



*Certified Public Accountants*

# GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES

---

CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

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 - 2023	5
Consolidated Statement of Functional Expenses - 2022	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 21
Supplementary Information:	
Consolidating Statement of Financial Position - 2023	22
Consolidating Statement of Financial Position - 2022	23
Consolidating Statement of Activities - 2023	24
Consolidating Statement of Activities - 2022	25



## INDEPENDENT AUDITORS' REPORT

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

### **Opinion**

We have audited the 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, 2023 and 2022, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date of the date that the consolidated financial statements are issued or available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

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

## **Supplementary Information**

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

*BT + Co., P.A.*

June 3, 2024  
Topeka, Kansas

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2023 and 2022

	2023	2022
<u>ASSETS</u>		
Cash	\$ 1,629,446	\$ 397,548
Accounts receivable, less allowance for credit losses of \$ 5,000 in 2023 and 2022, respectively	563,468	419,462
Due from related party	190,762	112,355
Inventory, net of valuation allowance	303,351	246,244
Investments	8,409,842	9,431,326
Other assets	1,237,236	1,706,806
Property and equipment, net of accumulated depreciation	3,662,887	4,014,863
Software, net of accumulated amortization	155,720	254,489
	\$ 16,152,712	\$ 16,583,093
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	\$ 750,762	\$ 742,348
Accrued expenses	990,772	842,219
Due to related parties	8,495	838
Deferred revenue	9,863,023	8,142,929
Note payable	1,116,832	2,358,502
Line of credit	-	1,250,000
	12,729,884	13,336,836
Total liabilities		
Net assets without donor restrictions	3,422,828	3,246,257
Total liabilities and net assets	\$ 16,152,712	\$ 16,583,093

See accompanying notes to consolidated financial statements.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
Years Ended December 31, 2023 and 2022

	2023	2022
Net assets without donor restrictions:		
Revenues:		
Advertising and marketing opportunities	\$ 2,580,994	\$ 2,598,360
Conference and show	8,931,408	6,438,052
Membership dues	4,842,729	4,442,506
Investment income (loss)	1,351,297	(1,506,039)
Professional development	1,594,495	1,176,181
GCSAA PAC contributions	12,595	11,498
	19,313,518	13,160,558
Expenses:		
Program services:		
Education, environmental programs, GCM and website	5,963,970	5,689,389
Conference and show	5,147,226	4,907,190
Member and chapter services	2,933,221	3,066,641
Career development, marketing and branding and media relations	2,112,628	1,631,666
	16,157,045	15,294,886
Support services:		
Management and general	3,130,383	3,000,961
	19,287,428	18,295,847
Changes in net assets before other income (expense)	26,090	(5,135,289)
Other income (expense):		
Interest expense	(215,163)	(121,476)
Rent income	391,749	371,830
Loss on disposal of assets	(36,606)	(1,314)
Other	10,501	21,407
	150,481	270,447
Change in net assets	176,571	(4,864,842)
Net assets, beginning of year	3,246,257	8,111,099
Net assets, end of year	\$ 3,422,828	\$ 3,246,257

See accompanying notes to consolidated financial statements.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2023

	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	\$ 1,986,596	\$1,360,272	\$1,944,738	\$1,019,311	\$ 1,464,374	\$ 965,022	\$ -	\$ 8,740,313
Conference events	784,545	2,972,508	11,068	3,351	-	144,471	-	3,915,943
Travel, task groups and meetings	347,935	205,388	543,581	174,581	865	73,105	-	1,345,455
Marketing and communications	9,913	-	16,489	651,101	-	-	-	677,503
Depreciation and amortization	19,721	17,019	9,663	6,983	537,255	-	-	590,641
Professional fees, taxes and insurance	-	122,015	138,466	-	677,595	-	-	938,076
Information technology	308,254	270,357	135,337	97,842	34,712	-	-	846,502
Grants, awards and other support	385,103	63,756	44,196	26,168	-	-	11,000	530,223
Magazine content and production	-	-	-	-	-	601,036	-	601,036
Sales and business development	-	-	-	-	-	376,060	-	376,060
Professional development	70,256	12,623	10,388	62,842	58,367	22,379	-	236,855
Utilities and maintenance	-	-	-	-	344,739	-	-	344,739
Supplies	41,394	2,199	68,299	933	12,476	18,781	-	144,082
<b>Total</b>	<b>\$ 3,953,717</b>	<b>\$5,026,137</b>	<b>\$2,922,225</b>	<b>\$2,043,112</b>	<b>\$ 3,130,383</b>	<b>\$ 2,200,854</b>	<b>\$ 11,000</b>	<b>\$19,287,428</b>

