

Golf Fights Cancer, Inc.

Financial Statements

December 31, 2022 and 2021

Independent Auditors' Report

Board of Directors
Golf Fights Cancer, Inc.

Opinion

We have audited the accompanying financial statements of Golf Fights Cancer, Inc. (the "Organization") which comprise the statements of financial position as of December 31, 2022 and 2021, 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 Golf Fights Cancer, Inc. as of December 31, 2022 and 2021, and the changes 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. 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.

Change in Accounting Policy

As discussed in Note 2 to the financial statements, the Organization adopted Financial Accounting Standards Board ("FASB") Topic 842, *Leases*, which resulted in the recognition of a right to use asset and related lease liability effective January 1, 2022.

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

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

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

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

PKF O'Connor Davies, LLP

August 21, 2023

Golf Fights Cancer, Inc.

Statements of Financial Position

	December 31,	
	2022	2021
ASSETS		
Cash	\$ 185,498	\$ 476,727
Promises to give receivable	103,285	47,579
Prepaid expenses	7,070	-
Investments	27,657	23,162
Investments, board designated	441,704	481,471
Property and equipment, net	498	823
Right-to-use asset, operating leases	43,228	-
	<u>\$ 808,940</u>	<u>\$ 1,029,762</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ -	\$ 125,000
Accrued expense	5,529	812
Accrued payroll	65,438	25,500
Operating lease liability	43,228	-
Total Liabilities	<u>114,195</u>	<u>151,312</u>
Net Assets		
Without donor restrictions		
Undesignated	235,740	389,224
Gator Good Guys Collegiate Cup	441,704	481,471
Total net assets without donor restrictions	677,444	870,695
With donor restrictions	17,301	7,755
Total Net Assets	<u>694,745</u>	<u>878,450</u>
	<u>\$ 808,940</u>	<u>\$ 1,029,762</u>

See Notes to Financial Statements

Golf Fights Cancer, Inc.

Statement of Activities
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Contribution revenue	\$ 2,255,705	\$ 17,301	\$ 2,273,006
Gifts in kind	67,490	-	67,490
Interest income	65	-	65
Investment loss, net	(95,447)	-	(95,447)
Released from restriction	7,755	(7,755)	-
	<u>2,235,568</u>	<u>9,546</u>	<u>2,245,114</u>
EXPENSES			
Program services	1,878,487	-	1,878,487
Fundraising	480,943	-	480,943
Management and general	69,389	-	69,389
	<u>2,428,819</u>	<u>-</u>	<u>2,428,819</u>
 Change in Net Assets	 (193,251)	 9,546	 (183,705)
NET ASSETS			
Beginning of year	870,695	7,755	878,450
End of year	<u>\$ 677,444</u>	<u>\$ 17,301</u>	<u>\$ 694,745</u>

See Notes to Financial Statements

Golf Fights Cancer, Inc.

Statement of Activities Year Ended December 31, 2021

	Without Donor Restriction	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Contribution revenue	\$ 2,117,963	\$ 7,755	\$ 2,125,718
Gifts in kind	89,360	-	89,360
Interest income	284	-	284
Investment return, net	5,146	-	5,146
Paycheck Protection Program loan forgiveness	27,083	-	27,083
Released from restriction	5,099	(5,099)	-
	<u>2,244,935</u>	<u>2,656</u>	<u>2,247,591</u>
EXPENSES			
Program services	1,714,497	-	1,714,497
Fundraising	444,848	-	444,848
Management and general	67,753	-	67,753
	<u>2,227,098</u>	<u>-</u>	<u>2,227,098</u>
 Change in Net Assets	 17,837	 2,656	 20,493
NET ASSETS			
Beginning of year	<u>852,858</u>	<u>5,099</u>	<u>857,957</u>
End of year	<u>\$ 870,695</u>	<u>\$ 7,755</u>	<u>\$ 878,450</u>

Golf Fights Cancer, Inc.

