



Certified Public Accountants

**GOLF COURSE SUPERINTENDENTS
ASSOCIATION OF AMERICA AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

The Boards of Directors
Golf Course Superintendents Association of America and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Golf Course Superintendents Association of America and Subsidiaries (collectively referred to as the Organization), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020 and 2019, 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.

Other Matter - Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BT & Co., P.A.

May 28, 2021
Topeka, Kansas

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	2020	2019
<u>ASSETS</u>		
Cash	\$ 33,273	\$ 1,192,797
Accounts receivable, less allowance for doubtful accounts of \$ 5,000 in 2020 and 2019, respectively	292,087	606,804
Inventory, net of valuation allowance	206,678	219,477
Investments	9,384,742	8,222,166
Other assets	777,098	1,519,332
Property and equipment, net of accumulated depreciation	4,691,796	5,192,854
Software, net of accumulated amortization	484,673	637,604
	\$ 15,870,347	\$ 17,591,034
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	\$ 614,022	\$ 734,965
Accrued expenses	1,089,746	639,213
Due to related parties	19,605	19,922
Deferred revenue	3,350,974	8,579,905
Note payable	285,612	561,289
Line of credit	1,750,000	-
	7,109,959	10,535,294
Net assets without donor restrictions	8,760,388	7,055,740
Total liabilities and net assets	\$ 15,870,347	\$ 17,591,034

See accompanying notes to consolidated financial statements.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020	2019
Net assets without donor restrictions:		
Revenues:		
Advertising and marketing opportunities	\$ 2,282,618	\$ 2,417,398
Conference and show	8,789,097	8,693,588
Membership dues	4,379,114	4,405,762
Contributions	8,210	15,630
Investment income	1,106,590	1,524,436
Professional development	1,283,071	1,426,169
	17,848,700	18,482,983
Expenses:		
Program services:		
Education, environmental programs, GCM and website	5,244,331	5,688,891
Conference and show	4,801,050	5,051,344
Member and chapter services	2,077,044	2,550,919
Career development, marketing and branding and media relations	1,743,025	2,008,699
	13,865,450	15,299,853
Support services:		
Management and general	3,032,650	3,167,738
	16,898,100	18,467,591
Changes in net assets before other income (expense)	950,600	15,392
Other income (expense):		
PPP loan forgiveness	234,200	-
Interest expense	(26,036)	(44,822)
Rent income	549,635	541,427
Loss on disposal of assets	(9,008)	(14,759)
Other	5,257	6,558
	754,048	488,404
Change in net assets	1,704,648	503,796
Net assets, beginning of year	7,055,740	6,551,944
Net assets, end of year	\$ 8,760,388	\$ 7,055,740

See accompanying notes to consolidated financial statements.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program Services				Management and General	GCSAA Communications, Inc.	GCSAA PAC	Total Expenses
	Educational and Environmental	Conference and Show	Member and Chapter	Career and Marketing				
Salaries and benefits	\$ 1,887,461	\$1,230,373	\$1,473,997	\$ 782,445	\$ 1,346,270	\$ 852,015	\$ -	\$ 7,572,561
Conference events	666,070	2,834,462	6,954	1,715	-	135,294	-	3,644,495
Travel, task groups and meetings	220,608	80,022	132,934	27,441	-	23,401	-	484,406
Marketing and communications	29,495	128,566	26,868	675,507	-	-	-	860,436
Depreciation and amortization	38,765	35,488	15,327	12,884	746,206	-	-	848,670
Professional fees, taxes and insurance	-	49,707	171,557	-	564,769	-	-	786,033
Information technology	228,856	227,584	89,933	75,598	40,355	-	-	662,326
Grants, awards and other support	267,252	68,517	54,127	24,875	-	-	3,500	418,271
Magazine content and production	-	-	-	-	-	528,804	-	528,804
Sales and business development	-	-	-	-	-	370,881	-	370,881
Professional development	111,193	13,816	41,426	87,209	48,364	13,948	-	315,956
Utilities and maintenance	-	-	-	-	272,510	-	-	272,510
Supplies	11,258	23,635	60,421	681	14,176	22,580	-	132,751
Total	\$ 3,460,958	\$4,692,170	\$2,073,544	\$1,688,355	\$ 3,032,650	\$ 1,946,923	\$ 3,500	\$16,898,100

