

**MIDWAY USA FOUNDATION, INC.**  
**AUDITOR'S COMMUNICATION LETTER**  
**DECEMBER 31, 2024**

July 30, 2025

To the Board of Directors  
of the Midway USA Foundation, Inc.

We have audited the financial statements of Midway USA Foundation, Inc. (the Foundation) as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated July 30, 2025. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated May 25, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Foundation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

## **Significant Risks Identified**

According to auditing standards generally accepted in the United States of America (GAAS), significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks. We have also identified transactions related to investments, donor contributions, and grants and awards to have a significant risk of material misstatement as part of our planning.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Foundation is included in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates and Related Disclosures*

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements were the estimated fair value of investments, fair value of donations and useful lives of software and equipment.

- Fair value of investments in Level 1 of the fair value hierarchy is based on quoted prices in active markets while Level 2 investments are based on pricing in other trading markets. Certain investments are valued at the net asset value of the underlying investments. Level 3 investments are valued by the General Partner. Fair values were provided by outside investment managers or consultants, which management has reviewed for reasonableness.
- Estimated useful lives of fixed assets are generally based on past experience with similar assets.

We evaluated the factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Foundation's financial statements relate to investments and related party transactions.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. The following significant unusual transactions identified as a result of our audit procedures were brought to the attention of management:

During February 2024, the Foundation received a donation of land with a total appraised value of \$17,471,700 from a related party. The land was sold in May 2024 for \$10,915,953, net of closing costs. The donation of the land appears to have followed the guidelines outlined in the donor policy.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. We identified no uncorrected misstatements as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We proposed an adjusting journal entry in the amount of \$2,410,966 to increase the recorded fair market value of investments and record an unrealized gain for the same amount. This adjustment was the result of timing differences between the issuance of the audited financial statements for the alternative investment portfolio and the estimated December 31, 2024, values reported by the investment custodian.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Foundation's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter dated July 30, 2025.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Foundation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the Foundation, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Foundation's auditors.

## Internal Control

In planning and performing our audit of the financial statements in accordance with GAAS, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of the Board of Directors and management of the Foundation and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Williams-Keepers LLC". The script is cursive and fluid.

WILLIAMS-KEEPERS LLC

**REPORT OF**  
**MIDWAY USA FOUNDATION, INC.**  
**DECEMBER 31, 2024 AND 2023**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Midway USA Foundation, Inc.

### Opinion

We have audited the financial statements of Midway USA Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities for the year ended December 31, 2024, the statements of functional expenses and cash flows for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024 and 2023, and the changes in its net assets for the year ended December 31, 2024, and its cash flows for the years ended December 31, 2024 and 2023, in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Foundation's ability to continue as a going concern for 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 GAAS 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 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 GAAS, 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 Foundation'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 Foundation'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.

#### **Report on Summarized Comparative Information**

We have previously audited the Foundation's December 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 6, 2024. In our opinion, the summarized comparative information in the statements of activities for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Williams - Keepers LLC*

Columbia, Missouri  
July 30, 2025



**MIDWAY USA FOUNDATION, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 12,354,700	\$ 13,872,932
Investments	338,709,823	291,680,236
Accrued interest receivable	268,760	232,453
Prepaid expenses	<u>762,746</u>	<u>794,117</u>
Total current assets	352,096,029	306,579,738
<b>LAND, BUILDING, AND EQUIPMENT, NET</b>	<u>7,626,854</u>	<u>7,797,782</u>
Total assets	<u><u>\$ 359,722,883</u></u>	<u><u>\$ 314,377,520</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 46,278	\$ 33,725
Accrued liabilities	<u>220,436</u>	<u>191,185</u>
Total current liabilities	266,714	224,910
<b>NET ASSETS</b>		
Without donor restrictions	312,618,379	272,935,234
With donor restrictions	<u>46,837,790</u>	<u>41,217,376</u>
Total net assets	<u>359,456,169</u>	<u>314,152,610</u>
Total liabilities and net assets	<u><u>\$ 359,722,883</u></u>	<u><u>\$ 314,377,520</u></u>

