



FINANCIAL STATEMENTS  
Year Ended December 31, 2020

# **GOLF FORE AFRICA, INC.**

Year Ended December 31, 2020

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**Audit, Tax, Management Advisory,  
Forensic and Internal Control Consulting**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the **Golf Fore Africa, Inc.:**

**Opinion**

I have audited the accompanying financial statements of Golf Fore Africa, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expense and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Golf Fore Africa, Inc. as of December 31, 2020, and the changes in its net assets 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**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Golf Fore Africa, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Golf Fore Africa, Inc.'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**

My 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 my 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, I:

- 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 Golf Fore Africa, Inc.'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Golf Fore Africa, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

#### **Report on Summarized Comparative Information**

I have previously audited Golf Fore Africa, Inc.'s 2019 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated May 20, 2020. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Gregory Michael Coy, CPA, PLLC*

Gregory Michael Coy, CPA, PLLC  
Phoenix, AZ

April 24, 2021

# GOLF FORE AFRICA, INC.

## STATEMENT OF FINANCIAL POSITION

December 31, 2020

(with summarized comparative totals as of December 31, 2019)

### ASSETS

	<u>2020</u>	<u>2019</u>
Cash & cash equivalents	\$ 284,502	\$ 224,096
Contributions receivable, net	24,850	20,387
Prepaid expenses and other assets	2,265	2,159
Total current assets	<u>311,617</u>	<u>246,642</u>
TOTAL ASSETS	<u>\$ 311,617</u>	<u>\$ 246,642</u>

### LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 4,170	\$ 4,338
Current portion of long-term debt	52,918	-
Total current liabilities	<u>57,088</u>	<u>4,338</u>
TOTAL LIABILITIES	57,088	4,338
NET ASSETS		
Without donor restrictions	229,679	221,917
With donor restrictions	24,850	20,387
TOTAL NET ASSETS	<u>254,529</u>	<u>242,304</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 311,617</u>	<u>\$ 246,642</u>

See Accompanying Notes to Financial Statements

# GOLF FORE AFRICA, INC.

## STATEMENT OF ACTIVITIES

Year Ended December 31, 2020

(with summarized comparative totals for the year ended December 31, 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020</u>	<u>2019</u>
SUPPORT AND REVENUES				
Contributions and grants	1,157,369	\$ 248,759	\$ 1,406,128	\$ 1,562,039
Donated rent	-	-	-	7,776
Interest income	1,673	-	1,673	1,116
Other income (losses)	1,144	-	1,144	2,281
	<u>1,160,186</u>	<u>248,759</u>	<u>1,408,945</u>	<u>1,573,212</u>
Special event revenue:				
Special event income	74,253	862,550	936,803	1,804,597
Direct donor benefits	<u>(131,447)</u>	<u>-</u>	<u>(131,447)</u>	<u>(430,647)</u>
Net special event revenue	(57,194)	862,550	805,356	1,373,950
Release from restrictions	<u>1,106,846</u>	<u>(1,106,846)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT & REVENUE	<u>2,209,838</u>	<u>4,463</u>	<u>2,214,301</u>	<u>2,947,162</u>
EXPENSES				
Program services:	2,020,509	-	2,020,509	2,503,254
Supporting services:				
Management and general	90,772	-	90,772	106,223
Fundraising	<u>90,795</u>	<u>-</u>	<u>90,795</u>	<u>170,420</u>
Total supporting services	<u>181,567</u>	<u>-</u>	<u>181,567</u>	<u>276,643</u>
TOTAL EXPENSES	<u>2,202,076</u>	<u>-</u>	<u>2,202,076</u>	<u>2,779,897</u>
CHANGE IN NET ASSETS	7,762	4,463	12,225	167,265
NET ASSETS, BEGINNING OF YEAR	<u>221,917</u>	<u>20,387</u>	<u>242,304</u>	<u>75,039</u>
NET ASSETS, END OF YEAR	<u>\$ 229,679</u>	<u>\$ 24,850</u>	<u>\$ 254,529</u>	<u>\$ 242,304</u>