See accompanying notes to consolidated financial statements.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	Program Services				Management and General	GCSAA Communications, Inc.	GCSAA PAC	Total Expenses
	Educational and Environmental	Conference and Show	Member and Chapter	Career and Marketing				
Salaries and benefits	\$ 1,871,996	\$1,271,729	\$1,603,660	\$ 876,327	\$ 1,362,259	\$ 850,866	\$ -	\$ 7,836,837
Conference events	694,501	2,919,742	11,346	1,693	-	138,658	-	3,765,940
Travel, task groups and meetings	449,613	184,681	453,675	69,434	-	102,098	-	1,259,501
Marketing and communications	26,116	78,425	359	837,983	-	-	-	942,883
Depreciation and amortization	46,968	41,705	21,028	16,584	842,058	-	-	968,343
Professional fees, taxes and insurance	900	100,703	198,125	-	563,268	-	-	862,996
Information technology	249,667	236,989	109,163	86,094	39,993	-	-	721,906
Grants, awards and other support	359,272	71,625	52,783	28,482	-	-	4,000	516,162
Magazine content and production	-	-	-	-	-	537,104	-	537,104
Sales and business development	-	-	-	-	-	386,581	-	386,581
Professional development	78,679	23,709	39,121	53,151	48,214	14,032	-	256,906
Utilities and maintenance	-	-	-	-	302,775	-	-	302,775
Supplies	15,776	10,538	57,659	880	9,171	15,633	-	109,657
Total	\$ 3,793,488	\$4,939,846	\$2,546,919	\$1,970,628	\$ 3,167,738	\$ 2,044,972	\$ 4,000	\$18,467,591

See accompanying notes to consolidated financial statements.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 1,704,648	\$ 503,796
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	848,670	968,343
Loss on disposal of property and equipment	9,008	14,759
Net realized and unrealized gain on investments	(950,365)	(1,359,220)
Changes in assets and liabilities:		
Accounts receivable	314,717	284,126
Due from related party	-	18,109
Inventory	12,799	(35,986)
Other assets	742,234	(102,929)
Accounts payable	(120,943)	(39,094)
Due to related parties	(317)	19,812
Accrued expenses	450,533	33,802
Deferred revenue	(5,228,931)	167,118
Net cash from operating activities	(2,217,947)	472,636
Cash flows from investing activities:		
Proceeds from sales of investments	1,061,908	1,023,027
Purchase of investments	(1,274,119)	(283,325)
Proceeds from disposal of property and equipment	589	4,109
Purchase of property and equipment	(59,491)	(260,476)
Purchase of software	(144,787)	(243,604)
Net cash from investing activities	(415,900)	239,731
Cash flows from financing activities:		
Payments of debt	(275,677)	(256,781)
Proceeds of line of credit	3,200,000	2,450,000
Payments on line of credit	(1,450,000)	(2,450,000)
Net cash from financing activities	1,474,323	(256,781)
Net change in cash	(1,159,524)	455,586
Cash, beginning of year	1,192,797	737,211
Cash, end of year	\$ 33,273	\$ 1,192,797
ADDITIONAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 26,036	\$ 44,822

See accompanying notes to consolidated financial statements.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

1 - Organization and Summary of Significant Accounting Policies

Organization

The Golf Course Superintendents Association of America (the Association) and Subsidiaries, GCSAA Communications, Inc. (Communications), and GCSAA Political Action Committee (GCSAAPAC) (collectively, the Organization) provide continuing education, information services, publications and representation for their members, the golf course superintendents' profession and the golf course and turf grass industry. The Association's members are primarily golf course superintendents, assistant superintendents, turf grass students, university educators and industry representatives.

Principles of Consolidation

The consolidated financial statements include the accounts of the Association, Communications and the GCSAAPAC. All significant intercompany transactions and accounts have been eliminated. The GCSAA Foundation (the Foundation) is related to the Organization through common management but is not included in the consolidation.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents include cash and investments with an original maturity of less than three months.

Concentrations of Credit Risk

The Organization manages deposit concentration risk by placing cash with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts.

Accounts Receivable

Accounts receivable are stated at the amounts billed to customers. The majority of the Organization's accounts receivable are due from magazine advertisers and conference exhibitors. The Organization records an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable from magazine advertisers are ordinarily due 30 days after the issuance of the invoice. Accounts receivable from conference exhibitors are due on contractual payment terms.

