USA GOLF FEDERATION, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

USA GOLF FEDERATION, INC.

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6

ERWIN, FOUNTAIN & JACKSON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD J. ERWIN II, CPA
C. KEVIN JACKSON, CPA
DALE C. NESSMITH, CPA

DONALD A. FOUNTAIN, CPA – RETIRED

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
USA Golf Federation, Inc.

Opinion

We have audited the accompanying financial statements of USA Golf Federation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years 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 USA Golf Federation, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 USA Golf Federation, Inc. 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 these 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 USA Golf Federation, 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

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 USA Golf Federation, 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Golf Federation, Inc.'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.

Erwin, Fountain & Jackson, P.A.

Jacksonville, Florida
October 28, 2026

USA GOLF FEDERATION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,050,553	$ 893,843
Prepaid expenses	5,040	5,514
TOTAL CURRENT ASSETS	1,055,593	899,357
OTHER ASSETS	3,655	3,655
TOTAL ASSETS	$ 1,059,248	$ 903,012
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 9,000	$ 34,549
TOTAL CURRENT LIABILITIES	9,000	34,549
TOTAL LIABILITIES	9,000	34,549
NET ASSETS – WITHOUT DONOR RESTRICTIONS	1,050,248	868,463
TOTAL LIABILITIES AND NET ASSETS	$ 1,059,248	$ 903,012

See accompanying notes to financial statements

USA GOLF FEDERATION, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2025 and 2024

	WITHOUT DONOR RESTRICTIONS 2025	WITHOUT DONOR RESTRICTIONS 2024
SUPPORT AND REVENUE		
Contributed services – NOTE D	$ 89,502	$ 218,524
Contributions of nonfinancial assets – NOTE D	-	71,364
Digital media fees	25,000	12,500
Sponsorship fees	200,000	1,000,000
Other income	-	1,000
Interest income	41,980	15,384
TOTAL SUPPORT AND REVENUE	356,482	1,318,772
FUNCTIONAL EXPENSES – NOTE B		
Program services	50,090	1,233,978
Management and general	124,607	149,592
TOTAL FUNCTIONAL EXPENSES	174,697	1,383,570
CHANGE IN NET ASSETS	181,785	(64,798)
NET ASSETS AT BEGINNING OF THE YEAR	868,463	933,261
NET ASSETS AT END OF YEAR	$ 1,050,248	$ 868,463

USA GOLF FEDERATION, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received – licensing and rights fees	$ 25,000	$ 12,500
Cash received – Sponsorship fees	200,000	1,000,000
Cash received – other	2,794	4,500
Interest received	41,980	15,384
Cash paid to suppliers	(113,064)	(998,668)
Net Cash Provided by Operating Activities	156,710	33,716
Net increase in cash and cash equivalents	156,710	33,716
Cash and cash equivalents, beginning of year	893,843	860,127
Cash and cash equivalents, end of year	$ 1,050,553	$ 893,843
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	$ 181,785	$ (64,798)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Amortization	-	-
(Increase) decrease in operating assets:		
(Increase) Decrease in prepaid expenses	474	89,917
Increase (decrease) in operating liabilities:		
Increase (Decrease) in accounts payable and accrued liabilities	(25,549)	8,597
Net Cash Provided by Operating Activities	$ 156,710	$ 33,716

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES – USA Golf Federation, Inc. ("USA Golf") is a nonprofit organization formed in 2011, to pursue competitive success in Olympic, Paralympic or Pan American competition and to contribute to the development of future elite American golfers. USA Golf has been recognized by the United States Olympic Committee as the national governing body that will officially name and manage the men's and women's U.S. Olympic Golf Teams.

ACCOUNTING PRONOUNCEMENTS IMPLEMENTED

CREDIT LOSSES – Effective January 1, 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses of Financial Instructions,* as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance using the modified retrospective transition method. The adoption of this standard did not have a material impact on the Organization's financial statements, but did change how an allowance for credit losses is determined.

BASIS OF PRESENTATION – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, USA Golf's net assets and changes thereto are classified and reported as follows:

Net assets without donor restrictions – consists of amounts that are available for use in carrying out the supporting activities of USA Golf and are not subject to donor-imposed stipulations.

Net assets with donor restrictions – consists of amounts subject to donor imposed restrictions. When a restriction is satisfied, the associated amount is reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. USA Golf did not have any net assets with donor restrictions at December 31, 2025 and 2024, respectively.

CASH AND CASH EQUIVALENTS – For the purposes of the Statements of Cash Flows, USA Golf considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

ACCOUNTS RECEIVABLE – Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables.

REVENUE RECOGNITION – Revenue from contracts with customers is derived from agreements related to digital media and marketing rights.

The Organization determines the appropriate revenue recognition for these contracts through the following steps:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organization has a contract that grants the United States Olympic Committee exclusive rights to host and manage the USA Golf branded sports-specific web-site, including the right to distribute and broadcast USA Golf content (audio, visual, etc.) Digital media fees are recognized as revenue over the period of the contract, which is on a single year calendar basis. All distinct performance obligations are recognized over the same period of time.

The Organization has an official uniform provider agreement granting the provider exclusive rights to the sales and branding of licensed USA Golf apparel and products. Sponsorship fees are recognized as revenue over the period of the contract, which is a multi-year calendar year basis. All distinct performance obligations are recognized over the same period of time.

