



SILVER SPRING, MD



FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023



Independent Auditor's Report

Board of Directors
The Salute to Military Golf Association, Inc.
Silver Spring, Maryland

Opinion

We have audited the accompanying financial statements of The Salute to Military Golf Association, Inc. (SMGA), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year 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 SMGA 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SMGA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 SMGA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with 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 SMGA'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 SMGA'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.

Report on Summarized Comparative Information

We have previously audited the 2022 financial statements of The Salute to Military Golf Association, Inc., and our report dated September 19, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the 2022 audited financial statements from which it has been derived.



Certified Public Accountants

Bethesda, Maryland
October 22, 2024

The Salute to Military Golf Association, Inc.
Statement of Financial Position
December 31, 2023
With Comparative Totals As of December 31, 2022

	2023	2022
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 512,359	\$ 451,882
Accounts Receivable	-	551
Prepaid Expenses	-	16,500
	512,359	468,933
Total Current Assets		
	512,359	468,933
Property and Equipment - Net	918	1,739
Total Assets	\$ 513,277	\$ 470,672
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 14,576	\$ 6,009
	14,576	6,009
Total Current Liabilities - Total Liabilities		
	14,576	6,009
Net Assets		
Without Donor Restrictions	498,701	464,663
Total Net Assets	498,701	464,663
Total Liabilities and Net Assets	\$ 513,277	\$ 470,672

See accompanying Notes to Financial Statements

The Salute to Military Golf Association, Inc.
Statement of Activities
For the Year Ended December 31, 2023
With Comparative Totals For the Year Ended December 31, 2022

	2023	2022
Support and Revenues		
Contributions	\$ 226,657	\$ 228,284
Tournament Income	476,832	342,933
Other Income	758	280
Total Support and Revenues	704,247	571,497
Expenses		
Program Service Expenses		
National	102,638	127,071
Golf Tournament	39,866	40,205
BAH Tournament	9,334	-
Vet- Am	22,802	21,871
Chapters	411,253	423,508
AMG	9,048	24,110
Total Program Service Expenses	594,941	636,765
Supporting Service Expenses		
General and Administrative	75,268	70,694
Total Supporting Service Expenses	75,268	70,694
Total Expenses	670,209	707,459
Change in Net Assets	34,038	(135,962)
Net Assets, Beginning of Year	464,663	600,625
Net Assets, End of Year	\$ 498,701	\$ 464,663

See accompanying Notes to Financial Statements

The Salute to Military Golf Association, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2023
With Comparative Totals For the Year Ended December 31, 2022

2023

	National	Golf Tournament	BAH Tournament	Vet- Am	Chapters	AMG	General and Administration	Total	2022
Golf Equipment and Lessons	\$ 2,312	\$ 4,485	\$ 120	\$ 3,329	\$ 216,162	\$ 8,187	\$ -	\$ 234,595	\$ 272,211
Personnel	72,436	-	-	-	42,921	-	31,444	146,801	146,915
Tournament Expenses	-	30,788	7,461	18,623	103,211	-	-	160,083	124,087
Travel	7,895	-	1,741	70	8,516	225	707	19,154	16,160
Golf Opportunities	3,968	-	-	-	27,155	300	-	31,423	62,893
Miscellaneous	99	-	-	-	1,429	-	839	2,367	5,260
Trophies and Prizes	-	4,546	-	633	1,342	-	-	6,521	23,365
Depreciation	4,021	-	-	-	-	-	-	4,021	2,483
Professional Services	8,905	-	-	-	80	-	18,667	27,652	24,532
Office Expense	1,715	47	12	147	9,665	336	16,623	28,545	20,206
Rent	1,287	-	-	-	772	-	515	2,574	3,135
Insurance	-	-	-	-	-	-	6,473	6,473	6,212
Total Expenses	\$ 102,638	\$ 39,866	\$ 9,334	\$ 22,802	\$ 411,253	\$ 9,048	\$ 75,268	\$ 670,209	\$ 707,459

See accompanying Notes to Financial Statements

The Salute to Military Golf Association, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2023
With Comparative Totals For the Year Ended December 31, 2022

	2023	2022
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ 34,038	\$ (135,962)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	4,021	2,483
<u>(Increase) Decrease in Assets</u>		
Accounts Receivable	551	-
Prepaid Expenses	16,500	(16,500)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	8,567	(3,857)
Net Cash Provided by (Used in) Operating Activities	63,677	(153,836)
Increase (Decrease) in Cash and Cash Equivalents	60,477	(153,836)
Cash and Cash Equivalents, Beginning of Year	451,882	605,718
Cash and Cash Equivalents, End of Year	\$ 512,359	\$ 451,882

See accompanying Notes to Financial Statements

The Salute to Military Golf Association, Inc.

