

Up  
SENADO DE PUERTO RICO  
OFICINA DEL SECRETARIO  
28 JUN 2024 PM 2:02

**FEDERACIÓN PUERTORRIQUEÑA DE TENIS DE MESA  
(A Non-Profit Organization)**

*AUDITED FINANCIAL STATEMENTS*

*DECEMBER 31, 2023*

**FEDERACIÓN PUERTORRIQUEÑA DE TENIS DE MESA**

**Financial Statements and Report**

*For the Year Ended December 31, 2023*

**CONTENTS**

**I. FINANCIAL STATEMENTS**

A. Independent Auditor's Report .....	1
B. Statement of Financial Position .....	4
C. Statement of Activities and Changes in Net Assets .....	5
D. Statement of Cash Flows .....	6
E. Notes to Financial Statements .....	7

---

# *Sandra Zayas, CPA, CVA, ESQ.*

---

CERTIFIED PUBLIC ACCOUNTANT, CERTIFIED VALUATION ANALYST,  
ATTORNEY AT LAW & CONSULTANT

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Federación Puertorriqueña de Tenis de Mesa  
Bayamón, P.R.

### **Report on the Audit of Financial Statements**

#### ***Opinion***

I have audited the accompanying financial statements of Federación Puertorriqueña de Tenis de Mesa (a Puerto Rico Nonprofit Corporation), which comprise the statements of financial position as of December 31, 2023, and the related statements of activities and change in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Federación Puertorriqueña de Tenis de Mesa as of December 31, 2023, 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***

I conducted my audit in accordance with auditing standards generally accepted in the United States (GAAS). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Federación Puertorriqueña de Tenis de Mesa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### ***Change in Accounting Principle***

As described in Note 1 to the financial statements, the Corporation adopted Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. My opinion is not modified with respect to this matter.

## **INDEPENDENT AUDITOR'S REPORT – CONTINUED**

### **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 of 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 Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued or are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 auditor's 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, I:

- 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 Corporation's internal control. Accordingly, no such opinion is expressed.

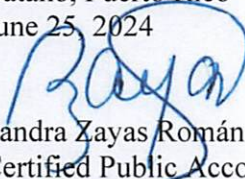
## INDEPENDENT AUDITOR'S REPORT – CONTINUED

- 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Cataño, Puerto Rico

June 25, 2024

  
Sandra Zayas Román

Certified Public Accountant

License No. 4861 expires December 1, 2024

Stamp No. 02801516 of the Puerto Rico

Society of Certified Public Accountants was  
affixed to the record copy of this report.



**FEDERACIÓN PUERTORRIQUEÑA DE TENIS DE MESA**

**Statement of Financial Position**

*As of December 31, 2023*

---

<b>ASSETS</b>	
Current assets	
Cash	<u>\$ 53,283</u>
Total current assets	53,283
Property and equipment	
Equipment	5,765
Less: Accumulated depreciation	<u>(577)</u>
Total property and equipment, net	<u>5,188</u>
<b>Total assets</b>	<b><u><u>\$ 58,471</u></u></b>
 <b>LIABILITIES AND NET ASSETS</b>	
Current liabilities	
Accrued expenses	<u>\$ 40,975</u>
Total current liabilities	40,975
Net assets	
Without donor restrictions	<u>17,496</u>
Total net assets	<u>17,496</u>
<b>Total liabilities and net assets</b>	<b><u><u>\$ 58,471</u></u></b>

The accompanying auditor's report and notes are an integral part of these statements.

