

**EVANS SCHOLARS FOUNDATION
AND WESTERN GOLF ASSOCIATION
GOLF, ILLINOIS**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2020 AND 2019



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**EVANS SCHOLARS FOUNDATION
AND WESTERN GOLF ASSOCIATION
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INDEPENDENT AUDITORS' REPORT

Trustees and Board of Governors
Evans Scholars Foundation and
Western Golf Association
Golf, Illinois

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Evans Scholars Foundation (ESF) and Western Golf Association (WGA), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Trustees and Board of Governors
Evans Scholars Foundation and
Western Golf Association

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ESF and WGA as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, consolidating statements of activities, schedules of tournament revenue and expenses, and schedule of property, buildings, and equipment are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Oak Brook, Illinois
May 27, 2021

**EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 30,549,690	\$ 18,852,530
Accounts and Pledges Receivable, Net	26,002,309	28,431,411
Prepaid Expenses and Deposits	2,332,525	1,529,652
Investments	111,363,177	96,640,424
Property, Buildings, and Equipment, Net	61,721,976	64,558,831
Funds Held for Deferred Compensation	912,807	771,960
	\$ 232,882,484	\$ 210,784,808
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 984,644	\$ 1,840,281
Paycheck Protection Program Loan	1,136,300	-
Deferred Revenue	6,640,489	4,358,100
Deferred Compensation	912,807	771,960
Total Liabilities	9,674,240	6,970,341
NET ASSETS		
Without Donor Restrictions	195,263,639	176,391,084
With Donor Restrictions	27,944,605	27,423,383
Total Net Assets	223,208,244	203,814,467
Total Liabilities and Net Assets	\$ 232,882,484	\$ 210,784,808

See accompanying Notes to Consolidated Financial Statements.

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions:			
Par Club	\$ 20,222,483	\$ -	\$ 20,222,483
Leadership Gifts	2,320,747	6,635,783	8,956,530
Bag Tag, Events, and Other	6,773,667	1,995,181	8,768,848
Tournament Revenue	5,429,851	-	5,429,851
Membership Dues	14,400	-	14,400
Other Income, Net	135,189	-	135,189
Net Assets Released from Restrictions	8,309,150	(8,309,150)	-
Total Revenues and Other Support	43,205,487	321,814	43,527,301
EXPENSES			
Program Expenses:			
Scholars' Expenses:			
Tuition, Housing, and Other Direct			
Scholars' Expenses	17,565,677	-	17,565,677
Related Administrative Expenses	2,115,077	-	2,115,077
House Depreciation	2,439,321	-	2,439,321
Tournament Expenses	5,118,614	-	5,118,614
Caddie Academy and Services	513,852	-	513,852
Supporting Services:			
Fundraising	4,560,342	-	4,560,342
General and Administrative	2,794,887	-	2,794,887
Headquarters Depreciation	659,202	-	659,202
Total Expenses	35,766,972	-	35,766,972
EXCESS REVENUE OVER EXPENSES	7,438,515	321,814	7,760,329
NONOPERATING REVENUES			
Contributions - Scholarship Houses	148,323	1,027,925	1,176,248
Investment Income, Net	1,682,575	37,299	1,719,874
Realized Gain on Sale of			
Investments, Net	1,746,489	-	1,746,489
Unrealized Gain on Investments, Net	6,801,892	188,945	6,990,837
Net Assets Released from Restrictions	1,054,761	(1,054,761)	-
CHANGE IN NET ASSETS	18,872,555	521,222	19,393,777
Net Assets - Beginning of Year	176,391,084	27,423,383	203,814,467
NET ASSETS - END OF YEAR	\$ 195,263,639	\$ 27,944,605	\$ 223,208,244

See accompanying Notes to Consolidated Financial Statements.

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions:			
Par Club	\$ 20,068,085	\$ -	\$ 20,068,085
Leadership Gifts	81,418	11,991,122	12,072,540
Bag Tag, Events, and Other	6,306,456	3,336,986	9,643,442
Tournament Revenue	28,164,396	-	28,164,396
Membership Dues	17,060	-	17,060
Other Income, Net	75,943	-	75,943
Net Assets Released from Restrictions	10,663,192	(10,663,192)	-
Total Revenues and Other Support	65,376,550	4,664,916	70,041,466
EXPENSES			
Program Expenses:			
Scholars' Expenses:			
Tuition, Housing, and Other Direct			
Scholars' Expenses	18,739,782	-	18,739,782
Related Administrative Expenses	2,302,541	-	2,302,541
House Depreciation	2,276,049	-	2,276,049
Tournament Expenses	24,101,806	-	24,101,806
Caddie Academy and Services	949,788	-	949,788
Supporting Services:			
Fundraising	5,309,946	-	5,309,946
General and Administrative	2,870,191	-	2,870,191
Headquarters Depreciation	413,210	-	413,210
Total Expenses	56,963,313	-	56,963,313
EXCESS REVENUE OVER EXPENSES	8,413,237	4,664,916	13,078,153
NONOPERATING REVENUES			
Contributions - Scholarship Houses	551,478	1,406,543	1,958,021
Investment Income, Net	2,422,988	52,918	2,475,906
Realized Gain on Sale of			
Investments, Net	1,859,855	-	1,859,855
Unrealized Gain on Investments, Net	10,186,354	277,948	10,464,302
Net Assets Released from Restrictions	1,998,906	(1,998,906)	-
CHANGE IN NET ASSETS	25,432,818	4,403,419	29,836,237
Net Assets - Beginning of Year	150,958,266	23,019,964	173,978,230
NET ASSETS - END OF YEAR	\$ 176,391,084	\$ 27,423,383	\$ 203,814,467

See accompanying Notes to Consolidated Financial Statements.

**EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	Program Expenses				Supporting Expenses			
	Scholars' Direct Expenses	Scholars' Administrative Expenses	Tournament Expenses	Caddie Academy and Services Expenses	Total Program Expenses	Fundraising Expenses	General and Administrative	Total Expenses
Tuition	\$ 14,514,485	\$ -	\$ -	\$ -	\$ 14,514,485	\$ -	\$ -	\$ 14,514,485
Lodging	663,829	-	-	-	663,829	-	-	663,829
Graduate Resident Advisers	67,632	-	-	-	67,632	-	-	67,632
Maintenance	947,177	-	-	-	947,177	-	152,538	1,099,715
Insurance	386,460	-	-	-	386,460	36,299	52,251	475,010
Scholars' Awards	874	-	-	-	874	-	-	874
Scholars' Activities	115,301	-	-	-	115,301	-	-	115,301
Other	75,129	8,167	-	126,179	209,475	106,532	446,879	762,886
Honorariums	-	90,000	-	-	90,000	-	-	90,000
Selection Meetings	-	54,731	-	-	54,731	-	-	54,731
Postage	-	11,340	-	903	12,243	251,173	11,250	274,666
Payroll and Related Expenses	-	1,674,636	2,102,784	382,707	4,160,127	2,259,204	1,641,133	8,060,464
Par Club Premiums	-	-	-	-	-	229,257	-	229,257
Utilities	794,790	9,345	-	-	804,135	15,523	9,927	829,585
Travel	-	74,784	-	4,063	78,847	252,924	57,952	389,723
Printing and Stationery	-	774	-	-	774	346,686	383	347,843
Supplies	-	15,634	-	-	15,634	-	46,301	61,935
Bag Tag	-	-	-	-	-	83,115	-	83,115
Computer	-	-	-	-	-	120,010	-	120,010
Professional Services	-	25,860	-	-	25,860	349,799	376,273	751,932
Endowment Fund	-	-	-	-	-	509,820	-	509,820
Alumni Association	-	149,806	-	-	149,806	-	-	149,806
Scholarship House Depreciation	2,439,321	-	-	-	2,439,321	-	-	2,439,321
Headquarters Depreciation	-	-	-	-	-	-	659,202	659,202
Tournament	-	-	3,015,830	-	3,015,830	-	-	3,015,830
Total Functional Expenses	\$ 20,004,998	\$ 2,115,077	\$ 5,118,614	\$ 513,852	\$ 27,752,541	\$ 4,560,342	\$ 3,454,089	\$ 35,766,972
PERCENT OF TOTAL EXPENSES					77.6%	12.8%	9.7%	100%

See accompanying Notes to Consolidated Financial Statements.

**EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	Program Expenses				Supporting Expenses			
	Scholars' Direct Expenses	Scholars' Administrative Expenses	Tournament Expenses	Caddie Academy and Services Expenses	Total Program Expenses	Fundraising Expenses	General and Administrative	Total Expenses
Tuition	\$ 14,237,425	\$ -	\$ -	\$ -	\$ 14,237,425	\$ -	\$ -	\$ 14,237,425
Lodging	1,170,038	-	-	-	1,170,038	-	-	1,170,038
Graduate Resident Advisers	31,000	-	-	-	31,000	-	-	31,000
Maintenance	1,699,995	-	-	-	1,699,995	-	191,180	1,891,175
Insurance	343,385	-	-	-	343,385	29,825	34,248	407,458
Scholars' Awards	6,652	-	-	-	6,652	-	-	6,652
Scholars' Activities	412,984	-	-	-	412,984	-	-	412,984
Other	72,755	15,919	-	512,511	601,185	260,084	342,375	1,203,644
Honorariums	-	77,500	-	-	77,500	-	-	77,500
Selection Meetings	-	19,740	-	-	19,740	-	-	19,740
Postage	-	9,174	-	213	9,387	134,583	20,810	164,780
Payroll and Related Expenses	-	1,757,128	2,163,925	408,659	4,329,712	2,407,933	1,772,930	8,510,575
Par Club Premiums	-	-	-	-	-	331,382	-	331,382
Utilities	765,548	12,862	-	-	778,410	20,940	48,117	847,467
Travel	-	194,407	-	27,823	222,230	561,711	81,117	865,058
Printing and Stationery	-	7,218	-	582	7,800	383,272	3,073	394,145
Supplies	-	30,318	-	-	30,318	-	36,948	67,266
Bag Tag	-	-	-	-	-	159,996	-	159,996
Computer	-	-	-	-	-	150,025	-	150,025
Professional Services	-	24,196	-	-	24,196	363,683	339,393	727,272
Endowment Fund	-	-	-	-	-	506,512	-	506,512
Alumni Association	-	154,079	-	-	154,079	-	-	154,079
Scholarship House Depreciation	2,276,049	-	-	-	2,276,049	-	-	2,276,049
Headquarters Depreciation	-	-	-	-	-	-	413,210	413,210
Tournament	-	-	21,937,881	-	21,937,881	-	-	21,937,881
Total Functional Expenses	\$ 21,015,831	\$ 2,302,541	\$ 24,101,806	\$ 949,788	\$ 48,369,966	\$ 5,309,946	\$ 3,283,401	\$ 56,963,313
PERCENT OF TOTAL EXPENSES					84.9%	9.3%	5.8%	100%

See accompanying Notes to Consolidated Financial Statements.

**EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 19,393,777	\$ 29,836,237
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	3,098,523	2,689,259
Provision for Uncollectible Pledges, Net	200,297	135,860
Change in Discount on Pledges Receivable	(417,696)	464,315
Realized Gain on Sale of Investments, Net	(1,746,489)	(1,859,855)
Unrealized Gain on Investments, Net	(6,990,837)	(10,464,302)
Change in Cash Surrender Value of Donor Life Insurance	285,415	22,230
Effects of Changes in Operating Assets and Liabilities:		
Accounts and Pledges Receivable	2,361,086	(1,915,638)
Prepaid Expenses and Deposits	(802,873)	(310,409)
Accounts Payable and Accrued Expenses	(855,637)	(1,097,978)
Deferred Revenue	2,282,389	(1,884,892)
Net Cash Provided by Operating Activities	16,807,955	15,614,827
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	17,656,194	44,500,070
Purchases of Investments	(23,641,621)	(39,615,661)
Purchases of Property, Buildings, and Equipment	(261,668)	(18,432,009)
Net Cash Used by Investing Activities	(6,247,095)	(13,547,600)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Loan	1,136,300	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,697,160	2,067,227
Cash and Cash Equivalents - Beginning of Year	18,852,530	16,785,303
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 30,549,690	\$ 18,852,530

See accompanying Notes to Consolidated Financial Statements.