See Accompanying Notes to Financial Statements

## GOLF FORE AFRICA, INC.

### STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

(with summarized comparative totals for the year ended December 31, 2019)

	Program Services	Management and General	Fundraising	2020	2019
Grants for African projects	\$ 1,805,100	\$ -	\$ -	\$ 1,805,100	\$ 2,215,055
Salaries, payroll taxes and benefits	175,947	63,456	49,034	288,437	316,564
Bank and merchant fees	16,033	5,787	4,468	26,288	36,180
Marketing and promotion	-	-	25,033	25,033	84,552
Contract and professional fees	1,385	10,400	386	12,171	12,179
Computer and software costs	6,819	2,459	1,900	11,178	-
Travel	750	270	6,797	7,817	71,419
Donated rent	-	-	-	-	7,776
Dues and subscriptions	2,265	4,289	-	6,554	6,297
Postage and printing	3,007	1,084	838	4,929	3,719
Supplies	2,779	1,002	774	4,555	11,495
Telephone and communications	2,180	786	607	3,573	7,877
Insurance	2,037	735	568	3,340	3,537
Storage rent	1,398	504	390	2,292	-
Conferences and meetings	809	-	-	809	3,247
Other	-	-	-	-	-
	<u>\$ 2,020,509</u>	<u>\$ 90,772</u>	<u>\$ 90,795</u>	<u>\$ 2,202,076</u>	<u>\$ 2,779,897</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 2,020,509</u></b>	<b><u>\$ 90,772</u></b>	<b><u>\$ 90,795</u></b>	<b><u>\$ 2,202,076</u></b>	<b><u>\$ 2,779,897</u></b>

See Accompanying Notes to Financial Statements

**GOLF FORE AFRICA, INC.**

**STATEMENT OF CASH FLOWS**

Year Ended December 31, 2020

(with summarized comparative totals for the year ended December 31, 2019)

	<u>2020</u>	<u>2019</u>
<b>Cash flow from operating activities:</b>		
Change in net assets	\$ 12,225	\$ 167,265
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	(4,463)	(17,837)
Other assets	(106)	9,745
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>(168)</u>	<u>(20,967)</u>
<b>Net cash provided (used) by operating activities</b>	<u>7,488</u>	<u>138,206</u>
<b>Cash flow from financing activities:</b>		
Proceeds from issuance of long-term debt	<u>52,918</u>	<u>-</u>
<b>Net cash provided (used) by financing activities</b>	<u>52,918</u>	<u>-</u>
Net increase (decrease) in cash	60,406	138,206
Cash at the beginning of the year	<u>224,096</u>	<u>85,890</u>
Cash at the end of the year	<u>\$ 284,502</u>	<u>\$ 224,096</u>
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes to Financial Statements

**GOLF FORE AFRICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Year Ended December 31, 2020  
(with comparative totals for the year ended December 31, 2019)

**(1) Organization purpose and summary of significant accounting policies**

**Organizational purpose** – Golf Fore Africa, Inc. is a nonprofit corporation incorporated in the State of Arizona in 2008. The Organization is dedicated to bringing hope and change to children and families living in extreme poverty in Africa by empowering the golf community to support transformational programs that holistically enhance the families we serve. Golf Fore Africa is exempt from U.S. federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Golf Fore Africa provides clean, safe drinking water, hygiene and basic sanitation to people in Africa. In 2020, the Organization was able to impact 28,506 people with access to clean safe water for the first time. Golf Fore Africa funding provided 65,958 people with access to sanitation in Zambia and 64,719 people participated in Hygiene Education in the communities served by Golf Fore Africa. In addition to water these people were trained in safe hygiene and sanitation practices. The Organization is also funding mechanized water systems that provide water to health clinics, schools and taps throughout the villages. The Organization believes water is just the beginning of helping to end poverty in Africa and creating lasting change in the lives of people. Golf Fore Africa seeks to raise awareness and charitable contributions primarily from, but not limited to, the golf community – including individuals, country clubs, professional and amateur players and organizations, the golf industry, and selected corporate sponsors. A significant portion of the Organization's support is generated from contributions and annual fundraising events in the golf community.