Accounts past due more than 120 days are considered delinquent and the customer's account is put on hold to prevent future outstanding invoices. The Organization sends accounts to a collection agency for assistance in the collection process after internal efforts do not produce results. If all collection efforts are exhausted, the account is written off based on the individual credit evaluation and specific circumstances of the customer and the customer's account remains on hold to prevent future sales.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Inventory Valuation

Inventory consists of books, reference materials, backpacks, golf gear, and other various branded merchandise. Inventories are stated at the lower of cost or market. Cost has been determined using the first-in, first-out basis. Market is based on realizable value, less all selling expenses and normal gross profit.

Investments

The Organization's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization invests in mutual funds, exchange traded funds, U.S. government securities and corporate bonds.

Investment return includes dividend, interest and other income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments. Unrealized gains and losses are included in the changes in net assets.

Other Assets

Other assets consist primarily of prepaid expenses and deposits paid in advance of the annual conference and show.

Property and Equipment/Software

Property and equipment, consisting of land, landscaping and irrigation systems, building and improvements, machinery and equipment, furniture and fixtures, computer hardware and software are carried at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Accrued Vacation

Vacation is accrued at ten days per year for full time employees (five days per year for part time employees) with two years or less of employment, twelve days per year for full time employees (six days per year for part time employees) with two to four years of employment, fifteen days per year for full time employees (seven and one half days per year for part time employees) with four to seven years of employment and twenty days per year for full time employees (ten days per year for part time employees) with seven or more years of employment. The maximum amount to be paid out upon termination is capped at 160 hours. Upon termination, employees with one year or less of service are ineligible for a vacation pay out, less than two years of service receive 50% of their accrued vacation balance, and after two years are eligible for 100% of their accrued vacation balance.

Deferred Revenue

Deferred revenue represents amounts received which have not been earned at the end of the year.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Taxes

The Association is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code. The Association has been classified as other than a private foundation. GCSAAPAC is exempt from federal income tax under Section 527 of the Internal Revenue Code. Communications is subject to federal and state income tax; however, at December 31, 2020 and 2019, no income tax is reported in these financial statements since Communications has net operating loss carryforwards available to offset taxable income.

The Organization's policy is to evaluate uncertain tax positions annually. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements.

Provisions for income taxes are based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the amount of taxable income and pretax financial income and between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled as prescribed in the Income Taxes Topic of the FASB Accounting Standards Codification, ASC 740. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. A valuation allowance is established to reduce deferred tax assets if it is more likely than not that a deferred tax asset will not be realized.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of donor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets of a Benevolence Fund of \$ 20,000 as of December 31, 2020 and 2019, established in accordance with the Association's bylaws and funded by a portion of the annual dues paid by the Association's members. The President, Vice President and Secretary/Treasurer of the Board of Directors are the Trustees of this fund.

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 Association must continue to use the resources in accordance with the donor's instructions. At December 31, 2020 and 2019, the Association had no net assets with donor restrictions.

Revenue Recognition Policy

The Association recognizes contributions when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Membership dues, which are nonrefundable, are deemed to be an exchange transaction based on the benefits received. Any contribution element of membership dues is deemed to be immaterial and is not recorded separately. The Association recognizes membership dues over the membership period. Contract liabilities are reported as deferred revenue in the statement of financial position and represent collections of membership dues in advance of when revenue is recognized.

Advertising revenues are recognized as revenue when publications are issued. Any advertising revenues received in advance are reported as deferred revenue in the statement of financial position.

Revenues from fees for the annual conference and show, collected in advance, are deferred and recognized upon fulfillment of the related contractual obligation.

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.

Association Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on management's estimates. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Association.

Risks and Uncertainties

The Organization maintains a portion of its total assets in a combination of corporate bonds, U.S. government securities, mutual funds and exchange traded funds. Investment securities are exposed to various risks, such as interest rate, market fluctuation and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect investments and the amounts reported in the consolidated statements of financial position.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. On March 27, 2020, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the pandemic.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Under the CARES Act, Communications applied for, and received, \$ 234,200 of Paycheck Protection Program funds. Under the CARES Act, these funds were initially repayable within twenty-four months from the end of the covered period, as defined, at an annual percentage rate of 1.0%. However, if Communications met the criteria established under the CARES Act, all, or a portion of the funds received, would be forgiven upon approval from the lending institution. For the year ended December 31, 2020, Communications received approval of debt forgiveness from the lending institution and, therefore, has classified the funds received as income.

