

USA BADMINTON
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022



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INDEPENDENT AUDITORS' REPORT

Board of Directors
USA Badminton
Colorado Springs, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of USA Badminton (the Organization) which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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, 2023 and 2022, and the 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 (GAAP).

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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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.

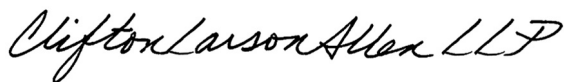
Auditors' Responsibilities for the Audit of the Financial Statements

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 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 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.



CliftonLarsonAllen LLP

Livingston, New Jersey
May 5, 2025

USA BADMINTON
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 411,545	\$ 390,606
Accounts Receivable	121,698	1,623
Prepaid Expenses	41,641	9,936
Total Current Assets	574,884	402,165
NONCURRENT ASSETS		
Security Deposit	500	500
Property and Equipment, Net	37,934	13,906
Total Noncurrent Assets	38,434	14,406
Total Assets	\$ 613,318	\$ 416,571
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 351	\$ 5,184
Accrued Liabilities	185,739	101,473
Current Portion of Deferred Revenue	162,743	138,022
Total Current Liabilities	348,833	244,679
NONCURRENT LIABILITIES		
Deferred Revenue, Net of Current Portion	2,402	3,202
Total Liabilities	351,235	247,881
NET ASSETS		
Without Donor Restrictions	262,083	145,190
With Donor Restrictions	-	23,500
Total Net Assets	262,083	168,690
Total Liabilities and Net Assets	\$ 613,318	\$ 416,571

USA BADMINTON
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Tournament Income	\$ 1,516,060	\$ -	\$ 1,516,060
Grants	231,949	100,000	331,949
Sponsorships	132,295	-	132,295
Membership	123,995	-	123,995
Contributions	1,742	-	1,742
Donated Goods and Services	-	-	-
Release from Restrictions	123,500	(123,500)	-
Total Support and Revenue	<u>2,129,541</u>	<u>(23,500)</u>	<u>2,106,041</u>
EXPENSES			
Program	1,402,771	-	1,402,771
Supporting Services	654,964	-	654,964
Total Expenses	<u>2,057,735</u>	<u>-</u>	<u>2,057,735</u>
OTHER INCOME (EXPENSE)			
Miscellaneous Revenue	44,996	-	44,996
Interest Income	91	-	91
Total Other Income	<u>45,087</u>	<u>-</u>	<u>45,087</u>
CHANGES IN NET ASSETS	116,893	(23,500)	93,393
Net Assets - Beginning of Year	<u>145,190</u>	<u>23,500</u>	<u>168,690</u>
NET ASSETS - END OF YEAR	<u>\$ 262,083</u>	<u>\$ -</u>	<u>\$ 262,083</u>

USA BADMINTON
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Tournament Income	\$ 715,946	\$ -	\$ 715,946
Grants	189,021	23,500	212,521
Sponsorships	55,432	-	55,432
Membership	83,507	-	83,507
Contributions	5,975	-	5,975
Donated Goods and Services	19,149	-	19,149
Release from Restrictions	-	-	-
Total Support and Revenue	<u>1,069,030</u>	<u>23,500</u>	<u>1,092,530</u>
EXPENSES			
Program	755,771	-	755,771
Supporting Services	448,256	-	448,256
Total Expenses	<u>1,204,027</u>	<u>-</u>	<u>1,204,027</u>
OTHER INCOME (EXPENSE)			
Miscellaneous Revenue	13,852	-	13,852
Interest Income	108	-	108
Total Other Income	<u>13,960</u>	<u>-</u>	<u>13,960</u>
CHANGES IN NET ASSETS	(121,037)	23,500	(97,537)
Net Assets - Beginning of Year	<u>266,227</u>	<u>-</u>	<u>266,227</u>
NET ASSETS - END OF YEAR	<u>\$ 145,190</u>	<u>\$ 23,500</u>	<u>\$ 168,690</u>

USA BADMINTON
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Activities	Supporting Activities/ Management and General	Total
Salaries and Wages	\$ 182,713	\$ 285,783	\$ 468,496
Professional Fees	-	72,418	72,418
Travel	112,266	175,596	287,862
Coaching Department	20,049	-	20,049
Tournament Expenses	1,015,803	-	1,015,803
Payroll Taxes	14,882	23,276	38,158
Insurance	3,934	6,153	10,087
Employee Benefits	8,342	13,047	21,389
Other Operating Expense	28,382	44,392	72,774
Bank and Merchant Fees	12,939	20,237	33,176
Rent and Lease Expenses	-	962	962
Depreciation	-	8,073	8,073
Office Expenses	-	5,027	5,027
Advertising	3,461	-	3,461
	<u>3,461</u>	<u>-</u>	<u>3,461</u>
Total Functional Expenses	<u>\$ 1,402,771</u>	<u>\$ 654,964</u>	<u>\$ 2,057,735</u>

