



Certified Public Accountants

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

**CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 2
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statement of Functional Expenses - 2019	5
Consolidated Statement of Functional Expenses - 2018	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 26
Supplementary Information:	
Consolidating Statement of Financial Position - 2019	27
Consolidating Statement of Financial Position – 2018	28
Consolidating Statement of Activities – 2019	29
Consolidating Statement of Activities – 2018	30



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, 2019 and 2018 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.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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, 2019 and 2018, 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.

Emphasis of Matter

As described in Note 1 to the financial statements, the Organization has changed its method of accounting for revenue recognition effective January 1, 2019 due to the adoption of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* and FASB Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

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.

June 2, 2020
Topeka, Kansas

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

	2019	2018
<u>ASSETS</u>		
Cash	\$ 1,192,797	\$ 737,211
Accounts receivable, less allowance for doubtful accounts of \$ 5,000 in 2019 and 2018, respectively	606,804	890,930
Due from related party	-	17,999
Inventory, net of valuation allowance	219,477	183,491
Investments	8,222,166	7,602,648
Other assets	1,519,332	1,416,403
Property and equipment, net of accumulated depreciation	5,192,854	5,595,280
Software, net of accumulated amortization	637,604	718,309
	\$ 17,591,034	\$ 17,162,271
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	\$ 734,965	\$ 774,059
Accrued expenses	639,213	605,411
Due to related party	19,922	-
Deferred revenue	8,579,905	8,412,787
Note payable	561,289	818,070
	10,535,294	10,610,327
Net assets without donor restrictions	7,055,740	6,551,944
	\$ 17,591,034	\$ 17,162,271

See accompanying notes to consolidated financial statements.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31, 2019 and 2018

	2019	2018
Net assets without donor restrictions:		
Revenues:		
Advertising and marketing opportunities	\$ 2,417,398	\$ 2,529,265
Conference and show	8,693,588	8,781,063
Membership dues	4,405,762	4,297,534
Contributions	15,630	11,373
Investment income (loss)	1,524,436	(657,582)
Professional development	1,426,169	1,263,342
Total revenues	18,482,983	16,224,995
Expenses:		
Program services:		
Education, environmental programs, GCM and website	5,688,891	5,456,083
Conference and show	5,051,344	4,537,409
Member and chapter services	2,550,919	2,607,707
Career development, marketing and branding and media relations	2,008,699	2,205,347
Total program services	15,299,853	14,806,546
Support services:		
Management and general	3,167,738	3,120,750
Total expenses	18,467,591	17,927,296
Changes in net assets before other income (expense)	15,392	(1,702,301)
Other income (expense):		
Interest expense	(44,822)	(39,856)
Benevolence fund replenishment (expense)	-	2,920
Rent income	541,427	533,589
Gain (loss) on disposal of assets	(14,759)	4,522
Bad debt expense	-	5,000
Other	6,558	21,298
Total other income (expense)	488,404	527,473
Change in net assets	503,796	(1,174,828)
Net assets, beginning of year	6,551,944	7,726,772
Net assets, end of year	\$ 7,055,740	\$ 6,551,944

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 STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018

	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	\$ 1,720,057	\$ 1,196,365	\$ 1,590,586	\$ 872,364	\$ 1,299,944	\$ 760,186	\$ -	\$ 7,439,502
Conference events	569,801	2,382,522	-	-	-	122,984	-	3,075,307
Travel, task groups and meetings	438,464	178,999	503,238	90,960	-	100,755	-	1,312,416
Marketing and communications	67,740	104,281	481	989,695	-	-	-	1,162,197
Depreciation and amortization	50,924	42,380	24,324	20,598	888,550	-	-	1,026,776
Professional fees, taxes and insurance	-	109,056	197,267	-	539,400	-	-	845,723
Information technology	312,880	247,686	130,000	110,087	35,461	-	-	836,114
Grants, awards and other support	399,508	115,859	51,501	32,009	-	-	3,465	602,342
Magazine content and production	-	-	-	-	-	551,583	-	551,583
Sales and business development	-	-	-	-	-	342,029	-	342,029
Professional development	101,448	37,811	49,391	63,491	61,365	20,609	-	334,115
Utilities and maintenance	-	-	-	-	280,737	-	-	280,737
Supplies	9,945	24,355	57,454	1,293	15,293	10,115	-	118,455
Total	\$ 3,670,767	\$ 4,439,314	\$ 2,604,242	\$ 2,180,497	\$ 3,120,750	\$ 1,908,261	\$ 3,465	\$ 17,927,296