It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to the Organization. Accordingly, while management cannot quantify the financial and other impacts to the Organization as of the report date, management believes that a material impact on the Organization's financial position, investments held, and results of future operations is reasonably possible.

Recent Accounting Pronouncements

In August 2018, FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which removes, modifies and adds certain disclosure requirements of ASC Topic 820. The ASU is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Organization has implemented the provisions of ASU 2018-13. There is no effect on net assets or investments in connection with the Organization's implementation of ASU 2018-13.

Pending Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Management is currently evaluating the effect that the standard will have on the financial statements.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (Continued)

2 - Availability and Liquidity

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020 and 2019 are:

	2020	2019
Financial assets:		
Cash	\$ 33,273	\$ 1,192,797
Accounts receivable, net	292,087	606,804
Inventory, net of valuation allowance	206,678	219,477
Investments	9,384,742	8,222,166
Total financial assets	9,916,780	10,241,244
Less financial assets not available within one year:		
Long-term investments	(863,961)	(1,526,338)
Board designated net assets (see Note 1)	(20,000)	(20,000)
Amount available for general expenditures within one year	\$ 9,032,819	\$ 8,694,906

The above table reflects long-term investments as unavailable because it is the Organization's intention to invest those resources for the long-term support of the Organization. However, in the case of need, the Boards of Directors could appropriate resources from long-term investments available for general use.

As part of its liquidity management plan, the Organization has established a promissory note with a local bank that provides a commercial line of credit of up to \$ 4,000,000. The promissory note with the bank is updated on an annual basis and additional funding could be requested, if needed, at any time. Cash needs for the Organization are monitored by staff on a daily basis.

3 - Investments

The fair values of investments were as follows at December 31:

	2020	2019
Cash and certificates of deposit	\$ -	\$ 1,481
Mutual funds	1,773,336	1,462,641
Exchange traded funds	6,580,267	5,181,714
U.S. government securities	-	50,233
Corporate bonds	1,031,139	1,526,097
	\$ 9,384,742	\$ 8,222,166

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (Continued)

Investment income consisted of the following for the years ended December 31:

	2020	2019
Interest and dividend income	\$ 156,225	\$ 165,216
Net realized and unrealized gain	950,365	1,359,220
Total investment income	\$ 1,106,590	\$ 1,524,436

4 - Fair Value Measurements

The disclosure provisions of the Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 820) establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3 Prices or valuations that require inputs that are both significant to fair value measurement and unobservable.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2020 and 2019.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. The funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Exchange traded funds: Valued at the daily closing price reported on the active market on which the individual exchange traded fund is traded.

U.S. government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate bonds: Valued at the daily closing price reported on the active market on which the individual corporate bonds are traded.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Fair values of assets measured on a recurring basis at December 31, 2020 are as follows:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Money market	\$ 122,226	\$ -	\$ -	\$ 122,226
International	785,034	-	-	785,034
Large cap value	866,076	-	-	866,076
Total mutual funds	<u>1,773,336</u>	<u>-</u>	<u>-</u>	<u>1,773,336</u>
Exchange traded funds:				
Foreign large blend	2,294,123	-	-	2,294,123
Small cap value	502,570	-	-	502,570
Large blend	3,182,364	-	-	3,182,364
Short term	163,671	-	-	163,671
Intermediate-term bond	437,539	-	-	437,539
Total exchange traded funds	<u>6,580,267</u>	<u>-</u>	<u>-</u>	<u>6,580,267</u>
Corporate bonds	<u>1,031,139</u>	<u>-</u>	<u>-</u>	<u>1,031,139</u>
	<u>\$ 9,384,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,384,742</u>