See accompanying notes to consolidated financial statements.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2022

	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	\$ 1,702,705	\$1,338,733	\$1,986,397	\$ 805,227	\$ 1,395,763	\$ 927,638	\$ -	\$ 8,156,463
Conference events	780,117	2,773,271	8,823	2,135	-	117,045	-	3,681,391
Travel, task groups and meetings	275,904	205,180	582,023	62,046	-	73,778	-	1,198,931
Marketing and communications	41,829	-	20,118	538,494	-	-	-	600,441
Depreciation and amortization	18,526	24,200	15,388	7,873	566,538	-	-	632,525
Professional fees, taxes and insurance	1,500	110,868	135,059	-	604,218	-	-	851,645
Information technology	184,527	261,240	150,932	77,213	37,804	-	-	711,716
Grants, awards and other support	574,593	92,576	78,873	30,118	-	-	13,500	789,660
Magazine content and production	-	-	-	-	-	605,772	-	605,772
Sales and business development	-	-	-	-	-	387,896	-	387,896
Professional development	101,842	10,587	9,288	43,882	45,610	17,869	-	229,078
Utilities and maintenance	-	-	-	-	342,094	-	-	342,094
Supplies	8,460	3,507	66,240	1,080	8,934	20,014	-	108,235
<b>Total</b>	<b>\$ 3,690,003</b>	<b>\$4,820,162</b>	<b>\$3,053,141</b>	<b>\$1,568,068</b>	<b>\$ 3,000,961</b>	<b>\$ 2,150,012</b>	<b>\$ 13,500</b>	<b>\$18,295,847</b>

See accompanying notes to consolidated financial statements.



GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 176,571	\$ (4,864,842)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	590,641	632,525
Loss on disposal of property and equipment	36,606	1,314
Net realized and unrealized (gain) loss on investments	(1,144,357)	1,728,320
Changes in assets and liabilities:		
Accounts receivable	(144,006)	(131,746)
Due from related party	(78,407)	(69,632)
Inventory	(57,107)	(55,425)
Other assets	469,570	(299,378)
Accounts payable	8,414	18,558
Due to related parties	7,657	583
Accrued expenses	148,553	(182,009)
Deferred revenue	1,720,094	1,050,227
Net cash from operating activities	1,734,229	(2,171,505)
Cash flows from investing activities:		
Proceeds from sales of investments	4,470,845	924,463
Purchase of investments	(2,305,003)	(1,191,902)
Proceeds from disposal of property and equipment	343	2,162
Purchase of property and equipment	(159,614)	(250,992)
Purchase of software	(17,232)	(100,480)
Net cash from investing activities	1,989,339	(616,749)
Cash flows from financing activities:		
Proceeds of debt	-	800,000
Payments of debt	(1,241,670)	(141,498)
Proceeds of line of credit	3,100,000	3,325,000
Payments on line of credit	(4,350,000)	(2,075,000)
Net cash from financing activities	(2,491,670)	1,908,502
Net change in cash	1,231,898	(879,752)
Cash, beginning of year	397,548	1,277,300
Cash, end of year	\$ 1,629,446	\$ 397,548
ADDITIONAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 215,163	\$ 121,476

See accompanying notes to consolidated financial statements.

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

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, equipment managers, 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 credit losses, which is based upon a review of outstanding receivables, historical collection information, existing economic conditions and reasonable and supportable forecasts. 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 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. 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, 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, open-end mutual funds, closed-end 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.

