended November 30, 2020, approximately \$2,578,000 of NSSA's purchases was purchased from three suppliers. At November 30, 2020, there were \$58,500 in trade payables. Other suppliers would be available if needed.

For the year ended November 30, 2019, approximately \$1,385,000 of NSSA's purchases was purchased from two suppliers. At November 30, 2019, there were \$101,000 in trade payables. Other suppliers would be available if needed.

National Skeet Shooting Association

Notes to Financial Statements

Note 12. Net Assets With Donor Restrictions

Net assets and changes in net assets are as follows:

	Balance at November 30, 2019	Donations	Net Assets Released From Restrictions	Balance at November 30, 2020
Subject to expenditure for a specific purpose:				
NSCA USA Sporting Clays Team	\$ 2,081	\$ 101,201	\$ 54,221	\$ 49,061
Scholarships	71,406	23,000	6,995	87,411
Youth education	73,011	4,660	4,022	73,649
NSCA Marketing Fund	529,801	223,399	84,164	669,036
NSSA Marketing Fund	414,316	66,820	33,001	448,135
Krieghoff All American Program	12,500	18,750	18,750	12,500
NSSA Masters Fund	-	5,000	-	5,000
Foundation Establishment Fund	-	50,000	-	50,000
Museum Fund	-	17,053	225	16,828
	<u>\$ 1,103,115</u>	<u>\$ 509,883</u>	<u>\$ 201,378</u>	<u>\$ 1,411,620</u>

	Balance at November 30, 2018	Donations	Net Assets Released From Restrictions	Balance at November 30, 2019
Subject to expenditure for a specific purpose:				
NSCA USA Sporting Clays Team	\$ 58,959	\$ 118,383	\$ 175,261	\$ 2,081
Scholarships	58,281	20,000	6,875	71,406
Youth education	49,470	41,390	17,849	73,011
NSCA Marketing Fund	401,562	288,857	160,618	529,801
NSSA Marketing Fund	368,976	101,001	55,661	414,316
Krieghoff All American Program	12,500	18,750	18,750	12,500
	<u>\$ 949,748</u>	<u>\$ 588,381</u>	<u>\$ 435,014</u>	<u>\$ 1,103,115</u>

Note 13. Credit Risk

NSSA maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation up to \$250,000. NSSA has not experienced any losses in such accounts.

National Skeet Shooting Association

Notes to Financial Statements

Note 14. Related-Party Transactions

The current NSSA executive director's wife is a principal at Synergy, and NSSA has a contract with Synergy to market sponsorship opportunities and advertising. This contract was in effect until December 31, 2018, and was extended through December 31, 2020, with no other modifications. Synergy receives commissions of 20% for new sponsors and for new sponsor agreements from existing sponsors, and 15% for all renewing sponsorship agreements. Synergy also receives a 15% commission on advertising sales for existing advertisers and a 20% commission on advertising sales for new advertisers in the first 12 months. During the fiscal year, \$159,669 was billed and expensed in relation to this contract (\$152,960 in 2019).

Note 15. Sale and Lease of Land

During 2018, NSSA sold two acres of land for \$750,000 in cash and recognized a gain of \$748,715 on the sale. The buyer of the land intends to construct a permanent facility on the site and, in conjunction with the sale of the land, NSSA and the buyer have entered into a lease agreement for a temporary site to be used during the construction period. The lease agreement is for a term of 15 years; however, NSSA may terminate the agreement upon completion of the permanent facility. In consideration for the lease, the buyer will construct a facility on the leased property and pay a nominal rent per year for five years and a fair market rent for each subsequent year of the lease. NSSA records the sale, the facility construction in progress and rental income based on relative fair values estimated using comparable market transactions.

Note 16. Classification of Expenses

The following reflects the classification of NSSA's expenses, by both the underlying nature of the expense and function, as of November 30, 2020. An individual expense is allocated to the underlying activity through which it was incurred. The statement of activities includes certain expenses that must be allocated on a reasonable basis, which has been consistently applied. Management has identified the salaries and cost of sales directly related to each function and those costs are appropriately charged to the program or support function to which they relate. Depreciation and property taxes are charged to functions based on specific assets used in the functions. Fundraising and development expenses result from expenses of the USA Sporting Clay team and the direct expenses of salary and travel for the marketing function. These are stand-alone activities and therefore no other management expenses are allocated to them.