See accompanying notes to consolidated financial statements.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 503,796	\$ (1,174,828)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	968,343	1,026,776
Gain (loss) on disposal of property and equipment	14,759	(4,522)
Net realized and unrealized (gain) loss on investments	(1,359,220)	845,536
Changes in assets and liabilities:		
Accounts receivable	284,126	313,044
Due from related party	18,109	(1,514)
Inventory	(35,986)	15,923
Other assets	(102,929)	(550,393)
Accounts payable	(39,094)	140,020
Due to related party	19,812	15
Accrued expenses	33,802	74,615
Deferred revenue	167,118	(132,052)
Net cash from operating activities	472,636	552,620
Cash flows from investing activities:		
Proceeds from sales of investments	1,023,027	1,200,345
Purchase of investments	(283,325)	(1,486,241)
Proceeds from disposal of property and equipment	4,109	20,403
Purchase of property and equipment	(260,476)	(413,093)
Purchase of software	(243,604)	(402,170)
Net cash from investing activities	239,731	(1,080,756)
Cash flows from financing activities:		
Payments of debt	(256,781)	(250,385)
Proceeds of line of credit	2,450,000	650,000
Payments on line of credit	(2,450,000)	(650,000)
Net cash from financing activities	(256,781)	(250,385)
Net change in cash and cash equivalents	455,586	(778,521)
Cash and cash equivalents, beginning of year	737,211	1,515,732
Cash and cash equivalents, end of year	\$ 1,192,797	\$ 737,211
ADDITIONAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 44,822	\$ 39,856

See accompanying notes to consolidated financial statements.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018

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 Environmental Institute for Golf (the Institute) 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.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

1 - Organization and Summary of Significant Accounting Policies (Continued)

Accounts Receivable (Continued)

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.

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, 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.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

1 - Organization and Summary of Significant Accounting Policies (Continued)

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.

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, 2019 and 2018, no income tax is reported in these financial statements since Communications has net operating loss carryforwards available to offset taxable income.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

1 - Organization and Summary of Significant Accounting Policies (Continued)

Taxes (Continued)

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, 2019 and 2018, 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, 2019 and 2018, the Association had no net assets with donor restrictions.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

1 - Organization and Summary of Significant Accounting Policies (Continued)

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.

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.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

1 - Organization and Summary of Significant Accounting Policies (Continued)

Risks and Uncertainties

The Organization maintains a portion of its total assets in a combination of corporate bonds, 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.

As part of the CARES Act, Communications was approved for \$ 234,200 in funds as part of the Paycheck Protection Program through the United States Small Business Administration. There is a potential for a portion of this funding to be unforgiven and therefore converted to a 2-year loan with an annual interest rate of 1%.

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.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

1 - Organization and Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

FASB Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Organization has implemented Topic 606 and has adjusted the presentation in these financial statements accordingly. The Organization adopted the new standard effective January 1, 2019, the first day of the Organization's current fiscal year using the modified retrospective approach. The new revenue standard will not have a material impact on the amount and timing of revenue recognized in the Organization's financial statements.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the Organization's implementation of ASU 2018-08.

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)

1 - Organization and Summary of Significant Accounting Policies (Continued)

Pending Accounting Pronouncements (Continued)

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. ASU 2018-13 must be applied using a retrospective transition method with early adoption permitted. Management is currently evaluating the impact of the adoption of this guidance on its financial statements.

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, 2019 and 2018 are:

	2019	2018
Financial assets:		
Cash and cash equivalents	\$ 1,192,797	\$ 737,211
Accounts receivable, net	606,804	890,930
Inventory, net of valuation allowance	219,477	183,491
Investments	8,222,166	7,602,648
Due from related party	-	17,999
	10,241,244	9,432,279
Less financial assets not available within one year:		
Long-term investments	(1,526,338)	(1,731,374)
Board designated net assets (see Note 1)	(20,000)	(20,000)
Amount available for general expenditures within one year	\$ 8,694,906	\$ 7,680,905

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2 - Availability and Liquidity (Continued)

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 \$ 2,000,000. 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:

	<u>2019</u>	<u>2018</u>
Cash and certificates of deposit	\$ 1,481	\$ 16,220
Mutual funds	1,462,641	1,318,628
Exchange traded funds	5,181,714	4,536,426
U.S. government securities	50,233	-
Corporate bonds	<u>1,526,097</u>	<u>1,731,374</u>
	<u>\$ 8,222,166</u>	<u>\$ 7,602,648</u>

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

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 165,216	\$ 187,954
Net realized and unrealized gain (loss)	<u>1,359,220</u>	<u>(845,536)</u>
Total investment income (loss)	<u>\$ 1,524,436</u>	<u>\$ (657,582)</u>

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

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, 2019 and 2018.

