

**WESTCHESTER GOLF ASSOCIATION
CADDIE SCHOLARSHIP FUND, INC.
DBA
METROPOLITAN GOLF ASSOCIATION
CADDIE SCHOLARSHIP FUND**

**Financial Statements
for the years ended
June 30, 2023
and
June 30, 2022**

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Independent Auditor's Report

To the Board of Directors
Westchester Golf Association Caddie Scholarship Fund, Inc.
DBA
Metropolitan Golf Association Caddie Scholarship Fund

Opinion

We have audited the accompanying financial statements of the Westchester Golf Association Caddie Scholarship Fund, Inc. DBA Metropolitan Golf Association Caddie Scholarship Fund (the "Fund"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the fiscal 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 the Fund as of June 30, 2023, and the results of its activities 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 audit 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 the Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Year Financial Statements

The Fund's financial statements for the fiscal year ended June 30, 2022 were audited by other auditors whose report dated September 27, 2022, expressed an unmodified opinion on those financial statements.

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 the Fund'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 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 the Fund'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 the Fund'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.

Condon O'Keefe McGinty + Donnelly LLP

October 5, 2023

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND

Statement of Financial Position

Assets

	June 30	
	2023	2022
Cash and cash equivalents	\$ 306,089	\$ 641,389
Investments, at fair value	6,854,137	5,434,133
Prepaid expenses and other assets	34,868	22,303
Total assets	<u>\$7,195,094</u>	<u>\$6,097,825</u>

Liabilities and Net Assets

Liabilities		
Accounts payable	\$ 26,825	\$ 23,105
Deferred revenue	11,525	90,047
Total liabilities	<u>38,350</u>	<u>113,152</u>
Net Assets		
Without donor restrictions	4,660,499	3,867,433
With donor restrictions	2,496,245	2,117,240
Total net assets	<u>7,156,744</u>	<u>5,984,673</u>
Total liabilities and net assets	<u>\$7,195,094</u>	<u>\$6,097,825</u>

See notes to financial statements.

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND

**Statement of Activities
Year Ended June 30, 2023**

(with Summarized Comparative Totals for the Year Ended June 30, 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2022</u>
Public support and revenue				
Contributions	\$ 1,265,135	\$ 193,244	\$ 1,458,379	\$ 1,569,687
Special events (net of direct expense of \$172,613 in 2023 and \$158,083 in 2022)	307,359	-	307,359	317,014
Investment return, net	395,526	228,061	623,587	(924,593)
Net assets released from restrictions	<u>42,300</u>	<u>(42,300)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>2,010,320</u>	<u>379,005</u>	<u>2,389,325</u>	<u>962,108</u>
Expenses				
Program services scholarships	<u>1,066,072</u>	<u>-</u>	<u>1,066,072</u>	<u>1,031,817</u>
Supporting services				
Fundraising	99,373	-	99,373	69,869
Management and general	<u>51,809</u>	<u>-</u>	<u>51,809</u>	<u>57,901</u>
Total supporting services	<u>151,182</u>	<u>-</u>	<u>151,182</u>	<u>127,770</u>
Total expenses	<u>1,217,254</u>	<u>-</u>	<u>1,217,254</u>	<u>1,159,587</u>
Increase (decrease) in net assets	793,066	379,005	1,172,071	(197,479)
Net assets, beginning of year	<u>3,867,433</u>	<u>2,117,240</u>	<u>5,984,673</u>	<u>6,182,152</u>
Net assets, end of year	<u>\$ 4,660,499</u>	<u>\$ 2,496,245</u>	<u>\$ 7,156,744</u>	<u>\$ 5,984,673</u>

See notes to financial statements.

