

UNITED STATES JUDO, INC.

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

YEARS ENDED DECEMBER 31, 2009 AND 2008

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INDEPENDENT AUDITOR'S REPORT

June 3, 2010

Board of Directors
United States Judo, Inc.
Colorado Springs, Colorado

We have audited the accompanying Statements of Financial Position of United States Judo, Inc. (A Nonprofit Corporation) as of December 31, 2009 and 2008 and the related Statements of Activities and Cash Flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United States Judo, Inc. (A Nonprofit Corporation) as of December 31, 2009 and 2008 and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As shown in the financial statements, the Organization incurred a net loss of \$394,833 during the year ended December 31, 2008, and, as of December 31, 2009 and 2008, had a working capital deficiency of \$290,645 and \$404,071 and a deficiency in net assets of \$392,988 and \$430,510. As more fully described in Note C to the financial statements, the Organization transferred its interest in the USOF's investment pool to a newly formed organization in April 2008. These conditions require the Organization to modify operations and overhead to retain a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Gustafson, Crandall & Christensen, Inc.

Certified Public Accountants

UNITED STATES JUDO, INC.

STATEMENT OF FINANCIAL POSITION

	<u>DECEMBER 31,</u>	
	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 10,107	\$ -
Dues and accounts receivable	84,685	41,796
Prepaid expenses	<u>32,501</u>	<u>24,066</u>
Total current assets	127,293	65,862
Property and Equipment	11,420	12,942
Other Assets	<u>5,259</u>	<u>8,619</u>
	<u>\$ 143,972</u>	<u>\$ 87,423</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Note payable	\$ -	\$ 124,975
Cash overdraft	-	7,310
Accounts payable	315,155	277,132
Accrued expenses	28,387	27,816
Deferred revenue	4,796	10,700
Current portion of long-term debt	<u>69,600</u>	<u>22,000</u>
Total current liabilities	417,938	469,933
Long-Term Debt	<u>119,022</u>	<u>48,000</u>
Total liabilities	536,960	517,933
Commitment and Contingencies		
Net Assets:		
Unrestricted:		
Undesignated	[407,393]	[465,623]
Designated	<u>-</u>	<u>20,000</u>
Total unrestricted	[407,393]	[445,623]
Temporarily restricted	<u>14,405</u>	<u>15,113</u>
Total net assets	<u>[392,988]</u>	<u>[430,510]</u>
	<u>\$ 143,972</u>	<u>\$ 87,423</u>

See notes to financial statements

UNITED STATES JUDO, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2009

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
Revenues and support:			
Grants	\$ 600,405	\$ -	\$ 600,405
Event registration fees	225,663	-	225,663
Memberships	409,549	-	409,549
Contributions	149,647	11,506	161,153
Sponsorships	113,106	-	113,106
Certification fees	76,950	-	76,950
Sale of merchandise	9,889	-	9,889
Investment [loss]	-	-	-
Other	4,359	-	4,359
Satisfied program restrictions	<u>12,214</u>	<u>[12,214]</u>	<u>-</u>
Total revenues and support	1,601,782	[708]	1,601,074
Expenses:			
Program services -			
High performance teams	1,256,142	-	1,256,142
General and administrative	<u>307,410</u>	<u>-</u>	<u>307,410</u>
Total expenses	<u>1,563,552</u>	<u>-</u>	<u>1,563,552</u>
Change in Net Assets	38,230	[708]	37,522
Net Assets - Beginning of Year	<u>[445,623]</u>	<u>15,113</u>	<u>[430,510]</u>
Net Assets - End of Year	<u>\$ [407,393]</u>	<u>\$ 14,405</u>	<u>\$ [392,988]</u>

