

IBC YOUTH BOWLING, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022



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**IBC YOUTH BOWLING, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
IBC Youth Bowling, Inc.
Arlington, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of IBC Youth Bowling, Inc. which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, 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 IBC Youth Bowling, Inc. as of December 31, 2023 and 2022, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 IBC Youth Bowling, Inc. 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 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 IBC Youth Bowling, Inc.'s ability to continue as a going concern for one year after the date 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 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 IBC Youth Bowling, Inc.'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 IBC Youth Bowling, Inc.'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

Milwaukee, Wisconsin
August 8, 2024

IBC YOUTH BOWLING, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 185,600	\$ 654,603
Investments	2,364,718	2,470,672
Accounts Receivable, Net	6,576	1,430
Due from Related Parties	-	81
Inventory	55,301	37,801
Prepaid Expenses	86,338	70,065
Total Current Assets	2,698,533	3,234,652
SOFTWARE AND EQUIPMENT, NET	328,945	420,428
Total Assets	\$ 3,027,478	\$ 3,655,080
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 14,418	\$ 58,591
Accrued Expenses and Other Liabilities	23,757	18,402
Due to Related Parties	10,259	7,504
Deferred Revenue - National Tournaments	406,580	375,746
Deferred Revenue - Membership Dues	317,716	298,917
Deferred Revenue - Other	3,770	2,235
Total Current Liabilities	776,500	761,395
DEFERRED REVENUE - NATIONAL TOURNAMENTS, LONG-TERM	-	40,000
Total Liabilities	776,500	801,395
NET ASSETS		
Without Donor Restrictions:		
Undesignated	2,250,978	2,826,688
Board-Designated - YES Fund Initiative	-	26,997
Total Net Assets	2,250,978	2,853,685
Total Liabilities and Net Assets	\$ 3,027,478	\$ 3,655,080

See accompanying Notes to Financial Statements.

IBC YOUTH BOWLING, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
SUPPORT AND REVENUES		
Contributions	\$ 18,880	\$ 16,792
Membership Dues	771,222	763,487
Tournament Revenue	1,456,568	1,355,638
Merchandise Sales	40,804	36,637
Royalties	193,420	185,671
Sponsorships	232,032	173,133
Net Investment Return (Loss)	400,483	(286,625)
Miscellaneous	7,682	8,419
Total Support and Revenues	3,121,091	2,253,152
EXPENSES		
Salaries and Benefits	682,103	542,887
Membership	15,372	12,376
Awards	236,469	221,601
Food and Beverage	65,353	42,708
Merchandise	34,517	29,122
Professional Fees	885,492	587,477
Office Supplies	215,294	206,820
Travel	399,466	373,813
Advertising and Promotion	101,034	49,649
Lineage	373,882	339,625
Scholarship	528,949	495,815
Sponsorships	85,789	65,275
Depreciation	91,483	91,483
Taxes	5,446	-
Miscellaneous	3,149	3,407
Total Expenses	3,723,798	3,062,058
CHANGE IN NET ASSETS	(602,707)	(808,906)
Net Assets - Beginning of Year	2,853,685	3,662,591
NET ASSETS - END OF YEAR	\$ 2,250,978	\$ 2,853,685

See accompanying Notes to Financial Statements.

IBC YOUTH BOWLING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services	Management and General	Total
Salaries and Benefits	\$ 457,009	\$ 225,094	\$ 682,103
Membership	15,372	-	15,372
Awards	236,469	-	236,469
Food and Beverage	65,353	-	65,353
Merchandise	34,517	-	34,517
Professional Fees	815,508	69,984	885,492
Office Supplies	202,897	12,397	215,294
Travel	399,466	-	399,466
Advertising and Promotion	101,034	-	101,034
Lineage	373,882	-	373,882
Scholarship	528,949	-	528,949
Sponsorships	85,789	-	85,789
Depreciation	91,483	-	91,483
Taxes	-	5,446	5,446
Miscellaneous	177	2,972	3,149
	<u>\$ 3,407,905</u>	<u>\$ 315,893</u>	<u>\$ 3,723,798</u>
Total Functional Expenses	<u>\$ 3,407,905</u>	<u>\$ 315,893</u>	<u>\$ 3,723,798</u>

See accompanying Notes to Financial Statements.