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, 2023 and 2022 are:

	2023	2022
Financial assets:		
Cash	\$ 1,629,446	\$ 397,548
Accounts receivable, net	563,468	419,462
Inventory, net of valuation allowance	303,351	246,244
Investments	8,409,842	9,431,326
Due from related party	190,762	112,355
Total financial assets	11,096,869	10,606,935
Less financial assets not available within one year:		
Long-term investments	(196,583)	(362,746)
Board designated net assets (see Note 1)	(20,000)	(20,000)
Amount available for general expenditures within one year	\$ 10,880,286	\$ 10,224,189

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 \$ 3,000,000. 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.

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

3 - Investments

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

	2023	2022
Open-end mutual funds	\$ 1,325,764	\$ 1,745,722
Closed-end mutual funds	814,417	-
Exchange traded funds	5,685,482	6,862,773
Corporate bonds	584,179	822,831
	\$ 8,409,842	\$ 9,431,326

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

	2023	2022
Interest and dividend income	\$ 206,940	\$ 222,281
Net realized and unrealized gain (loss)	1,144,357	(1,728,320)
Total investment income	\$ 1,351,297	\$ (1,506,039)

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, 2023 and 2022.

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

*Open-end 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.

*Closed-end mutual funds:* Valued at net asset value (NAV). The funds raise capital through a one-time initial public offering (IPO), during which they issue a fixed number of shares.

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

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

Fair values of assets measured on a recurring basis at December 31, 2023 are as follows:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Money market	\$ 61,702	\$ -	\$ -	\$ 61,702
International	596,105	-	-	596,105
Large cap value	667,957	-	-	667,957
Total mutual funds	1,325,764	-	-	1,325,764
Exchange traded funds:				
Foreign large blend	1,794,573	-	-	1,794,573
Small cap value	368,399	-	-	368,399
Large blend	2,517,141	-	-	2,517,141
Short term	258,810	-	-	258,810
Intermediate-term bond	746,559	-	-	746,559
Total exchange traded funds	5,685,482	-	-	5,685,482
Corporate bonds	584,179	-	-	584,179
Total assets in the fair value hierarchy	\$ 7,595,425	\$ -	\$ -	\$ 7,595,425
Investments measured at net asset value				814,417
Total assets at fair value <sup>(a)</sup>				\$ 8,409,842

<sup>(a)</sup> In accordance with Subtopic 820-10, certain investments that are measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in Note 3.



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, 2022 are as follows:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Money market	\$ 59,092	\$ -	\$ -	\$ 59,092
International	793,495	-	-	793,495
Large cap value	893,135	-	-	893,135
Total mutual funds	<u>1,745,722</u>	<u>-</u>	<u>-</u>	<u>1,745,722</u>
Exchange traded funds:				
Foreign large blend	2,474,929	-	-	2,474,929
Small cap value	496,250	-	-	496,250
Large blend	3,190,005	-	-	3,190,005
Short term	266,492	-	-	266,492
Intermediate-term bond	435,097	-	-	435,097
Total exchange traded funds	<u>6,862,773</u>	<u>-</u>	<u>-</u>	<u>6,862,773</u>
Corporate bonds	<u>822,831</u>	<u>-</u>	<u>-</u>	<u>822,831</u>
	<u>\$ 9,431,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,431,326</u>

5 - Investments Measured Using the Net Asset Value Per Share Practical Expedient

The following table summarizes investments measured at fair value based on net asset value (NAV) per share as of December 31, 2023 and 2022:

Investment	Fair Value December 31, 2023	Fair Value December 31, 2022	Commitment	Frequency	Notice Period
Closed-end mutual funds	<u>\$ 814,417</u>	<u>\$ -</u>	None	Daily	30 days

6 - Inventory

Inventory consists of the following at December 31, 2023 and 2022:

	2023	2022
Inventories - books and reference materials	\$ 44,772	\$ 61,498
Inventories - golf gear and branded merchandise	286,555	246,138
Valuation allowance	(27,976)	(61,392)
Total	<u>\$ 303,351</u>	<u>\$ 246,244</u>