See notes to financial statements

UNITED STATES JUDO, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2008

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
Revenues and support:			
Grants	\$ 594,303	\$ -	\$ 594,303
Event registration fees	415,867	-	415,867
Memberships	408,311	-	408,311
Contributions	183,595	37,320	220,915
Sponsorships	137,500	-	137,500
Certification fees	79,515	-	79,515
Sale of merchandise	15,686	-	15,686
Investment [loss]	[67,526]	-	[67,526]
Other	9,864	-	9,864
Satisfied program restrictions	<u>76,206</u>	<u>[76,206]</u>	<u>-</u>
Total revenues and support	1,853,321	[38,886]	1,814,435
Expenses:			
Program services -			
High performance teams	1,770,881	-	1,770,881
General and administrative	<u>438,387</u>	<u>-</u>	<u>438,387</u>
Total expenses	<u>2,209,268</u>	<u>-</u>	<u>2,209,268</u>
Change in Net Assets	[355,947]	[38,886]	[394,833]
Net Assets - Beginning of Year	2,210,330	53,999	2,264,329
Transfer to American Judo Fund, Inc.	<u>[2,300,006]</u>	<u>-</u>	<u>[2,300,006]</u>
Net Assets - End of Year	<u>\$ [445,623]</u>	<u>\$ 15,113</u>	<u>\$ [430,510]</u>

See notes to financial statements

UNITED STATES JUDO, INC.

STATEMENT OF CASH FLOWS

	<u>YEARS ENDED DECEMBER 31,</u>	
	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from grants, contributions and other	\$ 1,552,281	\$ 1,865,805
Cash paid suppliers and employees	[1,524,039]	[2,195,437]
Interest paid	<u>[7,304]</u>	<u>[5,059]</u>
Net cash provided by [used by] operating activities	20,938	[334,691]
Cash flow from investing activities:		
Proceeds for investments	--	200,000
Purchase of property and equipment	<u>[4,478]</u>	<u>[3,419]</u>
Net cash [used by] provided by investing activities	[4,478]	196,581
Cash flow from financing activities -		
Borrowing on note payable	148,000	70,000
Payment on note payable	[143,000]	[5,000]
Borrowing on long-term debt	-	70,000
Payment on long-term debt	<u>[11,353]</u>	<u>-</u>
Net cash [used by] provided by financial activities	<u>[6,353]</u>	<u>135,000</u>
Net increase [decrease] in cash	10,107	[3,110]
Cash - Beginning of year	<u>-</u>	<u>3,110</u>
Cash - End of year	<u><u>\$ 10,107</u></u>	<u><u>\$ -</u></u>

See notes to financial statements

UNITED STATES JUDO, INC.

STATEMENT OF CASH FLOWS

	<u>YEARS ENDED DECEMBER 31,</u>	
	<u>2009</u>	<u>2008</u>
Reconciliation of change in net assets to net cash provided by [used by] operating activities:		
Change in net assets	\$ 37,522	\$ [394,833]
Adjustments to reconcile change in net assets to net cash provided by [used by] operating activities:		
Increase in accounts payable	38,023	10,620
Depreciation	6,000	5,445
Decrease in other assets	3,360	13,359
Increase [decrease] in accrued expenses	571	[25,572]
Realized and unrealized losses on investments	-	78,643
Interest and dividends reinvested	-	[11,117]
[Decrease] increase in deferred revenue	[5,904]	1,800
[Decrease] increase in cash overdrafts	[7,310]	7,310
[Increase] in prepaid expenses	[8,435]	[2,390]
[Increase] in dues and accounts receivable	[42,889]	[17,956]
Total adjustments	[16,584]	60,142
Net cash provided by [used by] operating activities	\$ <u>20,938</u>	\$ <u>[334,691]</u>

See notes to financial statements

UNITED STATES JUDO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

A. Summary of Significant Accounting and Reporting Policies:

(1) Organization's Activities:

United States Judo, Inc. ("Organization") is a nonprofit corporation incorporated under the laws of 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 Committee ("USOC"). 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.

(2) Basis of Accounting:

These financial statements are prepared using the accrual method of accounting in accordance with generally accepted accounting principals. Revenues and support are recognized when earned and expenses are recorded when incurred.