Statement of Functional Expenses Year Ended December 31, 2022

	Program Services	Fundraising	Management and General	Total
Salaries and related expense	\$ 26,769	\$ 173,567	\$ 36,446	\$ 236,782
Event expenses	-	265,118	-	265,118
Depreciation expense	37	238	50	325
Rent expense	1,131	7,330	1,539	10,000
Telephone	-	-	2,116	2,116
Professional fees and licenses	-	-	21,027	21,027
Database	-	3,509	-	3,509
Travel expenses	-	19,662	-	19,662
Office supplies	-	-	802	802
Dues and subscriptions	-	-	1,492	1,492
Shipping and postage	-	-	2,633	2,633
Bank charges	-	-	463	463
Event supplies	-	5,721	-	5,721
Web site hosting	-	5,798	-	5,798
Miscellaneous	-	-	2,821	2,821
Grant expense	1,850,550	-	-	1,850,550
	<u>\$ 1,878,487</u>	<u>\$ 480,943</u>	<u>\$ 69,389</u>	<u>\$ 2,428,819</u>

Golf Fights Cancer, Inc.

Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services	Fundraising	Management and General	Total
Salaries and related expense	\$ 8,612	\$ 137,789	\$ 33,336	\$ 179,737
Event expenses	-	270,239	-	270,239
Depreciation expense	23	370	89	482
Rent expense	439	7,030	1,700	9,169
Telephone	-	-	2,274	2,274
Professional fees and licenses	-	-	24,801	24,801
Database	-	2,702	-	2,702
Travel expenses	-	10,705	-	10,705
Office supplies	-	-	1,094	1,094
Dues and subscriptions	-	-	1,347	1,347
Shipping and postage	-	-	2,947	2,947
Bank charges	-	-	165	165
Event supplies	-	7,428	-	7,428
Web site hosting	-	8,585	-	8,585
Grant expense	1,705,423	-	-	1,705,423
	<u>\$ 1,714,497</u>	<u>\$ 444,848</u>	<u>\$ 67,753</u>	<u>\$ 2,227,098</u>

Golf Fights Cancer, Inc.

Statements of Cash Flows

	Year Ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (183,705)	\$ 20,493
Adjustments to reconcile change in net assets to net cash from operating activities		
Amortization of right-of-use asset, operating leases	47,229	-
Depreciation	325	482
Net loss (gain) in investments	97,673	(4,629)
Paycheck Protection Program loan forgiveness	-	(27,083)
Changes in operating assets and liabilities:		
Promises to give receivable	(55,706)	133,196
Prepaid expenses	(7,070)	6,682
Accounts payable	(125,000)	120,950
Accrued expense	4,717	(350)
Accrued payroll	39,938	15,500
Operating lease liabilities	(47,229)	-
Net Cash from Operating Activities	<u>(228,828)</u>	<u>265,241</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	<u>(62,401)</u>	<u>(15,168)</u>
Net Change in Cash	(291,229)	250,073
CASH		
Beginning of year	<u>476,727</u>	<u>226,654</u>
End of year	<u>\$ 185,498</u>	<u>\$ 476,727</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Forgiveness of Paycheck Protection Program loan	\$ -	\$ 27,083

See Notes to Financial Statements

Golf Fights Cancer, Inc.

Notes to Financial Statements December 31, 2022 and 2021

1. Organization

Golf Fights Cancer, Inc. (the "Organization") was founded in 2003. The Organization is a non-profit volunteer organization which taps into golfers to raise funds for cancer related organizations and families living with the disease. Specifically, the Organization makes targeted donations for equipment, services and/or amenities that make an immediate impact on treatment and the experience for both the patient and family.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Change in Accounting Policy

The Organization adopted Financial Accounting Standards Board Topic 842, *Leases*, using the effective date method with January 1, 2022, as the date of initial adoption, with certain practical expedients available.

The Organization elected the available practical expedients to account for its existing operating leases as operating leases, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, on January 1, 2022, the Organization recognized a right-of-use (ROU) asset and lease liability of \$45,229 that represent the present value of the remaining operating lease payments of \$50,000 discounted using the risk free interest rate determined by using a weighted average of the remaining term of the lease.

The standard had an impact on the Organization's statement of financial position but did not have an impact on its statements of activities and cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Net Asset Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for the Good Guys Collegiate Cup.