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND

**Statement of Activities
Year Ended June 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue			
Contributions	\$ 1,214,262	\$ 355,425	\$ 1,569,687
Special events, net of direct expense of \$158,083	317,014	-	317,014
Investment return, net	(612,968)	(311,625)	(924,593)
Net assets released from restrictions	<u>40,600</u>	<u>(40,600)</u>	<u>-</u>
Total revenue and support	<u>958,908</u>	<u>3,200</u>	<u>962,108</u>
Expenses			
Program services scholarships	<u>1,031,817</u>	<u>-</u>	<u>1,031,817</u>
Supporting services			
Fundraising	69,869	-	69,869
Management and general	<u>57,901</u>	<u>-</u>	<u>57,901</u>
Total supporting services	<u>127,770</u>	<u>-</u>	<u>127,770</u>
Total expenses	<u>1,159,587</u>	<u>-</u>	<u>1,159,587</u>
Increase (decrease) in net assets	(200,679)	3,200	(197,479)
Net assets, beginning of year	<u>4,068,112</u>	<u>2,114,040</u>	<u>6,182,152</u>
Net assets, end of year	<u>\$ 3,867,433</u>	<u>\$ 2,117,240</u>	<u>\$ 5,984,673</u>

See notes to financial statements.

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND

**Statement of Functional Expenses
Year Ended June 30, 2023
(with Summarized Comparative Totals for the Year Ended June 30, 2022)**

	<u>Program Services</u>		<u>Supporting Services</u>			<u>2023 Total Expenses</u>	<u>2022 Total Expenses</u>
	<u>Scholarships</u>	<u>Fund-Raising</u>	<u>Management and General</u>	<u>Direct Events Expenses</u>	<u>Total Supporting Services</u>		
Tuition assistance/scholarships	\$ 867,550	-	-	-	-	\$ 867,550	\$ 837,450
Salaries, payroll taxes and employee benefits	144,196	21,629	14,420	-	36,049	180,245	182,224
Host golf clubs, marathon and other related expenses	-	-	-	172,613	172,613	172,613	158,083
Professional services and consulting fees	35,880	15,870	13,003	-	28,873	64,753	61,629
Stationery, printing, postage and general expenses	14,696	26,454	17,636	-	44,090	58,786	41,751
Office overhead and administration	3,750	4,500	6,750	-	11,250	15,000	15,000
Token gifts and bag tags	-	<u>30,920</u>	-	-	<u>30,920</u>	<u>30,920</u>	<u>21,533</u>
Sub-total	1,066,072	99,373	51,809	172,613	323,795	1,389,867	1,317,670
Less: expenses deducted directly from public support and revenue on the statement of activities	-	-	-	<u>(172,613)</u>	<u>(172,613)</u>	<u>(172,613)</u>	<u>(158,083)</u>
Total expenses	<u>\$1,066,072</u>	<u>\$ 99,373</u>	<u>\$ 51,809</u>	<u>\$ -</u>	<u>\$ 151,182</u>	<u>\$1,217,254</u>	<u>\$1,159,587</u>

See notes to financial statements.

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND

**Statement of Functional Expenses
Year Ended June 30, 2022**

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total</u>
	<u>Fund- Raising</u>	<u>Management and General</u>	<u>Direct Events Expenses</u>	<u>Supporting Services</u>	<u>Total Expenses</u>
Tuition assistance/scholarships	\$ 837,450	\$ -	\$ -	\$ -	\$ 837,450
Salaries, payroll taxes and employee benefits	145,010	22,328	-	37,214	182,224
Host golf clubs, marathon and other related expenses	-	-	158,083	158,083	158,083
Professional services and consulting fees	35,169	10,035	-	26,460	61,629
Stationery, printing, postage and general expenses	10,438	18,788	-	31,313	41,751
Office overhead and administration	3,750	6,750	-	11,250	15,000
Token gifts and bag tags	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,533</u>	<u>21,533</u>
Sub-total	1,031,817	57,901	158,083	285,853	1,317,670
Less: expenses deducted directly from public support and revenue on the statement of activities	<u>-</u>	<u>-</u>	<u>(158,083)</u>	<u>(158,083)</u>	<u>(158,083)</u>
Total expenses	<u>\$ 69,869</u>	<u>\$ 57,901</u>	<u>\$ -</u>	<u>\$ 127,770</u>	<u>\$ 1,159,587</u>

See notes to financial statements.

