

MIDNIGHT GOLF PROGRAM

FINANCIAL STATEMENTS

AUGUST 31, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

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AUGUST 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
MIDNIGHT GOLF PROGRAM  
Detroit, MI

### **Opinion**

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, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Midnight Golf Program, as of August 31, 2022, and the results of its operations and its cash flows for the year 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Midnight Golf Program 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

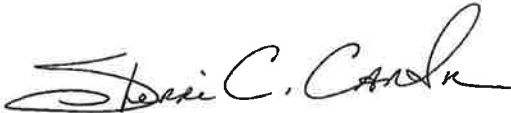
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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



SHERRI C. CARTER & COMPANY, PLLC  
Certified Public Accountants

January 17, 2023

MIDNIGHT GOLF PROGRAM  
STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)

ASSETS

	<u>2022</u>	<u>2021</u>
Current Assets		
Cash (Note 3)	\$ 826,181	\$ 1,891,874
Prepaid Expense	8,995	3,387
Related Party Receivable (Note 4)	<u>99,519</u>	<u>-</u>
Total Current Assets	934,695	1,895,261
Investments (Note 5)	1,031,059	10,756
Property and Equipment, Net of Accumulated Depreciation (Note 6)	5,573	9,551
Leased Property (Note 7)	<u>41,927</u>	<u>40,641</u>
Total Assets	<u>\$ 2,013,254</u>	<u>\$ 1,956,209</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accrued Expense	<u>\$ 10,079</u>	<u>\$ 36,985</u>
Total Current Liabilities	<u>10,079</u>	<u>36,985</u>
Long Term Liabilities		
Leases Payable (Note 6)	<u>41,927</u>	<u>40,641</u>
Total Long Term Liabilities	<u>41,927</u>	<u>40,641</u>
Total Liabilities	<u>52,006</u>	<u>77,626</u>
Net Assets		
Net Assets Without Donor Restrictions	1,961,248	1,815,205
Net Assets With Donor Restrictions (Note 10)	<u>-</u>	<u>63,378</u>
Total Net Assets	<u>1,961,248</u>	<u>1,878,583</u>
Total Liabilities and Net Assets	<u>\$ 2,013,254</u>	<u>\$ 1,956,209</u>

The accompany notes are an integral part of these statements.

**MIDNIGHT GOLF PROGRAM  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	<u>Total 2022</u>	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions
<b>SUPPORT AND REVENUE</b>					
Contributions and Grant	\$ 1,571,868	\$ 73,116	\$ 1,644,984	\$ 1,721,064	\$ 311,480
Interest Income	1,700	-	1,700	80	-
Fundraising	1,008,468	-	1,008,468	880,651	-
Miscellaneous	-	-	-	129,093	-
Unrealized Gain	4,637	-	4,637	100	-
Stock Contributions	25,804	-	25,804	-	-
Net Assets With Donor Restrictions Released due to satisfaction of program restrictions (Note 9)	<u>136,494</u>	<u>(136,494)</u>	<u>-</u>	<u>489,082</u>	<u>(489,082)</u>
Total Support and Revenue	<u>2,748,971</u>	<u>(63,378)</u>	<u>2,685,593</u>	<u>3,220,070</u>	<u>(177,602)</u>
<b>EXPENSES</b>					
Lifeskills & Mentoring	736,742	-	736,742	726,759	-
Road Trip to Success	323,452	-	323,452	27,661	-
Making Graduation Possible	<u>397,626</u>	<u>-</u>	<u>397,626</u>	<u>351,377</u>	<u>-</u>
Total Program Expenses	1,457,820	-	1,457,820	1,105,797	-
Management and General	849,844	-	849,844	381,254	-
Fundraising	<u>295,264</u>	<u>-</u>	<u>295,264</u>	<u>402,229</u>	<u>-</u>
Total Support Expenses	1,145,108	-	1,145,108	783,483	-
Total Expenses	<u>2,602,928</u>	<u>-</u>	<u>2,602,928</u>	<u>1,889,280</u>	<u>-</u>
Change in Net Assets	146,043	(63,378)	82,665	1,330,790	(177,602)
NET ASSETS, Beginning of Year	<u>1,815,205</u>	<u>63,378</u>	<u>1,878,583</u>	<u>484,415</u>	<u>240,980</u>
NET ASSETS, End of Year	<u>\$ 1,961,248</u>	<u>\$ -</u>	<u>\$ 1,961,248</u>	<u>\$ 1,815,205</u>	<u>\$ 63,378</u>

The accompany notes are an integral part of these statements.