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

**MIDWAY USA FOUNDATION, INC.**

**STATEMENTS OF ACTIVITIES**  
**Year Ended December 31, 2024**  
**(with comparative totals for 2023)**

	2024			2023 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
OPERATING REVENUES AND OTHER SUPPORT				
Contributions	\$ 30,006,602	\$ -	\$ 30,006,602	\$ 15,384,348
In-kind contributions	586,915	-	586,915	434,706
Total operating revenues and other support	30,593,517	-	30,593,517	15,819,054
OPERATING EXPENSES				
Program services	13,798,115	-	13,798,115	10,350,948
Supporting services				
Management and general	808,053	-	808,053	691,503
Fundraising	578,200	-	578,200	487,029
Total operating expenses	15,184,368	-	15,184,368	11,529,480
Increase in net assets from operating activities	15,409,149	-	15,409,149	4,289,574
OTHER REVENUE (EXPENSE)				
Net investment return	30,676,172	5,620,414	36,296,586	36,825,278
Net rental income	227,197	-	227,197	266,202
Loss on sale of donated property	(6,550,113)	-	(6,550,113)	-
Other expense	(79,260)	-	(79,260)	(85,576)
Total other revenue (expense)	24,273,996	5,620,414	29,894,410	37,005,904
Change in net assets	39,683,145	5,620,414	45,303,559	41,295,478
Net assets, beginning of year	272,935,234	41,217,376	314,152,610	272,857,132
Net assets, end of year	\$ 312,618,379	\$ 46,837,790	\$ 359,456,169	\$ 314,152,610

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

**MIDWAY USA FOUNDATION, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**Years Ended December 31, 2024 and 2023**

	2024			
	Supporting Services			
		Management and		
	Program	General	Fundraising	Total
Grants and awards	\$ 12,194,824	\$ -	\$ -	\$ 12,194,824
Employee compensation				
and payroll taxes	821,200	347,158	340,369	1,508,727
Donated advertising and products	208,280	-	-	208,280
Travel and meals	94,688	40,028	39,246	173,962
Amortization and depreciation	-	170,927	-	170,927
Insurance	82,842	35,021	34,336	152,199
Information technology services	65,070	27,508	26,970	119,548
Professional fees	-	47,388	-	47,388
Miscellaneous	331,211	140,023	137,279	608,513
Total expenses	<u>\$ 13,798,115</u>	<u>\$ 808,053</u>	<u>\$ 578,200</u>	<u>\$ 15,184,368</u>
	2023			
	Supporting Services			
		Management and		
	Program	General	Fundraising	Total
Grants and awards	\$ 9,043,715	\$ -	\$ -	\$ 9,043,715
Employee compensation				
and payroll taxes	776,165	328,119	321,702	1,425,986
Travel and meals	88,811	37,544	36,809	163,164
Insurance	83,514	35,305	34,614	153,433
Amortization and depreciation	-	152,055	-	152,055
Donated advertising and products	132,182	-	-	132,182
Information technology services	53,701	22,701	22,257	98,659
Professional fees	-	42,703	-	42,703
Miscellaneous	172,860	73,076	71,647	317,583
Total expenses	<u>\$ 10,350,948</u>	<u>\$ 691,503</u>	<u>\$ 487,029</u>	<u>\$ 11,529,480</u>

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

**MIDWAY USA FOUNDATION, INC.**

**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2024 and 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 45,303,559	\$ 41,295,478
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	170,928	152,055
Amortization of investment premiums	64,799	1,346,325
Unrealized (gains) losses on investments	(24,685,671)	(31,581,707)
Realized (gains) losses on investments	(2,216,014)	(2,016,260)
Expenses related to sale of contributed land	606,267	-
Loss on sale of contributed land	5,949,480	-
Contributions of property	(17,471,700)	-
Contributions of stock	(285,721)	(25,034)
Adjustments for (increases) decreases in operating assets and increases (decreases) in operating liabilities:		
Accrued interest receivable	(36,307)	(117,483)
Prepaid expenses	31,371	(173,220)
Accounts payable	12,553	19,446
Accrued liabilities	29,251	(11,956)
Net cash provided by operating activities	<u>7,472,795</u>	<u>8,887,644</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of building improvements	-	(240,244)
Purchase of investments	(68,390,794)	(64,991,381)
Distributions of investments	8,247,576	4,137,454
Proceeds from sale of investments	40,236,238	52,471,713
Proceeds from sale of land	10,915,953	-
Net cash used by investing activities	<u>(8,991,027)</u>	<u>(8,622,458)</u>
Net change in cash and cash equivalents	(1,518,232)	265,186
Cash and cash equivalents, beginning of year	<u>13,872,932</u>	<u>13,607,746</u>
Cash and cash equivalents, end of year	<u><u>\$ 12,354,700</u></u>	<u><u>\$ 13,872,932</u></u>
<b>Supplemental disclosures of cash flow information:</b>		
Non-cash investing activity:		
Contributions of property	\$ 17,471,700	\$ -
Contributions of stock	\$ 285,721	\$ 25,034