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

7 - Property and Equipment

Property and equipment as of December 31, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>	<u>Estimated Useful Lives</u>
Land	\$ 597,754	\$ 597,754	
Landscaping	280,621	280,621	5-40 years
Irrigation systems	57,269	57,269	5-40 years
Buildings and improvements	9,626,799	9,553,537	5-40 years
Furniture and fixtures	1,058,741	1,057,749	3-20 years
Machinery and equipment	261,271	253,128	3-10 years
Computer hardware	680,718	788,828	2-10 years
	<u>12,563,173</u>	<u>12,588,886</u>	
Total	12,563,173	12,588,886	
Accumulated depreciation	<u>(8,900,286)</u>	<u>(8,574,023)</u>	
Net property and equipment	<u>\$ 3,662,887</u>	<u>\$ 4,014,863</u>	

Depreciation expense was \$ 474,641 and \$ 491,182 for the years ended December 31, 2023 and 2022, respectively.

8 - Software

The carrying basis and accumulated amortization of software at December 31, 2023 and 2022 were:

	<u>2023</u>	<u>2022</u>
Software, at cost	\$ 2,225,392	\$ 2,268,674
Accumulated amortization	<u>(2,069,672)</u>	<u>(2,014,185)</u>
Net software	<u>\$ 155,720</u>	<u>\$ 254,489</u>

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

Amortization expense was \$ 116,000 and \$ 141,343 for the years ended December 31, 2023 and 2022, respectively. Estimated amortization expense in future years is as follows:

Years Ending December 31,	
2024	\$ 80,925
2025	39,906
2026	21,428
2027	11,837
2028	1,624
	\$ 155,720
	\$ 155,720

9 - Deferred Revenue

As of December 31, 2023 and 2022, deferred revenue consists of the following:

	2023	2022
Deferred membership dues	\$ 2,410,116	\$ 2,317,477
Deferred conference	7,255,126	5,585,875
Deferred advertising	64,255	28,200
Deferred gift certificate	31,799	44,641
Deferred subscriptions	2,029	2,746
Other	99,698	163,990
	\$ 9,863,023	\$ 8,142,929
Total deferred revenue	\$ 9,863,023	\$ 8,142,929

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

10 - Rental Income

The Organization subleases portions of the office space on a yearly basis. Annual sublease income for 2023 and 2022 was \$ 391,749 and \$ 371,830, respectively. The Organization holds security deposits of \$ 29,136 and \$ 29,136 as of December 31, 2023 and 2022, respectively. Future annual sublease income is as follows:

Years Ending December 31,	
2024	\$ 391,749
2025	143,456
2026	113,509
2027	56,755
	\$ 705,469

11 - Line of Credit

The Association has a line of credit with a bank in the amount of \$ 3,000,000. At December 31, 2023 and 2022, respectively, \$ 0 and \$ 1,250,000 were borrowed against the line. The line is secured by investments and carries an interest rate that varies at the prime rate less 1.5%. The interest rate at December 31, 2023 and 2022 was 7.00% and 6.00%, respectively. The line of credit expires on June 30, 2024.

12 - Note Payable

The note payable consists of the following at December 31:

	2023	2022
Note payable - Commerce Bank, 7% variable interest rate at December 31, 2023, monthly payment \$ 32,514, maturity date June 15, 2029, secured by business investments	\$ 1,116,832	\$ 2,358,502

During 2021, the Association entered into a loan agreement with Commerce Bank. According to the agreement, Commerce Bank will loan an amount not to exceed \$ 2,500,000 to the Association. The initial interest rate at commencement on the loan was 1.75% and will be adjusted to actual which is the Prime Rate less 1.5%. The first payment of principal and interest on the loan was made in July 2022. The maturity of the loan is June 15, 2029 and is secured by business investments. The outstanding balance of \$ 1,116,832 and \$ 2,358,502 as of December 31, 2023 and 2022, respectively, is shown as a liability on the Consolidated Statements of Financial Position.

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,		
2024	\$	319,017
2025		344,633
2026		369,903
2027		83,279
	\$	1,116,832

13 - Benefit Plans

The Organization has a defined contribution plan (the Plan) that covers substantially all of its employees. The Board of Directors of the Organization approves the contributions to be made to the Plan. Contributions cannot exceed amounts prescribed by federal law 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, 2023 and 2022. Total expense related to the Plans during the years ended December 31, 2023 and 2022 was \$ 275,036 and \$ 259,011, respectively.

