



**UNITED STATES JUDO, INC.**

**Financial Statements**

**For the Year Ended December 31, 2022**

**And**

**Independent Auditors' Report**

# UNITED STATES JUDO, INC.

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
United States Judo, Inc.

### Opinion

We have audited the accompanying financial statements of United States Judo, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter

As described in Note 1 to the financial statements, in 2022 the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* effective January 1, 2022. Our opinion is not modified with respect to this matter.

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

## **Auditors' Responsibility 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 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

## **Report on Summarized Comparative Information**

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated September 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Stockman Kast Ryan + Co. LLP*

November 20, 2023

# UNITED STATES JUDO, INC.

## STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2022 (with comparative totals for 2021)

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|   | 2022                | 2021                |
|---|---------------------|---------------------|
| <b>ASSETS</b>                               |                     |                     |
| CURRENT ASSETS                              |                     |                     |
| Cash and equivalents                        | \$ 451,386          | \$ 340,473          |
| Accounts receivable                         | 49,246              | 18,504              |
| Prepaid expenses and other current assets   | 64,302              | 101,219             |
| Investments                                 | <u>658,187</u>      | <u>754,188</u>      |
| Total current assets                        | 1,223,121           | 1,214,384           |
| PROPERTY AND EQUIPMENT, NET                 | <u>6,528</u>        | <u>3,581</u>        |
| TOTAL ASSETS                                | <u>\$ 1,229,649</u> | <u>\$ 1,217,965</u> |
| <b>LIABILITIES AND NET ASSETS</b>           |                     |                     |
| CURRENT LIABILITIES                         |                     |                     |
| Accounts payable                            | \$ 202,871          | \$ 96,437           |
| Accrued expenses                            | 72,206              | 42,246              |
| Deferred revenue                            | 448,812             | 323,548             |
| Current portion of notes payable            | <u>3,670</u>        | <u>2,072</u>        |
| Total current liabilities                   | 727,559             | 464,303             |
| LONG-TERM PORTION OF NOTES PAYABLE          | <u>146,152</u>      | <u>148,873</u>      |
| TOTAL LIABILITIES                           | <u>873,711</u>      | <u>613,176</u>      |
| NET ASSETS                                  |                     |                     |
| Without donor restrictions:                 |                     |                     |
| Available for operations                    | 277,055             | 565,765             |
| Invested in property and equipment          | <u>6,528</u>        | <u>3,581</u>        |
| Total net assets without donor restrictions | 283,583             | 569,346             |
| With donor restrictions                     | <u>72,355</u>       | <u>35,443</u>       |
| TOTAL NET ASSETS                            | <u>355,938</u>      | <u>604,789</u>      |
| TOTAL LIABILITIES AND NET ASSETS            | <u>\$ 1,229,649</u> | <u>\$ 1,217,965</u> |

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See notes to financial statements.

## UNITED STATES JUDO, INC.

### STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022 (with comparative totals for 2021)

|  | 2022                          |                            |            | 2021<br>Total |
|--|-------------------------------|----------------------------|------------|---------------|
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total      |               |
| <b>SUPPORT AND REVENUES</b>  |                               |                            |            |               |
| Dues and membership  | \$ 835,339                    |                            | \$ 835,339 | \$ 475,458    |
| Grants   | 686,900                       |                            | 686,900    | 779,850       |
| Events   | 469,826                       |                            | 469,826    | 317,714       |
| Contributions -<br>financial assets  | 63,986                        | \$ 55,854                  | 119,840    | 25,698        |
| Contributions -<br>nonfinancial assets   | 146,312                       |                            | 146,312    | 88,431        |
| Certification and<br>other service fees  | 63,502                        |                            | 63,502     | 76,791        |
| Investment income (loss)   | (96,001)                      |                            | (96,001)   | 129,802       |
| Other  | 55,662                        |                            | 55,662     | 32,406        |
| Total  | 2,225,526                     | 55,854                     | 2,281,380  | 1,926,150     |
| Net assets released from<br>restrictions - satisfaction<br>of purpose restrictions | 18,942                        | (18,942)                   | —          | —             |
| Total support and revenues   | 2,244,468                     | 36,912                     | 2,281,380  | 1,926,150     |
| <b>EXPENSES</b>  |                               |                            |            |               |
| Program services   | 1,855,781                     |                            | 1,855,781  | 1,419,639     |
| Supporting services:   |                               |                            |            |               |
| General and administrative   | 628,442                       |                            | 628,442    | 491,125       |
| Fundraising  | 46,008                        |                            | 46,008     | 29,187        |
| Total expenses   | 2,530,231                     | —                          | 2,530,231  | 1,939,951     |
| Operating gain (loss)  | (285,763)                     | 36,912                     | (248,851)  | (13,801)      |
| PPP forgiveness  | —                             | —                          | —          | 103,723       |
| CHANGE IN NET ASSETS   | (285,763)                     | 36,912                     | (248,851)  | 89,922        |
| NET ASSETS, Beginning of year  | 569,346                       | 35,443                     | 604,789    | 514,867       |
| NET ASSETS, End of year  | \$ 283,583                    | \$ 72,355                  | \$ 355,938 | \$ 604,789    |