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

# MIDWAY USA FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

*Nature of activities:* The Midway USA Foundation, Inc. (the Foundation) was incorporated on December 19, 2007, with a mission to raise and invest money to support charitable and educational programs which teach firearms safety, shooting, hunting and outdoor skills. During 2008, the Foundation established the Team Endowment Account Program, which accepts donations to provide funding to schools to begin or enhance shooting sports programs. During 2014, the Foundation established an agency endowment program which accepts donations to provide funding for non-profit organizations with missions that complement the mission of the Foundation. During 2015, the Foundation also established a designated funds program, which is similar to the Agency Endowment Account Program but with a wider mission. Grants from the designated funds program will be issued for the benefit of youth shooting sports, youth education and conservation programs within the mission of the Organization. During 2019, the Foundation established programs to manage Donor-Advised Funds as well as two Special Purpose Endowments, which will help support Coach Training and Range Development.

*Basis of accounting:* The financial statements of the Foundation have been prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned, and expenses are recognized when incurred.

*Financial statement presentation:* The Foundation reports information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions:* Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. Gifts of cash and other assets received without donor stipulations are reported as revenue without donor restrictions.

*Net assets with donor restrictions:* Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

*Estimates:* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Cash and cash equivalents:* The Foundation considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

Periodically, the Foundation maintains cash on deposit at financial institutions in excess of amounts insured by the U.S. Federal Deposit Insurance Corporation (FDIC).

*Valuation of investments:* Investments in debt and equity securities are reported in the financial statements at fair value as of the end of the fiscal year. Fair value is determined by quoted market prices for securities listed on national exchanges or over-the-counter markets. Fair values for hedge funds and private equity limited partnership investments for which market quotations are not readily available represent net asset value or other valuations provided by the investment funds' managers. Purchases and sales of securities are recorded on a trade date basis. Realized investment gains and losses are determined on the specific identification basis. Dividends are recorded on the declaration date. Interest is recorded when earned.

Investment securities of the Foundation are exposed to various risks, such as interest rates, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statements of financial position.

*Prepaid expenses:* Prepaid expenses include purchases of fundraising supplies to be donated as non-cash grants to eligible schools and programs to use in their fundraising activities. The expense is recorded when the supplies are shipped to the school or program. Total fundraising supplies included in prepaid expenses were \$723,921 and \$703,079 at December 31, 2024 and 2023, respectively. See Note 4 for related expense included in program services – grants and awards in the Statement of Activities.

*Land, building and equipment:* Land, building and equipment are recorded at cost, and buildings and equipment are depreciated over their estimated useful lives using the straight-line method. Donated assets are recorded at fair value at the date of the donation. During 2015, the Foundation adopted a capitalization policy whereby purchases of software and equipment totaling \$5,000 or more will be capitalized. Maintenance, repairs, and minor improvements are charged to expense as incurred.

*Contributions:* The Foundation reports gifts of cash and other assets as net assets without donor restrictions. Contributions, including unconditional promises to give, are recognized as revenues in the period in which the promises are made, at net realizable value. Contributions which are conditional promises to give, including bequests, are recognized at their estimated fair value in the period in which the conditions were met. As of December 31, 2024 and 2023, the Foundation has no unconditional promises to give.

*Donated property, securities, materials, and services:* Donated property is recorded at its market value as of the date of receipt. Donated securities are recorded at the underlying security's fair value as of the date of donation. Donated materials are recorded as contributions at their estimated value on the date of receipt. Donated services are reported if they create a nonfinancial asset or would typically need to be purchased by the Foundation if the services had not been provided by the contribution, require specialized skills, and are provided by individuals with those skills. If donated services meet the definition, they are recorded at the fair value of the services received. During the years ended December 31, 2024 and 2023, the Foundation received \$18,344,336 and \$434,706 in donated property, securities, materials, and services, respectively.

*Statement of Functional Expenses:* The costs of providing programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

*Advertising:* The Foundation expenses advertising and promotion costs as incurred. Advertising and promotion costs for the years ended December 31, 2024 and 2023, totaled \$65,543 and \$56,819, respectively.

*Tax status:* The Foundation is exempt from federal income taxes as a public charity under the provisions of Internal Revenue Code section 501(c)(3). The Foundation's tax returns are subject to examination by the Internal Revenue Service. Any interest or penalties incurred related to income tax filings are reported within general and administrative expenses in the consolidated statements of income.

*Subsequent events:* Events that have occurred subsequent to December 31, 2024, have been evaluated through July 30, 2025, which represents the date the Foundation's financial statements were approved by management and therefore available to be issued.