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND

Statement of Cash Flows

	Year Ended	
	June 30	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$1,172,071	\$ (197,479)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Donated stock	(2,013)	-
Proceeds from sale of donated stock	2,013	-
Unrealized (gain) loss on investments	(429,766)	1,112,692
Realized loss on sales of investments	27,001	29,227
(Decrease) in prepaid expenses and other assets	(12,565)	(19,501)
Increase (decrease) in accounts payable	3,720	(67,900)
(Decrease) in deferred revenue	<u>(78,522)</u>	<u>(27,923)</u>
Net cash provided by operating activities	<u>681,939</u>	<u>829,116</u>
Cash flows from investing activities		
Proceeds from sale of investments	38,977	251,523
Purchase of investments	<u>(1,056,216)</u>	<u>(1,114,284)</u>
Net cash (used in) investing activities	<u>(1,017,239)</u>	<u>(862,761)</u>
Net (decrease) in cash and cash equivalents	(335,300)	(33,645)
Cash and cash equivalents, beginning of year	<u>641,389</u>	<u>675,034</u>
Cash and cash equivalents, end of year	<u>\$ 306,089</u>	<u>\$ 641,389</u>

See notes to financial statements.

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND

Notes to Financial Statements June 30, 2023

Note 1 – Nature of organization and purpose

Westchester Golf Association Caddie Scholarship Fund, Inc. (the “Association”) is a not-for-profit, tax-exempt organization incorporated in Delaware in 1956 to provide scholarship grants and other aid to deserving golf caddies, former golf caddies and those in service to golf. Starting May 2023, the Association is now doing business as (DBA) the Metropolitan Golf Association Caddie Scholarship Fund (the “Fund”).

Note 2 – Summary of significant accounting policies

Basis of accounting and presentation

The financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Fund to report information regarding its financial position and activities according to the following net asset classifications:

Net assets

The Fund’s net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as net assets without donor restrictions and net asset with donor restrictions.

Without donor restrictions – These net assets are not subject to donor-imposed restrictions and these amounts can be spent at the discretion of the Fund.

With donor restrictions – These net assets are subject to donor-imposed restrictions that may or will be met either by actions of the Fund and/or the passage of time. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the accompanying statement of activities as net assets released from restrictions.

Revenue recognition

The Fund reports contributions as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. The Fund’s policy is to record contributions with donor-imposed restrictions that are met in the same fiscal year that the contributions are received as net assets without donor restrictions.

Special event revenues

Special event revenues, other than contributions, applicable to the current year are recognized as revenue when earned, which is at the time of sale or when the services are provided, and the Fund is not required to provide additional goods or services.

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND**Notes to Financial Statements (continued)
June 30, 2023****Note 2 – Summary of significant accounting policies (continued)**Contributed nonfinancial assets

Organizations are required to recognize contributions of services if they create or enhance non-financial assets, or require specialized skills, are provided by individuals possessing those skills and typically would have been purchased if not provided in-kind. Board members and individual volunteers have donated significant amounts of their time to the Fund's programs, tournaments, fundraising activities and perform a variety of tasks that assist the Fund. These services do not meet the criteria to be recorded and have not been included in the accompanying financial statements.

Functional expenses

The cost of providing the various programs and other activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques primarily consisting of salary and wages, time and effort reporting.

Cash equivalents

The Fund considers highly liquid assets with original maturities of 90 days or less from the date of acquisition to be cash equivalents. Cash equivalents that are part of the Fund's investment portfolio are reported as investments and included in note 4.

Investments

Investments are reflected in the financial statements at fair value. The fair value of investments is determined based on publicly quoted prices. Interest, dividends and realized and unrealized gains or losses are reflected in the statement activities as investment return. Gains and losses on securities are determined by a comparison of specific costs at acquisition to proceeds at the time of disposal, or to the fair values at year end, and are reported in the accompanying Statement of Activities. Purchases and sales of securities are reflected on a trade-date basis. Dividend and interest income are recognized when earned. Donated securities are recorded at their fair values at the dates of donation and are sold as expeditiously as possible, upon receipt.

Fair value measurements

For assets measured at fair value on a recurring basis, accounting standards require quantitative disclosure about the fair value measurement separately for each major class of assets. The Fund's investments have been classified in the highest level of hierarchy (Level 1). The fair value of the investments are based on quoted prices in active markets for identical assets.

Property and equipment

The Fund's property and equipment are recorded at cost. The Fund capitalizes expenditures in excess of a nominal amount with an estimated useful life greater than one year. As of June 30, 2023, the Fund's property and equipment accounts were fully depreciated.

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND**Notes to Financial Statements (continued)
June 30, 2023****Note 2 – Summary of significant accounting policies (continued)**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 amounts reported in the financial statements. Actual results could differ from these estimates.