Golf Fights Cancer, Inc.

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies *(continued)*

Net Asset Presentation (continued)

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from 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 are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. The Organization's donor-restricted endowment funds, including the unspent appreciation of the endowment fund and the portion of the Organization's donor-restricted endowment funds that the Organization is committed to maintaining in perpetuity are classified in net assets with donor restrictions. 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.

Cash

Except for cash which are included in the Organization's investment portfolio which are held for long-term investment purposes, cash includes cash held in bank accounts at financial institutions.

Contributions

Unconditional contributions are recognized as support when received or pledged, if applicable. Contributions are reported as support with donor restrictions if they are received with donor stipulations that limit the use of such assets. Contributions received whose use is contingent upon the occurrence of a future event are deferred until the condition is substantially met, at which time they are recognized.

Promises to Give Receivable

Contributions to the Organization are recorded as revenue upon the receipt of an unconditional pledge or of cash or other assets. Contributions are considered available for general use, unless the donors restrict their use. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. An allowance was not considered necessary as of December 31, 2022 and 2021.

Golf Fights Cancer, Inc.

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (*continued*)

Fair Value Measurements

The Organization follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investment Valuation and Investment Income Recognition

Investments are carried at fair value. The fair value of the fixed income securities are obtained from an observable independent third-party pricing service that derives the prices through the use of recently reported trades for identical or similar securities with adjustments for trading volumes and market observable information through the reporting date.

Interest income is recorded on an accrual basis and dividends are recorded on the ex-dividend date. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Realized and unrealized gains (losses) on investments are included in the change in net assets.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over their estimated useful lives of 3 to 5 years.

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount of the asset is not recoverable, the asset is written down to the fair value as determined using the undiscounted cash flow method. There were no asset impairments for the years ended December 31, 2022 and 2021.

In-kind Contributions

Contributions of donated non-cash assets and space are recorded at their fair value in the period received.

Leases

The Organization leases office space and determines if an arrangement is a lease at inception. Operating lease liabilities are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the accompanying statement of financial position.

Golf Fights Cancer, Inc.

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies *(continued)*

Leases (continued)

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The leases do not provide an implicit borrowing rate. The Organization uses their risk-free rate based on information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate that lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Income Taxes and Accounting for Uncertainty in Income Taxes

Except for taxes that may be due for unrelated business income, the Organization is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and from state and local income taxes under comparable laws.

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization has no uncertain tax positions that would require financial statement recognition and/or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2019.

Grant Expense

The Organization makes grants for research or to support families living with the disease. The grants are recognized when they are unconditionally promised to the recipient. Those expenses are recorded in the statement of functional expenses as program expenses.

Functional Expense Allocation

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis. Accordingly, certain expenses have been allocated among the programs and supporting services based on ratios determined by management. These expenses are allocated based on an assessment of where employees' time is spent.

Subsequent Events

Management evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date August 21, 2023.

Golf Fights Cancer, Inc.

Notes to Financial Statements
December 31, 2022 and 2021

3. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist principally of cash on deposit with financial institutions. The Organization invests its cash with quality financial institutions. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times cash balances may exceed the FDIC and SIPC limits. As of December 31, 2022 and 2021, the Organization's uninsured cash balances on deposit totaled approximately \$585,000 and \$432,000.

4. Financial Assets and Liquidity

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of serves undertaken to support those activities to be general expenditures.

As of December 31, 2022 and 2021, financial assets and liquidity resources available within one year for general expenditure were as follows:

Financial assets:	2022	2021
Cash	\$ 185,498	\$ 476,727
Promises to give receivable	103,285	47,579
Investments	<u>469,361</u>	<u>504,633</u>
Total financial assets available	758,144	1,028,939
Less donor restrictions as to time and/or purpose	17,301	7,755
Less board designated financial assets	<u>441,704</u>	<u>481,471</u>
Total financial assets and liquidity resources available within one year	<u>\$ 299,139</u>	<u>\$ 539,713</u>

The Organization is typically able to manage liquidity with its cash reserves. Contributions are received throughout the year for grant expenses as voted upon by the Organization's Board of Directors (the "Board").