National Skeet Shooting Association

Notes to Financial Statements

Note 16. Classification of Expenses (Continued)

	Functional Expenses 2020						Total
	Program Activities			Supporting Activities			
	Skeet Association	Sporting Clays Association	National Shooting Complex	Fundraising and Development	Management and General	Membership Magazines*	
Salaries, benefits and taxes	\$ 317,140	\$ 284,612	\$ 935,811	\$ -	\$ 755,267	\$ 61,818	\$ 2,354,648
Cost of sales	782	12,646	408,309	-	-	-	421,737
Advertising and promotional	12,147	10,631	12,989	82,965	-	-	118,732
Contracted services—events	49,356	495	531,351	-	-	-	581,202
Prizes and awards	43,136	38,918	511,184	8,750	-	-	601,988
Printing and editing	-	-	808	-	-	728,143	728,951
Travel	(1,998)	(5,032)	67,317	550	6,703	-	67,540
Targets	-	-	429,675	-	-	-	429,675
Facilities and maintenance	9,302	14,865	431,612	4,344	202,001	-	662,124
Depreciation	19,976	26,061	478,640	-	56	640	525,373
Professional fees	37,090	37,290	-	533	82,983	2,590	160,486
Instructor school/referee certification	23,424	47,002	-	-	-	-	70,426
Insurance	80	25	3,734	-	174,848	-	178,687
Supplies and other expenses	26,814	36,585	187,073	1,414	28,143	76,322	356,351
Banking/financial services	22,338	73,780	26,336	-	12,521	3,339	138,314
Equipment rental/lease	-	-	24,407	-	59,987	-	84,394
Grants/donations/scholarships	14,250	18,343	-	37,500	-	-	70,093
Interest expense	-	-	616	-	10,828	-	11,444
Event expenses	1,443	598	58,648	-	-	-	60,689
Total expenses	\$ 575,280	\$ 596,819	\$ 4,108,510	\$ 136,056	\$ 1,333,337	\$ 872,852	\$ 7,622,854

	Functional Expenses 2019						Total
	Program Activities			Supporting Activities			
	Skeet Association	Sporting Clays Association	National Shooting Complex	Fundraising and Development	Management and General	Membership Magazines*	
Salaries, benefits and taxes	\$ 327,364	\$ 352,886	\$ 1,261,176	\$ -	\$ 751,562	\$ 60,344	\$ 2,753,332
Cost of sales	3,960	-	669,458	-	-	-	673,418
Advertising and promotional	18,152	23,342	52,687	268,273	-	8,706	371,160
Contracted services—events	54,021	-	916,994	-	-	-	971,015
Prizes and awards	69,762	67,463	851,462	23,552	-	-	1,012,239
Printing and editing	-	-	3,027	-	-	806,574	809,601
Travel	40,673	70,698	102,211	96,049	12,768	-	322,399
Targets	-	-	668,988	-	-	-	668,988
Facilities and maintenance	9,077	11,515	597,634	950	158,648	-	777,824
Depreciation	20,590	26,083	414,903	22,888	3,826	640	488,930
Professional fees	27,231	46,451	1,672	73,166	50,540	7,614	206,674
Instructor school/referee certification	23,017	53,845	-	-	-	-	76,862
Insurance	105	-	3,564	-	181,262	-	184,931
Supplies and other expenses	59,466	73,200	169,094	2,421	119,147	76,323	499,651
Banking/financial services	28,588	87,833	38,412	-	10,044	520	165,397
Equipment rental/lease	-	-	59,403	-	56,799	-	116,202
Grants/donations/scholarships	29,500	1,000	18,613	33,000	-	-	82,113
Interest expense	-	-	1,544	-	3,318	-	4,862
Event expenses	26,904	15,983	214,808	-	-	-	257,695
Total expenses	\$ 738,410	\$ 830,299	\$ 6,045,650	\$ 520,299	\$ 1,347,914	\$ 960,721	\$ 10,443,293

National Skeet Shooting Association

Notes to Financial Statements

Note 17. Financial Assets Available and Liquidity

The following reflects NSSA's financial assets as of November 30, 2020, reduced by amounts not available for general expenditures due to contractual or donor-imposed restrictions within one year.