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "*Financial Statements for Not-for-Profit Organizations*." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or specific restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support, absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

UNITED STATES JUDO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

A. Summary of Significant Accounting and Reporting Policies (continued):

(3) Revenue Recognition:

The Organization records contributions and grants in accordance with the requirements of SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions are recorded and recognized as revenues in the period committed and measured at fair value. Contributions of services are recognized if the service rendered, (a) creates or enhances non-financial assets or (b) requires specialized skills and would typically need to be purchased if not provided by donation. The Organization recognizes contributions receivable as revenue when committed by the donor except for when the donor specifies restrictive conditions that cannot be met in the current period. As of December 31, 2008, there was no contribution receivable.

As permitted under SFAS No. 117, the Organization has opted to record certain temporarily restricted contribution in which the restrictions have been met in the year of receipt as unrestricted contributions.

The Organization has several membership categories and the membership dues are for the calendar year. Memberships invoiced prior to year end are reflected as deferred revenue until the subsequent year.

Grants from the USOC contain clauses that the use of the funds and related expenses are subject to audit and adjustment. In addition, grants from the USOC may contain a clause that unused or surplus funds are to be returned to the USOC. For such grants, revenues have been recorded based upon those amounts expected to be realized.

(4) Donated Services and Contributions-in-Kind:

Volunteers have made contribution of time in the furtherance of the Organization's programs. The value of this donated time to the Organization is not reflected in the accompanying financial statements since the time and services do not meet the criteria for recognition under SFAS No. 116.

(5) Cash and Cash Equivalents:

Cash and cash equivalents include cash and short term investments with an original maturity of three months or less.

(6) Property and Equipment:

Property and equipment are recorded at acquisition cost or fair value as of the date of donation. Depreciation is provided by use of the straight-line method over the estimated useful life of three to five years.

Expenditures for maintenance and repairs are charged to expense as incurred, whereas, expenditures which appreciably extend the useful life of the asset, are added to the cost of the asset.

UNITED STATES JUDO, INC.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

A. Summary of Significant Accounting and Reporting Policies (continued):

(7) Income Taxes:

The Organization is exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. Therefore, no provision for Federal income tax is recorded in the accompanying financial statements.

(8) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

(9) Functional Expenses:

Certain costs and expenses are allocated among the various programs and supporting service expenses based on internal records and estimates made by the Organization's management.

B. Dues and Accounts Receivables:

Dues and accounts receivables consist of balances due from athletes, members, and state and local judo organizations. The receivables are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, management has established an allowance for doubtful accounts in the amount of none and \$2,800 at December 31, 2009 and 2008, respectively.

C. Investments:

The Organization had an undivided interest in a pool of investments held by the United States Olympic Foundation ("USOF"). The investments within the pool were considered to be available for sale and recorded at fair value.

In October 2006, the Board of Directors approved the establishment of an independent 501(c)(3) corporation, American Judo Fund, Inc. ("Judo Fund"), and a six-member Board of Directors to hold and oversee the Organization's interest in the USOF investment pool. The formation of the Judo Fund was complete during 2007 and the Organization's interest in the USOF's investment pool was transferred to the Judo Fund in April 2008. The fair value of the funds transferred was \$2,300,006. The Judo Fund is responsible for the oversight, management, and distribution of the investment funds to various organizations, in addition to the Organization. The Organization does not control the Judo Fund and therefore does not prepare consolidated financial statements.

After the interest in the USOF investment pool was transferred to the Judo Fund, the Judo Fund made contribution in the amount of \$110,000 in 2009 and \$160,000 in 2008 to the Organization. In addition, the Judo Fund loaned the Organization \$70,000 (See Note G).

UNITED STATES JUDO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

C. Investments (continued):

Investment income consists of the following components for the year ended December 31, 2008:

Interest and dividends	\$	11,117
Unrealized and realized [losses]		<u>[78,643]</u>
	\$	<u>[67,526]</u>

D. Property and Equipment:

The property and equipment consist of the following:

	<u>DECEMBER 31,</u>	
	<u>2009</u>	<u>2008</u>
Equipment	\$ 52,271	\$ 47,793
Software	15,000	15,000
Furniture and fixtures	2,374	2,374
Leasehold improvements	<u>2,150</u>	<u>2,150</u>
	71,795	67,317
Less accumulated depreciation	<u>[60,375]</u>	<u>[54,375]</u>
	\$ <u>11,420</u>	\$ <u>12,942</u>