**MIDNIGHT GOLF PROGRAM  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2022**

	<u>LIFESKILLS &amp; MENTORING</u>	<u>ROAD TRIP FOR SUCCESS</u>	<u>MAKING GRADUATION POSSIBLE</u>	<u>TOTAL PROGRAMS</u>	<u>GENERAL &amp; ADMINISTRATION</u>	<u>FUNDRAISING</u>	<u>TOTAL SUPPORT</u>	<u>TOTAL EXPENSES</u>
Salaries and Fringes	\$ -	\$ -	\$ 260,068	\$ 260,068	\$ 638,210	\$ -	\$ 638,210	\$ 898,278
Training & Instructors	161,127	-	1,162	162,289	185	-	185	162,474
Teaching Materials	340	-	-	340	-	-	-	340
Clothing & Golf Clubs	69,655	106,281	-	175,936	-	-	-	175,936
Golf Course Access	9,625	-	-	9,625	-	-	-	9,625
Bowl-A-Thon	-	-	-	-	-	9,128	9,128	9,128
MFP Golf Outing	-	-	-	-	-	37,021	37,021	37,021
Ford/BASF Golf Outing	-	-	-	-	-	99,555	99,555	99,555
MGP Birthday and Special Events	-	-	-	-	-	93,467	93,467	93,467
Food	117,575	-	-	117,575	-	-	-	117,575
Mentor Appreciation	2,206	-	-	2,206	-	-	-	2,206
Marketing & Materials	-	8,787	-	8,787	-	37,206	37,206	45,993
Student Support	21,924	-	81,838	103,762	-	-	-	103,762
Transportation & Lodging	4,050	158,478	32,251	194,779	-	-	-	194,779
Travel & Meals	-	27,374	-	27,374	-	-	-	27,374
Events & Entertainment	-	22,532	10,286	32,818	-	6,204	6,204	39,022
Scholarship	241,144	-	-	241,144	-	-	-	241,144
Awards	-	-	1,827	1,827	-	-	-	1,827
Board Meetings	-	-	-	-	7,298	-	7,298	7,298
Program Evaluation	-	-	-	-	14,200	-	14,200	14,200
Professional Services	-	-	-	-	29,175	-	29,175	29,175
Insurance	-	-	-	-	16,813	-	16,813	16,813
Auto Expense & Mileage	-	-	-	-	10,560	-	10,560	10,560
Office Supplies	-	-	-	-	23,780	-	23,780	23,780
Telephone	-	-	10,194	10,194	13,970	-	13,970	24,164
Bank Service Fees	-	-	-	-	21,405	-	21,405	21,405
Incentives & Stipends	61,250	-	-	61,250	-	-	-	61,250
Membership & Subscriptions	-	-	-	-	5,946	-	5,946	5,946
Postage	-	-	-	-	3,371	-	3,371	3,371
Website	-	-	-	-	9,722	-	9,722	9,722
Rent	38,846	-	-	38,846	40,747	-	40,747	79,593
Equipment	-	-	-	-	10,484	-	10,484	10,484
Sponsor Support	-	-	-	-	-	12,683	12,683	12,683
TEST Coaching	9,000	-	-	9,000	-	-	-	9,000
Depreciation	-	-	-	-	-	-	-	-
<b>Total Expense</b>	<b>\$ 736,742</b>	<b>\$ 323,452</b>	<b>\$ 397,626</b>	<b>\$ 1,457,820</b>	<b>\$ 849,844</b>	<b>\$ 295,264</b>	<b>\$ 1,145,108</b>	<b>\$ 2,602,928</b>

The accompanying notes are an integral part of these statements.

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

	<u>LIFESKILLS &amp; MENTORING</u>	<u>ROAD TRIP FOR SUCCESS</u>	<u>MAKING GRADUATION POSSIBLE</u>	<u>TOTAL PROGRAMS</u>	<u>GENERAL &amp; 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
<b>Total Expense</b>	<b>\$ 726,759</b>	<b>\$ 27,661</b>	<b>\$ 351,377</b>	<b>\$ 1,105,797</b>	<b>\$ 381,254</b>	<b>\$ 402,229</b>	<b>\$ 783,483</b>	<b>\$ 1,889,280</b>

The accompanying notes are an integral part of these statements.



MIDNIGHT GOLF PROGRAM  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 82,665	\$ 1,151,188
Adjustments to Reconcile Change in Net Assets to Cash Used in Operating Activities		
Depreciation/Amortization	3,978	3,978
Stock Contributions	(25,084)	-
Unrealized Gain	(8,947)	(7,363)
Change in Prepaid Expenses	(5,608)	-
Change in Accounts Payable	-	(72,483)
Change in Accrued Expenses	<u>(26,906)</u>	<u>10,202</u>
Net Cash Provided by Operating Activities	<u>20,098</u>	<u>1,085,522</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in Investment Purchase	(1,000,000)	-
Investments Sold	10,139	-
Related Party Transactions	<u>(99,519)</u>	<u>-</u>
Net Cash Used for Investing Activities	<u>(1,089,380)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan Payable	<u>-</u>	<u>(113,000)</u>
Net Cash Used for Financing Activities	<u>-</u>	<u>(113,000)</u>
Decrease/Increase in Cash and Cash Equivalents	<u>(1,069,282)</u>	<u>974,522</u>
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,891,874</u>	<u>917,352</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 822,592</u>	<u>\$ 1,891,874</u>

The accompanying notes are an integral part of these statements.