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)

4 - Fair Value Measurements (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

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)

4 - Fair Value Measurements (Continued)

Fair values of assets measured on a recurring basis at December 31, 2018 are as follows:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Money market	\$ 80,500	\$ -	\$ -	\$ 80,500
International	632,084	-	-	632,084
Large cap value	606,044	-	-	606,044
Total mutual funds	<u>1,318,628</u>	<u>-</u>	<u>-</u>	<u>1,318,628</u>
Exchange traded funds:				
International	1,722,367	-	-	1,722,367
Small cap value	346,971	-	-	346,971
Stock market	2,467,088	-	-	2,467,088
Total exchange traded funds	<u>4,536,426</u>	<u>-</u>	<u>-</u>	<u>4,536,426</u>
Corporate bonds	<u>1,731,374</u>	<u>-</u>	<u>-</u>	<u>1,731,374</u>
	<u>\$ 7,586,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,586,428</u>

There were no transfers between the levels during the year. The Organization's policy is to only recognize transfers in and out of the levels at the end of the fiscal year; interim changes in the fair value inputs are not recognized.

5 - Inventory

Inventory consists of the following at December 31, 2019 and 2018:

	2019	2018
Inventories - books and reference materials	\$ 71,327	\$ 78,395
Inventories - golf gear and branded merchandise	179,392	136,826
Inventories - backpacks	-	2,824
Valuation allowance	(31,242)	(34,554)
	<u>\$ 219,477</u>	<u>\$ 183,491</u>
Total	<u>\$ 219,477</u>	<u>\$ 183,491</u>

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

6 - Property and Equipment

Property and equipment as of December 31, 2019 and 2018 consists of the following:

	2019	2018	Estimated Useful Lives
Land	\$ 597,754	\$ 597,754	
Landscaping	282,276	289,776	5-40 years
Irrigation systems	57,269	57,269	5-40 years
Buildings and improvements	9,426,336	9,372,703	5-40 years
Furniture and fixtures	1,060,147	1,052,279	3-20 years
Machinery and equipment	243,180	240,522	3-10 years
Computer hardware	1,692,124	1,728,186	2-10 years
	<u>13,359,086</u>	<u>13,338,489</u>	
Total	13,359,086	13,338,489	
Accumulated depreciation	<u>(8,166,232)</u>	<u>(7,743,209)</u>	
Net property and equipment	<u>\$ 5,192,854</u>	<u>\$ 5,595,280</u>	

Depreciation expense was \$ 658,193 and \$ 716,915 for the years ended December 31, 2019 and 2018, respectively.

7 - Software

The carrying basis and accumulated amortization of software at December 31, 2019 and 2018 were:

	2019	2018
Software, at cost	\$ 2,538,500	\$ 2,766,755
Accumulated amortization	<u>(1,900,896)</u>	<u>(2,048,446)</u>
Net software	<u>\$ 637,604</u>	<u>\$ 718,309</u>

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

7 - Software (Continued)

Amortization expense was \$ 310,150 and \$ 309,861 for the years ended December 31, 2019 and 2018, respectively. Estimated amortization expense in future years is as follows:

<u>Years Ending December 31,</u>		
2020	\$	274,458
2021		196,548
2022		94,954
2023		48,121
2024		18,882
Thereafter		<u>4,641</u>
	<u>\$</u>	<u>637,604</u>

8 - Deferred Revenue

As of December 31, 2019 and 2018, deferred revenue consists of the following:

	<u>2019</u>	<u>2018</u>
Deferred membership dues	\$ 2,196,515	\$ 2,111,482
Deferred conference	6,183,889	5,986,835
Deferred subscription	3,732	3,730
Deferred gift certificate	88,209	59,477
Deferred advertising	62,505	68,710
Deferred rent	-	44,820
Deferred surveys and other projects	10,100	8,560
Other	<u>34,955</u>	<u>129,173</u>
Total deferred revenue	<u>\$ 8,579,905</u>	<u>\$ 8,412,787</u>

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 that expires in 2020 and a mail machine under an operating lease that expires in 2022. Equipment rent expense for both operating leases was \$ 25,847 and \$ 24,972 for the years ended December 31, 2019 and 2018, respectively.