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Evans Scholars Foundation – Trust (ESFT) is a charitable trust created to receive and use the net income and principal of the trust estate in order to provide scholarships and other educational opportunities for caddies. Evans Scholars Foundation – Corporation (ESFC) is a nonprofit corporation established to hold the excess cash and investments of ESFT. Both ESFT and ESFC are collectively referred to as “Evans Scholars Foundation” (ESF). Western Golf Association (WGA) was formed to promote and supervise any and all matters and activities pertaining to or for the benefit of caddies, to promote and provide means and facilities for the education of caddies, and to generally promote the interests of golf. WGA annually sponsors the BMW Championship. WGA is affiliated with ESF by management agreement and in practice, acts as the administrator of ESF, and has the power to appoint the trustees of ESF.

ESF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is also exempt from state income taxes. In addition, ESF qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). WGA is exempt from federal income taxes under Section 501(c)(4) of the IRC, and is also exempt from state income taxes.

The federal and state tax returns of ESF and WGA for 2017, 2018, and 2019 are subject to examination by the Internal Revenue Service and state taxing authorities, generally for three years after they were filed. ESF and WGA have determined that it is not necessary to record a liability for uncertain tax positions as of December 31, 2020.

ESF’s and WGA’s fiscal year ends on December 31. Significant accounting policies followed by ESF and WGA (hereinafter referred to as the “Organization”) are presented below.

Use of Estimates in Preparing Consolidated Financial Statements

The preparation of consolidated 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Consolidated Financial Statement Presentation

The accompanying consolidated financial statements include the accounts of ESF and WGA. All significant transactions between ESF and WGA have been eliminated in consolidation. Consolidated financial statement presentation follows accounting principles generally accepted in the United States of America.

**EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The consolidated financial statements have been prepared using the accrual basis of accounting.

These consolidated financial statements have been prepared to focus on the Organization as a whole and to present balances and transactions classified according to the existence or absence of donor-imposed restrictions. This has been accomplished by classifying transactions into two classes of net assets – net assets without donor restrictions and net assets with donor restrictions. Furthermore, the Organization distinguishes net assets without donor restrictions between several funds of net assets (operating, property and McGuigan endowment). Descriptions of the two net asset categories are as follows:

Net Assets Without Donor Restrictions –

- *Operating Fund* – represents the accumulation of operating surpluses.
- *Property Fund* – represents the net investment in property, buildings, and equipment.
- *McGuigan Endowment Fund* – represents unrestricted contributions and investment earnings as well as unrestricted operating surpluses not otherwise included in the Operating and Property Funds.

Net Assets With Donor Restrictions – include assets whose use is limited by donor-imposed time and/or purpose restrictions.

Public Support and Revenue

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions other than cash are recorded at estimated fair value.

Public support and revenue are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law. When a restriction expires or has been met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as “Net Assets Released from Restriction.”

**EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Public Support and Revenue (Continued)

Public support and revenue principally consist of the following:

Par Club, Leadership, and Other Contributions

Contributions are considered to be available for use unless specifically restricted by the donor. Other contributions consist of bag tag, event revenues, endowment contributions, nonrecurring bequests, legacies, and other contributions from donors.

Other contribution revenue consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Bag Tag	\$ 822,515	\$ 901,754
Events	1,249,416	1,473,232
Endowment Contributions	3,998,322	4,806,200
Legacies and Bequests	522,862	478,590
Other	2,175,733	1,983,666
Total	<u>\$ 8,768,848</u>	<u>\$ 9,643,442</u>

Tournament Revenue

Income and expenses associated with tournaments are recognized during the year in which the tournament is held. Income received and expenses incurred for future tournaments are deferred until the year that tournament takes place.

Donated Services and In-Kind Contributions

The trustees of ESF and the officers and directors of WGA have donated significant amounts of their time and related out-of-pocket expenses on behalf of ESF. The consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America.

Functional Allocation of Costs

The consolidated statements of functional expenses report certain categories of expenses that 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 and benefits, which are allocated based on the estimated time spent on various activities, depreciation, and occupancy costs.

Cash and Cash Equivalents

The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. Such instruments purchased with endowment funds are classified as "Investments" in the consolidated statements of financial position.

The Organization maintains its cash accounts primarily with banks located in Chicago, Illinois. Balances in all accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor per bank.

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts and Pledges Receivable

Accounts and pledges receivable primarily consist of Par Club contributions or special event proceeds collected by country clubs or associations on the Organization's behalf and not yet remitted to the Organization as of December 31, and unconditional promises to give from individuals for the Operating Fund, capital fundraising campaigns, and the McGuigan Endowment Fund. Unconditional promises to give are recognized as revenue or other support in the period that the promise is made. Conditional promises to give, which primarily consist of bequests, are not recorded until the related estate clears probate. Known bequests totaled approximately \$84,615,000 and \$81,177,000 at December 31, 2020 and 2019, respectively. These amounts have not cleared probate court, as such they are not recorded in the consolidated financial statements.

Charitable remainder trusts are contributions from which the Organization will receive a percentage of the remaining assets upon the death of the initial beneficiaries. A receivable has been recorded for the present value of the expected future cash flows using published life expectancy tables and a discount rate of 0.6% and 2.0% at December 31, 2020 and 2019, respectively, and is included with accounts and pledges receivable, net on the accompanying consolidated statements of financial position. The fair value of the receivable is updated annually and the change in value and amortization of the present value discounts are included in contribution revenue.