*COVID-19 pandemic* - At the time of this report's release, citizens and the economies of the United States and other countries have been impacted by the coronavirus (COVID-19) pandemic. The World Health Organization declared a Public Health Emergency on January 30, 2020. The evolution of the virus, the extent of its economic impact and the results of steps taken and yet to be taken by governments and financial institutions are unknown. Governments, businesses and non-profit organizations have faced supply chain disruptions, labor shortages, revenue declines, an increase in bad debts, reduced cash flow, difficulties meeting loan covenants, goodwill and inventory impairment, credit difficulties, and other financial implications. Furthermore, the financial markets have experienced significant levels of volatility as a result of the pandemic. The significance and the duration of the pandemic's financial impact are indeterminable.

The significant accounting policies followed by the Organization are as follows:

*Basis of accounting* - The financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other assets and liabilities.

*Basis of presentation* - The financial statement presentation reports information regarding its financial position and activities according to two classes of net assets:

*Net Assets Without Donor Restrictions* – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

*Net Assets with Donor Restrictions* – Assets subject to usage limitations based on donor imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may be need to be maintained in perpetuity. At December 31, 2020 and 2019, the Organization had no restrictions required to be maintained in perpetuity.

**GOLF FORE AFRICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Year Ended December 31, 2020  
(with comparative totals for the year ended December 31, 2019)

**(1) Organizational purpose and summary of significant accounting policies (continued)**

*Prior year summarized comparative information* - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019 from which the summarized information was derived.

*Managements' use of estimates* - The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Cash & equivalents* - Cash includes cash and, at times, cash equivalents consisting of highly liquid financial instruments purchased with original maturities of three months or less. Deposits at cash institutions are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC). From time to time, these deposits may exceed the insurance amounts provided by the FDIC.

*Contributions receivable* - Unconditional promises to give (pledges) are recognized as revenues in the period the promise is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to contributions receivable. At December 31, 2020 and 2019, all contributions receivable were due in less than one year and are deemed to be fully collectible by management. Accordingly, no discount or allowance was recorded in the accompanying financial statements.

*Impairment of long-lived assets* – the Organization accounts for long-lived assets in accordance with the provisions of *Accounting for the Impairment of Long-Lived Assets*. This accounting standard requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future cash flows to be expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management believes that no long-lived assets have any impairment of value.

*Fair value measurements* – The Organization utilizes a valuation framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value measurements. The Organization measures fair value based on a three-level hierarchy of inputs, of which the first two are considered observable and the last unobservable. For the years ended December 31, 2020 and 2019, The Organization did not have any assets or liabilities subject to fair value measurement other than at initial recognition.

**GOLF FORE AFRICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Year Ended December 31, 2020  
(with comparative totals for the year ended December 31, 2019)

**(1) Organizational purpose and summary of significant accounting policies (continued)**

*Contributions* - Contributions received are recorded as support with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions or without donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions on unconditional contributions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

*Conditional contributions* – Conditional contributions contain a donor-imposed condition that represents a barrier that must be overcome before the Organization is entitled to the assets transferred or promised. Failure to overcome the barrier gives the donor a right of return of the assets it has transferred or gives the promisor a right of release from its obligation to transfer its assets. Conditional contributions are recognized as support, either with or without donor restrictions, when donor-imposed conditions are substantially met (i.e. barriers are overcome). Restrictions on conditional contributions that are met in the same reporting period as the revenue is recognized are reported in the statement of activities as support within net assets without donor restrictions.