See notes to financial statements.

## UNITED STATES JUDO, INC.

### STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2022 (with comparative totals for 2021)

|                       | 2022                |                               |                  |                     | 2021<br>Total       |
|-----------------------|---------------------|-------------------------------|------------------|---------------------|---------------------|
|                       | Program<br>Services | Supporting Services           |                  | Total               |                     |
|                       |                     | General and<br>Administrative | Fundraising      |                     |                     |
| Salaries and benefits | \$ 302,565          | \$ 339,237                    | \$ 46,008        | \$ 687,810          | \$ 583,217          |
| High performance      | 624,014             |                               |                  | 624,014             | 583,872             |
| National events       | 496,898             |                               |                  | 496,898             | 292,610             |
| Business operations   | 205,586             | 59,887                        |                  | 265,473             | 67,093              |
| Insurance             | 24,646              | 117,522                       |                  | 142,168             | 126,404             |
| Membership            | 120,260             |                               |                  | 120,260             | 96,423              |
| Occupancy and office  |                     | 78,533                        |                  | 78,533              | 71,015              |
| Professional services | 2,740               | 33,263                        |                  | 36,003              | 60,165              |
| Referees              | 30,346              |                               |                  | 30,346              | 26,782              |
| Donations             | 17,156              |                               |                  | 17,156              | 29,092              |
| Other                 | 31,570              |                               |                  | 31,570              | 3,278               |
| <b>TOTAL</b>          | <b>\$ 1,855,781</b> | <b>\$ 628,442</b>             | <b>\$ 46,008</b> | <b>\$ 2,530,231</b> |                     |
| PERCENTAGE            | 73%                 | 25%                           | 2%               | 100%                |                     |
| <b>TOTAL - 2021</b>   | <b>\$ 1,419,639</b> | <b>\$ 491,125</b>             | <b>\$ 29,187</b> |                     | <b>\$ 1,939,951</b> |
| PERCENTAGE - 2021     | 73%                 | 25%                           | 2%               |                     | 100%                |

See notes to financial statements.

## UNITED STATES JUDO, INC.

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022 (with comparative totals for 2021)

|   | 2022              | 2021              |
|---|-------------------|-------------------|
| <b>OPERATING ACTIVITIES</b>   |                   |                   |
| Change in net assets  | \$ (248,851)      | \$ 89,922         |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: |                   |                   |
| Depreciation  | 3,215             | 2,387             |
| PPP forgiveness   |                   | (103,723)         |
| Net realized and unrealized loss (gains) on investments   | 104,063           | (121,137)         |
| Changes in operating assets and liabilities:  |                   |                   |
| Accounts receivable   | (30,742)          | (2,017)           |
| Prepaid expenses and other current assets   | 36,917            | (10,777)          |
| Accounts payable and accrued expenses   | 136,394           | 50,404            |
| Deferred revenue  | 125,264           | (108,567)         |
| Net cash provided by (used in) operating activities   | <u>126,260</u>    | <u>(203,508)</u>  |
| <b>INVESTING ACTIVITIES</b>   |                   |                   |
| Purchase of property and equipment  | (6,162)           |                   |
| Purchase of investments   | <u>(8,062)</u>    | <u>(8,665)</u>    |
| Net cash used in investing activities   | <u>(14,224)</u>   | <u>(8,665)</u>    |
| <b>FINANCING ACTIVITIES</b>   |                   |                   |
| Proceeds from long-term debt  |                   | 945               |
| Repayments of long-term debt  | (1,123)           |                   |
| Proceeds from PPP grant   |                   | <u>103,723</u>    |
| Net cash provided by (used in) financing activities   | <u>(1,123)</u>    | <u>104,668</u>    |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS  | 110,913           | (107,505)         |
| CASH AND CASH EQUIVALENTS, Beginning of year  | <u>340,473</u>    | <u>447,978</u>    |
| CASH AND CASH EQUIVALENTS, End of year  | <u>\$ 451,386</u> | <u>\$ 340,473</u> |
| <b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>   |                   |                   |
| PPP forgiveness   | <u>\$ -</u>       | <u>\$ 103,723</u> |