14 - 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 experienced operating losses in prior years which have 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:

	2023	2022
Allowance for credit losses	\$ 840	\$ 840
Inventory valuation allowance	5,875	12,892
Net operating loss carryforwards	826,293	755,600
Other	(702)	4,074
Net deferred tax asset before valuation allowance	832,306	773,406
Valuation allowance:		
Beginning balance	(773,406)	(661,637)
Decrease (increase) during the period	(58,900)	(111,769)
Ending balance	(832,306)	(773,406)
Net deferred tax asset	\$ -	\$ -

As of December 31, 2023, Communications has unused operating loss carryforwards of \$ 3,361,600 which can be carried forward indefinitely.

15 - Related Party Transactions

The Association is related by common management to the Foundation. The Foundation paid salaries amounting to approximately \$ 187,706 and \$ 390,000 for the years ended December 31, 2023 and 2022, respectively, for certain services provided by the Association. The Association received grants from the Foundation of \$ 1,122,500 and \$ 887,500 during the years ended December 31, 2023 and 2022, respectively. The grants were used specifically to fund mission-focused programs including advocacy, education, research, environmental programs, STEM education and technology. The Association incurs certain indirect costs on behalf of the Foundation.

The Association had accounts receivable of \$ 190,762 and \$ 112,355 due from the Foundation at December 31, 2023 and 2022, respectively.

Communications had accounts payable of \$ 8,495 and \$ 838 due to the Foundation at December 31, 2023 and 2022, respectively.

16 - Risk Management

The Organization has 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.

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

The maximum liability for the Organization for each individual covered is \$ 40,000 per plan year with an aggregate plan maximum liability of \$ 663,511.

The Organization made payments into the medical plan bank account of \$ 530,809 and \$ 448,826 during the years ended December 31, 2023 and 2022, respectively. The Organization recorded a combined liability of \$ 140,571 and \$ 26,250 for the years ended December 31, 2023 and 2022, respectively, for future estimated self-insured liability claims.

17 - 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, 2023

	Golf Course Superintendents Association of America	GCSAA Communications, Inc.	GCSAAPAC	Eliminations	Consolidated
<u>ASSETS</u>					
Cash	\$ 1,585,321	\$ 13,520	\$ 30,605	\$ -	\$ 1,629,446
Accounts receivable, less allowance for credit losses \$ (5,000)	242,326	321,142	-	-	563,468
Intercompany accounts receivable	5,822,058	-	70	(5,822,128)	-
Due from related parties	190,762	-	-	-	190,762
Inventory, net of valuation	16,097	287,254	-	-	303,351
Investments	8,409,842	-	-	-	8,409,842
Other assets	1,187,450	49,786	-	-	1,237,236
Property and equipment, net	3,662,887	-	-	-	3,662,887
Software, net	155,720	-	-	-	155,720
Investment in subsidiary	(5,436,685)	-	-	5,436,685	-
<b>Total assets</b>	<b>\$ 15,835,778</b>	<b>\$ 671,702</b>	<b>\$ 30,675</b>	<b>\$ (385,443)</b>	<b>\$ 16,152,712</b>
<u>LIABILITIES</u>					
Accounts payable	\$ 667,647	\$ 83,115	\$ -	\$ -	\$ 750,762
Accrued expenses	894,136	96,636	-	-	990,772
Due to related parties	-	8,495	-	-	8,495
Intercompany accounts payable	70	5,822,058	-	(5,822,128)	-
Deferred revenue	9,764,940	98,083	-	-	9,863,023
Note payable	1,116,832	-	-	-	1,116,832
<b>Total liabilities</b>	<b>12,443,625</b>	<b>6,108,387</b>	<b>-</b>	<b>(5,822,128)</b>	<b>12,729,884</b>
<u>NET ASSETS</u>					
Organization net assets without donor restrictions	3,392,153	-	30,675	-	3,422,828
Common stock	-	85,000	-	(85,000)	-
Accumulated deficit	-	(5,521,685)	-	5,521,685	-
<b>Total net assets</b>	<b>3,392,153</b>	<b>(5,436,685)</b>	<b>30,675</b>	<b>5,436,685</b>	<b>3,422,828</b>
<b>Total liabilities and net assets</b>	<b>\$ 15,835,778</b>	<b>\$ 671,702</b>	<b>\$ 30,675</b>	<b>\$ (385,443)</b>	<b>\$ 16,152,712</b>