Future minimum lease payments are as follows:

<u>Years Ending December 31,</u>	
2020	\$ 19,910
2021	2,904
2022	<u>1,210</u>
	<u>\$ 24,024</u>

The Organization subleases portions of the office space on a yearly basis. Annual sublease income for 2019 and 2018 was \$ 541,427 and \$ 533,589, respectively. The Organization holds security deposits of \$ 33,476 as of December 31, 2019 and 2018. Future annual sublease income is as follows:

<u>Years Ending December 31,</u>	
2020	\$ 546,047
2021	381,294
2022	<u>24,288</u>
	<u>\$ 951,629</u>

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

10 - Line of Credit

The Association has a line of credit with a bank in the amount of \$ 2,000,000. At December 31, 2019 and 2018, respectively, no amounts 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, 2019 and 2018 was 3.75% and 4.50%, respectively. The line expires on June 30, 2020.

11 - Note Payable

The note payable consists of the following at December 31:

	<u>2019</u>	<u>2018</u>
Note payable-Commerce Bank, interest 3.75% for 2019 and 4.50% for 2018, monthly payment \$ 23,967, maturity date October 17, 2021, secured by business investments	<u>\$ 561,289</u>	<u>\$ 818,070</u>

Future maturities of the note payable are as follows:

<u>Years Ending December 31,</u>	
2020	\$ 275,676
2021	<u>285,613</u>
	<u>\$ 561,289</u>

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

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, 2019 and 2018. Total expense related to the Plans during the years ended December 31, 2019 and 2018 was \$ 229,999 and \$ 217,285, 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)

13 - Income Taxes (Continued)

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

	2019	2018
Allowance for doubtful accounts	\$ 840	\$ 840
Inventory valuation allowance	6,561	7,256
Net operating loss carryforwards	532,051	440,131
Other	3,751	3,681
	<hr/>	<hr/>
Net deferred tax asset before valuation allowance	543,203	451,908
	<hr/>	<hr/>
Valuation allowance:		
Beginning balance	(451,908)	(708,116)
Decrease (increase) during the period	(91,295)	256,208
	<hr/>	<hr/>
Ending balance	(543,203)	(451,908)
	<hr/>	<hr/>
Net deferred tax asset	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

As of December 31, 2019, Communications has unused operating loss carryforwards of \$ 2,097,843 which can be carried forward indefinitely.

14 - Related Party Transactions

The Association is related by common management to the Institute. The Institute paid salaries amounting to approximately \$ 155,000 and \$ 148,500 for the years ended December 31, 2019 and 2018, respectively, for certain services provided by the Association. The Association received grants from the Institute of \$ 1,162,500 and \$ 1,052,500 during the years ended December 31, 2019 and 2018, 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 Institute.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

14 - Related Party Transactions (Continued)

The Association had accounts receivable of \$ 0 and \$ 18,109 due from the Institute at December 31, 2019 and 2018, respectively.

The Association had accounts payable of \$ 19,920 and \$ 0 due from the Institute at December 31, 2019 and 2018, respectively.

Communications had accounts payable of \$ 2 and \$ 110 due to the Institute at December 31, 2019 and 2018, respectively.

15 - 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, 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 FINANCIAL POSITION