Fair values of assets measured on a recurring basis at December 31, 2019 are as follows:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Money market	\$ 59,951	\$ -	\$ -	\$ 59,951
International	666,084	-	-	666,084
Large cap value	736,606	-	-	736,606
Total mutual funds	<u>1,462,641</u>	<u>-</u>	<u>-</u>	<u>1,462,641</u>
Exchange traded funds:				
International	1,973,668	-	-	1,973,668
Small cap value	405,727	-	-	405,727
Stock market	2,802,319	-	-	2,802,319
Total exchange traded funds	<u>5,181,714</u>	<u>-</u>	<u>-</u>	<u>5,181,714</u>
U.S. government securities	<u>50,233</u>	<u>-</u>	<u>-</u>	<u>50,233</u>
Corporate bonds	<u>1,526,097</u>	<u>-</u>	<u>-</u>	<u>1,526,097</u>
	<u>\$ 8,220,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,220,685</u>

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

5 - Inventory

Inventory consists of the following at December 31, 2020 and 2019:

	2020	2019
Inventories - books and reference materials	\$ 65,686	\$ 71,327
Inventories - golf gear and branded merchandise	169,682	179,392
Valuation allowance	(28,690)	(31,242)
	\$ 206,678	\$ 219,477

6 - Property and Equipment

Property and equipment as of December 31, 2020 and 2019 consists of the following:

	2020	2019	Estimated Useful Lives
Land	\$ 597,754	\$ 597,754	
Landscaping	282,276	282,276	5-40 years
Irrigation systems	57,269	57,269	5-40 years
Buildings and improvements	9,432,911	9,426,336	5-40 years
Furniture and fixtures	1,061,340	1,060,147	3-20 years
Machinery and equipment	244,780	243,180	3-10 years
Computer hardware	903,035	1,692,124	2-10 years
	12,579,365	13,359,086	
Total			
Accumulated depreciation	(7,887,569)	(8,166,232)	
Net property and equipment	\$ 4,691,796	\$ 5,192,854	

Depreciation expense was \$ 559,874 and \$ 658,193 for the years ended December 31, 2020 and 2019, respectively.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

7 - Software

The carrying basis and accumulated amortization of software at December 31, 2020 and 2019 were:

	2020	2019
Software, at cost	\$ 2,558,626	\$ 2,538,500
Accumulated amortization	(2,073,953)	(1,900,896)
Net software	\$ 484,673	\$ 637,604

Amortization expense was \$ 288,796 and \$ 310,150 for the years ended December 31, 2020 and 2019, respectively. Estimated amortization expense in future years is as follows:

Years Ending December 31,		
2021	\$	223,999
2022		124,478
2023		76,811
2024		44,358
2025		14,123
Thereafter		904
	\$	484,673

8 - Deferred Revenue

As of December 31, 2020 and 2019, deferred revenue consists of the following:

	2020	2019
Deferred membership dues	\$ 2,082,284	\$ 2,196,515
Deferred conference	1,144,375	6,183,889
Deferred advertising	9,600	62,505
Deferred gift certificate	55,756	88,209
Deferred subscriptions	3,199	3,732
Deferred surveys and other projects	-	10,100
Other	55,760	34,955
Total deferred revenue	\$ 3,350,974	\$ 8,579,905

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (Continued)

9 - Operating Leases

The Organization leases a copier/printer under an operating lease on a month to month basis and a mail machine under an operating lease that expires in 2022. Equipment rent expense for both operating leases was \$ 25,433 and \$ 25,847 for the years ended December 31, 2020 and 2019, respectively. Future minimum lease payments are as follows:

Years Ending December 31,		
2021	\$	2,904
2022		1,210
	\$	4,114

The Organization subleases portions of the office space on a yearly basis. Annual sublease income for 2020 and 2019 was \$ 549,635 and \$ 541,427, respectively. The Organization holds security deposits of \$ 33,476 as of December 31, 2020 and 2019. Future annual sublease income is as follows:

Years Ending December 31,		
2021	\$	381,294
2022		24,288
	\$	405,582

10 - Line of Credit

The Association has a line of credit with a bank in the amount of \$ 4,000,000. At December 31, 2020 and 2019, respectively, \$ 1,750,000 and \$ 0 were borrowed against the line. The line is secured by investments and carries an interest rate that varies at the prime rate less 1%. The interest rate at December 31, 2020 and 2019 was 2.00% and 3.75%, respectively. The line expires on June 30, 2021.