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
December 31, 2022

	Golf Course Superintendents Association of America	GCSAA Communications, Inc.	GCSAAPAC	Eliminations	Consolidated
<u>ASSETS</u>					
Cash	\$ 315,566	\$ 53,304	\$ 28,678	\$ -	\$ 397,548
Accounts receivable, less allowance for credit losses \$ (5,000)	115,932	303,530	-	-	419,462
Intercompany accounts receivable	5,181,783	-	402	(5,182,185)	-
Due from related parties	112,355	-	-	-	112,355
Inventory, net of valuation	11,276	234,968	-	-	246,244
Investments	9,431,326	-	-	-	9,431,326
Other assets	1,681,168	25,638	-	-	1,706,806
Property and equipment, net	4,014,863	-	-	-	4,014,863
Software, net	254,489	-	-	-	254,489
Investment in subsidiary	(4,863,558)	-	-	4,863,558	-
	<u>\$ 16,255,200</u>	<u>\$ 617,440</u>	<u>\$ 29,080</u>	<u>\$ (318,627)</u>	<u>\$ 16,583,093</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 615,199	\$ 127,149	\$ -	\$ -	\$ 742,348
Accrued expenses	746,578	95,641	-	-	842,219
Due to related parties	-	838	-	-	838
Intercompany accounts payable	402	5,181,783	-	(5,182,185)	-
Deferred revenue	8,067,342	75,587	-	-	8,142,929
Note payable	2,358,502	-	-	-	2,358,502
Line of credit	1,250,000	-	-	-	1,250,000
	<u>13,038,023</u>	<u>5,480,998</u>	<u>-</u>	<u>(5,182,185)</u>	<u>13,336,836</u>
<u>NET ASSETS</u>					
Organization net assets without donor restrictions	3,217,177	-	29,080	-	3,246,257
Common stock	-	85,000	-	(85,000)	-
Accumulated deficit	-	(4,948,558)	-	4,948,558	-
	<u>3,217,177</u>	<u>(4,863,558)</u>	<u>29,080</u>	<u>4,863,558</u>	<u>3,246,257</u>
Total liabilities and net assets	<u>\$ 16,255,200</u>	<u>\$ 617,440</u>	<u>\$ 29,080</u>	<u>\$ (318,627)</u>	<u>\$ 16,583,093</u>

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023

	Golf Course Superintendents Association of America	GCSAA Communications, Inc.	GCSAAPAC	Eliminations	Consolidated
Net assets without donor restrictions:					
Revenues:					
Advertising and marketing opportunities	\$ 181,750	\$ 2,399,244	\$ -	\$ -	\$ 2,580,994
Conference and show	8,735,884	195,524	-	-	8,931,408
Membership dues	4,842,729	-	-	-	4,842,729
Investment income (loss)	1,351,297	-	-	-	1,351,297
Professional development	1,445,052	149,443	-	-	1,594,495
GCSAA PAC contributions	-	-	12,595	-	12,595
	<u>16,556,712</u>	<u>2,744,211</u>	<u>12,595</u>	<u>-</u>	<u>19,313,518</u>
Expenses:					
Program services:					
Education, environmental programs, GCM and website	3,953,713	2,010,257	-	-	5,963,970
Conference and show	5,026,134	121,092	-	-	5,147,226
Member and chapter services	2,922,221	-	11,000	-	2,933,221
Career development, marketing and branding and media relations	2,043,120	69,508	-	-	2,112,628
Total program services	<u>13,945,188</u>	<u>2,200,857</u>	<u>11,000</u>	<u>-</u>	<u>16,157,045</u>
Support services:					
Management and general	3,130,383	-	-	-	3,130,383
	<u>17,075,571</u>	<u>2,200,857</u>	<u>11,000</u>	<u>-</u>	<u>19,287,428</u>
Change in net assets before other income (expense)	<u>(518,859)</u>	<u>543,354</u>	<u>1,595</u>	<u>-</u>	<u>26,090</u>
Other income (expense):					
Intercompany income (expense)	1,116,481	(1,116,481)	-	-	-
Interest expense	(215,163)	-	-	-	(215,163)
Rent income	391,749	-	-	-	391,749
Equity in net income (loss) of Communications	(573,127)	-	-	573,127	-
Loss on disposal of assets	(36,606)	-	-	-	(36,606)
Other	10,501	-	-	-	10,501
	<u>693,835</u>	<u>(1,116,481)</u>	<u>-</u>	<u>573,127</u>	<u>150,481</u>
Change in net assets without donor restrictions	174,976	(573,127)	1,595	573,127	176,571
Net assets, beginning of year	<u>3,217,177</u>	<u>(4,863,558)</u>	<u>29,080</u>	<u>4,863,558</u>	<u>3,246,257</u>
Net assets, end of year	<u>\$ 3,392,153</u>	<u>\$ (5,436,685)</u>	<u>\$ 30,675</u>	<u>\$ 5,436,685</u>	<u>\$ 3,422,828</u>

GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES  
Year Ended December 31, 2022

	Golf Course Superintendents Association of America	GCSAA Communications, Inc.	GCSAAPAC	Eliminations	Consolidated
Net assets without donor restrictions:					
Revenues:					
Advertising and marketing opportunities	\$ 157,000	\$ 2,441,360	\$ -	\$ -	\$ 2,598,360
Conference and show	6,301,335	136,717	-	-	6,438,052
Membership dues	4,442,506	-	-	-	4,442,506
Investment income (loss)	(1,506,039)	-	-	-	(1,506,039)
Professional development	1,045,143	131,038	-	-	1,176,181
GCSAA PAC contributions	-	-	11,498	-	11,498
	<u>10,439,945</u>	<u>2,709,115</u>	<u>11,498</u>	<u>-</u>	<u>13,160,558</u>
Expenses:					
Program services:					
Education, environmental programs, GCM and website	3,690,003	1,999,386	-	-	5,689,389
Conference and show	4,820,163	87,027	-	-	4,907,190
Member and chapter services	3,053,140	-	13,501	-	3,066,641
Career development, marketing and branding and media relations	1,568,069	63,597	-	-	1,631,666
Total program services	<u>13,131,375</u>	<u>2,150,010</u>	<u>13,501</u>	<u>-</u>	<u>15,294,886</u>
Support services:					
Management and general	3,000,961	-	-	-	3,000,961
	<u>16,132,336</u>	<u>2,150,010</u>	<u>13,501</u>	<u>-</u>	<u>18,295,847</u>
Change in net assets before other income (expense)	<u>(5,692,391)</u>	<u>559,105</u>	<u>(2,003)</u>	<u>-</u>	<u>(5,135,289)</u>
Other income (expense):					
Intercompany income (expense)	1,149,620	(1,149,620)	-	-	-
Interest expense	(121,476)	-	-	-	(121,476)
Rent income	371,830	-	-	-	371,830
Equity in net income (loss) of Communications	(590,515)	-	-	590,515	-
Loss on disposal of assets	(1,314)	-	-	-	(1,314)
Other	21,407	-	-	-	21,407
	<u>829,552</u>	<u>(1,149,620)</u>	<u>-</u>	<u>590,515</u>	<u>270,447</u>
Change in net assets without donor restrictions	<u>(4,862,839)</u>	<u>(590,515)</u>	<u>(2,003)</u>	<u>590,515</u>	<u>(4,864,842)</u>
Net assets, beginning of year	<u>8,080,016</u>	<u>(4,273,043)</u>	<u>31,083</u>	<u>4,273,043</u>	<u>8,111,099</u>
Net assets, end of year	<u>\$ 3,217,177</u>	<u>\$ (4,863,558)</u>	<u>\$ 29,080</u>	<u>\$ 4,863,558</u>	<u>\$ 3,246,257</u>