

UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE

COMBINED FINANCIAL STATEMENTS

**YEARS ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE
YEAR ENDED DECEMBER 31, 2022)**



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YEARS ENDED DECEMBER 31, 2023
(WITH SUMMARIZED, COMPARATIVE TOTALS FOR YEAR DECEMBER 31, 2022)**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
United States Table Tennis Association and Affiliate
Colorado Springs, Colorado

Opinion

We have audited the accompanying combined financial statements of United States Table Tennis Association and Affiliate (Organization) which comprise the combined statements of financial position as of December 31, 2023 and 2022, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Organization as of December 31, 2023 and 2022, and the combined changes in activities and net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 combined 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 combined 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 combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Board of Directors
United States Table Tennis Association and Affiliate

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 combined financial statements, and we expressed an unmodified opinion on those audited combined financial statements in our report dated November 14, 2023. In our opinion, the summarized, comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited combined financial statements from which it was derived.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Livingston, New Jersey
October 30, 2024

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023
(WITH COMPARATIVE INFORMATION AS OF DECEMBER 31, 2022)**

ASSETS	2023	2022
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,020,702	\$ 615,755
Accounts Receivable, Net	75,560	127,500
Investments	1,070,988	1,015,569
Prepaid Expenses	97,165	6,185
Total Current Assets	2,264,415	1,765,009
FURNITURE AND EQUIPMENT		
Office Furniture and Equipment	18,855	18,855
Computer Equipment	5,000	5,000
Less: Accumulated Depreciation	(22,605)	(20,938)
Furniture and Equipment, Net	1,250	2,917
Total Assets	\$ 2,265,665	\$ 1,767,926
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 109,211	\$ 83,632
Due to USOPC	10,816	712
Accrued Liabilities	143,075	121,289
Current Portion of Deferred Revenue	1,690	9,121
Current Portion of Long-Term Debt	3,690	2,689
Total Current Liabilities	268,482	214,754
NONCURRENT LIABILITIES		
Deferred Revenue	35,340	2,075
Long-Term Debt	138,838	147,140
Total Liabilities	446,350	366,658
NET ASSETS		
Without Donor Restrictions	1,819,315	1,401,268
Total Liabilities and Net Assets	\$ 2,265,665	\$ 1,767,926

See accompanying Notes to Combined Financial Statements.

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE INFORMATION AS OF DECEMBER 31, 2022)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
REVENUE				
Tournaments, Camps, and Programs	\$ 1,358,938	\$ -	\$ 1,358,938	\$ 941,496
Membership Registrations, Net	383,460	-	383,460	339,388
Corporate Sponsorships	400,000	-	400,000	230,500
Contributions	95,019	-	95,019	85,700
Grants From the USOPC	251,819	-	251,819	236,575
USOC Media/Marketing Agreement	150,000	-	150,000	150,000
Employer Retention Credit	56,057	-	56,057	61,607
Other Income	35,192	-	35,192	23,312
Equipment Approval, Sanctions, and Fees	52,985	-	52,985	35,566
Total Support and Revenue	<u>2,783,470</u>	<u>-</u>	<u>2,783,470</u>	<u>2,104,144</u>
EXPENSES				
Program Services:				
Athlete Development	694,923	-	694,923	460,175
Tournaments	949,216	-	949,216	863,751
Membership Services	145,709	-	145,709	121,441
Total Program Services	<u>1,789,848</u>	<u>-</u>	<u>1,789,848</u>	<u>1,445,367</u>
Supporting Services:				
National Office	678,889	-	678,889	578,375
Marketing, Media, and Fundraising	44,677	-	44,677	13,475
Board of Directors	-	-	-	6,758
USATT Foundation	614	-	614	-
Total Supporting Services	<u>724,180</u>	<u>-</u>	<u>724,180</u>	<u>598,608</u>
Total Expenses	<u>2,514,028</u>	<u>-</u>	<u>2,514,028</u>	<u>2,043,975</u>
CHANGES IN NET ASSETS - OPERATIONS	269,442	-	269,442	60,169
INVESTMENT INCOME, NET	<u>148,605</u>	<u>-</u>	<u>148,605</u>	<u>(181,281)</u>
TOTAL CHANGES IN NET ASSETS	418,047	-	418,047	(121,112)
Net Assets - Beginning of Year	<u>1,401,268</u>	<u>-</u>	<u>1,401,268</u>	<u>1,522,380</u>
NET ASSETS - END OF YEAR	<u>\$ 1,819,315</u>	<u>\$ -</u>	<u>\$ 1,819,315</u>	<u>\$ 1,401,268</u>

See accompanying Notes to Combined Financial Statements.