*Special events revenue* – The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The direct costs of the special events, which ultimately benefit the donor rather than the Organization, are recorded as costs of direct donor benefits in the accompanying consolidated statement of changes in net assets. All proceeds received in excess of the direct costs are recorded as special events contributions in the accompanying statement of changes in net assets.

*Exchange transaction revenue recognition* - Exchange transaction revenue is measured based on a consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Organization recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. For the years ended December 31, 2020 and 2019, the Organization does not have any exchange transaction revenue.

*Donated rent and materials* - Donated facilities and materials and services are recorded at their estimated values if they enhance the Organization's nonfinancial assets or require specialized skills that the Organization would normally purchase, if not provided by donation. The Organization recognized \$0 and \$7,776 in donated rent and recognized \$0 and \$19,880 in donated materials and supplies for the years ended December 31, 2020 and 2019, respectively. The Organization utilizes and depends on the services of volunteers to perform a variety of tasks that assist the Organization with specific programs and fundraising. No amounts have been reflected in the financial statements for these services, since they did not meet the recognition requirements under generally accepted accounting standards.

*Functional allocation of expenses* - The costs of providing programs and other activities have been presented on a functional basis in the statements of activities and functional expenses. Directly identifiable expenses are charged to programs and supporting services. Certain costs have been allocated among the program and supporting services benefited based on management's estimate of time and effort devoted to each activity.

**GOLF FORE AFRICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Year Ended December 31, 2020

(with comparative totals for the year ended December 31, 2019)

**(1) Organizational purpose and summary of significant accounting policies (continued)**

*Advertising expense* – Advertising, marketing and promotional costs are charged to operations when incurred. Advertising, marketing and promotional expense charged to operations was \$25,033 and \$84,552 for the years ended December 31, 2020 and 2019, respectively.

*Income tax status* – The Organization is organized as an Arizona non-profit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and has been determined not to be a private foundation under Sections 509(a)(1) and 170(b)(1)(A)(vi). Accordingly, contributions to the Organization qualify for the charitable contribution deduction under Section 170. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is generally subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. Management has determined the Organization has no taxable unrelated business income related to the Organization's activities and it has not filed the Exempt Organization Business Income Tax Return (IRS Form 990-T), or its Arizona equivalent, Form 99-T. The tax years ended 2017, 2018, and 2019 are still open to audit for both federal and state purposes. Management believes that it has appropriate support for any income tax positions taken, and, as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

*Subsequent events* - the Organization evaluated subsequent events after the statement of financial position date of December 31, 2020 through April 24, 2021, which was the date the Organization's financial statements were available to be issued. No conditions were noted, other than those described below, that did not exist as of December 31, 2020, but arose subsequent to that date.

- On March 30, 2021, the Organization was granted forgiveness by the Small Business Association (SBA) of the promissory note with a financial institution dated April 15, 2020, under the Federal Paycheck Protection Program (the Program) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The entire balance of the loan in amount of \$52,918, plus accrued interest of \$503, was forgiven. The Organization recognized had an unconditional contribution for the amount of the loan forgiveness on March 30, 2021.
- In connection with the COVID-19 pandemic, the Organization has entered into promissory note (loan) with a financial institution dated March 8, 2021. The loan is a "second-round loan" through the SBA Federal Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The promissory note is in the amount of \$58,140 and bears interest at a rate of 1%. No interest or principal payments are required during the first 10 months of the loan, however, interest will continue to accrue during the 10 month deferral period. After the 10 month deferral period, the Organization is required to make monthly payments of principal and interest. The final payment of all outstanding principle and accrued interest is due on March 8, 2026. The loan will be forgiven by the SBA if the Organization meets the loan forgiveness requirements under the Program. The Organization expects to meet the loan forgiveness requirements of the Program and expects that the entire principal amount and any accrued interest related to the loan will be forgiven.