December 31, 2018

	Golf Course Superintendents Association of America	GCSAA Communications, Inc.	GCSAAPAC	Eliminations	Consolidated
<u>ASSETS</u>					
Cash	\$ 701,377	\$ 26,355	\$ 9,479	\$ -	\$ 737,211
Accounts receivable, less allowance for doubtful accounts \$ (5,000)	506,467	384,463	-	-	890,930
Due from related party	18,109	(110)	-	-	17,999
Intercompany accounts receivable	3,852,183	-	-	(3,852,183)	-
Inventory, net	9,550	173,941	-	-	183,491
Investments	7,602,648	-	-	-	7,602,648
Other assets	1,393,004	23,399	-	-	1,416,403
Property and equipment, net	5,595,280	-	-	-	5,595,280
Software, net	718,309	-	-	-	718,309
Investment in subsidiary	(3,537,277)	-	-	3,537,277	-
Total assets	<u>\$ 16,859,650</u>	<u>\$ 608,048</u>	<u>\$ 9,479</u>	<u>\$ (314,906)</u>	<u>\$ 17,162,271</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 744,873	\$ 29,186	\$ -	\$ -	\$ 774,059
Accrued expenses	533,372	72,039	-	-	605,411
Intercompany accounts payable	-	3,852,183	-	(3,852,183)	-
Deferred revenue	8,220,870	191,917	-	-	8,412,787
Note payable	818,070	-	-	-	818,070
Total liabilities	<u>10,317,185</u>	<u>4,145,325</u>	<u>-</u>	<u>(3,852,183)</u>	<u>10,610,327</u>
<u>NET ASSETS</u>					
Organization net assets without donor restrictions	6,542,465	-	9,479	-	6,551,944
Common stock	-	85,000	-	(85,000)	-
Accumulated deficit	-	(3,622,277)	-	3,622,277	-
Total net assets	<u>6,542,465</u>	<u>(3,537,277)</u>	<u>9,479</u>	<u>3,537,277</u>	<u>6,551,944</u>
Total liabilities and net assets	<u>\$ 16,859,650</u>	<u>\$ 608,048</u>	<u>\$ 9,479</u>	<u>\$ (314,906)</u>	<u>\$ 17,162,271</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
Total revenues	<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
Total expenses	<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
Total other income (expense)	<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>

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

	Golf Course Superintendents Association of America	GCSAA Communications, Inc.	GCSAAPAC	Eliminations	Consolidated
Net assets without donor restrictions:					
Revenues:					
Advertising and marketing opportunities	\$ 56,200	\$ 2,473,065	\$ -	\$ -	\$ 2,529,265
Conference and show	8,543,806	237,257	-	-	8,781,063
Membership dues	4,297,534	-	-	-	4,297,534
Contributions	-	-	11,373	-	11,373
Investment income	(657,582)	-	-	-	(657,582)
Professional development	1,182,136	81,206	-	-	1,263,342
	<u>13,422,094</u>	<u>2,791,528</u>	<u>11,373</u>	<u>-</u>	<u>16,224,995</u>
Expenses:					
Program services:					
Education, environmental programs, GCM and website	3,670,767	1,785,316	-	-	5,456,083
Conference and show	4,439,314	98,095	-	-	4,537,409
Member and chapter services	2,604,242	-	3,465	-	2,607,707
Career development, marketing and branding and media relations	2,180,497	24,850	-	-	2,205,347
Total program services	<u>12,894,820</u>	<u>1,908,261</u>	<u>3,465</u>	<u>-</u>	<u>14,806,546</u>
Support services:					
Management and general	3,120,750	-	-	-	3,120,750
Total expenses	<u>16,015,570</u>	<u>1,908,261</u>	<u>3,465</u>	<u>-</u>	<u>17,927,296</u>
Change in net assets before other income (expense)	<u>(2,593,476)</u>	<u>883,267</u>	<u>7,908</u>	<u>-</u>	<u>(1,702,301)</u>
Other income (expense):					
Intercompany income (expense)	987,180	(987,180)	-	-	-
Interest expense	(39,856)	-	-	-	(39,856)
Benevolent fund replenishment	2,920	-	-	-	2,920
Rent income	533,589	-	-	-	533,589
Equity in net income (loss) of Communications	(99,913)	-	-	99,913	-
Loss on disposal of assets	4,522	-	-	-	4,522
Bad debt expense	1,000	4,000	-	-	5,000
Other	21,298	-	-	-	21,298
Total other income (expense)	<u>1,410,740</u>	<u>(983,180)</u>	<u>-</u>	<u>99,913</u>	<u>527,473</u>
Change in net assets without donor restrictions	<u>(1,182,736)</u>	<u>(99,913)</u>	<u>7,908</u>	<u>99,913</u>	<u>(1,174,828)</u>
Net assets, beginning of year	<u>7,725,201</u>	<u>(3,437,364)</u>	<u>1,571</u>	<u>3,437,364</u>	<u>7,726,772</u>
Net assets, end 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>