The carrying amount of unconditional promises to give is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for uncollectible amounts is based on management's assessment of the collectability of specific promises to give. If actual defaults are higher than the historical experience, management's estimates of the recoverability of amount due the Organization could be adversely affected.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and investments in debt securities at the fair values in the consolidated statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities.

Donated securities are recorded at market value on the date received, or at a nominal value determined by management when the market value is not readily determinable. Donated securities are sold as soon as practical after donation.

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Buildings, and Equipment

Property, buildings, and equipment are presented in the consolidated statements of financial position at cost less accumulated depreciation. Equipment purchases in excess of \$25,000 per item are capitalized. Building and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. The following estimated useful lives have been assigned to capitalized assets:

Automobiles	3 Years
Furniture, Fixtures, and Equipment	5 Years
Building and Leasehold Improvements	10 to 15 Years
Buildings	20 to 40 Years

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate 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 undiscounted net cash flows 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 amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell. Management has determined that there has been no significant impairment of long-lived assets.

Advertising

The Organization incurs advertising expense in conjunction with hosting the annual BMW Championship. Advertising expenses incurred for each tournament are recognized during the year in which the tournament is held.

**EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liquidity

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$15,000,000 which it could draw on. Additionally, the Organization has board designated net assets without donor restrictions that, while the Organization does not intend to spend, the amounts could be made available for current operations, if necessary.

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 30,549,690	\$ 18,852,530
Marketable Investments	111,363,177	96,640,424
Accounts and Pledges Receivable	<u>26,002,309</u>	<u>28,431,411</u>
Total Financial Revenues Available Within One Year	167,915,176	143,924,365
Less Amounts Unavailable for General Expenditures Within One Year Due to: Restricted by Donors With Proper Restrictions	<u>27,944,605</u>	<u>27,423,383</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 139,970,571</u>	<u>\$ 116,500,982</u>

Recent Accounting Pronouncements

Leases

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. This update increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 is effective for the Organization as of December 31, 2022.

Subsequent Events

Management evaluated subsequent events through May 27, 2021, the date the financial statements were available to be issued.

Subsequent to year-end, the Organization completed the purchase a new scholarship house at the University of Maryland for approximately \$2,850,000. The transaction was funded with operating cash and occurred on January 21, 2021.

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS

In determining fair value, the Organization uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
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NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

A hierarchy has been established for inputs used in measuring fair value that maximizes the use of observable inputs and minimizing the use of unobservable inputs by requiring that the most observable inputs be used when available. Levels within the hierarchy are based on the reliability of inputs as follows:

- *Level 1* – Valuations based on adjusted quoted prices for identical assets or liabilities in active markets;
- *Level 2* – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- *Level 3* – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

Fair values of assets and liabilities measured on a recurring basis at December 31 are as follows:

	2020			
	Fair Value	Level 1	Level 2	Level 3
Investments:				
Fixed Income Bonds	\$ 5,763,379	\$ -	\$ 5,763,379	\$ -
Mutual Funds - Equities	74,667,863	74,667,863	-	-
Mutual Funds - Fixed Income and Other	27,324,199	27,324,199	-	-
Money Market Funds	3,607,736	3,607,736	-	-
Investments Total	<u>111,363,177</u>	<u>105,599,798</u>	<u>5,763,379</u>	<u>-</u>
Mutual Funds Held for				
Deferred Compensation	795,128	795,128	-	-
Charitable Remainder Trust	1,198,163	-	-	1,198,163
Total Assets	<u>\$ 113,356,468</u>	<u>\$ 106,394,926</u>	<u>\$ 5,763,379</u>	<u>\$ 1,198,163</u>
	2019			
	Fair Value	Level 1	Level 2	Level 3
Investments:				
Fixed Income Bonds	\$ 8,711,161	\$ -	\$ 8,711,161	\$ -
Mutual Funds - Equities	64,124,207	64,124,207	-	-
Mutual Funds - Fixed Income and Other	23,085,706	23,085,706	-	-
Money Market Funds	393,348	393,348	-	-
Equities	275,944	275,944	-	-
Certificate of Deposit	50,058	-	50,058	-
Investments Total	<u>96,640,424</u>	<u>87,879,205</u>	<u>8,761,219</u>	<u>-</u>
Mutual Funds Held for				
Deferred Compensation	667,313	667,313	-	-
Charitable Remainder Trust	968,740	-	-	968,740
Total Assets	<u>\$ 98,276,477</u>	<u>\$ 88,546,518</u>	<u>\$ 8,761,219</u>	<u>\$ 968,740</u>

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value for Level 1 investments is determined by reference to quoted market transactions. Fair value of Level 2 investments are determined by reference to quoted market transactions in a less active market for assets similar to those held to support the underlying assets. Fair value of Level 3 charitable remainder trust is determined by calculating the present value of the future payments to be received, using published life expectancy tables.

The following is a reconciliation of the beginning and ending balances of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) during the years ended December 31, 2020 and 2019:

Charitable Remainder Trust:		
Balance as of December 31, 2018	\$	766,954
Change in Present Value		<u>201,786</u>
Balance as of December 31, 2019		968,740
Change in Present Value		<u>229,423</u>
Balance as of December 31, 2020	\$	<u><u>1,198,163</u></u>

NOTE 3 INVESTMENTS

Investments at December 31 are comprised of the following:

	2020		
	Cost	Fair Value	Unrealized Gain (Loss)
Mutual Funds	\$ 89,981,211	\$ 101,992,062	\$ 12,010,851
Fixed Income	5,766,324	5,763,379	(2,945)
Money Market Funds	3,607,736	3,607,736	-
Total Investments	<u>\$ 99,355,271</u>	<u>\$ 111,363,177</u>	<u>\$ 12,007,906</u>
	2019		
	Cost	Fair Value	Unrealized Gain (Loss)
Certificate of Deposit	\$ 50,015	\$ 50,058	\$ 43
Mutual Funds	82,017,657	87,209,913	5,192,256
Fixed Income	8,887,573	8,711,161	(176,412)
Equities	275,944	275,944	-
Money Market Funds	392,166	393,348	1,182
Total Investments	<u>\$ 91,623,355</u>	<u>\$ 96,640,424</u>	<u>\$ 5,017,069</u>