IBC YOUTH BOWLING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and Benefits	\$ 363,734	\$ 179,153	\$ 542,887
Membership	12,376	-	12,376
Awards	221,601	-	221,601
Food and Beverage	42,708	-	42,708
Merchandise	29,122	-	29,122
Professional Fees	512,597	74,880	587,477
Office Supplies	198,629	8,191	206,820
Travel	373,813	-	373,813
Advertising and Promotion	49,649	-	49,649
Lineage	339,625	-	339,625
Scholarship	495,815	-	495,815
Sponsorships	65,275	-	65,275
Depreciation	91,483	-	91,483
Miscellaneous	<u>-</u>	<u>3,407</u>	<u>3,407</u>
 Total Functional Expenses	 <u>\$ 2,796,427</u>	 <u>\$ 265,631</u>	 <u>\$ 3,062,058</u>

See accompanying Notes to Financial Statements.

IBC YOUTH BOWLING, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (602,707)	\$ (808,906)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	91,483	91,483
Net Realized and Unrealized Loss (Gains) on Investments	(394,046)	293,357
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(5,146)	75,881
Due from Related Parties	81	31,860
Inventory	(17,500)	41,037
Prepaid Expenses	(16,273)	(52,165)
Accounts Payable	(44,173)	46,479
Due to Related Parties	2,755	7,063
Accrued Expenses and Other Liabilities	5,355	3,105
Deferred Revenue	11,168	15,154
Net Cash Used by Operating Activities	(969,003)	(255,652)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	500,000	-
 NET DECREASE IN CASH	(469,003)	(255,652)
 Cash - Beginning of Year	654,603	910,255
 CASH - END OF YEAR	\$ 185,600	\$ 654,603

See accompanying Notes to Financial Statements.

IBC YOUTH BOWLING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

IBC Youth Bowling, Inc. (IBCYB) is a nonprofit organization whose purpose is to operate exclusively for charitable and educational purposes in the sport of bowling. IBCYB was incorporated on July 28, 2014 in the state of Wisconsin. IBCYB started operating effective October 1, 2014 when the youth programs were spun off from the International Bowling Campus, LLC (IBC). IBCYB's revenues are derived primarily from membership dues and tournament entry fees. IBCYB's fiscal year ends on December 31. Significant accounting policies followed by IBCYB are presented below.

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 assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Investments

Investments are reported at fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses on investments are included in net investment income on the statements of activities.

Accounts Receivable

Accounts receivable are uncollateralized obligations. Accounts receivable are stated at the invoice amount. Payments of accounts receivable are applied to the specific invoices identified on the remittance advice or, if unspecified, to the earliest unpaid invoices.

IBCYB establishes an allowance for credit losses to present the net amount of accounts receivable expected to be collected. The allowance represents the estimate of expected credit losses based on historical experience, current economic conditions, and certain forward-looking information. All accounts or portions thereof deemed to be uncollectible or to require excessive collection cost are written off to the allow for doubtful accounts. Management determined that the allowance for credit losses was insignificant as of December 31, 2023 and 2022, and there was no significant activity related to the allowance for credit losses for the year ended December 31, 2023.

Inventory

Inventory consists of merchandise and awards and is valued at the lower of cost or net realizable value with cost determined on a first-in, first-out (FIFO) basis.

IBC YOUTH BOWLING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties

IBCYB utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the account balances and the amounts reported in the financial statements.

Software and Equipment

Software and equipment over \$1,000 with a useful life of three years or more are stated at cost and depreciated on the straight-line method over their estimated useful lives, which range from 3 to 7 years.

Maintenance, repairs, and replacements are generally included as expenses of operations during the year in which the expense is incurred. Cost of replacements, which constitute improvements or extend the life of the respective assets, are recorded as additions to property and equipment.

Impairment of Long-Lived Assets

IBCYB reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Net Assets

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. However, donor-restricted contributions whose restrictions are met during the same year are directly reported as increases in general net assets. The net assets of IBCYB and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated amounts for the Youth Education Services (YES) Fund Initiative, a united effort by industry leaders in the sport, initiated by the Bowling Proprietors' Association of America, Inc. (BPAA) and the United States Bowling Congress, Inc. (USBC), dedicated to development and marketing of youth bowling.

IBC YOUTH BOWLING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. 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. IBCYB has no net assets with donor restrictions.

Revenue Recognition

Deferred revenue consists primarily of membership dues and tournament entry fees. These amounts are recognized in the fiscal year in which the individual receives the privileges that membership offers. Tournament and program service revenues are recognized in the year in which the event is held or the related expenses are incurred.

