USAGA

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022

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PorteBrown®
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
USAGA
P.O. Box 850
Westmont, Illinois 60559

Opinion

We have audited the accompanying financial statements of USAGA, which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2022, and the related statements of revenue, expenses and change in net assets – modified cash basis, functional expenses – modified cash basis and cash flows – modified cash basis 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 assets, liabilities, and net assets of USAGA as of December 31, 2022, and its revenue, expenses and changes in net assets for the year then ended in accordance with the modified cash basis of accounting as described in Note B.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of USAGA 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.

Basis of Accounting

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to the matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note B, and for determining that the modified cash basis is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 USAGA'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, 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 USAGA'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 USAGA'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.

PORTE BROWN LLC
Certified Public Accountants

Porte Brown LLC

Elk Grove Village, Illinois
May 19, 2023

USAGA

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS

DECEMBER 31, 2022

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$ 32,333	
Short-term investments	353	$ 32,686
FIXED ASSETS		
Property and equipment	68,108	
Less: Accumulated depreciation	(48,751)	19,357
OTHER ASSETS		
Intangible assets, net	8,906	
Deposits	2,000	10,906
TOTAL ASSETS		$ 62,949

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Credit cards payable	$ 15,745	
Note payable	175,664	
Accrued payroll taxes	343	
Current portion of long-term debt	5,386	$ 197,138
LONG-TERM DEBT		
Net of current portion included above		29,634
NET ASSETS		
Without donor restrictions		(163,823)
TOTAL LIABILITIES AND NET ASSETS		$ 62,949

The accompanying notes are an integral part of these financial statements

USAGA

STATEMENT OF REVENUES, SUPPORT AND EXPENSES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Golf outing revenue, net	$ 83,212	$ -	$ 83,212
Membership income	13,388	-	13,388
Contributions	235,266	-	235,266
Miscellaneous income	51	-	51
Net assets released from restriction	2,085	(2,085)	-
	334,002	(2,085)	331,917
EXPENSES			
Program	240,574	-	240,574
Management and general	114,934	-	114,934
Fundraising and promotion	32,398	-	32,398
	387,906	-	387,906
CHANGE IN NET ASSETS	(53,904)	(2,085)	(55,989)
NET ASSETS, BEGINNING OF YEAR	(109,919)	2,085	(107,834)
NET ASSETS, END OF YEAR	$ (163,823)	$ -	$ (163,823)

USAGA

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Program	Management and General	Fundraising and Promotion	Total
EXPENSES				
Salaries	$ 75,387	$ 34,499	$ 17,888	$ 127,774
Payroll taxes	6,848	3,134	1,625	11,607
Advertising	5,474	-	3,804	9,278
Computer	5,491	2,513	1,303	9,307
Contract services	43,741	-	-	43,741
Depreciation and amortization	14,200	-	-	14,200
Instructor fees	30,808	-	-	30,808
Insurance	-	9,697	-	9,697
Interest	-	6,067	-	6,067
Miscellaneous	4,140	-	11	4,151
Occupancy	25,510	11,675	6,053	43,238
Office	7,225	3,082	1,714	12,021
Postage	1,798	-	-	1,798
Professional	14,288	39,240	-	53,528
Travel	5,664	5,027	-	10,691
TOTAL FUNCTIONAL EXPENSES	$ 240,574	$ 114,934	$ 32,398	$ 387,906

The accompanying notes are an integral part of these financial statements

USAGA

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2022

OPERATING ACTIVITIES		
Change in net assets	$ (55,989)	
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation and amotization	14,200	
Changes in:		
Deposits	6,401	
Credit cards payable	(6,057)	
Accrued payroll taxes	(4,091)	
Net cash used by operating actitvities		$ (45,536)
INVESTING ACTIVITIES		
Purchase of investments	(11)	
Net cash used by investing actitvities		(11)
FINANCING ACTIVITIES		
Proceeds from notes payable	62,306	
Repayment of long-term debt	(14,957)	
Net cash provided by financing activities		47,349
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,802
BEGINNING CASH AND CASH EQUIVALENTS		30,531
ENDING CASH AND CASH EQUIVALENTS		$ 32,333
SUPPLEMENTAL INFORMATION TO CASH FLOWS		
Cash paid during the year for:		
Income taxes		$ -
Interest		6,067

The accompanying notes are an integral part of these financial statements

NOTE A – NATURE OF OPERATIONS

The Organization serves the special needs community through inclusion in the game of golf, including but not limited to access, instruction and competition at all levels, and throughout the country.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to modified cash basis of accounting and have been consistently applied in the preparation of the financial statements.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the modified cash basis of accounting that includes depreciation on capitalized assets, the fair value treatments of investments, recognition of long term liabilities, and the classification of net assets. This basis of accounting differs from generally accepted accounting principles primarily in that revenue and expenses are recognized when received or paid instead of when revenues are earned, or expenses are incurred.