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 3 INVESTMENTS (CONTINUED)

Total investment income for the years ended December 31 is as follows:

	<u>2020</u>	<u>2019</u>
Investment Income	\$ 2,135,254	\$ 2,880,812
Investment Fees	(415,380)	(404,906)
Total Investment Income, Net	<u>\$ 1,719,874</u>	<u>\$ 2,475,906</u>

NOTE 4 ACCOUNTS AND PLEDGES RECEIVABLE

Accounts and pledges receivable at December 31 are comprised of the following:

	<u>2020</u>	<u>2019</u>
Receivable in Less than One Year:		
Accounts Receivable (Including Accrued Interest)	\$ 2,622,991	\$ 3,179,818
Pledges Receivable	<u>6,827,422</u>	<u>6,401,126</u>
	9,450,413	9,580,944
Receivable in One to Five Years:		
Pledges Receivable	14,738,521	18,151,031
Receivable in Future Years:		
Pledges Receivable in More than Five Years	3,915,000	3,833,300
Charitable Remainder Trust	1,198,163	968,740
Cash Surrender Value of Donor Life Insurance Policies	<u>1,044,460</u>	<u>759,045</u>
Total Accounts and Pledges Receivable	30,346,557	33,293,060
Less: Allowance for Uncollectible Pledges	(1,624,670)	(1,724,375)
Less: Unamortized Discount	<u>(2,719,578)</u>	<u>(3,137,274)</u>
Net Accounts and Pledges Receivable	<u>\$ 26,002,309</u>	<u>\$ 28,431,411</u>
Current Portion	\$ 9,450,413	\$ 9,580,944
Long-Term Portion	<u>16,551,896</u>	<u>18,850,467</u>
Net Accounts and Pledges Receivable	<u>\$ 26,002,309</u>	<u>\$ 28,431,411</u>

Long-term pledges receivable are discounted based upon payment terms using a 5% discount factor at both December 31, 2020 and 2019.

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 5 PROPERTY, BUILDINGS, AND EQUIPMENT

Property, buildings, and equipment at December 31 are comprised of the following:

	2020			2019
	Cost	Accumulated Depreciation	Net	Net
Scholarship Houses	\$ 74,757,424	\$ 28,358,676	\$ 46,398,748	\$ 48,718,128
Headquarters - Golf, Illinois:				
Land	3,431	-	3,431	3,431
Building	912,616	585,216	327,400	348,320
Furniture and Furnishings	229,602	214,295	15,307	15,307
Computer Equipment	603,916	603,916	-	11
Headquarters - Glenview, Illinois:				
Land	2,340,232	-	2,340,232	2,340,232
Building	11,757,548	586,922	11,170,626	11,503,208
Furniture and Furnishings	925,179	138,777	786,402	878,920
Computer Equipment	641,520	187,109	454,411	515,461
Other:				
Automobiles	156,374	132,226	24,148	48,113
Tournament Equipment	52,115	52,115	-	-
Trophies	201,271	-	201,271	187,700
Total Property, Buildings, and Equipment	<u>\$ 92,581,228</u>	<u>\$ 30,859,252</u>	<u>\$ 61,721,976</u>	<u>\$ 64,558,831</u>

Accumulated depreciation as of December 31, 2019 was \$27,760,729.

The scholarship houses cost of \$74,757,424 and \$74,637,483 as of December 31, 2020 and 2019, respectively, includes approximately \$2,400,000 of land that is nondepreciable.

NOTE 6 LINE OF CREDIT

The Organization has a revolving line of credit for \$15,000,000, subject to a limit of 75% of the then current market value of certain of the Organization's investments, which have been pledged as collateral. The note bears interest at the prime rate (3.25% and 4.75% at December 31, 2020 and 2019, respectively) plus 0.50%. The revolving line of credit has an expiration date of July 31, 2022. The line of credit was not utilized in 2020 and 2019.

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7 DEFERRED COMPENSATION PLAN

The Organization maintains a tax deferred 457 retirement plan for five employees. Total contributions to the plan were \$36,000 and \$75,000 for the years ended December 31, 2020 and 2019, respectively.

Investments held related to the deferred compensation plan at December 31 are comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 117,679	\$ 104,647
Mutual Funds	795,128	667,313
Total Deferred Compensation Investments	<u>\$ 912,807</u>	<u>\$ 771,960</u>

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes and periods as of December 31:

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specific Purpose:		
Souder Caddie Academy	\$ 1,530,935	\$ 1,458,170
Miami Ohio Scholarship House	56,884	89,083
Maryland Scholarship House	950,000	-
Colorado Scholarship House	558,371	657,029
Washington Scholarship House	15,010	47,025
Wisconsin Scholarship House	650,885	1,085,151
Western Amateur Tournament	98,015	8,575
Total	<u>3,860,100</u>	<u>3,345,033</u>
Subject to Passage of Time:		
McGuigan Endowment Fund	3,376,593	3,809,604
Charitable Remainder Trust	1,198,163	968,740
Operating Fund	17,809,749	17,600,006
Total	<u>22,384,505</u>	<u>22,378,350</u>
Not Subject to Appropriation or Expenditure:		
McGuigan Endowment Fund - Named Scholarships	1,500,000	1,500,000
Kummer Endowment Fund	200,000	200,000
Total	<u>1,700,000</u>	<u>1,700,000</u>
Total Net Assets with Donor Restrictions	<u>\$ 27,944,605</u>	<u>\$ 27,423,383</u>

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
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NOTE 9 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with donor restrictions were released from restrictions for the following purposes:

	<u>2020</u>	<u>2019</u>
Endowment Pledges - Time Restricted	\$ 2,198,769	\$ 2,632,129
Investment Income - Endowed Named Scholars	226,244	330,866
Operating Fund - Pledges Time Restricted	6,110,381	8,031,063
Souder Caddie Academy	77,237	457,667
Capital Campaign - Miami Ohio House	34,525	104,387
Capital Campaign - Colorado Scholarship House	127,286	179,221
Capital Campaign - Washington Scholarship House	32,919	330,407
Capital Campaign - Wisconsin Scholarship House	480,333	573,773
Western Amateur Tournament	76,217	22,585
Total	<u>\$ 9,363,911</u>	<u>\$ 12,662,098</u>

NOTE 10 RESTRICTED ENDOWMENTS

The Organization's endowment consists of funds established to support the Organization's purpose to provide scholarships and other educational opportunities for caddies. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization's interpretation of the laws governing restrictions on net appreciation of donor-restricted endowments is based on UPMIFA.

Donor funds received for endowment are invested in a pool of investments managed by an independent investment management firm. See Note 3 for investments held as of December 31, 2020 and 2019. The Organization has adopted policies for endowment assets, which strive for both long-term growth and generate a reasonable current return for programs supported by its endowment. To satisfy its long-term rate-of-return objectives, the Organization 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 minimum acceptable rate of return over a full market cycle (approximately 10 years) is that which equals or exceeds the assumed spending rate plus the rate of inflation.

**EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 10 RESTRICTED ENDOWMENTS (CONTINUED)

The changes in endowment net assets for the fiscal years ended December 31, 2020 and 2019 are as follows:

Endowment Net Assets, January 1, 2018	\$ 1,700,000
Contributions	-
Investment Income:	
Investment Income	52,918
Net Appreciation	277,948
Total Investment Return	<u>330,866</u>
Appropriation of Endowment Assets for Expenditure	<u>(330,866)</u>
Endowment Net Assets, December 31, 2019	1,700,000
Contributions	-
Investment Income:	
Investment Income	37,299
Net Appreciation	188,945
Total Investment Return	<u>226,244</u>
Appropriation of Endowment Assets for Expenditure	<u>(226,244)</u>
Endowment Net Assets, December 31, 2020	<u><u>\$ 1,700,000</u></u>

NOTE 11 EMPLOYEE RETIREMENT PLAN

The Organization offers its eligible employees a contributory 403(b) retirement plan. The Organization made annual contributions to the plan equal to 10% of a participant's salary for the years ended December 31, 2020 and 2019. The Organization contributed approximately \$389,000 and \$644,000 to the plan for the years ended December 31, 2020 and 2019, respectively.

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 12 REVENUE AND DEFERRED REVENUE

The following table shows the Organization's revenue disaggregated according to the timing of transfer of goods or services:

	<u>2020</u>	<u>2019</u>
Revenue Recognized at a Point in Time:		
Tournament Revenue	\$ 3,767,142	\$ 21,043,451
Other Income, Net	134,363	51,251
Total	<u>3,901,505</u>	<u>21,094,702</u>
Revenue Recognized over Time:		
Membership Dues	14,400	17,060
Revenue Subject to Grants and Contributions Guidance:		
Tournament Revenue	1,662,709	7,120,945
Par Club	20,222,483	20,068,085
Leadership Gifts	8,956,530	12,072,540
Bag Tag, Events, and Other	8,768,848	9,643,442
Contributions - Scholarship Houses	1,176,248	1,958,021
Total	<u>40,786,818</u>	<u>50,863,033</u>
Total Revenues and Other Support	<u>\$ 44,702,723</u>	<u>\$ 71,974,795</u>

As of December 31, deferred revenue consisted of the following amounts:

	<u>2020</u>	<u>2019</u>
Tournament Revenue	\$ 5,893,215	\$ 3,387,889
Events	590,000	80,000
Chapter Utility Fees	101,908	878,310
Other	55,366	11,901
Total	<u>\$ 6,640,489</u>	<u>\$ 4,358,100</u>

NOTE 13 BMW CHAMPIONSHIP

The BMW Championship is operated by staff and volunteers for the primary purpose of promoting the game of golf with all of the excess revenues over expenses distributed to the ESF. The BMW Championship is promoted and operated by the WGA as an authorized Professional Golf Association (PGA) Tour tournament event under an agreement with the PGA Tour and BMW Professional Golf of North America, LLC (BMW). The contract with the PGA Tour is to operate the tournament through 2022. The annual tournament will be held at various golf facilities throughout the term of the agreement.

Advertising expenses related to the BMW Championship for the years ended December 31, 2020 and 2019 totaled approximately \$110,000 and \$435,000, respectively.

**EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 14 SCHOLARSHIP PROGRAM

The Organization annually grants over 285 renewable scholarships to eligible candidates. The scholarships are renewable on an annual basis for up to four years contingent upon the students maintaining certain academic standards. The Organization maintains an average enrollment in the scholarship program of approximately 1,045 students per year depending on continuing candidate eligibility and attrition rates. During 2020 and 2019, the Organization incurred approximately \$22,634,000 and \$24,268,000, respectively, for direct scholar expenses, of which approximately \$14,514,000 and \$14,237,000, respectively, related to tuition.

Estimated future direct scholar expenses to be incurred under this program over the next five years are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 28,084,184
2022	29,659,041
2023	31,275,634
2024	33,665,118
2025	35,669,668
Total	\$ 158,353,645

NOTE 15 LEASE AGREEMENTS

The Organization leases a portion of its former headquarters building to the United States Post Office under a lease agreement that expires on March 31, 2025. Future minimum rental payments under the lease are approximately \$34,000 annually. Rental income was \$33,902 and \$32,083 for the years ended December 31, 2020 and 2019, respectively.

The Organization leases a scholarship house at the University of Kansas under a lease agreement with an expiration date of July 31, 2028. The lease calls for annual rent payments of \$100,000.