	November 30	
	2020	2019
Cash	\$ 1,048,767	\$ 152,652
Accounts receivable	312,725	368,889
Other receivables, net	-	24,311
Investments	4,922,722	4,573,876
Inventory	393,425	419,992
Total financial assets	6,677,639	5,539,720
Less:		
Amounts subject to donor restrictions	1,411,620	1,103,115
Amounts set aside to support future expenses relating to maintaining life memberships (board designated)	2,300,000	2,778,706
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,966,019	\$ 1,657,899

NSSA is supported by membership dues, event and target fees, advertising revenue, donations and sponsorship programs, merchandise sales, rental income and investment income. All sources of income without donor restrictions are considered to be available to meet cash needs for general expenditures. General expenditures include program and support, fundraising and development, management and general, and membership magazine expenses.

NSSA manages its cash available to meet general expenditures by operating within a prudent range of financial soundness and stability and maintaining a sufficient level of asset liquidity. NSSA also has access to a line of credit available with a local bank in the amount of \$3,000,000 to draw upon as needed. See Note 6 for details.

NSSA's governing board has designated a portion of its resources to support future expenses related to maintaining life memberships. Those amounts are identified in the table above.

Note 18. COVID-19 Contingency

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The continued global pandemic in 2020 has created substantial volatility in financial markets and the economy, including the geographical areas in which NSSA operates. While NSSA has mitigated the financial impact to its operations, it is unknown how long these conditions will continue and what the complete financial effect will be to NSSA.

Accordingly, there could be further negative impact to operations, the extent to which will depend on future developments, which are highly uncertain and cannot be predicted, and as such cannot be determined.

National Skeet Shooting Association

Notes to Financial Statements

Note 19. Paycheck Protection Program Loan

On April 15, 2020, NSSA received funding in the amount of \$414,100 pursuant to loans under the Paycheck Protection Program as enacted under the Coronavirus Aid, Relief, and Economic Security Act of 2020. The loan was set to mature in 2022 and yield 1% annually with potential for certain amounts to be forgiven based on the use of the funds. NSSA determined through qualified use of the funds as noted in the CARES Act, that the full amount of the loan qualified for forgiveness. In November 2020, NSSA received forgiveness from the U.S. Small Business Association. As such, the forgiveness of the Paycheck Protection Program loan is included in other income in the statement of activities and net assets.

Note 20. Subsequent Events

NSSA has evaluated subsequent events through March 9, 2021, the date financial statements were available to be issued.

On January 28, 2021, NSSA received funding in the amount of \$378,800 pursuant to loans under the Paycheck Protection Program as enacted under the Coronavirus Aid, Relief, and Economic Security Act of 2020. The loan bears a 1% annual interest rate and is set mature on February 2026.

Supplementary Information



RSM US LLP

Independent Auditor's Report on the Supplementary Information

Board of Directors
National Skeet Shooting Association

We have audited the financial statements of National Skeet Shooting Association (NSSA) as of and for the years ended November 30, 2020 and 2019, and have issued our report thereon dated March 9, 2021, which contained an unmodified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole.

The supplementary information, as presented in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The 2020 total revenues and expenses presented within the supplementary information and the comparative totals for 2019 have been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 and 2019 total revenues and expenses presented within the supplementary information are fairly stated, in all material respects, in relation to the financial statements as a whole.

RSM US LLP

San Antonio, Texas
March 9, 2021

National Skeet Shooting Association

Comparative Schedule of Revenues and Expenses by Activity Year Ended November 30, 2020 With Comparative Totals for 2019