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED, COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

	Athlete		Membership	Total	National	Board of	Marketing,	USATT	Total	2023	2022
	Development	Tournaments	Services	Program	Office	Directors	Media, and	Foundation	Supporting	Total	Total
				Services			Fundraising		Services	Expenses	Expenses
Accounting, Audit, and Bookkeeping	\$ -	\$ -	\$ -	\$ -	\$ 43,146	\$ -	\$ -	\$ -	\$ 43,146	\$ 43,146	\$ 42,554
Background Screenings	-	-	11,760	11,760	150	-	-	-	150	11,910	8,370
Bank Charges and Credit Card Fees	-	2,094	-	2,094	45,390	-	-	-	45,390	47,484	34,201
Credit Loss Expense	-	-	-	-	25,000	-	-	-	25,000	25,000	-
Coaching Fees	25,466	9,982	-	35,448	-	-	-	-	-	35,448	33,220
Contract Labor and Services	65,291	131,617	-	196,908	43,804	-	24,000	-	67,804	264,712	260,842
Depreciation	-	-	-	-	1,667	-	-	-	1,667	1,667	2,490
Direct Athlete Support	1,455	1,250	-	2,705	-	-	-	-	-	2,705	15,556
Dues and Subscriptions	-	-	3,978	3,978	4,612	-	155	-	4,767	8,745	6,664
Employee Benefits	-	-	6,158	6,158	19,723	-	62	-	19,785	25,943	30,959
Equipment	-	62,628	-	62,628	370	-	-	-	370	62,998	55,795
Equipment Rental	-	-	-	-	1,863	-	-	-	1,863	1,863	2,087
Insurance	408	712	565	1,685	52,299	-	-	614	52,913	54,598	45,577
Interest Expense	-	-	-	-	3,440	-	-	-	3,440	3,440	4,372
IT Support	13	500	18,400	18,913	9,322	-	255	-	9,577	28,490	7,906
Miscellaneous	1,150	-	-	1,150	3,780	-	-	-	3,780	4,930	4,779
Officials and Classifiers	12,130	23,276	-	35,406	76	-	-	-	76	35,482	79,357
Payroll Service	-	-	-	-	77	-	-	-	77	77	152
Payroll Taxes	-	-	3,897	3,897	20,850	-	-	-	20,850	24,747	22,590
Postage and Shipping	10,719	21,492	-	32,211	2,511	-	-	-	2,511	34,722	42,385
Prize Money	17,785	157,119	-	174,904	-	-	-	-	-	174,904	121,798
Professional Fees	-	-	-	-	35,879	-	-	-	35,879	35,879	24,000
Promotions	-	-	-	-	-	-	19,994	-	19,994	19,994	21,437
Ratings	-	-	42,000	42,000	-	-	-	-	-	42,000	42,000
Rent	-	-	1,961	1,961	22,879	-	-	-	22,879	24,840	23,457
Safesport Expense	-	-	8,424	8,424	8,424	-	-	-	8,424	16,848	16,848
Salaries	-	100	45,346	45,446	303,900	-	-	-	303,900	349,346	313,084
Supplies	16,234	62,664	-	78,898	4,835	-	-	-	4,835	83,733	40,809
Telephone	-	-	-	-	2,412	-	-	-	2,412	2,412	2,637
Transportation	704	318	-	1,022	-	-	-	-	-	1,022	7,128
Travel, Food, and Lodging	542,818	457,710	3,220	1,003,748	22,480	-	211	-	22,691	1,026,439	688,699
Volunteers/Operation/Committee	750	17,754	-	18,504	-	-	-	-	-	18,504	42,222
Total	\$ 694,923	\$ 949,216	\$ 145,709	\$ 1,789,848	\$ 678,889	\$ -	\$ 44,677	\$ 614	\$ 724,180	\$ 2,514,028	\$ 2,043,975

See accompanying Notes to Combined Financial Statements.