Notes to Financial Statements December 31, 2023

1. ORGANIZATION

The Salute to Military Golf Association, Inc. (SMGA), a nonprofit organization, was incorporated under the laws of the state of Maryland in 2007. The mission of SMGA is to provide rehabilitative golf experiences for combat wounded veterans in an effort to improve the quality of life for these American heroes. SMGA believes that the rehabilitative benefits of golf can improve the mental and physical condition of each and every soldier returning from combat.

Begun as a therapeutic outlet for soldiers undergoing prolonged medical treatment at Walter Reed Army Medical Center, the continuing mission of SMGA is to engage wounded soldiers in the game of golf as its inherent lessons of discipline, fortitude, and perseverance closely mirror those embodied in our nation's military credos. SMGA now has several Chapters throughout the United States of America.

SMGA hosts a "Charity Golf Classic" (a golf tournament) as its most significant fundraiser for SMGA each year. The tournament is held at Manor Country Club in Rockville, Maryland.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of SMGA have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires SMGA to report information regarding its financial position and activities in accordance with the accrual basis of accounting and the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of SMGA. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of SMGA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

As of December 31, 2023, there were no net assets with donor restrictions.

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 period. Actual results could differ from those estimates.

The Salute to Military Golf Association, Inc.

**Notes to Financial Statements
December 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents

SMGA considers all cash, money market accounts, and undeposited funds to be cash equivalents.

Accounts Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due for tournament income and other program services. SMGA determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At December 31, 2023 there was no allowance.

Pledges Receivable

Pledges receivable are unconditional promises to give that are recorded as receivables and revenue when received. SMGA distinguishes between contributions received for each net asset category based on the existence or absence of donor-imposed restrictions. As of December 31, 2023, there were no pledges receivable.

Property and Equipment

Property and equipment is recorded at cost. It is SMGA's policy to capitalize purchases of furniture and equipment over \$1,000. Depreciation on equipment, furniture, and the trailer is computed using the straight-line method over the useful life of three to ten years. The cost of maintenance and repairs are recorded as expenses as incurred.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field. Management considers all outstanding contributions receivable amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

There were no unrecognized conditional contributions as of December 31, 2023.

Tournament income revenues include amounts paid by or on behalf of participants and sponsors. Fees are based on published fixed rates and collected either at the time of registration, in advance of the tournament resulting in a deferred revenue balance, or at the time that the tournament takes place and immediately recognized as revenue.

Tournament sponsorships, which are generally considered nonreciprocal transactions, are recognized when the conditions associated with providing the sponsorship are met at the tournament. As such, all tournament revenue is recognized upon completion of the respective tournament.

The Salute to Military Golf Association, Inc.

**Notes to Financial Statements
December 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs

SMGA's policy is to expense advertising as incurred.

Functional Expense Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, the categories of expenses that are attributable to more than one program or supporting function have been allocated among the programs and supporting services based on time and effort.

Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with SMGA's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Income Taxes

SMGA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Income taxes are payable only on business activity income unrelated to SMGA's tax-exempt purpose. There was no unrelated business income tax expense for the year ended December 31, 2023.

Accounting principles generally accepted in the United States of America require SMGA to evaluate tax positions taken and recognize a tax liability if it is more likely than not that uncertain tax positions taken would not be sustained upon examination by taxing authorities. SMGA has analyzed tax positions taken and has concluded that, as of December 31, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. SMGA had no interest and penalties related to income taxes for the year ended December 31, 2023. SMGA is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Generally, SMGA's tax returns remain open for three years for federal and state examination.

New Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326). This guidance requires SMGA to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This standard was adopted in the current fiscal year and did not have a significant impact on the financial statements.

The Salute to Military Golf Association, Inc.

**Notes to Financial Statements
December 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events through October 22, 2024 the date which the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of financial position date, but disclosures of such events, if any, are included in the accompanying notes.

3. CONCENTRATION OF CREDIT RISK

SMGA maintains its cash balances in banks insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of December 31, 2023, SMGA's balances did not exceed the FDIC insured limit.

4. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2023 consisted of the following:

Furniture and Equipment	\$ 21,713
Vehicles	<u>56,049</u>
Less Accumulated Depreciation	<u>(76,835)</u>
Property and Equipment - Net	<u>\$ 918</u>

Depreciation expense for the year ended December 31, 2023 was \$4,021.

5. NET ASSETS

There were no net assets with donor restrictions as of December 31, 2023.

Net assets without donor restrictions as of December 31, 2023 were undesignated.

6. AVAILABILITY AND LIQUIDITY

The following represents SMGA's financial assets at December 31, 2023:

Financial Assets at Year End:	
Cash and Cash Equivalents	<u>\$ 512,359</u>
Less Amounts Not Available To Be Used Within One Year:	
Net Assets With Donor Restrictions	-
Quasi Endowment Established by the Board	<u>-</u>
	<u>-</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 512,359</u>

As part of SMGA's liquidity management plan, cash in excess of daily requirements is transferred to income-generating accounts, when practical.