	Skeet Association	Sporting Clays Association	National Shooting Complex	Fundraising and Development	Management and General	Membership Magazines*	2020 Total	2019 Total
Revenues:								
Membership dues—individuals and clubs	\$ 234,678	\$ 801,262	\$ 40,845	\$ -	\$ -	\$ -	\$ 1,076,785	\$ 1,055,200
Event registration, tickets and entry fees	63,582	20,715	2,371,679	-	-	-	2,455,976	4,406,431
Registered target fees collected	199,532	666,416	125	290,219	-	-	1,156,292	1,568,119
Advertising revenue	330	-	10,537	-	-	506,902	517,769	564,091
Donations, sponsorship and affinity programs	85,895	54,506	344,480	145,303	-	-	630,184	679,332
Instructor school and referee certification	37,615	86,390	25	-	-	-	124,030	149,485
Open shooting/practice	-	-	419,472	-	-	-	419,472	529,873
Rental—exhibitors	-	-	402,838	-	-	-	402,838	397,093
Rental—RV spaces	-	-	121,963	-	-	-	121,963	192,378
Sales—ammunition	-	-	350,192	-	-	-	350,192	509,395
Sales—merchandise	1,929	-	65,739	-	-	13,498	81,166	192,113
Sales/revenue—other	42,983	15,931	156,186	-	-	-	215,100	378,001
Net investment income (loss)	138,254	152,080	218,836	-	-	-	509,170	449,666
Other income	-	-	414,100	-	-	-	414,100	-
Total revenues	\$ 804,798	\$ 1,797,300	\$ 4,917,017	\$ 435,522	\$ -	\$ 520,400	\$ 8,475,037	\$ 11,071,177
Expenses:								
Salaries	\$ 229,478	\$ 193,117	\$ 657,773	\$ -	\$ 675,381	\$ 57,442	\$ 1,813,191	\$ 2,193,980
Employee benefits and payroll taxes	87,662	91,495	278,038	-	79,886	4,376	541,457	550,581
Accounting/auditing fees	-	-	-	-	40,600	-	40,600	42,850
Advertising and promotional	12,147	10,631	12,989	82,965	-	-	118,732	371,160
Banking/financial services	22,338	73,780	26,336	-	12,521	3,339	138,314	165,397
Board expenses	2,193	1,970	-	-	-	-	4,163	6,481
Club and member expenses	6,435	5,889	813	-	-	-	13,137	18,437
Consultants	37,090	37,290	-	533	-	2,590	77,503	156,234
Contracted services—events	49,356	495	531,351	-	-	-	581,202	971,015
Cost of sales—ammunition	-	-	307,130	-	-	-	307,130	470,259
Cost of sales—merchandise	782	12,646	37,321	-	-	-	50,749	111,626
Cost of sales/revenue—other	-	-	63,858	-	-	-	63,858	91,533

(Continued)

*Printed and electronic periodicals

National Skeet Shooting Association

Comparative Schedule of Revenues and Expenses by Activity (Continued) Year Ended November 30, 2020 With Comparative Totals for 2019

	Skeet Association	Sporting Clays Association	National Shooting Complex	Fundraising and Development	Management and General	Membership Magazines*	2020 Total	2019 Total
Expenses: (continued)								
Dues/fees/subscriptions	\$ 148	\$ 809	\$ 7,245	\$ -	\$ 15,970	\$ -	\$ 24,172	\$ 18,917
Equipment rental/lease	-	-	24,407	-	59,987	-	84,394	116,202
Event preparation and cleanup—outside services	-	-	9,142	-	-	-	9,142	15,594
Food/ice/parties/banquets	1,443	598	49,506	-	-	-	51,547	242,101
Grants/donations/scholarships	14,250	18,343	-	37,500	-	-	70,093	82,113
Instructor school/referee certification	23,424	47,002	-	-	-	-	70,426	76,862
Insurance	80	25	3,734	-	174,848	-	178,687	184,931
Interest expense	-	-	616	-	10,828	-	11,444	4,862
Legal	-	-	-	-	42,383	-	42,383	7,590
Maintenance and repairs	154	5,717	154,621	4,344	-	-	164,836	331,465
Printing and editing	-	-	808	-	-	728,143	728,951	809,601
Prizes and awards	43,136	38,918	511,184	8,750	-	-	601,988	1,012,239
Shipping and postage	8,782	20,806	16,126	971	1,953	76,322	124,960	184,314
Supplies and materials	4,468	2,323	115,676	443	1,397	-	124,307	157,131
Other expenses	4,788	4,788	47,213	-	5,842	-	62,631	43,016
Staff development	-	-	-	-	2,981	-	2,981	8,771
Targets	-	-	429,675	-	-	-	429,675	668,988
Telephone	-	-	-	-	67,274	-	67,274	71,356
Travel	(1,998)	(5,032)	67,317	550	6,703	-	67,540	322,399
Utilities	-	-	-	-	134,727	-	134,727	158,648
Depreciation	19,976	26,061	478,640	-	56	640	525,373	488,929
Property taxes	9,148	9,148	276,991	-	-	-	295,287	287,711
Total expenses	\$ 575,280	\$ 596,819	\$ 4,108,510	\$ 136,056	\$ 1,333,337	\$ 872,852	\$ 7,622,854	\$ 10,443,293

*Printed and electronic periodicals