**FEDERACIÓN PUERTORRIQUEÑA DE TENIS DE MESA**  
**Statement of Activities and Changes in Net Assets**  
*For the Year Ended December 31, 2023*

---

	<b><u>Without Donor Restrictions</u></b>
<b>REVENUES AND SUPPORT</b>	
Public Support:	
Contributions from ITTF	\$ 4,430
Contributions from COPUR	58,795
Contributions from P.R. Legislature	125,000
Sponsorship and contributions	140,064
Program Income:	
Referee and technical coaching	21,252
Registration and affiliation fees	<u>37,189</u>
Total revenues	386,730
 <b>EXPENSES</b>	
Program Services:	
Referee and technical coaching	21,252
National competitions and activities	83,549
International competitions and sport develop	145,184
Sport equipment and supplies	26,098
National game awards	27,986
Uniforms	3,037
Butterfly PR Open event	60,000
Supporting Services:	
Administrative expenses	4,801
Bank charges	735
Depreciation	577
Other expenses	<u>2,750</u>
Total expenses	<u>375,969</u>
Change in net assets	10,761
Net assets, beginning of year	<u>6,735</u>
Net assets, end of year	<u><u>\$ 17,496</u></u>

The accompanying auditor's report and notes are an integral part of these statements.

**FEDERACIÓN PUERTORRIQUEÑA DE TENIS DE MESA**

**Statement of Cash Flows**

*For the Year Ended December 31, 2023*

---

Cash flows from operating activities:

Change in net assets	\$ 10,761
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	577
Increase (decrease) in liabilities:	
Accrued expenses	<u>4,763</u>
Net cash provided by operating activities	<u>16,101</u>
Net change in cash	16,101
Cash - beginning of year	<u>37,182</u>
Cash - end of period	<u>\$ 53,283</u>

The accompanying auditor's report and notes are an integral part of these statements.



**FEDERACIÓN PUERTORRIQUEÑA DE TENIS DE MESA**  
**Notes to Financial Statements**  
*For the Year Ended December 31, 2023*

---

**Note 1. Organization and summary of significant accounting policies**

Nature of activities

The Federación Puertorriqueña de Tenis de Mesa (the Organization) is a non-for-profit organization incorporated under the laws of the Commonwealth of Puerto Rico in 1977 for the purpose of promoting and governing the sport Table Tennis focus on a competitive basis throughout Puerto Rico and internationally.

Basis of accounting

The Organization prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

Financial statement presentation

The accompanying financial statements have been prepared in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, Financial Statements of Not-for-Profit Organizations following ASU No. 2016-14, which requires that all not-for-profit organizations to provide a statement of financial position, a statement of activities and changes in net assets, a statement of cash flows, and informative notes to the financial statements.

ASC 958-205 also requires that net assets be presented in the statement of financial position based on the existence or absence of donor-imposed restrictions, as either net asset with donor restrictions or net assets without donor restrictions and that the amounts of change in each of those classifications be presented in the statement of activities.

ASU No. 2016-14 expands to all not-for-profit organizations the requirement to present an analysis of expenses by functional and natural classifications. Functional information must be provided either on the face of the statement of activities, as a schedule in the notes to financial statements, or in a separate financial statement.

In addition to information about net assets with donor restrictions, all not-for-profit organizations will also be required to disclose, as of the end of the reporting period, the amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources that are free of donor-imposed restrictions as well as to disclose both qualitative and quantitative information about how it manages its liquid resources.

# FEDERACIÓN PUERTORRIQUEÑA DE TENIS DE MESA

## Notes to Financial Statements

For the Year Ended December 31, 2023

---

### Net Assets without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

### Net Assets with Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. The Organization has elected to present contributions with donor restrictions that are fulfilled in the same period within the net assets without donor restrictions class.

### Accounting Standards Adoption

During the year 2023, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU requires not-for-profit entities to present contributed nonfinancial assets in the statement of activities separately from other contributions. Additionally, the ASU requires qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. There was no change in net assets as a result of the adoption of this ASU.

### Revenues

According to FASB ASC 958-605, *Not-for-Profit Entities - Revenue Recognition*, contributions including unconditional promises to give, are recognized as revenue in the period received, and reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period.