The Organization leases a scholarship house at Penn State University under a lease agreement with an expiration date of May 31, 2028. The lease calls for monthly rent payments ranging from \$7,225 to \$8,465.

NOTE 16 CASH FLOW DISCLOSURES

There was no cash paid for interest for the years ended December 31, 2020 and 2019.

There were no noncash investing or financing transactions during the years ended December 31, 2020 and 2019.

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 17 PAYCHECK PROTECTION PROGRAM

The Organization received a loan in the amount of \$1,136,300 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the federal Paycheck Protection Program. This amount is included in the accompanying consolidated statements of financial position as of December 31, 2020. Subsequent to year-end, this amount was forgiven by the Small Business Administration (SBA) on February 24, 2021. The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

Subsequent to year-end, the Organization received an additional loan in the amount of \$1,127,030 on March 23, 2021 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the federal Paycheck Protection Program. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

NOTE 18 RISKS AND UNCERTAINTIES

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may have continuing impacts on various parts of its operations and financial results including, but not limited to, investment performance and loss of revenue due to reductions in certain revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Evans Scholars Foundation - Trust	Evans Scholars Foundation - Corporation	Western Golf Association	Eliminations	Total
ASSETS					
Cash and Cash Equivalents	\$ 5,226,020	\$ 19,004,298	\$ 6,319,372	\$ -	\$ 30,549,690
Accounts and Pledges Receivable, Net	24,486,879	-	1,515,430	-	26,002,309
Due from Related Entities	-	-	379,344	(379,344)	-
Prepaid Expenses and Deposits	1,237,799	-	1,094,726	-	2,332,525
Investments	-	111,363,177	-	-	111,363,177
Property, Buildings, and Equipment, Net	61,561,901	-	160,075	-	61,721,976
Funds Held for Deferred Compensation	912,807	-	-	-	912,807
	<u>\$ 93,425,406</u>	<u>\$ 130,367,475</u>	<u>\$ 9,468,947</u>	<u>\$ (379,344)</u>	<u>\$ 232,882,484</u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts Payable and Accrued Expenses	\$ 803,954	\$ -	\$ 180,690	\$ -	\$ 984,644
Paycheck Protection Program Loan	1,136,300	-	-	-	1,136,300
Deferred Revenue	2,418,955	-	4,221,534	-	6,640,489
Deferred Compensation	912,807	-	-	-	912,807
Due to Related Entities	379,344	-	-	(379,344)	-
Total Liabilities	<u>5,651,360</u>	<u>-</u>	<u>4,402,224</u>	<u>(379,344)</u>	<u>9,674,240</u>
NET ASSETS					
Without Donor Restrictions	61,529,441	128,667,475	5,066,723	-	195,263,639
With Donor Restrictions	<u>26,244,605</u>	<u>1,700,000</u>	<u>-</u>	<u>-</u>	<u>27,944,605</u>
Total Net Assets	<u>87,774,046</u>	<u>130,367,475</u>	<u>5,066,723</u>	<u>-</u>	<u>223,208,244</u>
Total Liabilities and Net Assets	<u>\$ 93,425,406</u>	<u>\$ 130,367,475</u>	<u>\$ 9,468,947</u>	<u>\$ (379,344)</u>	<u>\$ 232,882,484</u>

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	Evans Scholars Foundation - Trust	Evans Scholars Foundation - Corporation	Western Golf Association	Eliminations	Total
ASSETS					
Cash and Cash Equivalents	\$ 4,009,608	\$ 7,861,911	\$ 6,981,011	\$ -	\$ 18,852,530
Accounts and Pledges Receivable, Net	27,137,157	-	1,294,254	-	28,431,411
Due from Related Entities	340,445	-	-	(340,445)	-
Prepaid Expenses and Deposits	775,837	-	753,815	-	1,529,652
Investments	275,948	96,364,476	-	-	96,640,424
Property, Buildings, and Equipment, Net	64,412,327	-	146,504	-	64,558,831
Funds Held for Deferred Compensation	771,960	-	-	-	771,960
	<u>\$ 97,723,282</u>	<u>\$ 104,226,387</u>	<u>\$ 9,175,584</u>	<u>\$ (340,445)</u>	<u>\$ 210,784,808</u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts Payable and Accrued Expenses	\$ 1,608,217	\$ -	\$ 232,064	\$ -	\$ 1,840,281
Deferred Revenue	1,619,991	-	2,738,109	-	4,358,100
Deferred Compensation	771,960	-	-	-	771,960
Due to Related Entities	-	-	340,445	(340,445)	-
Total Liabilities	<u>4,000,168</u>	<u>-</u>	<u>3,310,618</u>	<u>(340,445)</u>	<u>6,970,341</u>
NET ASSETS					
Without Donor Restrictions	67,999,731	102,526,387	5,864,966	-	176,391,084
With Donor Restrictions	25,723,383	1,700,000	-	-	27,423,383
Total Net Assets	<u>93,723,114</u>	<u>104,226,387</u>	<u>5,864,966</u>	<u>-</u>	<u>203,814,467</u>
Total Liabilities and Net Assets	<u>\$ 97,723,282</u>	<u>\$ 104,226,387</u>	<u>\$ 9,175,584</u>	<u>\$ (340,445)</u>	<u>\$ 210,784,808</u>