Concentrations of credit risk

The Fund's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents and investments. The Fund places its cash and cash equivalents with what it believes to be quality financial institutions. At times during the fiscal year, cash balances in its accounts exceeded the FDIC insurance limit. The Fund has not incurred any losses to date on such accounts. The Fund's investments are exposed to various risks such as interest rate, liquidity, market volatility and credit risks. Due to the level of uncertainty related to these risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position as of June 30, 2023. The Fund's management routinely assesses the financial strength of its holding and investment portfolio. The Fund believes no significant concentrations of credit risk exists with respect to its cash, cash equivalents and investments.

Subsequent events

The Fund has evaluated events and transactions for potential recognition or disclosure through October 5, 2023, which is the date the financial statements were available to be issued.

Reclassification

Certain items in the 2022 financial statements have been reclassified for comparative purposes only.

New accounting pronouncement

The FASB issued ASU No. 2016-02, *Leases* (Topic 842) ("ASC 842"). ASC 842 is effective for the Fund's fiscal year ended June 30, 2023 and requires a lessee to recognize a right-of-use ("ROU") asset, which represents the right to control the use of a respective asset for the lease term, and a lease liability on the statement of financial position. The Fund does not include short-term leases within the statement of financial position since it has elected the practical expedient to not include these leases within the operating right-of-use asset and lease liabilities. The Fund's operating leases were not material to record as an asset and liability for 2023.

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND

**Notes to Financial Statements (continued)
June 30, 2023**

Note 3 – Financial assets and liquidity resources

The Fund's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts from contributions, special events and other revenue items.

As of June 30, 2023 and June 30, 2022, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, were as follows:

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash and cash equivalents	\$ 306,089	\$ 641,389
Investments, at fair value	<u>6,854,137</u>	<u>5,434,133</u>
Total financial assets	7,160,226	6,075,522
Less: Net assets with donor restrictions	<u>(2,496,245)</u>	<u>(2,117,240)</u>
Financial assets available for general expenditures	<u>\$4,663,981</u>	<u>\$3,958,282</u>

Note 4 - Investments

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 as compared to those used at June 30, 2022.

Cash equivalents

Cash equivalents investments are valued using observable market data and are categorized as Level 1 based on quoted market prices in active markets. The majority of these cash equivalents are held in U.S Treasury money market accounts.

Common Stocks, Mutual Funds and Exchange Traded Funds

These investments consist of direct holdings of public securities in managed accounts as well as mutual funds and exchanged traded funds. The securities held in managed accounts, along with mutual funds and exchanged traded funds, are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets and are accordingly categorized as Level 1.

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND

Notes to Financial Statements (continued)
June 30, 2023

Note 4 – Investments (continued)

The Fund's investments consist of the following as of June 30, 2023 and June 30, 2022:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash equivalents	\$1,191,623	\$1,191,623	\$ 364,812	\$ 364,812
Mutual funds				
Equity funds	603,137	742,505	1,919,324	1,924,560
Bond funds	1,231,542	1,042,319	1,191,691	1,039,419
Exchange traded funds	1,478,343	1,712,103	1,443,532	1,478,596
Common stocks	<u>1,966,647</u>	<u>2,165,587</u>	<u>561,695</u>	<u>626,746</u>
Total	<u>\$6,471,292</u>	<u>\$6,854,137</u>	<u>\$5,481,054</u>	<u>\$ 5,434,133</u>
Unrealized gain (loss)		<u>\$ 382,845</u>		<u>\$ (46,921)</u>
Change in unrealized value of investments		<u>\$ 429,766</u>		<u>\$ (1,112,692)</u>

The summary of the investment return for the years ended June 30, 2023 and June 30, 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 232,250	\$ 231,105
Realized (loss) on the sale of investments	(27,001)	(29,227)
Unrealized gain (loss) on investment	429,766	(1,112,692)
Investment fees	<u>(11,428)</u>	<u>(13,779)</u>
Total investment return	<u>\$ 623,587</u>	<u>\$ (924,593)</u>