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023
(WITH COMPARATIVE INFORMATION AS OF DECEMBER 31, 2022)**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes In Net Assets	\$ 418,047	\$ (121,112)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,667	2,490
Net Realized and Unrealized Loss (Gain) on Investment	(118,528)	204,149
Credit Loss Expense	25,000	-
(Gain) Loss on Disposal of Fixed Assets	-	(634)
Changes in Operating Assets:		
Accounts Receivable, Net	26,940	27,500
Prepaid Expenses	(90,980)	(2,120)
Changes in Operating Liabilities:		
Accounts Payable	25,579	(66,476)
Due to USOC	10,104	(33,747)
Accrued Liabilities	21,786	33,739
Deferred Revenue	25,834	(17,327)
Net Cash Provided by Operating Activities	345,449	26,462
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Paid for Investments	(140,078)	(21,219)
Proceeds from Sale of Investments	203,187	33,543
Property and Equipment Disposed (Purchased)	-	6,337
Net Cash Provided by Investing Activities	63,109	18,661
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments On Note Payable	(3,611)	(71)
NET CHANGE IN CASH AND CASH EQUIVALENTS	404,947	45,052
Cash and Cash Equivalents - Beginning of Year	615,755	570,703
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,020,702	\$ 615,755
SUPPLEMENTAL DISCLOSURE OF CASH-FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 3,440	\$ 4,372

See accompanying Notes to Combined Financial Statements.

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 NATURE OF ACTIVITIES

United States Table Tennis Association, Inc. (Association), is the national governing body for the sport of table tennis, making it responsible for the conduct and administration of table tennis in the United States.

United States Table Tennis Foundation, Inc. (Foundation), was founded in 1985 to exclusively benefit, perform the functions of, and to carry out the educational and charitable purposes of the United States Table Tennis Association, Inc.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The combined financial statements are prepared on the accrual basis of accounting.

Principles of Combination

The accompanying combined financial statements include the accounts of United States Table Tennis Association, Inc., and United States Table Tennis Foundation, Inc. (collectively, Organization), which are under common control. All significant intercompany transactions and balances have been eliminated in combination.

The Foundation is organized exclusively for the benefit of the Association and maintains investments on behalf of the Association. The Foundation assets are managed by a Board of Directors that has authority to make distributions to, or for, the use of the Association. The Foundation's Board of Directors approves distributions to the Association on an annual basis based on grant proposals submitted by the Association.

Adoption of New Accounting Standards

The Organization has adopted the current expected credit losses (CECL) methodology for estimating credit losses on financial assets, effective January 1, 2023, utilizing the modified retrospective transition method. The adoption of CECL resulted in changes to the Organization's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. The company also updated its accounting policies for determining the recoverability of trade receivables, loans, and other financial assets. The adoption of this Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization leases a copier, office space, and storage facilities. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the combined statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the combined statements of financial position.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and of the lessor has substantive substitution rights. This evaluation may require significant judgement.

The Organization's office equipment leases were not material to the financial statements.

Combined Financial Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified 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 not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization.

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Combined Financial Statement Presentation (Continued)

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other purposes specified by the donor. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds 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 was restricted has been fulfilled, or both.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the combined statements of activities and changes in net assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Organization's checking and money market accounts. The Organization maintains its cash and cash equivalents at a commercial bank and brokerage firm. In the unlikely event of a bank failure, the Organization could suffer a loss to the extent its deposits exceed the respective bank's insurance limits.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization charges uncollectible receivables to operations when determined to be uncollectible based on a combination of historical loss experience, current economic conditions, and forward-looking information. Management determined no allowance for credit losses was necessary as of December 31, 2023 and 2022.