See notes to financial statements.



# UNITED STATES JUDO, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Operations** — United States Judo, Inc. (the Organization) was incorporated in September 1980 in the state of Texas. The Organization is the national governing body of the sport of judo in the United States in accordance with the Ted Stevens Olympic and Amateur Sports Act and, as such, is a member of the United States Olympic & Paralympic Committee (USOPC). The principal purpose of the Organization is to operate for charitable and educational purposes and to foster national and international amateur sports competition in the sport of judo.

**Basis of Presentation** — The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions which represent the expendable resources that are available for operations at management's discretion and the net investment in property and equipment; and net assets with donor restrictions, which represent resources restricted by donors as to purpose or by the passage of time.

The accompanying financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

**Cash and Cash Equivalents** — The Organization considers all liquid investments with original maturities of three months or less, and which are not held for long-term investment purposes, to be cash equivalents. Cash and highly liquid financial instruments held for long-term investment purposes, regardless of original length to maturity, are reported as investments and are excluded from this definition. The net amount of operating cash added to, or withdrawn from, the long-term investments is reported as an investing activity in the statement of cash flows. At times during the year, the Organization's cash accounts may exceed Federal Deposit Insurance Corporation insured limits.

**Accounts Receivable** — Accounts receivable are stated at the amount billed for services and fees. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Delinquent receivables are written off based on specific circumstances of the customer and other economic factors. The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Organization's estimate is based on historical collection experience and a review of the current status of trade accounts receivable. It is reasonably possible that the Organization's estimate of the allowance for doubtful accounts will change. As of December 31, 2022 and 2021, management believes all accounts receivable are fully collectible.

**Investments and Investment Return** — Investments are carried at fair value in the statement of financial position. Net investment return consists of interest and dividend income, and the realized and unrealized gains and losses on the investments, less investment management and custodial fees. See Note 5 for additional information on fair value measurements.

**Prepaid Expenses and Other Assets** — Prepaid expenses and other assets consist primarily of expenses paid and tickets purchased in advance of future judo events.

**Property and Equipment** — All acquisitions of property and equipment in excess of \$3,000 are capitalized. Donated equipment is recorded at fair market value at the date of donation. Purchased equipment is recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of 5 years. Upon sale or disposition, the asset and its related accumulated depreciation are removed from the accounts and any remaining gain or loss is included in the statement of activities. Costs of repairs and maintenance are charged to expense when incurred.

**Revenue from Contracts** — The Organization recognizes revenues by applying the following steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract, if applicable; and (5) recognize revenue when (or as) the performance obligation is satisfied.

USOPC funds received in advance are included in deferred revenue and recognized when the related performance obligation is satisfied. Dues and memberships are recognized ratably over the period of membership as services are simultaneously received and consumed by the members.

**Contributions** — Grants and contributions received are recorded as with or without donor restrictions depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets without donor restrictions. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Functional Allocation of Expenses** — The costs of providing various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses are recorded when costs are incurred. The majority of expenses are comprised of travel, lodging, food, site costs and related costs, which are allocated to programs as the costs are associated with events the Organization hosts or events their athletes attend. For salaries expense, the Organization reviewed the salaries for each employee and allocated the expense as a percentage of time effort spent in each category. Occupancy costs are then allocated using the percentages derived from the salary allocation and headcount.

**Use of Estimates** — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Income Taxes** — The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction and has been classified as an organization that is not a private foundation. The Organization believes that it does not have any uncertain tax positions that are material to the financial statements.

**Prior Period Reclassifications** — Certain prior period amounts have been reclassified to conform to current year presentation.