E. Note Payable:

The note payable includes a \$129,975 at December 31, 2009 and \$124,975 at December 31, 2008 draw against a \$150,000 line of credit with a bank due in December 2009. The note is charged interest at 1.50% over prime (4.75% at December 31, 2009). The note is collateralized by the interest in the USOF investment pool held by the Judo Fund. When the note matured in December 31, 2009, the note was refinanced with the bank to include monthly interest only payments a variable rate based on the three month labor (6.77% at December 31, 2009 plus quarterly principal reduction of \$5,000, due in June 2011. The note was transferred from notes payable to long-term debt in December 2009 with the modification of the terms of the notes.

The Organization has an outstanding letter for credit in the amount of \$40,000, reduced to \$25,000, in favor of the Organization's former liability insurance provider. The letter for credit was to serve as collateral for the deductible under the Organization's liability policy. This letter of credit was returned and cancelled in November 2009.

F. Retirement Plan:

The employees of the Organization participate in a SIMPLE retirement plan. The Organization matches contributions up to 3% of the employee's compensation. The Organization contributed \$2,976 and \$2,656 to the employee's plans during the years ended December 31, 2009 and 2008, respectively.

UNITED STATES JUDO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

G. Long-Term Debt:

The long-term debt consists of the following:

	<u>DECEMBER 31,</u>	
	<u>2009</u>	<u>2008</u>
Three month libor plus 6.516% (6.766% at December 31, 2009) due in monthly interest only payments beginning in January 2010, plus \$5,000 quarterly principal payments beginning in March 2010, through June 2011. The note refinanced the line of credit with the bank. The note is collateralized by securities owned by American Judo Fund, Inc.	\$ 129,975	\$ -
3.25% note due to American Judo Fund, Inc. in monthly Installments of \$3,016, including interest, through May 2011. The note is unsecured and payments have been made through July 2009.	<u>58,647</u>	<u>70,000</u>
	188,622	70,000
Less current portion	<u>[69,600]</u>	<u>[22,000]</u>
	<u>\$ 119,022</u>	<u>\$ 48,000</u>

The future payments on the loan-term debt at December 31, 2009 are as follows:

<u>YEARS ENDED</u> <u>DECEMBER 31,</u>	
2010	\$ 81,502
2011	<u>120,571</u>
	202,073
Less amount representing interest	<u>[13,451]</u>
	<u>\$ 188,622</u>

UNITED STATES JUDO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

H. Commitments and Contingencies:

The future payments required on noncancellable operating leases at December 31, 2009 is as follows:

<u>YEARS ENDED</u>		
<u>DECEMBER 31,</u>		
2010	\$	8,628
2011		2,028
2012		<u>1,183</u>
	\$	<u><u>11,839</u></u>

The Statement of Activities includes \$23,814 and \$19,331 of rent and related expenses for the years ended December 31, 2009 and 2008, respectively.

In August 2009, the United States Judo Association (“USJA”) filed an application with the United States Olympic Committee (“USOC”), pursuant to Section 11 of the USOC Bylaws, seeking to replace the Organization as the national governing body for the sport of judo in the United States. That application was assigned by the USOC to a Hearing Panel, which is empowered to conduct a hearing on the application. However, the Hearing Panel ordered that the Organization and USJA engage in mediation in an effort to determine if they could resolve matters raised in the application. The Organization and USJA have engaged in on mediation sessions. In April 2010 the Organization and USJA entered into a settlement agreement whereby all matters in the Section 11 proceeding were fully resolved and USJA withdrew its application.

The Organization is involved in potential claims and disputes with a former member of the Board of Directors. The potential claims and disputes relate to various actions of the former board member. The potential claims and disputes were resolved in 2009 with no liability to the Organization regarding this matter.

As shown in the financial statements, the Organization incurred a net loss of \$394,833 during the year ended December 31, 2008, and, as of December 31, 2009 and 2008, had a working capital deficiency of \$290,645 and \$404,071 and a deficiency of net assets of \$392,988 and \$430,510. As more fully described in Note C to the financial statements, the Organization transferred its interest in the USOF’s investment pool to a newly formed organization in April 2008. These conditions require the Organization to modify operations and overhead in order to retain a going concern.