Depreciation

Property and equipment are recorded at cost as of the date of acquisition or fair value as of the date of receipt in the case of gifts. The Organization's policy is to capitalize property and equipment with a cost of \$1,000 or more.

Depreciation is recorded for office furniture, equipment, computer equipment, and leasehold improvements using the straight-line method over estimated useful lives of 5 to 10 years.

Deferred Revenue

Deferred revenue represents revenues received in advance not yet earned.

Revenue Recognition

The Organization's revenue recognition policies are as follows:

Tournaments, Camps, and Programs - National Tournament income contains a specific delivery element and revenue is recognized at a single point in time when ownership, risks, and rewards transfer. Revenue is recognized when events are successfully conducted.

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Equipment Approval, Sanctions, and Fees – Equipment approval, sanctions, and fees income contains a specific delivery element and revenue is recognized at a single point in time when ownership, risks, and rewards transfer. Revenue is recognized when equipment approvals and sanctioned events are successfully conducted.

Membership registrations - Membership registration revenue is recognized in an amount that reflects the consideration that the Organization is entitled to in exchange for providing membership services. Registrations are recognized as revenue in the period in which the Organization satisfies its performance obligation to its members. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer, as defined by Accounting Standards Codification 606 (ASC 606). The Organization's performance obligation for membership registration revenue is to provide access to competitions, membership services, and benefits accessible only to members. Annual memberships are recognized as revenue over a 12-month period. In the case of three-year and five-year memberships, membership revenue is recognized over a three-year and five-year period, respectively.

Grant revenue - The Organization receives grants from the United States Olympic and Paralympic Committee (USOPC) and other organizations to support its High-Performance program and other initiatives. The Organization assesses grants to determine if an exchange transaction exists. If so, revenue is recognized upon substantially satisfying the performance obligations under such exchange transactions.

Sponsorship revenue - Sponsorship revenue is recognized in an amount that reflects the consideration that the Organization is entitled to in exchange for substantially fulfilling performance obligations specific to each contract. Sponsorships are recognized as revenue in the period in which the Organization satisfies its performance obligation to its sponsors. The Organization's performance obligations for sponsorship revenue is to provide promotion and advertising opportunities as arranged under each contract. The Organization has determined that performance obligations of existing multi-year contracts do not materially differ from year-to-year; but it continues to evaluate each new contract for proper recognition under ASC 606.

Contributions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities and changes in net assets as satisfied program restrictions.

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-kind Contributions

The Organization received in-kind sponsorships and donations from various supporters, including affiliated organizations. There were no such in-kind contributions for the years ended December 31, 2023 and 2022.

The Organization receives a substantial amount of donated services from volunteers in carrying out its programs. No amounts have been reflected in the combined financial statements for those services since they do not meet the criteria for recognition under generally accepted accounting principles.

Fair Value

Fair value measurements are defined as the amount 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. There are three defined hierarchical levels based on the quality of inputs used that directly relate to the amount of subjectivity associated with the determination of fair value.

The fair value hierarchy defines the three levels as follows:

Level 1 – Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 – Valuations based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data.

Level 3 – Valuations based on unobservable inputs are used when little or no market is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the combined statements of activities and changes in net assets, net of investment fees, as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

The fair values of investments are as follows:

Mutual Funds – Valued at the net asset value of shares held by the Organization at year-end.

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Association and Foundation qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and, accordingly, are not subject to federal income tax. Accordingly, no income tax provision has been recorded. However, income from certain activities not directly related to the Association's and Foundation's tax-exempt purposes is subject to taxation as unrelated business income.

The Association's and Foundation's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date filed. Management of the Association and Foundation believes that it does not have any uncertain tax positions that are material to the combined financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Organization have been presented by natural classification and on a functional basis in the combined statements of functional expenses. Accordingly, all costs have been charged directly to programs and supporting services.

Use of Estimates in Preparation of Combined Financial Statements

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Subsequent Events

In preparing the combined financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 30, 2024, the date that the combined financial statements were available to be issued.