In addition, revenues under certain royalty and sponsorship agreements are being recognized based on the terms of the related contracts. Deferred revenue is recognized monthly over the term of the contract.

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a natural basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and benefits, professional fees, office supplies, and miscellaneous expenses, which are allocated on the basis of estimates of time and effort.

Income Tax Status

The Internal Revenue Service (IRS) has issued a determination letter dated December 31, 2014, granting IBCYB an exemption from federal income tax under IRS Code Section 501(c)(3). However, income received from certain activities is subject to income tax as unrelated business income.

**IBC YOUTH BOWLING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Update

At the beginning of 2023, IBCYB adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. IBCYB adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on IBCYB’s financial statements but did result in changes to IBCYB’s accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. IBCYB also updated its accounting policies for determining the recoverability of accounts receivable.

NOTE 2 LIQUIDITY AND AVAILABILITY

IBCYB’s liquidity goal is to have sufficient assets available to meet operational expenditures for a 12-month period. IBCYB regularly reviews the liquidity required to meet operational expenditures. Various forms of funds are available, which include cash, liquid investments, and expected collections of accounts receivable.

For the purpose of analyzing available resources, IBCYB reviews assets not covered by donor restrictions or restricted for future use. As of December 31, 2023 and 2022, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	2023	2022
Cash	\$ 185,600	\$ 654,603
Investments	2,364,718	2,470,672
Accounts Receivable, Net	6,576	1,430
Due from Related Parties	-	81
Total	<u>2,556,894</u>	<u>3,126,786</u>
Less: Board-Designated - YES Fund Initiative	<u>-</u>	<u>(26,997)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 2,556,894</u>	<u>\$ 3,099,789</u>

IBC YOUTH BOWLING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 INVESTMENTS

Investments consist of the following at December 31:

	2023	2022
Investments:		
Interest-Bearing Cash	\$ 363,828	\$ 281,170
Equity Securities	1,331,654	985,373
Exchange-Traded Funds	45,791	48,420
Mutual Funds	277,301	859,688
Corporate Bonds	73,840	-
U.S. Treasuries	97,132	98,383
Certificates of Deposit	175,172	197,638
Total	\$ 2,364,718	\$ 2,470,672

NOTE 4 FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides 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 under accounting principles generally accepted in the United States of America are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2 – 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;
- 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 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

IBC YOUTH BOWLING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used at December 31, 2023 and 2022 for assets measured at fair value.

Equity Securities: Are valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Are valued at quoted market prices, which represent the net asset value of shares held by IBCYB at year-end.

Exchange-Traded Funds: Are valued at the closing price reported on the active market on which the individual securities are traded.

U.S. Treasuries, Brokered Certificates of Deposit, and Corporate Bonds: Are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while IBCYB believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, IBCYB's assets at fair value as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets at Fair Value				
Equities	\$ 1,331,654	\$ -	\$ -	\$ 1,331,654
Exchange-Traded Funds	45,791	-	-	45,791
Mutual Funds:				
Allocation	277,301	-	-	277,301
Corporate Bonds	-	73,840	-	73,840
U.S. Treasuries	-	97,132	-	97,132
Certificates of Deposit	-	175,172	-	175,172
Total Assets at Fair Value	<u>\$ 1,654,746</u>	<u>\$ 346,144</u>	<u>\$ -</u>	2,000,890
Assets Not Valued Under Fair Value Measurements				
Interest-Bearing Cash				363,828
Total Investments				<u>\$ 2,364,718</u>

IBC YOUTH BOWLING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, IBCYB's assets at fair value as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets at Fair Value				
Equities	\$ 985,373	\$ -	\$ -	\$ 985,373
Exchange-Traded Funds	48,420	-	-	48,420
Mutual Funds:				
Allocation	352,269	-	-	352,269
Specialty	93,889	-	-	93,889
Fixed Income	413,530	-	-	413,530
U.S. Treasuries	-	98,383	-	98,383
Certificates of Deposit	-	197,638	-	197,638
Total Assets at Fair Value	<u>\$ 1,893,481</u>	<u>\$ 296,021</u>	<u>\$ -</u>	2,189,502
Assets Not Valued Under Fair Value Measurements				
Interest-Bearing Cash				281,170
Total Investments				<u>\$ 2,470,672</u>

