

MIDNIGHT GOLF PROGRAM

FINANCIAL STATEMENTS

AUGUST 31, 2021

(WITH COMPARATIVE TOTALS FOR 2020)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
MIDNIGHT GOLF PROGRAM
Detroit, MI

We have audited the accompanying financial statements of Midnight Golf Program (a nonprofit organization), which comprise the statement of financial position as of August 31, 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to 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.

Auditor's Responsibility

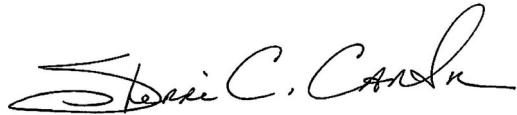
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Midnight Golf Program as August 31, 2021, 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.

A handwritten signature in black ink, appearing to read "Sherril C. Carter". The signature is fluid and cursive, with a large initial "S" and "C".

SHERRI C. CARTER & COMPANY, PLLC
Certified Public Accountants

November 29, 2021

MIDNIGHT GOLF PROGRAM
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

ASSETS

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash (Note 3)	\$ 1,891,874	\$ 917,352
Prepaid Expense	<u>3,387</u>	<u>3,387</u>
Total Current Assets	1,895,261	920,739
Investments (Note 4)	10,756	3,393
Property and Equipment, Net of Accumulated Depreciation (Note 5)	9,551	13,529
Leased Property (Note 6)	<u>40,641</u>	<u>-</u>
Total Assets	<u>\$ 1,956,209</u>	<u>\$ 937,661</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$ -	\$ 72,483
Accrued Expense	36,985	26,783
Loans Payable (Note 7)	<u>-</u>	<u>113,000</u>
Total Current Liabilities	<u>36,985</u>	<u>212,266</u>
Long Term Liabilities		
Leases Payable (Note 6)	<u>40,641</u>	<u>-</u>
Total Long Term Liabilities	<u>40,641</u>	<u>-</u>
Total Liabilities	<u>77,626</u>	<u>212,266</u>
Net Assets		
Net Assets Without Donor Restrictions	1,815,205	484,415
Net Assets With Donor Restrictions (Note 10)	<u>63,378</u>	<u>240,980</u>
Total Net Assets	<u>1,878,583</u>	<u>725,395</u>
Total Liabilities and Net Assets	<u>\$ 1,956,209</u>	<u>\$ 937,661</u>

The accompany notes are an integral part of these statements.

MIDNIGHT GOLF PROGRAM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	<u>Total 2021</u>	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions
SUPPORT AND REVENUE					
Contributions and Grant	\$ 1,721,064	\$ 311,480	\$ 2,032,544	\$ 389,054	\$ 240,980
Interest Income	80	-	80	125	-
Fundraising	880,651	-	880,651	1,283,326	-
Miscellaneous	129,093	-	129,093	25,000	-
Unrealized Gain	100	-	100	393	-
Net Assets With Donor Restrictions Released due to satisfaction of program restrictions (Note 9)	<u>489,082</u>	<u>(489,082)</u>	<u>-</u>	<u>203,340</u>	<u>(203,340)</u>
Total Support and Revenue	<u>3,220,070</u>	<u>(177,602)</u>	<u>3,042,468</u>	<u>1,901,238</u>	<u>37,640</u>
EXPENSES					
Lifeskills & Mentoring	726,759	-	726,759	913,697	-
Road Trip to Success	27,661	-	27,661	91,857	-
Making Graduation Possible	<u>351,377</u>	<u>-</u>	<u>351,377</u>	<u>315,372</u>	<u>-</u>
Total Program Expenses	1,105,797	-	1,105,797	1,320,926	-
Management and General	381,254	-	381,254	387,255	-
Fundraising	<u>402,229</u>	<u>-</u>	<u>402,229</u>	<u>365,465</u>	<u>-</u>
Total Support Expenses	783,483	-	783,483	752,720	-
Total Expenses	<u>1,889,280</u>	<u>-</u>	<u>1,889,280</u>	<u>2,073,646</u>	<u>-</u>
Change in Net Assets	1,330,790	(177,602)	1,153,188	(172,408)	37,640
NET ASSETS, Beginning of Year	<u>484,415</u>	<u>240,980</u>	<u>725,395</u>	<u>656,823</u>	<u>203,340</u>
NET ASSETS, End of Year	<u>\$ 1,815,205</u>	<u>\$ 63,378</u>	<u>\$ 1,878,583</u>	<u>\$ 484,415</u>	<u>\$ 240,980</u>

The accompany notes are an integral part of these statements.