11 - Note Payable

The note payable consists of the following at December 31:

	2020	2019
Note payable-Commerce Bank, interest 2.25% for 2020 and 3.75% for 2019, monthly payment \$ 23,967, maturity date October 17, 2021, secured by business investments	\$ 285,612	\$ 561,289

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (Continued)

Future maturities of the note payable are as follows:

Years Ending December 31,	
2021	\$ 285,612
	\$ 285,612

12 - Benefit Plans

The Organization has two defined contribution benefit plans (the Plans) that cover substantially all of its employees. One plan covers the Association’s employees and the other covers the employees of Communications. The GCSAA’s and Communication’s Board of Directors determine the contributions to be made to the Plans. Contributions cannot exceed 15% of each eligible employee’s compensation during each plan year.

The Organization provided dollar-for-dollar matching contributions up to 4.00% of each eligible employee’s compensation based upon participation in the Plans for the years ended December 31, 2020 and 2019. Total expense related to the Plans during the years ended December 31, 2020 and 2019 was \$ 217,872 and \$ 229,999, respectively.

13 - Income Taxes

Communications recognizes deferred income taxes to reflect the impact of temporary differences between the recorded amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations.

Communications had experienced operating losses for many years, up through 2010, which created a future tax benefit. Communications has established a valuation allowance for the entire future tax benefit.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The tax effects of temporary differences related to deferred taxes and the related valuation allowance were:

	2020	2019
Allowance for doubtful accounts	\$ 840	\$ 840
Inventory valuation allowance	6,025	6,561
Net operating loss carryforwards	554,855	532,051
Other	8,485	3,751
Net deferred tax asset before valuation allowance	570,205	543,203
Valuation allowance:		
Beginning balance	(543,203)	(451,908)
Decrease (increase) during the period	(27,002)	(91,295)
Ending balance	(570,205)	(543,203)
Net deferred tax asset	\$ -	\$ -

As of December 31, 2020, Communications has unused operating loss carryforwards of \$ 2,529,688 which can be carried forward indefinitely.

14 - Related Party Transactions

The Association is related by common management to the Foundation. The Foundation paid salaries amounting to approximately \$ 150,000 and \$ 155,000 for the years ended December 31, 2020 and 2019, respectively, for certain services provided by the Association. The Association received grants from the Foundation of \$ 1,035,000 and \$ 1,162,500 during the years ended December 31, 2020 and 2019, respectively. The grants were used specifically to fund environmental programs, research, continuing education, advocacy, and information collection efforts. The Association incurs certain indirect costs on behalf of the Foundation.

The Association had accounts payable of \$ 16,972 and \$ 19,920 due to the Foundation at December 31, 2020 and 2019, respectively.

Communications had accounts payable of \$ 2,633 and \$ 2 due to the Foundation at December 31, 2020 and 2019, respectively.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

15 - Risk Management

In 2020, the Organization established and began participating in a partially self-funded health insurance program administered by Blue Cross Blue Shield. A monthly premium is paid for stop-loss coverage and includes an amount for administrative costs. The maximum liability for the Organization for each individual covered is \$ 40,000 per plan year with an aggregate plan maximum liability of \$ 462,141.

The Organization made payments into the medical-dental plan bank account of \$ 369,713 during the year ended December 31, 2020. The Organization recorded a combined liability of \$ 69,626 for the year ended December 31, 2020 for future estimated self-insured liability claims.

16 - Subsequent Events

The Organization has evaluated subsequent events through the date of the independent auditors' report, which is the date that the financial statements are available to be issued.