## 2. INVESTMENTS

Investments include the following at December 31:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Investments:				
Mutual funds - equity	\$ 98,178,562	\$ 146,978,655	\$ 89,609,898	\$ 121,210,843
Mutual funds - fixed income	14,688,021	15,036,394	14,040,164	14,277,593
Common stock	12,863,125	16,000,625	16,277,327	19,027,409
Bonds	33,889,687	33,221,791	30,092,780	29,641,224
Hedge Funds	33,865,000	38,710,957	21,335,000	26,601,423
Private Equity	48,104,482	88,761,401	46,858,071	80,921,744
Total	<u>\$ 241,588,877</u>	<u>\$ 338,709,823</u>	<u>\$ 218,213,240</u>	<u>\$ 291,680,236</u>

The following summarizes the net investment return for the years ended December 31:

	2024	2023
Interest and dividend income	\$ 10,810,309	\$ 4,426,734
Realized and unrealized investment gains	26,898,584	33,484,682
Investment fees	<u>(1,412,307)</u>	<u>(1,086,138)</u>
Net investment return	<u>\$ 36,296,586</u>	<u>\$ 36,825,278</u>

Fair value is 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. For assets and liabilities required to be reported at fair value, accounting principles generally accepted in the United States of America prescribes a framework for measuring fair value and financial statement disclosures about fair value measurements. A fair value hierarchy has been established that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The three levels of the fair value hierarchy as prescribed by GAAP are as follows:

- Level 1 Valuation is based upon quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access.
- Level 2 Valuation is based upon quoted prices for similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Observable inputs may include interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.
- Level 3 Valuation is based on methodologies that are unobservable and significant to the fair value measure. These may be generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of valuation methodologies used for assets and liabilities recorded at fair value.

*Mutual funds:* Valued at quoted market prices available on an active market which is based on the underlying net asset value (NAV) of shares held by the Foundation at year-end.

*Common stock and Master limited partnerships:* Valued at closing price reported on the active market on which the individual securities/limited partnerships are traded.

*U.S. government bonds:* U.S. treasury notes and bonds are valued at the closing price reported in the market in which the individual security is traded. Other U.S. government bonds are valued at the closing price reported in the inactive market in which the bond is traded or valued based on yields currently available on comparable securities of issuers with similar credit ratings.

*State and local government bonds:* Certain bonds are valued at the closing price reported in the market in which the individual security is traded. Other state and local government bonds are valued at the closing price reported in the inactive market in which the bond is traded or valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

*Corporate bonds:* Certain corporate bonds are valued at the closing price reported in the inactive market in which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.



*Special limited partnership interests:* Investments in special limited partnership interests are recorded at fair value, as valued by the General Partner (GP) in the absence of readily ascertainable market values and based on significant unobservable inputs. These inputs include discounted cash flow models, production forecast, appraisals and sales of comparable underlying investments when available and are based on the best available information in the circumstances without further adjustment by the Foundation.

*Hedge funds:* Valued based on the NAV per share, without further adjustment by the Foundation. NAV is based upon the fair value of the underlying investments.

The table below presents the Foundation's assets measured at fair value on a recurring basis as of December 31, 2024 and 2023, aggregated by the level in the fair value hierarchy within which those measurements fall:

	Level 1	Level 2	Level 3	Total
<b><u>2024</u></b>				
Bonds				
U.S. agencies	\$ -	\$ 9,039,859	\$ -	\$ 9,039,859
Corporate bonds	-	24,181,932	-	24,181,932
Total fixed income	-	33,221,791	-	33,221,791
Common stock and master limited partnerships				
Communication services	121,884	-	-	121,884
Consumer discretionary	411,079	-	-	411,079
Consumer staples	442,044	-	-	442,044
Energy	7,557,717	-	-	7,557,717
Financials	900,098	-	-	900,098
Health care	1,446,034	-	-	1,446,034
Industrials	2,737,524	-	-	2,737,524
Information technology	1,548,687	-	-	1,548,687
Materials	404,670	-	-	404,670
Real Estate	430,888	-	-	430,888
Total common stock and master limited partnerships	16,000,625	-	-	16,000,625
Mutual funds				
Fixed income				
High yield	15,036,394	-	-	15,036,394
Equity				
Diversified emerging market funds	6,113,503	-	-	6,113,503
International funds	30,982,006	-	-	30,982,006
Real-estate funds	5,415,288	-	-	5,415,288
Mid cap blend funds	104,467,858	-	-	104,467,858
Total mutual funds	162,015,049	-	-	162,015,049
Special limited partnership interests	-	-	88,761,401	88,761,401
Investments at fair value	\$ 178,015,674	\$ 33,221,791	\$ 88,761,401	299,998,866
Investments at net asset value (NAV)				
Hedge funds				38,710,957
Total investments				\$ 338,709,823