CONTRIBUTIONS – Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or absence and nature of any donor restriction.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires (that is, when a stipulated time restriction ends or purpose is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets with donor restrictions and reported in the statement of activities as net assets released from restriction.

Revenue is recognized when earned. Contributions are recognized when an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

CONTRIBUTED SERVICES – Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by USA Golf. The amounts reflected in the accompanying financial statements as contributed services are offset by like amounts included in expenses.

DONATED ASSETS – Noncash donations are recorded as contributions at their fair values at the date of the donation.

INTANGIBLE ASSETS – Intangible assets consist of trademarks in the amount of $3,655 and $3,655 at December 31, 2025 and 2024, respectively. The trademarks are not required to be amortized.

FUNCTIONAL ALLOCATION OF EXPENSES – The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. The cost of providing program and other activities have been summarized on the functional basis in Note B – Schedule of Functional Expenses. The schedule presents the natural classification of expenses by function. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated among the program and supporting services benefited. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include compensation and benefits which are allocated on the basis of time and effort.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LIQUIDITY – Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities, according to their nearness of their maturity, and resulting use of cash.

INCOME TAX STATUS – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

INCOME TAXES – USA Golf is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state taxes under similar provisions of the Florida statutes. Accordingly, no provision for federal and state income taxes has been recorded in the accompanying financial statements. USA Golf files the required annual federal informational return for tax-exempt organizations.

USA Golf identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the statement of financial position. USA Golf has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, USA Golf would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

ESTIMATES – Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

NOTE B -- SCHEDULES OF FUNCTIONAL EXPENSES

Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits and payroll taxes which are allocated on the basis of estimates of time and effort.

The schedules of functional expenses are as follows for the years ended December 31:

2025

	Program Services	Supporting Services	Total
Compensation and related expenses:			
Salaries	$ -	$ 72,161	$ 72,161
Employee benefits and payroll taxes	-	17,341	17,341
	-	89,502	89,502
Bank Charges	-	6,701	6,701
Dues:			
Professional	-	500	500
Corporate	-	4,297	4,297
Insurance	-	14,420	14,420
Postage	-	-	-
Professional fees	-	9,000	9,000
Player Support	90	-	90
Supplies	-	-	-
Travel	-	187	187
Gifts and Awards	-	-	-
Contributions	50,000	-	50,000
	50,090	35,105	85,195
Total Expenses	$ 50,090	$ 124,607	$ 174,697

NOTE B -- SCHEDULES OF FUNCTIONAL EXPENSES (CONTINUED)

2024

	Program Services	Supporting Services	Total
Compensation and related expenses:			
Salaries	$ 88,410	$ 102,132	$ 190,542
Employee benefits and payroll taxes	10,655	17,327	27,982
	99,065	119,459	218,524
Bank Charges	-	146	146
Dues:			
Corporate	-	4,354	4,354
Insurance		15,783	15,783
Postage	4,370	-	4,370
Professional fees	-	9,000	9,000
Player Support	1,008,079	-	1,008,079
Supplies	106,370	-	106,370
Travel	15,394	850	16,244
Gifts and Awards	700	-	700
Contributions	-	-	-
	1,134,913	30,133	1,165,046
Total Expenses	$ 1,233,978	$ 149,592	$ 1,383,570

NOTE C -- AGREEMENTS

The Organization has a digital media agreement which originated in 2020. The Agreement has been amended several times and expired December 31, 2023. The Organization signed a new agreement on January 1, 2024 and expired December 31, 2024. A new agreement was signed December 31, 2024 and will expire December 31, 2026.

The Organization entered into a provider marketing agreement in 2023 covering the years 2023 – 2028. The agreement will expire December 31, 2028.

NOTE D -- CONTRIBUTED NONFINANCIAL ASSETS AND SERVICES

For the years ended December 31, 2025 and 2024, contributed nonfinancial assets and services recognized within the statements of activities consisted of the following:

Description	2025	2024	Utilization in Programs/Services
Professional services	$ 89,502	$ 218,524	Recorded as part of the program or supporting service benefited
Program equipment/supplies	-	71,364	Distributed and/or utilizes in program or supporting services
Total	$ 89,502	$ 289,888	

NOTE E -- RELATED ENTITIES

Founding members of USA Golf include the following related entities:

Ladies Professional Golf Association (LPGA)
PGA of America (PGAA)
PGA TOUR, Inc. (PGA TOUR)
United States Golf Association (USGA)

Each founding member is responsible for selecting one permanent director to sit on the Board of Directors.

NOTE F -- RELATED PARTY TRANSACTIONS

The PGA TOUR, Inc. provided contributed services totaling $89,502 and $218,524 related to wages, taxes and benefits of the executive director and support staff of USA Golf for the years ending December 31, 2025 and 2024, respectively. The executive director and support staff of USA Golf are employees of the PGA TOUR.

NOTE G -- CONCENTRATION OF RISK

USA Golf maintains its cash balance in one financial institution. The balance is insured by the Federal Deposit Corporation (FDIC) up to $250,000. At December 31, 2025 and 2024, uninsured balances totaled $800,553 and $655,835, respectively.

NOTE H -- LIQUIDITY

As of December 31, 2025 and 2024, respectively, all net assets without donor restrictions are available to meet cash needs for general expenditures of the Organization within one year.

NOTE I -- SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 28, 2026, which is the date the financial statements were available to be issued.