SUPPLEMENTARY INFORMATION

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2020

	Golf Course Superintendents Association of America	GCSAA Communications, Inc.	GCSAAPAC	Eliminations	Consolidated
<u>ASSETS</u>					
Cash	\$ -	\$ 7,454	\$ 25,819	\$ -	\$ 33,273
Accounts receivable, less allowance for doubtful accounts \$ (5,000)	76,883	215,204	-	-	292,087
Intercompany accounts receivable	4,263,393	-	-	(4,263,393)	-
Inventory, net	13,937	192,741	-	-	206,678
Investments	9,384,742	-	-	-	9,384,742
Other assets	770,394	6,704	-	-	777,098
Property and equipment, net	4,691,796	-	-	-	4,691,796
Software, net	484,673	-	-	-	484,673
Investment in subsidiary	(4,085,486)	-	-	4,085,486	-
Total assets	\$ 15,600,332	\$ 422,103	\$ 25,819	\$ (177,907)	\$ 15,870,347
<u>LIABILITIES</u>					
Accounts payable	\$ 533,370	\$ 80,652	\$ -	\$ -	\$ 614,022
Accrued expenses	997,390	92,356	-	-	1,089,746
Due to related parties	16,972	2,633	-	-	19,605
Intercompany accounts payable	-	4,263,393	-	(4,263,393)	-
Deferred revenue	3,282,419	68,555	-	-	3,350,974
Note payable	285,612	-	-	-	285,612
Line of credit	1,750,000	-	-	-	1,750,000
Total liabilities	6,865,763	4,507,589	-	(4,263,393)	7,109,959
<u>NET ASSETS</u>					
Organization net assets without donor restrictions	8,734,569	-	25,819	-	8,760,388
Common stock	-	85,000	-	(85,000)	-
Accumulated deficit	-	(4,170,486)	-	4,170,486	-
Total net assets	8,734,569	(4,085,486)	25,819	4,085,486	8,760,388
Total liabilities and net assets	\$ 15,600,332	\$ 422,103	\$ 25,819	\$ (177,907)	\$ 15,870,347

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2019

	Golf Course Superintendents Association of America	GCSAA Communications, Inc.	GCSAAPAC	Eliminations	Consolidated
<u>ASSETS</u>					
Cash	\$ 1,126,989	\$ 44,699	\$ 21,109	\$ -	\$ 1,192,797
Accounts receivable, less allowance for doubtful accounts \$ (5,000)	200,915	405,889	-	-	606,804
Intercompany accounts receivable	4,309,747	-	-	(4,309,747)	-
Inventory, net	15,801	203,676	-	-	219,477
Investments	8,222,166	-	-	-	8,222,166
Other assets	1,495,654	23,678	-	-	1,519,332
Property and equipment, net	5,192,854	-	-	-	5,192,854
Software, net	637,604	-	-	-	637,604
Investment in subsidiary	(3,973,008)	-	-	3,973,008	-
Total assets	\$ 17,228,722	\$ 677,942	\$ 21,109	\$ (336,739)	\$ 17,591,034
<u>LIABILITIES</u>					
Accounts payable	\$ 629,824	\$ 105,141	\$ -	\$ -	\$ 734,965
Accrued expenses	557,599	81,614	-	-	639,213
Due to related party	19,920	2	-	-	19,922
Intercompany accounts payable	-	4,309,747	-	(4,309,747)	-
Deferred revenue	8,425,459	154,446	-	-	8,579,905
Note payable	561,289	-	-	-	561,289
Total liabilities	10,194,091	4,650,950	-	(4,309,747)	10,535,294
<u>NET ASSETS</u>					
Organization net assets without donor restrictions	7,034,631	-	21,109	-	7,055,740
Common stock	-	85,000	-	(85,000)	-
Accumulated deficit	-	(4,058,008)	-	4,058,008	-
Total net assets	7,034,631	(3,973,008)	21,109	3,973,008	7,055,740
Total liabilities and net assets	\$ 17,228,722	\$ 677,942	\$ 21,109	\$ (336,739)	\$ 17,591,034