NOTE 5 SOFTWARE AND EQUIPMENT

Software and equipment consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 8,641	\$ 8,641
Software	640,383	640,383
Total, at Cost	<u>649,024</u>	<u>649,024</u>
Less: Accumulated Depreciation	320,079	228,596
Total	<u>\$ 328,945</u>	<u>\$ 420,428</u>

NOTE 6 RETIREMENT PLANS

IBCYB participates in a 401(k) retirement plan (along with USBC, BPAA, International Bowling Museum and Hall of Fame, Inc. (IBM&HF), and International Bowling Campus, LLC (IBC)), available to all employees who have reached the age of 21 and completed one month of service. Employees may contribute to their accounts up to the annual amount allowed by law. IBCYB matches 100% of the first 3% of employee contributions, plus 50% of the next 2% of the employee's contribution. Total contribution expense recorded under the plan was \$13,076 and \$11,697 for the years ended December 31, 2023 and 2022, respectively.

IBC YOUTH BOWLING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 7 REVENUE

The following tables shows IBCYB's revenue disaggregated according to the timing of the transfer of goods or services:

	<u>2023</u>	<u>2022</u>
Revenue Recognized at a Point in Time		
Merchandise Sales	\$ 40,804	\$ 36,637
Royalties	193,420	185,671
Miscellaneous	7,682	8,419
Total Revenue Recognized at a Point in Time	<u>\$ 241,906</u>	<u>\$ 230,727</u>
Revenue Recognized Over Time		
Tournament Revenue	\$ 1,456,568	\$ 1,355,638
Membership Dues	771,222	763,487
Sponsorships	232,032	173,133
Total Revenue Recognized Over Time	<u>\$ 2,459,822</u>	<u>\$ 2,292,258</u>

IBCYB's contract assets and liabilities are comprised of the following at December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contract Assets - Receivables			
Royalties	\$ 6,576	\$ 1,430	\$ 2,311
Sponsorships	-	-	75,000
Total Contract Assets	<u>\$ 6,576</u>	<u>\$ 1,430</u>	<u>\$ 77,311</u>
Contract Liabilities - Deferred Revenues			
National Tournaments	\$ 406,580	\$ 415,746	\$ 409,550
Membership Dues	317,716	298,917	290,504
Other	3,770	2,235	1,690
Total Contract Liabilities	<u>\$ 728,066</u>	<u>\$ 716,898</u>	<u>\$ 701,744</u>

NOTE 8 SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of information about certain significant estimates and current vulnerabilities due to certain concentrations. These matters include the following:

Reserve for Self-Insurance

Under its self-insurance plan, IBCYB accrues the estimated expense of health care claims costs based on claims filed subsequent to year-end and an additional amount for incurred but not yet reported claims based on prior experience. Accruals for such costs of \$11,931 and \$10,262 are included in accrued liabilities at December 31, 2023 and 2022, respectively. Claims payments based on actual claims ultimately filed could differ materially from these estimates.

**IBC YOUTH BOWLING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 8 SIGNIFICANT ESTIMATES AND CONCENTRATIONS (CONTINUED)

Concentration of Credit Risk

IBCYB maintains its cash in one commercial bank. Balances on deposit are insured by the Federal Deposit Insurance Corporation up to specified limits. Balances in excess of these limits are uninsured.

NOTE 9 RELATED PARTY TRANSACTIONS

IBCYB received contributions of \$18,880 and \$16,276 from USBC during the years ended December 31, 2023 and 2022, respectively. IBCYB incurred awards expenses of \$100,646 and \$72,024 for services provided by USBC during the years ended December 31, 2023 and 2022, respectively. IBCYB has a payable of \$10,173 to and \$7,308 from USBC as of December 31, 2023 and 2022, respectively.

IBCYB has a receivable of \$-0- and \$81 from IBC as of December 31, 2023 and 2022, respectively.

IBCYB has a payable of \$86 and \$196 to BPAA as of December 31, 2023 and 2022, respectively.

NOTE 10 SUBSEQUENT EVENTS

Management evaluated subsequent events through August 8, 2024, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2023, but prior to August 8, 2024 that provided additional evidence about conditions that existed at December 31, 2023, have been recognized in the financial statements for the year ended December 31, 2023. Events or transactions that provided evidence about conditions that did not exist at December 31, 2023, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended December 31, 2023.



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