The ability of the Organization to continue as a going concern is dependent upon its ability to improve profitability and/or reduce operating costs and to find additional financing as required. The financial statements do not include any adjustments that might be necessary if the Organization is unable to continue as a going concern.

UNITED STATES JUDO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

I. Net Assets:

The net assets are as follows:

	<u>DECEMBER 31,</u>	
	<u>2009</u>	<u>2008</u>
Unrestricted:		
Undesignated	[407,393]	[465,623]
Board designated for scholarships	<u>-</u>	<u>20,000</u>
Total unrestricted net assets	[407,393]	[445,623]
Temporarily restricted -		
Adopt an Athlete/Elite Athlete programs	8,541	15,113
Olympic Training Center programs	<u>5,864</u>	<u>-</u>
	<u>14,405</u>	<u>15,113</u>
	<u>\$ [392,988]</u>	<u>\$ [430,510]</u>

Board Designated Unrestricted Net Assets:

The Board of Directors had also designated a portion of the unrestricted net asset in the amount of \$1,342,000 for the Los Angeles Olympic Organization Committee - original contribution and \$309,974 for life memberships. These funds were held in the Organization's interest in the USOF investment pool. When the Organization transferred this interest to the Judo Fund in April 2008, these designated funds were also transferred and no longer are Board designated unrestricted net assets after the time of the transfer of the interest.

Adopt an Athlete/Elite Athlete Programs Temporarily Restricted Net Assets:

The Organization provides funding to specific athletes eligible to compete in judo competitions sponsored and/or sanctioned by the Organization. As such, the Organization established two programs under which the Organization accepts funds to be used for the training and support of the athlete specified by the donor. As the funds are for a specific athlete and as described in the agreements, the funds are considered to be temporarily restricted.

Under the agreements, any surplus funds remaining in the program after retirement or loss of eligibility by the specific athlete are available to other athletes in the program. Upon termination of the programs, whether or not the athletes in the program remain eligible, the funds become unrestricted funds of the Organization.

UNITED STATES JUDO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

I. Net Assets (continued):

Adopt an Athlete/Elite Athlete Programs Temporarily Restricted Net Assets (continued):

The agreement provides that the Organization is to receive 12% of the funds donated under the programs. The fee is to be used by the Organization to help defray the cost of promoting and administering the programs. The fee is to be used only for the costs of promoting the programs and the direct administration cost of the programs excluding the payment of salaries.

Under the program agreements, the Organization is not required to maintain the funds held on behalf of the athletes in a separate account. Accordingly, the funds are held within the Organization's unrestricted operating account and reflected on the Organization's internal financial statements as due to/from between the unrestricted and temporarily restricted funds.

Olympic Training Center Programs Temporarily Restricted Net Assets:

The Organization receives contributions specifically designated by donor for training of athletes at the Olympic training center.

J. Related Party Transaction:

The Organization received the following funding from the USOC:

	DECEMBER 31,	
	2009	2008
NGB funding	\$ 411,414	\$ 461,682
Paralympics	87,000	-
Content licensing agreement	75,000	72,000
United Airlines Value-in-Kind	26,991	31,121
International relations	-	17,000
Olympic trials	-	12,500
	<u>\$ 600,405</u>	<u>\$ 594,303</u>

In addition, as of December 31, 2009 and 2008, included in accounts payable was \$54,335 and \$85,218, respectively, due to the USOC for various expenses. The Organization rents office space from the USOC on a month-to-month basis with monthly payments of \$225.

GUSTAFSON,
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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION

June 3, 2010

Board of Directors
United States Judo, Inc.
Colorado Springs, Colorado

Our report on our audits of the basic financial statements of United States Judo, Inc. (A Nonprofit Corporation) for 2009 and 2008 appears on Page 1. That audit was made for the purpose of forming an opinion of the basic financial statements taken as a whole. The Statements of Functional Expenses is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Gustafson, Crandall & Christensen, Inc.