**Subsequent Events** — The Organization has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

**Changes in Accounting Principles** — In September 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

## 2. LIQUIDITY AND AVAILABILITY

The table reflects the Organization's financial assets as of December 31, reduced by amounts that are not available for use within one year from the statement of financial position date.

|  | 2022                | 2021                |
|--|---------------------|---------------------|
| Cash and cash equivalents  | \$ 451,386          | \$ 340,473          |
| Accounts receivable  | 49,246              | 18,504              |
| Investments  | <u>658,187</u>      | <u>754,188</u>      |
| Total financial assets   | 1,158,819           | 1,113,165           |
| Less amounts unavailable to<br>be used within one year, due to:                      |                     |                     |
| Net assets with donor restrictions   | <u>(72,355)</u>     | <u>(35,443)</u>     |
| Total financial assets available to management<br>to meet cash needs within one year | <u>\$ 1,086,464</u> | <u>\$ 1,077,722</u> |

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as their general expenditures, liabilities and other obligations come due. In accordance with their liquidity plan, excess cash is invested in long-term investments and the Organization follows the guidelines of their investment policy.

## 3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

|                               | 2022            | 2021            |
|-------------------------------|-----------------|-----------------|
| Equipment                     | \$ 18,099       | \$ 11,937       |
| Software                      | <u>8,000</u>    | <u>8,000</u>    |
| Total                         | 26,099          | 19,937          |
| Less accumulated depreciation | <u>(19,571)</u> | <u>(16,356)</u> |
| Total                         | <u>\$ 6,528</u> | <u>\$ 3,581</u> |

Depreciation expense was \$3,215 and \$2,387 during the years ended December 31, 2022 and 2021, respectively.

#### **4. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of funds that the Organization has received which are restricted to support the Organization's Olympic, Paralympic, and Youth programs. Total net assets with donor restrictions were \$72,355 and \$35,443 at December 31, 2022 and 2021, respectively.

#### **5. INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The Organization is required to use a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

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

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

Level 3: Prices determined using significant unobservable inputs.

The investment'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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The Organization recognizes transfer between levels at the end of the reporting period.

The Organization's investment in the United States Olympic and Paralympic Endowment (USOPE) portfolio is valued at fair value using the net asset value of the portfolio provided by the USOPE. Certain alternative investments within the USOPE portfolio are stated at the estimated net asset values of the underlying investments. The Organization's investment in this portfolio is classified as Level 2.

The Organization may terminate its investment agreement with the USOPE effective at the end of any calendar month upon the giving of at least 90 days written notice or upon shorter notice acceptable to the USOPE if the USOPE determines that adequate liquidity exists in the portfolio to permit early termination.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics, and other factors. The Organization considers observable data to be that market data which is readily available and reliable and provided by independent sources. The categorization of a financial instrument within the hierarchy is therefore based upon the pricing transparency of the instrument and does not necessarily correspond to the Organization's perceived risk of that investment.

The following table sets forth by level, within the fair value hierarchy, the Organization's financial instruments at fair value as of December 31:

|                 | <b>Quoted<br/>Prices in Active<br/>Markets for<br/>Identical Assets<br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> | <b>Total</b>      |
|-----------------|---|--|--|-------------------|
| <b>2022:</b>    |   |  |  |                   |
| USOPE portfolio | \$ <u>—</u>   | \$ <u>658,187</u>  | \$ <u>—</u>  | \$ <u>658,187</u> |
| <b>2021:</b>    |   |  |  |                   |
| USOPE portfolio | \$ <u>—</u>   | \$ <u>754,188</u>  | \$ <u>—</u>  | \$ <u>754,188</u> |

The USOE portfolio consists of the following investments at December 31:

|                         | <b>2022</b> | <b>2021</b> |
|-------------------------|-------------|-------------|
| Alternative investments | 34%         | 35%         |
| Domestic equities       | 25%         | 25%         |
| Domestic bonds          | 20%         | 19%         |
| International equities  | 13%         | 15%         |
| Cash and other          | <u>8%</u>   | <u>6%</u>   |
| Total                   | <u>100%</u> | <u>100%</u> |

Alternative investments include hedge equity funds, private equity funds, real estate funds and limited partnerships.