MIDNIGHT GOLF PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2022

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, 2022  
(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.

**Revenue Recognition**

In accordance with the Financial Accounting Standards Board in its Accounting Standards Codification, guidance for revenue arising from fees for services are recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Also, in accordance with Financial Accounting Standards Board issued guidance on recognizing revenue in contracts with customers.

**Property and Equipment**

The carrying amount of property and equipment is based upon cost or, if donated, the market value at date of donation, less accumulated depreciation. The Midnight Golf Program capitalize all expenses in excess of \$5,000 and are expensed otherwise. The provision for depreciation is computed by the straight-line method over the estimated useful lives of the related assets.

**Leases**

FASB issued ASU 2016-02, *Leases (topic 842)*, which 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. The lessee accounting model under ASU 2016-02 retains two types of leases: finance leases and operating leases.

THE MIDNIGHT GOLF PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2022  
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Prepaid Expenses**

Prepaid expenses are future expenses that are paid in advance and hence recognized initially as an asset. As the benefits of the expenses are recognized, the related asset account is decreased and expensed.

**Fair Value Measurement**

Financial Accounting Standards Board Statement Accounting Standard Codification (ASC) 820 establishes a framework for measuring fair value. That framework provides 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 measurement) 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: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the assets or liabilities.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

THE MIDNIGHT GOLF PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2022  
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Fair Value Measurement**

The assets 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is the description of the valuation methodologies used for assets measured at fair value:

*Money Market Funds*- Money market funds are priced, and trades are executed at the published net asset value daily, or the public offering price for accounts trading under rights of accumulation (ROA). The money market funds held by the Company are deemed to be actively traded.

**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).

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 on August 31, 2022, was \$855,632 and the bank balance was \$871,303 of which \$621,303 was uninsured on August 31, 2022.

THE MIDNIGHT GOLF PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2022  
(Continued)

4. RELATED PARTY TRANSACTIONS

On June 21, 2022, The Midnight Golf Program created a LLC, 7441 MGP Properties, LLC, (a Limited Liability Company) after receiving a contribution of a building for the Program.

5. INVESTMENTS

The Midnight Golf Program investments are as follows on August 31, 2022:

Investment are reported at fair value and consist of the following at August 31:

<u>2022</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds - equities	\$ 31,059	\$ 31,059	\$ -	\$ -
Investments carried at fair value	31,059	31,059	-	-
Total Investments	<u>\$ 31,059</u>	<u>\$ 31,059</u>	<u>\$ -</u>	<u>\$ -</u>
<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	10,756	10,756	-	-
Total Investments	<u>\$ 10,756</u>	<u>\$ 10,756</u>	<u>\$ -</u>	<u>\$ -</u>

The following is a summary of the earnings from investments for the years ended August 31:

	<u>2022</u>	<u>2021</u>
Unrealized Gains/(Loss)	\$ 8,947	\$ 7,363
Total Investments	<u>\$ 8,947</u>	<u>\$ 7,363</u>

THE MIDNIGHT GOLF PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2022  
(Continued)

6. 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>(33,921)</u>	<u>(3,978)</u>	<u>-</u>	<u>(37,899)</u>
Net Fixed Assets	<u>\$ 9,551</u>	<u>\$ 3,978</u>	<u>\$ -</u>	<u>\$ 5,573</u>

7. RIGHT-OF-USE (ROU), CAPITAL AND OPERATING LEASES

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 Statements of Financial Position or Balance Sheets. The total lease amount paid at August 31, 2022 is \$40,474.

On August 22, 2022, The Midnight Golf Program amended its current office lease agreement for one year to expire August 31, 2023, and management has determined the impact on its financial statements as follows:

2023	<u>\$ 41,927</u>
Total Lease Payments	<u>\$ 41,927</u>

8. LINE OF CREDIT

On August 31, 2022, The Midnight Golf Program has a Fifth Third Bank line of credit with an interest rate of 8.5% zero amount due at year end.

9. NET ASSETS WITH DONOR RESTRICTIONS RELEASED

Net assets with donor restrictions were released during the year ended August 31, 2022, by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the grantors are as follows:

Eagles For Children Inc.	Life Skills Insutruction	\$ 11,596
Robert Orley	ACT/SAT Test Training	1,000
The Gregg Orley Family Foundation	Sabbatical for President	10,520
Vera and Joseph Dresner Foundation	MGP Family Fund	88,378
American Golf Industry Coalition	MGP Family Fund	25,000
	Total	<u>\$ 136,494</u>

THE MIDNIGHT GOLF PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2022  
(Continued)

10. NET ASSETS WITH DONOR RESTRICTIONS

There were no Net Assets with donor restrictions as of August 31, 2022.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 17, 2023, 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.