Certified Public Accountants

UNITED STATES JUDO, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

	HIGH PERFORMANCE TEAMS	GENERAL AND ADMINISTRATION	TOTAL
Salaries and wages	\$ 202,834	\$ 90,739	\$ 293,573
Transportation	227,874	3,637	231,511
Lodging	183,328	3,510	186,838
Consulting	158,036	5,406	163,442
Insurance	83,460	2,808	86,268
Legal	-	50,685	50,685
Food	40,002	3,755	43,757
Software processing fees	266	37,902	38,168
Postage and shipping	27,948	10,180	38,128
Rebates	35,665	-	35,665
Rent	19,872	3,942	23,814
Payroll taxes	16,039	6,996	23,035
Telephone	17,393	4,906	22,299
Supplies	12,740	9,008	21,748
Employee benefits	15,405	5,293	20,698
Board of Directors	-	20,478	20,478
Scholarships	20,000	-	20,000
Ground transportation	14,903	3,902	18,805
Apparel	17,303	-	17,303
Site costs	17,273	-	17,273
Local organizing committee split	14,216	-	14,216
Credit card processing	-	14,127	14,127
Per diem	12,280	600	12,880
Printing	3,810	7,743	11,553
Equipment rental	9,604	367	9,971
Awards	9,427	-	9,427
Depreciation and amortization	-	9,359	9,359
Communication and public relations	9,354	-	9,354
Dues and fees	7,474	1,546	9,020
Small equipment expense	4,557	4,085	8,642
Executive travel	6,992	1,587	8,579
Interest and finance charges	8,410	-	8,410
Adopt an athlete program expenses	7,887	-	7,887
Audit and accounting	-	7,500	7,500
Grants	2,275	-	2,275
Security and testing	2,244	21	2,265
Coaching	1,575	-	1,575
Entertainment	1,587	-	1,587
Sports medicine	188	-	188
Other	43,921	[2,672]	41,249
	<u>\$ 1,256,142</u>	<u>\$ 307,410</u>	<u>\$ 1,563,552</u>

UNITED STATES JUDO, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

	HIGH PERFORMANCE TEAMS	GENERAL AND ADMINISTRATION	TOTAL
Salaries and wages	\$ 237,133	\$ 81,978	\$ 319,111
Transportation	254,728	8,691	263,419
Lodging	242,436	3,909	246,345
Consulting	103,056	-	103,056
Insurance	71,564	2,414	73,978
Legal	1,313	73,558	74,871
Food	102,438	5,404	107,842
Software processing fees	-	30,844	30,844
Postage and shipping	25,410	17,802	43,212
Rebates	38,045	-	38,045
Rent	14,578	4,753	19,331
Payroll taxes	18,756	6,190	24,946
Telephone	20,264	5,716	25,980
Supplies	13,184	18,229	31,413
Employee benefits	17,456	8,584	26,040
Board of Directors	-	94,824	94,824
Scholarships	25,000	-	25,000
Ground transportation	38,192	1,819	40,011
Apparel	22,132	-	22,132
Site costs	83,547	-	83,547
Local organizing committee split	15,000	-	15,000
Credit card processing	-	14,952	14,952
Per diem	12,638	3,290	15,928
Printing	141	24,274	24,415
Equipment rental	14,738	2,758	17,496
Awards	17,647	115	17,762
Depreciation and amortization	-	8,804	8,804
Communication and public relations	20,878	-	20,878
Dues and fees	2,744	1,385	4,129
Small equipment expense	6,169	1,174	7,343
Executive travel	25,500	1,140	26,640
Interest and finance charges	5,622	-	5,622
Adopt an athlete program expenses	61,470	-	61,470
Audit and accounting	-	33,548	33,548
Grants	117,908	-	117,908
Security and testing	6,860	30	6,890
Coaching	61,950	-	61,950
Entertainment	27,645	222	27,867
Sports medicine	6,232	-	6,232
Other	38,507	[18,020]	20,487
	<u>\$ 1,770,881</u>	<u>\$ 438,387</u>	<u>\$ 2,209,268</u>