<b><u>2023</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Bonds				
U.S. agencies	\$ -	\$ 5,840,310	\$ -	\$ 5,840,310
Corporate bonds	-	23,800,914	-	23,800,914
Total fixed income	-	29,641,224	-	29,641,224
Common stock and master limited partnerships				
Communication services	259,413	-	-	259,413
Consumer discretionary	1,002,071	-	-	1,002,071
Consumer staples	512,206	-	-	512,206
Energy	7,463,717	-	-	7,463,717
Financials	1,752,938	-	-	1,752,938
Health care	1,567,077	-	-	1,567,077
Industrials	3,377,068	-	-	3,377,068
Information technology	1,947,305	-	-	1,947,305
Materials	697,011	-	-	697,011
Real Estate	314,554	-	-	314,554
Utilities	134,049	-	-	134,049
Total common stock and master limited partnerships	19,027,409	-	-	19,027,409
Mutual funds				
Fixed income				
High yield	14,277,593	-	-	14,277,593
Equity				
Diversified emerging market funds	4,567,605	-	-	4,567,605
International funds	29,158,946	-	-	29,158,946
Real-estate funds	4,677,956	-	-	4,677,956
Mid cap blend funds	82,806,336	-	-	82,806,336
Total mutual funds	135,488,436	-	-	135,488,436
Special limited partnership interests	-	-	80,921,744	80,921,744
Investments at fair value	\$ 154,515,845	\$ 29,641,224	\$ 80,921,744	265,078,813
Investments at net asset value (NAV)				
Hedge funds				26,601,423
Total investments				\$ 291,680,236

*Special limited partnership interests* – The Foundation’s equity investments include special limited partnership interests, which are considered alternative investments. These interests are considered Level 3 investments as defined above and as shown in the tables above. The Foundation has used unadjusted third party pricing for which information on quantitative unobservable inputs has not been provided, and the Foundation has not developed its own quantitative unobservable inputs. The Foundation is not aware of any changes that should be made to those values. Therefore, the disclosure in tabular format of quantitative information about unobservable inputs used in fair values estimates for Level 3 investments is not disclosed.

The investment objective is to realize long-term compounded returns in excess of those available through conventional investments in public equity markets. The fair values are provided by the partnerships’ General Partners, who use the best information reasonably available in determining fair values of the underlying investments. Underlying investments that are publicly traded securities are valued at quoted market prices. For underlying investments that are not publicly traded, the primary input is the net asset values of the underlying investee limited partnerships or most recent information provided by each investee partnership’s general partner or lead investor. Adjustments to these values may be made by the general partners based on various factors, including comparable market transactions, discount rates, cash flow projections, and/or liquidity, credit and market risk factors, company performance, current capital structure, applicable market trading and transaction comparables, applicable market yields timing of future expected cash flows and recent trades in the secondary market for the security.

Due to the illiquid nature of special limited partnership interests, it is expected that the Foundation will retain ownership of the partnership interests until the termination and final liquidation of the respective partnerships. Termination and final liquidation of the partnerships generally occurs over a period of ten years from the initial commitment date but may take longer.

The following are the Level 3 private equity limited partnership investments and their fair values:

	2024	2023
8VC Opportunities Access Offshore LP	\$ 1,734,645	\$ 1,456,941
Ares Special Opportunities Access Offshore LP	1,681,189	2,373,916
Ares Special Opportunities II Access Offshore LP	2,180,652	1,513,678
Broad Street Real Estate Credit Partners III	189,511	355,486
China-US Industrial Cooperation Partnership LP	1,255,227	1,195,238
Dragoneer Opportunities VI Access Offshore LP	244,875	165,739
H.I.G. Private Equity Opportunities Access Offshore LP	306,496	-
King Street Global Drawdown II	2,061,807	1,094,989
Menlo Special Opportunities III Access Offshore LP	1,070,496	439,734
Pretium Single Family Rental VI Access Offshore LP	539,879	491,292
Private Credit Managers II Offshore	7,370,936	7,814,732
Private Credit Managers III Offshore	9,246,072	9,678,317
Private Equity Co-Investment Partners IV Offshore LP	(6,665)	-
Private Equity Managers (2015) Offshore SCSp Fund	1,592,412	1,874,351
Private Equity Managers (2016) Offshore SCSp Fund	7,682,326	7,819,901
Private Equity Managers (2017) Offshore SCSp Fund	6,921,852	8,198,913
Private Equity Managers (2018) Offshore SCSp Fund	6,620,198	6,576,573
Private Equity Managers (2019) Offshore SCSp Fund	5,879,954	4,976,623
Private Equity Managers (2020) Offshore SCSp Fund	4,873,046	4,010,719
Private Equity Managers (2021) Offshore SCSp Fund	3,925,483	2,951,135
Private Equity Managers (2022) Offshore SCSp Fund	2,666,283	(166,798)
Private Equity Managers (2023) Offshore SCSp Fund	17,891	8,317
Private Equity Managers (2024) Offshore SCSp Fund	(101,389)	-
Silver Point Distressed Opportunities Access Offshore LP	494,655	606,933
Silver Point Distressed Opportunities Access Offshore LP II	331,974	(3,670)
SLR Prive Credit II	789,269	441,821
TPG Tech Adjacencies Access Offshore LP and TPG Tech Adjacencies Access Offshore Holdings LP	854,473	979,186
Vintage VII Offshore SCSp Fund	3,473,547	4,181,405
Vintage VIII Offshore SCSp and Vintage VIII Offshore Holdings LP	9,325,261	9,791,368
Vintage IX B Offshore SCSp Fund	5,362,717	2,108,247
Vintage Real Estate Partners III	176,329	(13,342)
	<u>\$ 88,761,401</u>	<u>\$ 80,921,744</u>