MIDNIGHT GOLF PROGRAM
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2021

	<u>LIFESKILLS & MENTORING</u>	<u>ROAD TRIP FOR SUCCESS</u>	<u>MAKING GRADUATION POSSIBLE</u>	<u>TOTAL PROGRAMS</u>	<u>GENERAL & ADMINISTRATION</u>	<u>FUNDRAISING</u>	<u>TOTAL SUPPORT</u>	<u>TOTAL EXPENSES</u>
Salaries and Fringes	\$ 260,723	\$ -	\$ 161,296	\$ 422,019	\$ 178,320	\$ 144,584	\$ 322,904	\$ 744,923
Training & Instructors	73,163	-	78	73,241	1,911	-	1,911	75,152
Teaching Materials	10,611	-	-	10,611	-	-	-	10,611
Clothing & Golf Clubs	44,630	21,701	-	66,331	-	-	-	66,331
Golf Course Access	5,915	-	-	5,915	-	-	-	5,915
Food	35,881	-	-	35,881	-	-	-	35,881
Mentor Appreciation	23,373	-	5,824	29,197	-	-	-	29,197
Marketing & Materials	-	-	-	-	-	41,233	41,233	41,233
Student Support	7,418	-	135,390	142,808	-	-	-	142,808
Transportation & Lodging	-	5,960	14,483	20,443	-	-	-	20,443
Travel & Meals	-	-	-	-	3,588	-	3,588	3,588
Events & Entertainment	-	-	30,005	30,005	11,699	216,412	228,111	258,116
Scholarship	169,326	-	-	169,326	-	-	-	169,326
Professional Services	-	-	-	-	5,162	-	5,162	5,162
Insurance	-	-	-	-	19,190	-	19,190	19,190
Auto Expense & Mileage	-	-	-	-	4,845	-	4,845	4,845
Office Supplies	-	-	1,476	1,476	14,005	-	14,005	15,481
Telephone	-	-	2,825	2,825	13,753	-	13,753	16,578
Bank Service Fees	-	-	-	-	19,383	-	19,383	19,383
Incentives & Stipends	6,000	-	-	6,000	-	-	-	6,000
Membership & Subscriptions	-	-	-	-	3,832	-	3,832	3,832
Postage	-	-	-	-	4,437	-	4,437	4,437
Website	-	-	-	-	17,174	-	17,174	17,174
Rent	54,719	-	-	54,719	40,641	-	40,641	95,360
Equipment	-	-	-	-	31,784	-	31,784	31,784
Sponsor Support	-	-	-	-	7,552	-	7,552	7,552
TEST Coaching	35,000	-	-	35,000	-	-	-	35,000
Depreciation	-	-	-	-	3,978	-	3,978	3,978
Total Expense	<u>\$ 726,759</u>	<u>\$ 27,661</u>	<u>\$ 351,377</u>	<u>\$ 1,105,797</u>	<u>\$ 381,254</u>	<u>\$ 402,229</u>	<u>\$ 783,483</u>	<u>\$ 1,889,280</u>

The accompanying notes are an integral part of these statements.