USA BADMINTON
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Activities	Supporting Activities/ Management and General	Total
Salaries and Wages	\$ 125,167	\$ 195,774	\$ 320,941
Professional Fees	-	91,990	91,990
Travel	47,383	74,111	121,494
Coaching Department	34,248	-	34,248
Tournament Expenses	491,572	-	491,572
Payroll Taxes	9,727	15,214	24,941
Insurance	1,516	2,370	3,886
Employee Benefits	4,152	6,495	10,647
Other Operating Expense	21,715	33,965	55,680
Bank and Merchant Fees	11,080	17,331	28,411
Rent and Lease Expenses	-	962	962
Depreciation	-	3,124	3,124
Office Expenses	-	6,920	6,920
Advertising	9,211	-	9,211
	<u>9,211</u>	<u>-</u>	<u>9,211</u>
Total Functional Expenses	<u><u>\$ 755,771</u></u>	<u><u>\$ 448,256</u></u>	<u><u>\$ 1,204,027</u></u>

USA BADMINTON
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 93,393	\$ (97,537)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	8,073	3,124
Changes in Operating Assets:		
Accounts Receivable	(120,075)	(1,623)
Prepaid Expenses	(31,705)	(2,294)
Security Deposit	-	(500)
Changes in Operating Liabilities:		
Accounts Payable	(4,833)	(36)
Accrued Liabilities	84,266	88,027
Deferred Revenue	23,921	94,852
Accrued Pass-Through Host Fees	-	(34,580)
Net Cash Provided by Operating Activities	53,040	49,433
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and Equipment Purchases	(32,101)	(10,369)
NET INCREASE IN CASH AND CASH EQUIVALENTS	20,939	39,064
Cash and Cash Equivalents - Beginning of Year	390,606	351,542
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 411,545	\$ 390,606

USA BADMINTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

USA Badminton (the Organization) is the national governing body for the sport of badminton in the United States. The Organization is responsible for the promotion and development of the sport in the United States. The Organization incorporated in the state of Colorado in 2003.

Basis of Accounting

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

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 Organization 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

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.

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 statements of activities and changes in net assets.

USA BADMINTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

Cash includes bank deposits which are maintained in bank deposit accounts. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. The uninsured portion of cash was \$94,316 and \$9,719 at December 31, 2023 and 2022, respectively.

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.

Property and Equipment

Property and equipment consist of items with a useful life of greater than one year and a cost in excess of \$1,000. Property and equipment is stated at cost or fair market value if donated, net of accumulated depreciation. Depreciation is provided for on the straight-line method over the useful lives of the assets, which range from 5 to 10 years. Additions and major improvements to existing assets are capitalized. Minor improvements as well as maintenance and repairs are charged to expense as incurred.

Deferred Revenue

Membership dues are received for one-year memberships throughout the year. Membership dues are deferred and recognized as revenue over the corresponding period of the membership. Dues for lifetime memberships are deferred and recognized as revenue over a 20-year period. In addition, entry fees received for future tournaments are recorded as deferred entry fees.

Revenue Recognition

Tournament income, sponsorships, and host fees are recognized as income when the event occurs. Membership dues are recognized over the membership period. Amounts received in advance are deferred to the applicable period. Contributions are recorded as revenue when either unsolicited cash is received or when donors make a promise to give. Contributions and promises to give are classified as with or without donor restrictions. Grant revenue is recorded as revenue when the conditions under the grant agreement are met. With the exception of goods and services provided in connection with membership dues, which are transferred over the period of membership, all goods and services are transferred at a point in time.

USA BADMINTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 statements of activities and changes in net assets as satisfied program restrictions.

Donated Goods and Services

The Organization received donated goods and services from various supporters. Donated goods and services recorded in the Organization's financial statements was \$19,149 for the year ended December 31, 2022. There were no such donated goods and services for the year ended December 31, 2023. See Note 9 for further disclosure.

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

Advertising

The Organization expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2023 and 2022 was \$3,461 and \$9,211, respectively.

Income Taxes

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, gifts to the Organization are tax deductible. The Organization is required to pay federal and state income taxes only on its net unrelated business income. There was no unrelated business income during the years ended December 31, 2023 and 2022. The Organization is subject to examinations of its returns by the U.S. federal, state and local authorities for three years after the returns are filed. Currently, the 2021 and 2022 tax returns are open and subject to examination. However, the Organization is not currently under audit, nor has the Organization been contacted by any of these jurisdictions.

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 statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services in proportion to the benefits received. Salaries and wages, employee benefits, payroll taxes, travel, insurance, bank and merchant fees, and other operating expenses are allocated based on an estimate of time and effort between program and supporting services.

**USA BADMINTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates in Preparation of Financial Statements

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 5, 2025, the date that the financial statements were available to be issued.