The Foundation is contractually committed to funding the following private equity limited partnerships up to the commitment amount noted. Unfunded commitments are funded upon demand of the private equity limited partnerships and constitute capital called. The following summarizes commitments, capital calls, and recallable distributions as of December 31, 2024:

	Commitment	Capital Calls	Recallable Distributions	Unfunded Commitment
8VC Opportunities Access Offshore LP	\$ 2,000,000	\$ 1,807,004	\$ -	\$ 192,996
Ares Special Opportunities Access Offshore LP	2,500,000	2,382,632	1,135,053	1,252,421
Ares Special Opportunities II Access Offshore LP	2,700,000	1,763,546	-	936,454
Broad Street Real Estate Credit Partners III	1,000,000	718,420	-	281,580
China-US Industrial Cooperation Partnership LP	1,110,000	939,750	-	170,250
Dragoneer Opportunities VI Access Offshore LP	460,000	248,303	7,330	219,027
H.I.G. Private Equity Opportunities Access Offshore LP	2,000,000	261,115	-	1,738,885
King Street Global Drawdown II	3,000,000	1,819,485	-	1,180,515
Menlo Special Opportunities III Access Offshore LP	2,000,000	1,023,245	-	976,755
Private Credit Managers II Offshore	10,500,000	8,154,423	2,796,644	5,142,221
Private Credit Managers III Offshore	11,500,000	8,984,289	2,436,326	4,952,037
Private Equity Co-Investment Partners IV Offshore LP	2,000,000	-	-	2,000,000
Private Equity Managers (2015) Offshore SCSp Fund	1,700,000	1,656,132	580,328	624,196
Private Equity Managers (2016) Offshore SCSp Fund	6,100,000	5,522,922	963,346	1,540,424
Private Equity Managers (2017) Offshore SCSp Fund	5,000,000	4,527,790	1,211,174	1,683,384
Private Equity Managers (2018) Offshore SCSp Fund	5,000,000	4,389,370	852,486	1,463,116
Private Equity Managers (2019) Offshore SCSp Fund	4,000,000	3,576,257	604,000	1,027,743
Private Equity Managers (2020) Offshore SCSp Fund	5,100,000	4,122,660	-	977,340
Private Equity Managers (2021) Offshore SCSp Fund	5,000,000	3,368,097	-	1,631,903
Private Equity Managers (2022) Offshore SCSp Fund	9,000,000	2,655,258	-	6,344,742
Private Equity Managers (2023) Offshore SCSp Fund	8,000,000	-	-	8,000,000
Private Equity Managers (2024) Offshore SCSp Fund	9,000,000	-	-	9,000,000
Private Equity Managers (2025) Offshore SCSp Fund	9,000,000	-	-	9,000,000
Sculptor Real Estate V Access Offshore LP	3,000,000	-	-	3,000,000
Silver Point Distressed Opportunities Access Offshore LP	1,000,000	654,905	489,835	834,930
Silver Point DOIP II Access Offshore LP	2,500,000	274,156	-	2,225,844
SLR Private Credit II	3,300,000	844,717	-	2,455,283
TPG Tech Adjacencies Access Offshore LP and TPG Tech Adjacencies Access Offshore Holdings LP	1,000,000	1,012,337	75,695	63,358
Vintage VII Offshore SCSp Fund	6,100,000	4,913,876	2,508,724	3,694,848
Vintage VIII Offshore SCSp and Vintage VIII Offshore Holdings LP	10,000,000	6,640,629	2,992,728	6,352,099
Vintage IX B Offshore SCSp Fund	15,000,000	3,372,712	545,919	12,173,207
Pretium Single Family Rental VI Access Offshore LP	1,500,000	622,225	84,828	962,603
Vintage Real Estate Partners III	5,000,000	200,000	-	4,800,000
	<u>\$ 156,070,000</u>	<u>\$ 76,456,255</u>	<u>\$ 17,284,416</u>	<u>\$ 96,898,161</u>