The Board has designated a portion of its resources for certain specific purposes. That amount is identified as Board designated financial assets in the table above. These funds may be spent at the discretion of the Board.

5. Promises to Give Receivable

Promises to give receivable at December 31, 2022 and 2021 consist of the following:

	2022	2021
Promises to give receivable due in:		
Less than one year	<u>\$ 103,285</u>	<u>\$ 47,579</u>

Golf Fights Cancer, Inc.

Notes to Financial Statements December 31, 2022 and 2021

6 Property and Equipment

Property and equipment consisted of the following as of December 31:

	<u>Useful Life</u>	<u>2022</u>	<u>2021</u>
Computer software	3 - 5 years	\$ 17,805	\$ 19,154
Less accumulated depreciation		(17,307)	(18,331)
		<u>\$ 498</u>	<u>\$ 823</u>

7. Investments

The following are the major categories of investments measured at fair value on a recurring basis at December 31, grouped by the fair value hierarchy, for those assets subject to categorization within such hierarchy.

	<u>2022</u>			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Exchange traded securities	\$ 166,859	\$ -	\$ -	\$ 166,859
Mutual funds	286,337	-	-	286,337
Total Investments at Fair Value	<u>\$ 453,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>453,196</u>
Interest bearing cash				16,165
Total Investments				<u>\$ 469,361</u>

	<u>2021</u>			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Exchange traded securities	\$ 161,247	\$ -	\$ -	\$ 161,247
Mutual funds	331,323	-	-	331,323
Total Investments at Fair Value	<u>\$ 492,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>492,570</u>
Interest bearing cash				12,063
Total Investments				<u>\$ 504,633</u>

The composition of net investment return (loss) for the years ended December 31 is as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 2,226	\$ 749
Net realized and unrealized gain (loss) on investments	(97,673)	4,629
Management fees	-	(232)
	<u>\$ (95,447)</u>	<u>\$ 5,146</u>

Golf Fights Cancer, Inc.

Notes to Financial Statements December 31, 2022 and 2021

8. Leases

The Organization has an operating lease for rental space. This lease has a remaining lease term of 5 years. Details on the operating lease during the year ended December 31, 2022 are as follows:

Lease expense	
Operating lease cost	\$ 10,000
Supplemental cash flows	
Cash paid for amount included in the measurement of lease liabilities	
Operating cash flows from operating lease	10,000
Right of use assets obtained in exchange for lease obligations	
Operating lease	45,228
Weighted average remaining lease term	
Operating lease	5 years
Weight average discount rate	
Operating lease	3.39%

Future minimum lease payments under non-cancellable operating leases as of December 31, 2022 are as follows:

Year ending December 31,	
2023	\$ 10,000
2024	10,000
2025	10,000
2026	10,000
2027	6,667
Total future minimum lease payments	46,667
Less: imputed interest	(3,439)
Total lease liability	<u>\$ 43,228</u>

Total expense under this operating lease for the year ended December 31, 2022 was approximately \$3,300.

9. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31:

	2022	2021
Ellie Kavalieros	<u>\$ 17,301</u>	<u>\$ 7,755</u>

Golf Fights Cancer, Inc.

Notes to Financial Statements
December 31, 2022 and 2021

9. Net Assets with Donor Restrictions *(continued)*

Net assets released from restrictions as of December 31 consist of the following:

	<u>2022</u>	<u>2021</u>
Grant expense	\$ 7,755	\$ 5,099

10. Gifts in Kind

Gifts in kind are comprised of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>	<u>Programs/Activities</u>	<u>Donor Restriction</u>	<u>Valuation Techniques and Inputs</u>
Donated supplies	\$27,490	\$24,958	Golf Marathon	No associated donor restriction	The Organization estimated the fair value on the basis of estimates of wholesale values that would be received for similar products. In valuing the contributed space, the Organization estimated the fair value using estimates of rental space.
Donated space	40,000	64,402	Gator Good Guys Collegiate	No associated donor restriction	
	<u>\$67,490</u>	<u>\$89,360</u>			