NOTE 3 AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to effectively invest their available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, accounts receivable, and amounts due from USOPC. In the event of an unanticipated liquidity need, with the board of directors' approval, the Organization can draw down on Foundation investments.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization strives to produce a conservative budget and anticipates collecting revenue and support to adequately cover operating expenses.

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 AVAILABLE RESOURCES AND LIQUIDITY (CONTINUED)

The following table reflects the Organization's financial assets. The Organization does not have any board-designated net assets as of year-end.

	<u>2023</u>	<u>2022</u>
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 1,020,702	\$ 615,755
Accounts Receivable, Net	75,560	127,500
Investments	<u>1,070,988</u>	<u>1,015,569</u>
Total Financial Assets	2,167,250	1,758,824
Less Amounts Not Available to be Used		
Within One Year:		
Foundation investments, including Cash	(1,127,138)	(1,028,147)
Estimated Foundation Distributions	<u>50,000</u>	<u>41,100</u>
Subtotal	<u>(1,077,138)</u>	<u>(987,047)</u>
Financial Assets Available Within One Year	<u>\$ 1,090,112</u>	<u>\$ 771,777</u>

NOTE 4 RELATED-PARTY TRANSACTIONS

During the years ended December 31, 2023 and 2022, the United States Olympic & Paralympic Committee provided grants to the Organization as follows:

	<u>2023</u>	<u>2022</u>
High Performance	\$ 130,000	\$ 70,000
Other Grants (Including Matching)	<u>121,819</u>	<u>166,575</u>
Total	<u>\$ 251,819</u>	<u>\$ 236,575</u>

In July 2012, the Association entered into a digital media agreement with the USOPC. The term of the agreement was January 1, 2013 through December 31, 2016. Under the terms of the digital media agreement, the previous content license agreement was terminated. During the year ended December 31, 2022, the agreement was extended with the same terms through December 31, 2023. The Association recognized \$150,000 during the years ended December 31, 2023 and 2022, under the agreement. During the year ended December 31, 2023, the Association entered into a new digital engagement platform agreement with new terms through December 31, 2024.

At December 31, 2022, the USOPC owed the Association \$3,500, respectively, under the above grant categories. At December 31, 2023, the USOPC did not owe any funds to the Association. At December 31, 2023 and 2022, the Association owed the USOPC \$10,816 and \$4,212, respectively, for miscellaneous expenses.

The Foundation provided the Association with grants and contributions of \$50,000 and \$52,000 for the years ended December 31, 2023 and 2022, respectively. These balances were eliminated during the combination of the combined financial statements.

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 RELATED-PARTY TRANSACTIONS (CONTINUED)

The Association receives economic benefits in the form of grants from the USOPC and the Foundation in order to enhance its programs at current levels.

Table Tennis clubs (Clubs) hold United States Table Tennis sanctioned events throughout the year and collect membership fees, which are remitted to the Association. The Clubs also pay a sanction fee to the Association based on the total number of participants at events; and the Clubs occasionally contract with the Association for payments associated with hosting United States Table Tennis ranking tournaments and training camps. Occasionally, these Clubs are directly affiliated with members of the board of directors of the Association (board members).

Board members and persons related to board members also receive reimbursements for expenses incurred on behalf of the Organization; and board members and persons related to board members may also receive remuneration for support provided to the Organization at events.

NOTE 5 ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tournaments, Camps, and Programs	\$ -	\$ 30,000	\$ 4,000
Corporate Sponsorships	60,000	97,500	74,250
Contributions	10,000	-	75,000
Other	5,560	-	1,750
Allowance for Doubtful Accounts	-	-	-
Total	<u>\$ 75,560</u>	<u>\$ 127,500</u>	<u>\$ 155,000</u>

NOTE 6 INVESTMENTS

Investments comprised the following:

	<u>2023</u>		<u>2022</u>	
	Cost	Fair Value	Cost	Fair Value
Mutual funds	<u>\$ 1,001,308</u>	<u>\$ 1,070,988</u>	<u>\$ 1,224,160</u>	<u>\$ 1,015,569</u>

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 INVESTMENTS (CONTINUED)

Investments are valued as follows:

	Fair Value Measurements December 31, 2023			
	Level 1	Level 2	Level 3	Total
	Mutual Funds	\$ 1,070,988	\$ -	\$ -