USE OF ESTIMATES

The preparation of financial statements in conformity with the modified cash basis of accounting 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.

FINANCIAL STATEMENT PRESENTATION

In accordance with FASB ASC 958-205, "Not-for-Profit Entities Presentation of Financial Statements," the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

> Net Assets without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions and providing services less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.
>
> Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of donated assets, either temporarily or permanently, until the donor restriction expires, the net assets are restricted.

REVENUE RECOGNITION

Contributions and other revenues are recognized in the period in which they are received. The Organization distinguishes between contributions received that increase net assets without donor restrictions and net assets with donor restrictions and recognizes the expiration of donor-imposed restrictions in the period in which the restrictions are satisfied.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DONOR IMPOSED RESTRICTIONS

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions which increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

At December 31, 2022, there were no net assets with donor restrictions. During the year, $2,085 was spent and released from the PTSD restricted fund.

CONTRIBUTED SERVICES

During the current period, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

EXPENSE RECOGNITION AND ALLOCATION

The Organization allocates its expenses on a functional basis among its various programs and supporting activities. Expenses that can be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries, payroll taxes and benefits, which are allocated on the basis of estimates of time and effort and occupancy costs, depreciation and office expenses which are allocated based on perceived use. Additionally, advertising costs are expensed as incurred. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities.

CASH AND CASH EQUIVALENTS

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIXED ASSETS

Fixed assets are stated at cost. Depreciation is calculated on a straight-line basis over the estimated lives of the related assets. The Organization has adopted a policy to capitalize assets using a $1,000 threshold. Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Major classifications of property and equipment and their respective lives are summarized below:

	Lives in Years	Amount
Machinery and equipment	5 - 10	$ 43,513
Vehicles	5	24,595
		$ 68,108

Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains and losses on dispositions of property and equipment are included in income.

INVESTMENTS

Investment securities are stated at fair value based on quoted market prices or market prices for similar securities. Unrealized gains and losses are recognized based on the change in fair value and are reported as a component of investment income. Realized gains and losses are recognized using the average cost method and are reported as a component of investment income.

INCOME TAXES

The Organization is generally exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and similar state statutes. Accordingly, no provision for income tax expense is included in the accompanying financial statements. The Organization has adopted the provision of ASC Topic 740, Income Taxes, relating to the accounting for uncertainty in income taxes. The Organization files information returns in the U.S. federal jurisdiction, and the State of Illinois. Management is not aware of any uncertain tax positions.

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 19, 2023, the date which the financial statements were available to be issued.

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization considers all expenditures related to its ongoing program activities, as well as the services undertaken to support those activities to be general expenditures. The Organization regularly monitors liquidity required to meet its operation needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition to the financial assets available to meet general expenditures over the next year, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor restricted resources.

The following table show the total financial assets held by the Organization and the amounts of which could readily be made available within one year of December 31, 2022 to meet general expenditures:

Cash and cash equivalents	$ 32,333
Investments	353
Financial assets available to meet general expenditures within one year	$ 32,686

NOTE D – LEASE COMMITMENTS

The Organization has entered into a lease commitment on an office space used for its activities. The current term of the lease provides for annual rents of $34,967 payable monthly, increasing to $40,421 throughout the life of the lease, which expires June 30, 2025.

Future minimum lease payments for the above operating lease are as follows:

Year-ending December 31,	
2023	$ 37,239
2024	38,603
2025	19,756
	$ 95,598

NOTE E – LONG-TERM DEBT

Long-term debt consists of the following:

	Total Debt	Current Portion
An installment loan payable at $457 per month, principal and interest at 9.94%, maturing October 2024. The loan is collateralized by the vehicle.	$ 10,376	$ 4,802
An installment loan through the US Small Business Administration's EIDL program payable $107 per month, principal and interest at 2.75%, maturing June 2052.	24,644	584
	35,020	$ 5,386
Less current portion	(5,386)	
Long-term portion	$ 29,634	

The total debt maturing in years subsequent to December 31, 2022 is as follows:

Year-ending December 31,	
2023	$ 5,386
2024	6,173
2025	617
2026	634
2027	651
2028 and subsequent years	21,559
	$ 35,020

NOTE F – NOTE PAYABLE

The Organization has a note payable with a board member. This note does not have any terms for repayment. The balance of the note payable as of December 31, 2022 is $175,664.

NOTE G – GOING CONCERN UNCERTAINTY

As shown in the accompanying financial statements, the Organization incurred recurring losses from operations and as of December 31, 2022, the Organization’s current and total liabilities exceeded its current and total assets by $163,823. This factor raises substantial doubt about the Organization’s ability to continue as a going concern. The financial statements do not include any adjustment relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Organization be unable to continue in existence.