Net investment income (loss) is composed of the following for the years ended December 31:

|  | <b>2022</b>        | <b>2021</b>       |
|--|--------------------|-------------------|
| Net realized and unrealized gains (loss) | \$ (104,063)       | \$ 121,137        |
| Dividend and interest income             | <u>8,062</u>       | <u>8,665</u>      |
| Net investment income (loss)             | <u>\$ (96,001)</u> | <u>\$ 129,802</u> |

## 6. NOTES PAYABLE

On May 24, 2020, the Organization obtained a loan issued by a bank bearing interest at 2.75% in the amount of \$150,000 pursuant to the Economic Injury Disaster Loan Program (the EIDL), of the CARES Act.

Principle maturities of notes payable are as follows:

|               |    |                |
|---------------|----|----------------|
| 2023          | \$ | 3,670          |
| 2024          |    | 3,772          |
| 2025          |    | 3,877          |
| 2026          |    | 3,985          |
| 2027          |    | 4,096          |
| Thereafter    |    | <u>130,422</u> |
| Notes payable | \$ | <u>149,822</u> |

## 7. PAYROLL PROTECTION PROGRAM GRANT

During 2021, the Organization obtained a loan issued by a bank bearing interest at 1.00% in the amount of \$103,723, pursuant to the Paycheck Protection Program (the PPP) of the CARES Act. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. On August 4, 2021, official forgiveness in the amount of \$103,723 was received for the loan, and this amount is presented outside of operating activities in the accompanying statements of activities.

## 8. RETIREMENT PLAN

The Organization maintains a retirement plan for its employees. The plan covers all employees as defined in the Organization's Plan document. Employees may make contributions to the plan up to the maximum allowed by the Internal Revenue Code and the Organization matches contributions up to 3% of the employee's compensation. The Organization made contributions to the plan of approximately \$17,000 and \$15,000 for the years ended December 31, 2022 and 2021, respectively.

## 9. CONCENTRATIONS

The Organization is economically dependent upon monetary grants from the USOPC in order to maintain its programs at current levels. The USOPC provides grants to the Organization for sport development, international competition, and team preparation. Total monetary grants recognized as revenue from the USOPC are as follows for the years ended December 31:

|                 | 2022              | 2021              |
|-----------------|-------------------|-------------------|
| NGB funding     | \$ 480,000        | \$ 569,450        |
| Paralympic      | 100,000           | 111,000           |
| Special funding | 56,900            | 49,400            |
| Media agreement | <u>50,000</u>     | <u>50,000</u>     |
| Total           | <u>\$ 686,900</u> | <u>\$ 779,850</u> |

In addition to the monetary grants noted above, the Organization received donated goods and services from the USOPC as follows for the years ended December 31:

|             | <b>2022</b>      | <b>2021</b>      |
|-------------|------------------|------------------|
| NGB funding | \$ 10,665        | \$ 29,075        |
| Other       | <u>34,937</u>    | <u>34,356</u>    |
| Total       | <u>\$ 45,602</u> | <u>\$ 63,431</u> |

The USOPC provided the Organization 33% and 42% of total revenues for the years ended December 31, 2022 and 2021, respectively.

#### 10. CONTRIBUTIONS – NONFINANCIAL ASSETS

Contributions of nonfinancial assets, valued at estimated fair market value based on invoice, consist of the following for the years ended December 31:

|                   | <b>Revenue<br/>Recognized</b> | <b>Utilization in<br/>Programs/Activities</b> | <b>Donor<br/>Restriction</b> |
|-------------------|-------------------------------|---|------------------------------|
| <b>2022</b>       |                               |   |                              |
| In-kind services  | \$ 49,668                     | National Events                               | None                         |
| Occupancy         | 34,937                        | General & Administrative                      | None                         |
| Occupancy         | 32,200                        | National Events                               | None                         |
| Food and beverage | 18,842                        | National Events                               | None                         |
| Occupancy         | <u>10,665</u>                 | High Performance                              | None                         |
| Total             | <u>\$ 146,312</u>             |   |                              |
| <b>2021</b>       |                               |   |                              |
| Occupancy         | \$ 34,356                     | General & Administrative                      | None                         |
| Travel            | 29,075                        | High Performance                              | None                         |
| Occupancy         | <u>25,000</u>                 | National Events                               | None                         |
| Total             | <u>\$ 88,431</u>              |   |                              |