Note 5 – Authorized scholarships

As of June 30, 2023, the Board of Directors has authorized approximately \$1,369,000 of scholarships which are expected to be paid over the next three years but are contingent on various provisions to be met by each scholarship recipient. During July 2023, the Board authorized additional scholarships totaling \$372,000. The authorized commitments outstanding at June 30, 2023, are scheduled for payment are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2024	\$ 674,250
2025	473,500
2026	<u>221,000</u>
Total	<u>\$ 1,368,750</u>

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND**Notes to Financial Statements (continued)
June 30, 2023****Note 6 – Endowment**

The Fund's endowment consists of funds with temporary and perpetual restrictions established for a variety of purposes. As required by accounting principles generally accepted in the United States of America ("GAAP"), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Fund reports its restricted net assets in accordance with accounting standards for Endowments and the New York Prudent Management of Institutional Funds Act in administering and managing its endowment assets. As required, net assets associated with restrictions are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation

The Fund follows the New York Prudent Management for Institutional Funds Act (NYPMIFA) when adhering to donor-restricted contributions. The Fund preserves the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Fund classifies as net assets with donor restrictions (perpetual in nature) (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the scholarship fund. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as purpose/time restricted net assets until those amounts are appropriated for expenditure by the Fund in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the Fund and the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from investments and the appreciation of investments; other resources of the Fund; where approximate and circumstances would otherwise warrant, alternatives to expenditures of the fund, giving due consideration to the effect that such alternatives may have on the fund and the investment policies of the Fund.

Return Objectives and Risk Parameters

The Fund has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for programs (i.e., scholarships) supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Fund must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to provide an average rate of return that performs favorably relative to standard market indices over a market cycle. Actual returns in any given year may vary from this amount.

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND

Notes to Financial Statements (continued)
June 30, 2023

Note 6 – Endowment (continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Fund relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Fund targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and how the Investment Objectives Relate to Spending Policy

Each year the Fund has a policy of appropriating for distribution scholarship commitments, as approved by the Board. The Fund has an objective to let the endowment fund grow. In establishing this objective, the Fund considered the long-term expected return on its endowment. Accordingly, over the long term, the Fund expects the current spending policy to allow its endowment to grow annually. This is consistent with the Fund's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Fund to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. There were no endowment fund deficiencies as of June 30, 2023.

The following reflects the activity during the fiscal years ended June 30, 2023 and June 30, 2022:

	Endowment Fund			Memorial Funds	Total With Donor Restrictions
	Endowment Fund	Endowment Fund Income	Total Endowment Fund		
Balance, June 30, 2021	\$1,509,372	\$ 577,935	\$2,087,307	\$ 26,733	\$2,114,040
Contributions	283,904	-	283,904	71,521	355,425
Transfers	26,733	-	26,733	(26,733)	-
Investment return, net	-	(311,625)	(311,625)	-	(311,625)
Scholarship awards	-	(40,600)	(40,600)	-	(40,600)
Net activity	310,637	(352,225)	(41,588)	44,788	3,200
Balance, June 30, 2022	1,820,009	225,710	2,045,719	71,521	2,117,240
Contributions	137,345	-	137,345	55,899	193,244
Transfers	25,882	-	25,882	(25,882)	-
Investment return, net	-	228,061	228,061	-	228,061
Scholarship awards	-	(42,300)	(42,300)	-	(42,300)
Net activity	163,227	185,961	348,988	30,017	379,005
Balance, June 30, 2023	\$1,983,236	\$ 411,471	\$2,394,907	\$ 101,538	\$2,496,245

METROPOLITAN GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND**Notes to Financial Statements (continued)
June 30, 2023****Note 7 – Related party transactions**

The Fund has a management agreement with the Metropolitan Golf Association (“MGA”), a not-for-profit organization, where certain board members of the MGA are also on the Board of the Fund. The agreement provides among other things, office space, certain professional services, staffing, office services and other administrative support in exchange for monetary compensation as defined in the agreement. For the fiscal years ended June 30, 2023 and June 30, 2022, total reimbursable expenses incurred in connection with the agreement were \$225,245 and \$214,000, respectively.

Note 8 – Tax status

The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Internal Revenue Service has determined the Fund to be a publicly supported organization as described in Section 509(a)(1) and 170(b)(1)(A)(vi) of the Code and not a private foundation. The Fund qualifies for the maximum charitable contribution deduction for donors under the Code.