Through July 30, 2025, the Foundation paid capital calls on the above partnerships totaling \$4,771,524 and received partnership distributions totaling \$4,694,779. Subsequent to December 31, 2024, the Foundation entered into the following new special limited partnership agreement. There were no subsequent capital calls related to these partnerships through July 30, 2025.

	Subsequent Commitment
Special limited partnership	
Vintage X (Flagship) Offshore SCSp	\$ 22,000,000
West Street Growth Equity Partners II	
Offshore Feeder Fund LLC	5,500,000
	<u>\$ 27,500,000</u>

A reconciliation of the beginning and ending balance of the Level 3 assets activity that are measured at fair value on a recurring basis using unobservable inputs is as follows:

	Private Equity	
	2024	2023
Balance, beginning of year	\$ 80,921,744	\$ 70,524,816
Capital contributions	11,325,628	8,397,708
Distributions	(10,555,517)	(4,554,124)
Included in investment return:		
Unrealized gains	7,069,546	6,553,344
Balance, end of year	<u>\$ 88,761,401</u>	<u>\$ 80,921,744</u>

*Investments Measured at Net Asset Value (NAV)* - The Foundation is permitted, as a practical expedient, to estimate the fair value of an investment that does not have a readily determinable fair value using the net asset value per share (or its equivalent) of the investment, if the net asset value per share of the investment is calculated in a manner consistent with the measurement principles of an investment company as of the Foundation's reporting date. It is not permitted if it is probable the Foundation will sell the investment for an amount different from the reported net asset value. The Foundation has the ability to redeem these investments at NAV reported by the investment manager and, therefore, uses NAV as the reported fair value.

Hedge funds are valued at net asset value (NAV) based on the underlying value of the fund assets and are considered to be redeemable in the short term. The Foundation estimates the fair value of certain alternative investments using the net asset value (NAV) practical expedient. Because NAV is used to estimate fair value, these investments are not classified in the fair value hierarchy. Accordingly, the inputs or methodology used for valuing or classifying investments for financial reporting purposes are not necessarily an indication of the risk associated with investing in those investments or a reflection on the liquidity of each fund's underlying assets and liabilities.

The following table summarizes the net asset value and redemption information for the Foundation's investments reported at NAV as of December 31:

	NAV		Redemption Frequency	Redemption Notice
	2024	2023		
Private investment hedge funds:				
Aptitude Partners Ltd	\$ 19,475,919	\$ 15,811,249	Quarterly	65 Days
Hedge Fund Managers (Strategic) Ltd	-	10,790,174	Quarterly	91 Days
Princeton Fund Ltd	19,235,038	-	Quarterly	90 Days
	<u>\$ 38,710,957</u>	<u>\$ 26,601,423</u>		

The following table lists any additional redemption restrictions for investments measured at fair value using NAV as of December 31, 2024:

	Additional Redemption Restrictions
Private investment hedge funds:	
Aptitude Partners Ltd	Three year lock on investments. No additional restrictions on redemptions.
Hedge Fund Managers (Strategic) Ltd	One year lock on investments. No additional restrictions on redemptions.
Princeton Fund Ltd	One year lock on investments. No additional restrictions on redemptions.

The following table briefly describes the investment objectives of the investments measured at fair value using NAV as of December 31, 2024:

	Investment Objective
Private investment hedge funds:	
Aptitude Partners Ltd	Target attractive risk-adjusted long-term returns.
Hedge Fund Managers (Strategic) Ltd	Target attractive long-term risk adjusted-absolute returns with lower volatility than the broad equity markets.
Princeton Fund Ltd	Target attractive total returns on a leveraged basis with low correlation and beta to the broad equity markets.

As of December 31, 2024, the Foundation had no unfunded commitments on the above investments measured at NAV.