MIDNIGHT GOLF PROGRAM
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2020

	<u>LIFESKILLS & MENTORING</u>	<u>ROAD TRIP FOR SUCCESS</u>	<u>MAKING GRADUATION POSSIBLE</u>	<u>TOTAL PROGRAMS</u>	<u>GENERAL & ADMINISTRATION</u>	<u>FUNDRAISING</u>	<u>TOTAL SUPPORT</u>	<u>TOTAL EXPENSES</u>
Salaries and Fringes	\$ 259,455	\$ -	\$ 215,690	\$ 475,145	\$ 172,971	\$ 144,142	\$ 317,113	\$ 792,258
Training & Instructors	48,964	-	811	49,775	20,261	-	20,261	70,036
Teaching Materials	16,898	-	-	16,898	-	-	-	16,898
Clothing & Golf Clubs	-	62,219	-	62,219	4,528	-	4,528	66,747
Golf Course Access	69,033	3,257	-	72,290	-	-	-	72,290
Food	75,097	-	-	75,097	-	12,838	12,838	87,935
Mentor Appreciation	51,124	-	-	51,124	-	-	-	51,124
Marketing & Materials	-	12,536	-	12,536	-	41,134	41,134	53,670
Student Support	12,462	-	68,809	81,271	-	-	-	81,271
Transportation & Lodging	10,668	12,276	14,040	36,984	56	12,691	12,747	49,731
Travel & Meals	-	1,410	1,101	2,511	-	-	-	2,511
Events & Entertainment	17,376	159	2,804	20,339	-	154,660	154,660	174,999
Scholarship	268,648	-	-	268,648	-	-	-	268,648
Professional Services	-	-	5,928	5,928	5,000	-	5,000	10,928
Conferences & Seminars	-	-	-	-	3,796	-	3,796	3,796
Insurance	-	-	-	-	19,986	-	19,986	19,986
Auto Expense & Mileage	-	-	-	-	4,675	-	4,675	4,675
Office Supplies	-	-	-	-	36,837	-	36,837	36,837
Telephone	-	-	3,292	3,292	11,865	-	11,865	15,157
Bank Service Fees	-	-	-	-	14,679	-	14,679	14,679
Incentives & Stipends	12,600	-	-	12,600	-	-	-	12,600
Membership & Subscriptions	-	-	-	-	4,959	-	4,959	4,959
Postage	-	-	-	-	2,399	-	2,399	2,399
Website	-	-	-	-	7,064	-	7,064	7,064
Rent	30,800	-	-	30,800	35,600	-	35,600	66,400
Equipment	-	-	2,897	2,897	31,993	-	31,993	34,890
Sponsor Support	-	-	-	-	6,608	-	6,608	6,608
TEST Coaching	40,572	-	-	40,572	-	-	-	40,572
Depreciation	-	-	-	-	3,978	-	3,978	3,978
Total Expense	\$ 913,697	\$ 91,857	\$ 315,372	\$ 1,320,926	\$ 387,255	\$ 365,465	\$ 752,720	\$ 2,073,646

The accompanying notes are an integral part of these statements.

MIDNIGHT GOLF PROGRAM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,153,188	\$ (134,768)
Adjustments to Reconcile Change in Net Assets to Cash Used in Operating Activities		
Depreciation/Amortization	3,978	3,978
Unrealized Gain	(7,363)	(393)
Change in Prepaid Expenses	-	16,997
Change in Accounts Payable	(72,483)	68,494
Change in Accrued Expenses	<u>10,202</u>	<u>(13,710)</u>
Net Cash Used for/Provided by Operating Activities	<u>1,087,522</u>	<u>(59,402)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Investment in Stock	-	(3,000)
Loan Payable	<u>(113,000)</u>	<u>113,000</u>
Net Cash Provided by/Used for Financing Activities	<u>(113,000)</u>	<u>110,000</u>
Decrease/Increase in Cash and Cash Equivalents	<u>974,522</u>	<u>50,598</u>
CASH AND CASH EQUIVALENTS, Beginning of year	<u>917,352</u>	<u>866,754</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 1,891,874</u>	<u>\$ 917,352</u>

The accompanying notes are an integral part of these statements.

MIDNIGHT GOLF PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

1. ORGANIZATION

The Midnight Golf Program is a Michigan non-profit community-based organization. The mission of the organization is to improve under-served young adults' personal development, education preparedness, and appreciation of the game of golf and has the following programs:

Life Skills & Mentoring is where young people gain confidence and life skills in a family-like atmosphere. Mentor-to-student support and peer-to-peer support are important aspects for the 30-week program which provides educational sessions on a wide variety of topics of interest to young peoples and of vital importance to their success.

Road Trip to Success is a week-long, out-of-state travel and learning experience for young people in the MGP, combining college visits, cultural exposure, and playing golf.

Making Graduation Possible/College Persistence Program is where students are guided through the college selection and application process and are provided support throughout their post-secondary experience through a series of checkpoints facilitated by the college success team,

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of The Midnight Golf Program have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

The financial statements are presented in accordance with Financial Accounting Standards Board in its Accounting Standards Codification, "Financial Standards for Not-for-Profits Organizations". Under this standard, the Midnight Golf Program is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, The Midnight Golf Program considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

THE MIDNIGHT GOLF PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services and Property

Donated services are recorded as support and expenses at fair market value when determinable. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Contributions

In accordance with ASU 2016-14, Topic 958, *Presentation of Financial Statements of Not-for-Profit Entities*, net assets and changes in net assets will be reported for two classes: net assets with donor restrictions and net assets without donor restrictions.