	Fair Value Measurements December 31, 2022			
	Level 1	Level 2	Level 3	Total
	Mutual Funds	\$ 1,015,569	\$ -	\$ -

Income from these investments is summarized as follows:

	2023	2022
Dividend Income	\$ 30,077	\$ 22,868
Unrealized Gain (Loss) on Investments	98,788	(201,715)
Realized Gain (Loss)	19,740	(2,434)
Total Investment Income (Loss)	\$ 148,605	\$ (181,281)

NOTE 7 DEFERRED REVENUE

Deferred revenue consists of the following:

	2023	2022	2021
Membership Dues	\$ 2,075	\$ 9,596	\$ 28,523
Tournament Sanction Fees	-	1,600	-
Events	34,955	-	-
Total	\$ 37,030	\$ 11,196	\$ 28,523

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 8 LOAN PAYABLE

Loan payable consists of the following:

<u>Description</u>	<u>2023</u>	<u>2022</u>
On November 2, 2020, the Organization secured an emergency injury disaster loan from the Small Business Administration, which is to be used for working capital purposes. The loan is payable over 30 years, beginning 12 months after the loan proceeds have been disbursed. Interest accrues at a rate of 2.75%. Installment payments, including interest and principal, are due monthly beginning November 2, 2021, in the amount of \$641. Each payment will be applied first to interest accrued to the date of receipt of each payment, and the balance, if any, will be applied to principal. The loan is collateralized with all of the Organization's tangible assets.	\$ 142,528	\$ 149,829
Less: Current Portion of Long-Term Debt	<u>(3,690)</u>	<u>(2,689)</u>
Long-Term Debt, Net of Current Portion	<u>\$ 138,838</u>	<u>\$ 147,140</u>

Maturity of loan for each of the next five years and thereafter is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 3,690
2025	3,793
2026	3,899
2027	4,007
2028	4,119
Thereafter	<u>123,020</u>
Total	<u>\$ 142,528</u>

NOTE 9 LEASES – ASC 842

The Organization leases a copier, office space, and storage facilities with terms of one year or less. The office space leases expire on various dates in 2024. The copier and storage facilities are leased on a month-to-month basis. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

For the years ended December 31, 2023 and 2022 the Organization's short-term lease expense was \$24,841 and \$23,457.

**UNITED STATES TABLE TENNIS ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 9 LEASES – ASC 842 (CONTINUED)

As of December 31, 2023, the Organization has renewed the office space operating lease in Colorado with future lease payments of \$3,240. The operating lease commenced on January 1, 2024, with a lease term of one year.

As of November 14, 2023, the Organization into an office space operating lease in North Carolina for term of one year. Monthly lease payments are \$2,554.

NOTE 10 TABLE TENNIS USA, INC.

In February 2017, the Organization formed Table Tennis USA, Inc., a for-profit corporation, and a subsidiary of the Organization. The entity did not have any activity during the years ended December 31, 2023 and 2022.

NOTE 11 CONTINGENT GAIN

Management asserts that a certain charge from a vendor is not owed due to a verbal agreement with the vendor to waive the remaining amount as recompense for a food poisoning issue at certain events, primarily occurring during the U.S. Para Open and the U.S. Nationals events. However, subsequent to the year ended December 31, 2023, it remains uncertain whether the vendor had adjusted its records to reflect this agreement. Management is pursuing an agreement to waive the remaining amount charged for these event services, which was approximately \$66,000. The contingent gain has not been recorded in the accompanying combined statements of activities and changes in net assets for the year ended December 31, 2023.

NOTE 12 EMPLOYER RETENTION CREDIT

During the years ended December 31, 2023 and 2022, the Organization applied for and recognized revenue relating to Employee Retention Credits totaling \$56,057 and \$61,607 ,respectively, under the CARES Act. Employee Retention Credits are refundable, federal payroll tax credits available to eligible employers whose business has been financially impacted by COVID-19. The Organization accounts for the funds as Employee Retention Credits in the accompanying combined statements of activities and changes in net assets.



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