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

	Golf Course Superintendents Association of America	GCSAA Communications, Inc.	GCSAAPAC	Eliminations	Consolidated
Net assets without donor restrictions:					
Revenues:					
Advertising and marketing opportunities	\$ 137,000	\$ 2,145,618	\$ -	\$ -	\$ 2,282,618
Conference and show	8,521,318	267,779	-	-	8,789,097
Membership dues	4,379,114	-	-	-	4,379,114
Contributions	-	-	8,210	-	8,210
Investment income	1,106,590	-	-	-	1,106,590
Professional development	1,174,019	109,052	-	-	1,283,071
	<u>15,318,041</u>	<u>2,522,449</u>	<u>8,210</u>	<u>-</u>	<u>17,848,700</u>
Expenses:					
Program services:					
Education, environmental programs, GCM and website	3,460,958	1,783,373	-	-	5,244,331
Conference and show	4,692,170	108,880	-	-	4,801,050
Member and chapter services	2,073,544	-	3,500	-	2,077,044
Career development, marketing and branding and media relations	1,688,355	54,670	-	-	1,743,025
Total program services	<u>11,915,027</u>	<u>1,946,923</u>	<u>3,500</u>	<u>-</u>	<u>13,865,450</u>
Support services:					
Management and general	3,032,650	-	-	-	3,032,650
	<u>14,947,677</u>	<u>1,946,923</u>	<u>3,500</u>	<u>-</u>	<u>16,898,100</u>
Change in net assets before other income (expense)	<u>370,364</u>	<u>575,526</u>	<u>4,710</u>	<u>-</u>	<u>950,600</u>
Other income (expense):					
PPP loan forgiveness	-	234,200	-	-	234,200
Intercompany income (expense)	922,204	(922,204)	-	-	-
Interest expense	(26,036)	-	-	-	(26,036)
Rent income	549,635	-	-	-	549,635
Equity in net income (loss) of Communications	(112,478)	-	-	112,478	-
Loss on disposal of assets	(9,008)	-	-	-	(9,008)
Other	5,257	-	-	-	5,257
	<u>1,329,574</u>	<u>(688,004)</u>	<u>-</u>	<u>112,478</u>	<u>754,048</u>
Change in net assets without donor restrictions	1,699,938	(112,478)	4,710	112,478	1,704,648
Net assets, beginning of year	<u>7,034,631</u>	<u>(3,973,008)</u>	<u>21,109</u>	<u>3,973,008</u>	<u>7,055,740</u>
Net assets, end of year	<u>\$ 8,734,569</u>	<u>\$ (4,085,486)</u>	<u>\$ 25,819</u>	<u>\$ 4,085,486</u>	<u>\$ 8,760,388</u>

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

	Golf Course Superintendents Association of America	GCSAA Communications, Inc.	GCSAAPAC	Eliminations	Consolidated
Net assets without donor restrictions:					
Revenues:					
Advertising and marketing opportunities	\$ 68,200	\$ 2,349,198	\$ -	\$ -	\$ 2,417,398
Conference and show	8,420,275	273,313	-	-	8,693,588
Membership dues	4,405,762	-	-	-	4,405,762
Contributions	-	-	15,630	-	15,630
Investment income	1,524,436	-	-	-	1,524,436
Professional development	1,325,603	100,566	-	-	1,426,169
	<u>15,744,276</u>	<u>2,723,077</u>	<u>15,630</u>	<u>-</u>	<u>18,482,983</u>
Expenses:					
Program services:					
Education, environmental programs, GCM and website	3,793,489	1,895,402	-	-	5,688,891
Conference and show	4,939,846	111,498	-	-	5,051,344
Member and chapter services	2,546,919	-	4,000	-	2,550,919
Career development, marketing and branding and media relations	1,970,627	38,072	-	-	2,008,699
Total program services	<u>13,250,881</u>	<u>2,044,972</u>	<u>4,000</u>	<u>-</u>	<u>15,299,853</u>
Support services:					
Management and general	3,167,738	-	-	-	3,167,738
	<u>16,418,619</u>	<u>2,044,972</u>	<u>4,000</u>	<u>-</u>	<u>18,467,591</u>
Change in net assets before other income (expense)	<u>(674,343)</u>	<u>678,105</u>	<u>11,630</u>	<u>-</u>	<u>15,392</u>
Other income (expense):					
Intercompany income (expense)	1,113,836	(1,113,836)	-	-	-
Interest expense	(44,822)	-	-	-	(44,822)
Rent income	541,427	-	-	-	541,427
Equity in net income (loss) of Communications	(435,731)	-	-	435,731	-
Loss on disposal of assets	(14,759)	-	-	-	(14,759)
Other	6,558	-	-	-	6,558
	<u>1,166,509</u>	<u>(1,113,836)</u>	<u>-</u>	<u>435,731</u>	<u>488,404</u>
Change in net assets without donor restrictions	492,166	(435,731)	11,630	435,731	503,796
Net assets, beginning of year	<u>6,542,465</u>	<u>(3,537,277)</u>	<u>9,479</u>	<u>3,537,277</u>	<u>6,551,944</u>
Net assets, end of year	<u>\$ 7,034,631</u>	<u>\$ (3,973,008)</u>	<u>\$ 21,109</u>	<u>\$ 3,973,008</u>	<u>\$ 7,055,740</u>