NOTE 2 AVAILABLE RESOURCES AND LIQUIDITY

The following represents the Organization's financial assets, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions. Amounts available include donor-restricted amounts that are available for general expenditure as of December 31.

	2023	2022
Financial Assets at Year-End:		
Cash	\$ 411,545	\$ 390,606
Accounts Receivable, Net	121,698	1,623
Total Financial Assets	533,243	392,229
Less Amounts Not Available to be Used Within One Year:		
Net Assets With Donor Restrictions	-	(23,500)
Financial Assets Available Within One Year	\$ 533,243	\$ 368,729

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at December 31:

	2023	2022	2021
Accounts Receivable	\$ 121,698	\$ 1,623	\$ -

USA BADMINTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2023	2022
Office Furniture and Equipment	\$ 58,088	\$ 25,987
Perpetual Trophies	34,336	34,336
Subtotal	92,424	60,323
Less: Accumulated Depreciation	54,490	46,417
Total Property and Equipment, Net	\$ 37,934	\$ 13,906

Depreciation expense was \$8,073 and \$3,124 for the years ended December 31, 2023 and 2022, respectively.

NOTE 5 DEFERRED REVENUE

Deferred revenue consists of the following at December 31:

	2023	2022	2021
Lifetime Memberships	\$ 3,202	\$ 4,002	4,802
Regular Dues	74,673	52,327	41,570
Event	87,270	84,895	-
Subtotal	165,145	141,224	46,372
Less: Lifetime Memberships - Long-Term	2,402	3,202	3,886
Total Deferred Revenue - Current	\$ 162,743	\$ 138,022	\$ 42,486

NOTE 6 RELATED PARTY TRANSACTIONS

The United States Olympic and Paralympic Committee (USOPC) provides support to the Organization through grants for sports development, international competition, and team preparation. During the years ended December 31, 2023 and 2022, the Organization received \$135,000 and \$127,821 in grants from the USOPC, respectively. In addition, the Organization leased office space in Colorado Springs, Colorado from the USOPC during the years ended December 31, 2023 and 2022. Rent expense paid to the USOPC during the years ended December 31, 2023 and 2022 was \$962, respectively.

USA BADMINTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

The following net assets with donor restrictions are available for the following purpose at December 31:

	2023	2022
Coaching and Technical Officials 2023/2024	\$ -	\$ 23,500
Salaries	\$ 100,000	\$ -
Releases	\$ (123,500)	\$ -

There were releases of net assets with donor restrictions of \$123,500 for the year ended December 31, 2023. There were no releases of net assets with donor restrictions for the year ended December 31, 2022.

NOTE 8 RETIREMENT PLAN

Substantially all the Organization's full-time employees are covered by a 403(b) plan. Participants in the plan may elect to make salary reduction contributions to the plan not to exceed the limitation amounts established by the Internal Revenue Service. The Organization does not contribute to the plan.

NOTE 9 DONATED GOODS AND SERVICES

The Organization received in-kind contributions of services that are related to program operations. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated goods are recorded at their estimated fair value at the date of donation and are reflected as in-kind contributions in the accompanying financial statements. Donated equipment and lodging are valued at the value provided by donors at the date of donation. The value of donated goods, services, and space received or used by the Organization is reflected in the financial statements as revenues and expenses, as follows at December 31:

	2023	2022
Equipment	\$ -	\$ 8,640
Lodging	-	10,509
Total	\$ -	\$ 19,149

All donated goods were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets.

USA BADMINTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 10 SIGNIFICANT RISKS AND UNCERTAINTIES

The Organization is involved with certain claims and other routine litigation matters in the normal course of operations. In respect to the litigation mentioned, the Organization's outside counsel advised that, at this stage of the proceedings, it is premature at this time to give any estimate regarding a potential judgement in this matter.

NOTE 11 EMPLOYER RETENTION CREDIT

During the year ended December 31, 2023, the Organization applied for and recognized revenue relating to Employee Retention Credits totaling \$88,149, 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 grants in the accompanying statements of activities and changes in net assets.

The IRS reserves the right to audit credits for three years from the date the amended IRS Form 941X was filed for the following: 1) second, third, and fourth quarter of 2020; and 2) first and second quarter of 2021. The IRS reserves the right to audit credits for five years from the date the amended IRS Form 941X was filed for the third quarter of 2021.

NOTE 12 PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS

In June 2020 and March 2021, the Organization acquired two loans pursuant to the Paycheck Protection Program under the CARES Act and secured financing through a financial institution for \$48,700 and \$51,000 at 1.00% interest. The loans qualify for 100% forgiveness if certain criteria are met. The criteria were met and the loans were forgiven during the year ended December 31, 2021.

The SBA reserves the right to audit loan forgiveness for six years from the date that forgiveness was awarded.



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