**GOLF FORE AFRICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Year Ended December 31, 2020  
(with comparative totals for the year ended December 31, 2019)

**(2) Liquidity and availability of financial assets**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal, including cash & cash equivalents and current contributions receivable. The Organization structures its financial assets to be available to meet general expenditures, liabilities and other obligations as they come due. The Organization manages its liquid resources by depositing cash in an interest bearing bank account. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization prepares and operates within an annual budget.

Financial assets available to meet general expenditures within one year:

	<b>2020</b>	<b>2019</b>
Cash & cash equivalents	\$ 284,502	\$ 224,096
Contributions receivable due within one year	24,850	20,387
Financial assets available to meet general expenditures within one year	<b>\$ 309,352</b>	<b>\$ 244,483</b>

**(3) Net assets with donor restrictions and release of restrictions**

Net assets with donor restrictions consists of the following:

	<b>2020</b>	<b>2019</b>
Time restrictions:		
Contributions receivable	\$ 24,850	\$ 20,387
Total net assets with donor restrictions	<b>\$ 24,850</b>	<b>\$ 20,387</b>

Net assets released from restrictions consists of the following:

	<b>2020</b>	<b>2019</b>
Purpose restrictions:		
Water projects	\$ 223,909	\$ 394,919
Special events	862,550	1,610,997
Time restrictions:		
Contributions receivable	20,387	2,550
Total net assets released from restriction	<b>\$ 1,106,846</b>	<b>\$ 2,008,466</b>

**(4) Related party transactions**

From time to time, members of the board of directors provide contributions and volunteer services to the organization in the normal course of business. During 2020 and 2019, the total amount of contributions provided by members of the board of directors was \$297,619 and \$383,675, respectively.

During 2020 and 2019, the founder of the organization, who is also the CEO/President and a member of the board of directors, provided contributions to the organization in the amounts of \$107,242 and \$129,544, respectively.

**GOLF FORE AFRICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Year Ended December 31, 2020

(with comparative totals for the year ended December 31, 2019)

**(5) Long-term debt**

In connection with the COVID-19 pandemic, GFA has entered into a promissory note (loan) with a financial institution dated April 15, 2020. The loan is through the Small Business Association Federal Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The loan is in the amount of \$52,918 and bears interest at a rate of 1%. The loan is to be repaid in 18 monthly payments of principal and interest beginning October 15, 2020. The final payment of all outstanding principle and accrued interest is due on April 15, 2022. The loan will be forgiven for all payroll costs, covered mortgage interest, covered rent payments and covered utility payments incurred during the 8 week period beginning the date of the initial disbursement of the loan. Not more than 25% of the amount forgiven can be attributable to non-payroll costs. On March 30, 2021, the Organization was granted forgiveness by the SBA of the promissory note. The entire balance of the loan in the amount of \$52,918, plus accrued interest of \$503, was forgiven. Accordingly, the entire balance of the note is included in the current portion of long-term debt on the accompanying statement of financial position.

**(6) Grants to World Vision International**

In order to fulfill its mission of providing clean, safe drinking water, hygiene and basic sanitation to people in Africa, the Organization provides grants to World Vision International to build wells and provide other services in Africa. Grants to World Vision International were approximately 82% and 80% of total expenses for the years ended December 31, 2020 and 2019, respectively.

**(6) New accounting pronouncements**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires recognition of rights and obligations from lease contracts longer than one year as assets and liabilities on the balance sheet. The new standard is effective for the Organization January 1, 2021. The Organization is evaluating the effect that ASU No. 2016-02 will have on its financial statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which modifies how expected credit losses on financial instruments are developed. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses (Topic 326)* which provides amendments to ASU No. 2016-13 and defers the effective date to years beginning after December 15, 2021. The new standards are effective for the Organization January 1, 2022. The Organization is evaluating the effect that ASU No. 2016-13 and ASU No. 2018-19 will have on its financial statements and related disclosures.