# FEDERACIÓN PUERTORRIQUEÑA DE TENIS DE MESA

## Notes to Financial Statements

For the Year Ended December 31, 2023

---

Contributions with donor-imposed restrictions that are met in the same year as received are reported as revenues of the without donor restrictions net asset class. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. All expenses and net losses are reported as decreases in net assets without donor restrictions unless their use is with donor restrictions by explicit donor stipulation or by law. Expirations of restrictions with donor restrictions net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

The Organization follows the Financial Accounting Standards Update (ASU) No. 2018-08, Not-For-Profit Entities (Topic 958) - *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU No. 2018-08 aims to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance like Topic 606, and (2) determining whether a contribution is conditional. In addition, the amendments provide additional guidance about how to determine whether a contribution is conditional. We have analyzed the provisions of the FASB's ASC Topic 606, *Revenue from Contracts with Customers*, and have concluded that no changes are necessary to conform with the new standard.

### 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 certain amount and disclosures. Accordingly, actual results could differ from those estimates.

### Contributions

The Organization records gifts of cash and other assets as restricted support when the use of the related assets is limited by donor-imposed restrictions. 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 net assets with donor restrictions. Donations of securities, fixed assets, and other non-monetary assets are recorded at their estimated fair value at the date of donation.

Stipulations regarding how long those donated assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

# FEDERACIÓN PUERTORRIQUEÑA DE TENIS DE MESA

## Notes to Financial Statements

For the Year Ended December 31, 2023

---

### Cash

The Organization maintains cash balances at a financial institution insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account. The balances usually do not exceed those limits.

### Property and equipment

Property and equipment are carried at cost. Major renewals and improvements are capitalized, while maintenance and repairs are expensed when incurred. Depreciation is computed using the straight-line method based on the estimated useful lives of ten years.

### Impairment of long-lived assets

The Organization has adopted FASB Accounting Standards Codification (ASC) No. 360-10-35, *Impairment or Disposal of Long-Lived Assets*. Accordingly, management reviews the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Measurement of the impairment loss is based on the fair value of the asset. Generally, fair value will be determined using valuation techniques such as the present value of expected future cash flows. The provisions of this statement did not affect the accompanying financial statements.

### Functional allocation of expenses

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities. Accordingly, costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization, have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include general and administrative expenses, which are allocated on the basis of estimates of time and effort. Expenses directly identifiable to specific program or supporting activities are charged directly to that program or support activity.

### Income tax status

The Organization qualifies as a tax-exempt organization under Section 1101.01(a) of the Puerto Rico Internal Revenue Code of 2011, as amended, 13 L.P.R.A. § 30471. The Organization did not incur unrelated business income for the year ended December 31, 2023. Accordingly, no provision for income taxes has been made on the accompanying financial statements. The Organization's P.R. return of organization exempt from income tax are subject to examination by the taxing authorities generally for three years after filing.

# FEDERACIÓN PUERTORRIQUEÑA DE TENIS DE MESA

## Notes to Financial Statements

For the Year Ended December 31, 2023

---

### Note 2. Contingencies

Funds received under contracts as donations are generally subject to certain compliance requirements which non-compliance might result in claims for reimbursements. Management has no indications of the existence of non-compliance events.

### Note 3. Liquidity and available resources

The Organization's cash flows have seasonal variations due to the timing of grants and contributions, and vendor payments. The Organization manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31, 2023:

Cash	<u>\$53,283</u>
------	-----------------

### Note 4. Concentrations of credit risk

The Organization maintains its cash balances with various bank institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Management believes that credit risk is minimal because the Organization has not experienced any losses on such accounts.

During the year 2023, a substantial amount of the revenues was from grantors. The contributions from P.R. Legislature and COPUR represent approximately 32% and 15% of the Organization's total support from grantors received for the year ended December 31, 2023, respectively. The awarding of the grant contracts is at the sole discretion of P.R. Legislature and COPUR.

### Note 5. Management's review and subsequent events

Management has evaluated subsequent events through June 25, 2024 which is the date the financial statements were available to be issued and has determined that no additional accruals or disclosures are required in the accompanying financial statements.