### 3. LAND, BUILDING AND EQUIPMENT

Land, building and equipment consist of the following at December 31:

	2024	2023
Building	\$ 6,581,483	\$ 6,581,483
Land	1,658,760	1,658,760
Equipment	8,497	8,497
Total	8,248,740	8,248,740
Less accumulated depreciation and amortization	(621,886)	(450,958)
Land, building, and equipment, net	<u>\$ 7,626,854</u>	<u>\$ 7,797,782</u>

### 4. GRANTS AND GRANTS PAYABLE

The following summarizes the amounts included in grants and awards reported on the Statement of Activities for the years ended December 31:

	2024	2023
Youth shooting sports program grants	\$ 6,989,328	\$ 5,988,676
Agency endowment distribution grants	1,393,539	910,448
Donor designated endowment distribution grants	375,890	346,450
Donor advised fund grants	25,000	22,195
Special purpose program grants	2,782,500	1,150,000
	<u>11,566,257</u>	<u>8,417,769</u>
Non-cash grants (Note 1)	817,938	885,487
Less: Purchase discounts for fundraising products	<u>(189,371)</u>	<u>(259,541)</u>
Total grants and awards	<u>\$ 12,194,824</u>	<u>\$ 9,043,715</u>

The Foundation awards grants to organizations for the support of youth shooting sports programs. These grants are recorded by the Foundation when approved by the Board. The Foundation awarded 1,514 and 1,394 grants in 2024 and 2023, respectively, to youth shooting sports teams.

In addition, the Foundation awarded 41 and 38 grants in 2024 and 2023, respectively, to organizations with approved “Agency Endowment Fund Agreements”. Organizations with “Designated Endowments” were awarded 20 grants in 2024 and 13 grants in 2023. The program became active in 2015. During 2021, the “Donor Advised Funds” and “Special Purpose Program Funds” programs became active and awarded four grants and 153 grants in 2024, respectively, and three grants and 97 grants in 2023, respectively.

Accounts payable includes no unpaid grants and awards as of December 31, 2024 and 2023, respectively.

### 5. RETIREMENT PLAN

The Foundation participates in a defined contributions IRA plan. The plan covers all full-time employees of the Foundation who earn more than \$5,000. Matching contributions are up to 3% of each eligible employee’s salary and totaled \$39,919 and \$37,860 for the years ended December 31, 2024 and 2023, respectively.



## **6. RELATED PARTY TRANSACTIONS**

The Foundation utilizes various personnel of Midway Arms, Inc. for grounds maintenance, janitorial services, and utilities. During 2024 and 2023, the Foundation incurred expenses to Midway Arms, Inc. of \$10,860 and \$10,200, respectively. As of December 31, 2024 and 2023, payables to related parties totaled \$19,691 and \$3,950, respectively.

The Foundation leases office space to two related parties under twelve-month lease agreements with no renewal options. Rental income for the office space totaled \$339,240 in both of the years ended December 31, 2024, and 2023.

## **7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Foundation receives significant support without donor restrictions and investment income without donor restrictions.

The Foundation considers investment income without donor restrictions and contributions without donor restrictions for use in current programs which are ongoing and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include management and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant and award commitments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The Foundation's Grant Committee meets semi-annually to review and approve grant and award requests. Due to this timing, the Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 180 days of normal expenses for administrative, general, and fundraising expenses plus an amount that represents the next expected payment for semi-annual grant and award commitments approved by the Committee.

The table below presents financial assets available for general expenditures within one year at December 31:

	2024	2023
Cash and cash equivalents	\$ 12,354,700	\$ 13,872,932
Investments	338,709,823	291,680,236
Interest income receivable	268,760	232,453
Total financial assets	351,333,283	305,785,621
Donor-imposed restrictions:		
Funds subject to purpose or time restrictions	46,837,790	41,217,376
Net financial assets after donor-imposed restrictions	304,495,493	264,568,245
Less amounts not available within one year:		
Long-term and non-liquid investments		
Bonds	33,221,791	29,641,224
Hedge Funds	38,710,957	26,601,423
Private Equity	88,761,401	80,921,744
Total financial assets not available within one year	160,694,149	137,164,391
Total financial assets available within one year	<u>\$ 143,801,344</u>	<u>\$ 127,403,854</u>

## 8. DONATION OF PROPERTY

During February 2024, the Foundation received a donation of land with a total appraised value of \$17,471,700 from a related party. The land was sold in May 2024 for \$10,915,953, net of closing costs.

## 9. CONCENTRATIONS

Donations to the Foundation totaled \$30,593,517 and \$15,819,054 for the years ended December 31, 2024 and 2023, respectively. The owners of MidwayUSA (a related party), who are also members of the Foundation's Board of Directors, contributed \$17,681,700, or 58%, in 2024 and \$200,000, or 1%, in 2023 of these contributions. Subsequent to December 31, 2024, the owners donated an additional \$216,000.