Property

The carrying amount of building, furniture, equipment and automobiles is based upon cost or, if donated, the market value at date of donation, less accumulated depreciation. The provision for depreciation is computed by the straight-line method over the estimated useful lives of the related assets. The Organization's capitalization policy is \$5,000

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimates

Tax Status

The Organization is described in Internal Revenue Code (IRS) Section 501 (c)(3) and as such is exempt from taxation under IRS Section 501 (a).

THE MIDNIGHT GOLF PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021
(Continued)

3. CONCENTRATION OF RISK

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash, cash equivalents, and contributions receivable.

Midnight Golf Program maintains its cash balances with one bank that insures cash balances up to \$250,000 with the Federal Deposit Insurance Corporation (FDIC). The carrying amount of cash at August 31, 2021 was \$1,891,874 and the bank balance was \$2,022,779 of which \$1,772,779 was uninsured at August 31, 2021.

4. INVESTMENTS

Investment are reported at fair value and consist of the following at August 3

<u>2021</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds - equities	\$ 10,756	\$ 10,756	\$ -	\$ -
Investments carried at fair value	<u>10,756</u>	<u>10,756</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 10,756</u>	<u>\$ 10,756</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2020</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds - equities	\$ 3,393	\$ 3,393	\$ -	\$ -
Investments carried at fair value	<u>3,393</u>	<u>3,393</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 3,393</u>	<u>\$ 3,393</u>	<u>\$ -</u>	<u>\$ -</u>

The following is a summary of the earnings from investments for the years er

	<u>2021</u>	<u>2020</u>
Unrealized Gains/(Loss)	\$ 8,280	\$ 393
Total Investments	<u>\$ 8,280</u>	<u>\$ 393</u>

THE MIDNIGHT GOLF PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021
(Continued)

5. PROPERTY

Property owned by the Midnight Golf Program is as follows:

	Beginning of Year	Additions	Disposals	End of Year
Furniture and Equipment	\$ 43,472	\$ -	\$ -	\$ 43,472
Subtotal	43,472	-	-	43,472
Less: Accumulated Depreciation	<u>(29,943)</u>	<u>(3,978)</u>	<u>-</u>	<u>(33,921)</u>
Net Fixed Assets	<u>\$ 13,529</u>	<u>\$ 3,978</u>	<u>\$ -</u>	<u>\$ 9,551</u>

6. OPERATING LEASE

The FASB issued ASU 2016-02, *Leases (topic 842)*, in February 2016. ASU 2016-02 requires the recognition by lessees of assets and liabilities that arise from all lease transactions, except for leases with a lease term of 12 months or less. ASU 2016-02 requires both types of leases (finance leases and operating leases) finance leases and operating leases to be recognized on the Statement of Financial Position or Balance Sheet. The operating lease expires August 31, 2022, and the total lease outstanding at August 31, 2021 is \$40,641.

7. LOANS PAYABLE

On April 24, 2021, the Midnight Golf Program received loan proceeds in the amount of \$113,000 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. On May 18, 2021, the full amount of the loan was forgiven.

8. LINE OF CREDIT

At August 31, 2021, the Midnight Golf Program has a Fifth Third Bank line of credit with a zero balance.

THE MIDNIGHT GOLF PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021
(Continued)

9. NET ASSETS WITH DONOR RESTRICTIONS RELEASED

Net assets with donor restrictions were released during the year ended August 31, 2021 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the grantors are as follows:

James and Denise Jacoby Family Foundation	Making Graduation Possible	\$ 200,000
The Gregg Orley Family Foundation	ACT/SAT Test Training	65,360
McGregory Fund	Sabbatical for President	16,600
Childrens Foundation	MGP Digital Hub	150,000
Vera and Joseph Dresner Foundation	MGP Family Fund	56,622
James and Carolyn Bellinson Fund		<u>500</u>
	Total	<u><u>\$ 489,082</u></u>

10. NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions as of August 31, 2021, were as follows:

Vera and Joseph Dresner Foundation	MGP Family Fund	<u>\$ 63,378</u>
Total		<u><u>\$ 63,378</u></u>

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 29, 2021, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.