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Evans Scholars Foundation - Trust	Evans Scholars Foundation - Corporation	Western Golf Association	Eliminations	Total
REVENUES AND OTHER SUPPORT					
Contributions:					
Par Club	\$ 20,222,483	\$ -	\$ -	\$ -	\$ 20,222,483
Leadership Gifts	8,956,530	-	-	-	8,956,530
Bag Tag, Events, and Other	8,768,848	-	-	-	8,768,848
Tournament Revenue	1,131,327	-	4,298,524	-	5,429,851
Membership Dues	-	-	14,400	-	14,400
Other Income, Net	125,099	-	10,090	-	135,189
Total Revenues and Other Support	<u>39,204,287</u>	<u>-</u>	<u>4,323,014</u>	<u>-</u>	<u>43,527,301</u>
EXPENSES					
Program Expenses:					
Scholars' Expenses:					
Tuition, Housing and Other Direct					
Scholars' Expenses	17,565,677	-	-	-	17,565,677
Related Administrative Expenses	2,115,077	-	-	-	2,115,077
House Depreciation	2,439,321	-	-	-	2,439,321
Tournament Expenses	71,585	-	5,047,029	-	5,118,614
Caddie Academy and Services	513,852	-	-	-	513,852
Supporting Services:					
Fundraising	4,560,342	-	-	-	4,560,342
General and Administrative	2,720,659	-	74,228	-	2,794,887
Headquarters Depreciation	659,202	-	-	-	659,202
Total Expenses	<u>30,645,715</u>	<u>-</u>	<u>5,121,257</u>	<u>-</u>	<u>35,766,972</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	8,558,572	-	(798,243)	-	7,760,329
NONOPERATING REVENUES (EXPENSES)					
Contributions - Scholarship Houses	1,176,248	-	-	-	1,176,248
Investment Income, Net	-	1,719,874	-	-	1,719,874
Realized Gain on Sale of Investments, Net	-	1,746,489	-	-	1,746,489
Unrealized Loss on Investments, Net	-	6,990,837	-	-	6,990,837
Net Assets Transferred (to) from Related Entities	(15,683,888)	15,683,888	-	-	-
CHANGE IN NET ASSETS	(5,949,068)	26,141,088	(798,243)	-	19,393,777
Net Assets - Beginning of Year	<u>93,723,114</u>	<u>104,226,387</u>	<u>5,864,966</u>	<u>-</u>	<u>203,814,467</u>
NET ASSETS - END OF YEAR	<u>\$ 87,774,046</u>	<u>\$ 130,367,475</u>	<u>\$ 5,066,723</u>	<u>\$ -</u>	<u>\$ 223,208,244</u>

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	Evans Scholars Foundation - Trust	Evans Scholars Foundation - Corporation	Western Golf Association	Eliminations	Total
REVENUES AND OTHER SUPPORT					
Contributions:					
Par Club	\$ 20,068,085	\$ -	\$ -	\$ -	\$ 20,068,085
Leadership Gifts	12,072,540	-	-	-	12,072,540
Bag Tag, Events, and Other	9,643,442	-	-	-	9,643,442
Tournament Revenue	1,863,553	-	26,300,843	-	28,164,396
Membership Dues	-	-	17,060	-	17,060
Other Income, Net	53,989	-	21,954	-	75,943
Total Revenues and Other Support	<u>43,701,609</u>	<u>-</u>	<u>26,339,857</u>	<u>-</u>	<u>70,041,466</u>
EXPENSES					
Program Expenses:					
Scholars' Expenses:					
Tuition, Housing and Other Direct					
Scholars' Expenses	18,739,782	-	-	-	18,739,782
Related Administrative Expenses	2,302,541	-	-	-	2,302,541
House Depreciation	2,276,049	-	-	-	2,276,049
Tournament Expenses	435,561	-	23,666,245	-	24,101,806
Caddie Academy and Services	949,788	-	-	-	949,788
Supporting Services:					
Fundraising	5,309,946	-	-	-	5,309,946
General and Administrative	2,697,789	141,980	30,422	-	2,870,191
Headquarters Depreciation	413,210	-	-	-	413,210
Total Expenses	<u>33,124,666</u>	<u>141,980</u>	<u>23,696,667</u>	<u>-</u>	<u>56,963,313</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	10,576,943	(141,980)	2,643,190	-	13,078,153
NONOPERATING REVENUES (EXPENSES)					
Contributions - Scholarship Houses	1,958,021	-	-	-	1,958,021
Investment Income, Net	-	2,475,906	-	-	2,475,906
Realized Gain on Sale of Investments, Net	-	1,859,855	-	-	1,859,855
Unrealized Loss on Investments, Net	-	10,464,302	-	-	10,464,302
Net Assets Transferred (to) from Related Entities	12,139,750	(12,139,750)	-	-	-
CHANGE IN NET ASSETS	24,674,714	2,518,333	2,643,190	-	29,836,237
Net Assets - Beginning of Year	<u>69,048,400</u>	<u>101,708,054</u>	<u>3,221,776</u>	<u>-</u>	<u>173,978,230</u>
NET ASSETS - END OF YEAR	<u>\$ 93,723,114</u>	<u>\$ 104,226,387</u>	<u>\$ 5,864,966</u>	<u>\$ -</u>	<u>\$ 203,814,467</u>

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
SCHEDULE OF TOURNAMENT REVENUE AND EXPENSES
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Revenue	Direct Expenses	Excess (Deficiency) of Revenue over Direct Expenses
BMW Championship	\$ 4,465,357	\$ 2,942,265	\$ 1,523,092
Pro-Amateur Tournaments	-	12,254	(12,254)
Total BMW Championship	<u>4,465,357</u>	<u>2,954,519</u>	<u>1,510,838</u>
Evans Scholars Invitational	786,519	650,020	136,499
Other Tournaments:			
Western Amateur	132,414	128,687	3,727
Western Junior	300	5,497	(5,197)
Women's Western Amateur and Junior	45,261	37,026	8,235
Total Other Tournaments	<u>177,975</u>	<u>171,210</u>	<u>6,765</u>
Total	<u>\$ 5,429,851</u>	<u>\$ 3,775,749</u>	<u>\$ 1,654,102</u>

Note: In the preparation of the Organization's tax returns, general and administrative expenses totaling \$1,342,865 are allocated to tournament expenses.

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
SCHEDULE OF TOURNAMENT REVENUE AND EXPENSES
YEAR ENDED DECEMBER 31, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	Revenue	Direct Expenses	Excess (Deficiency) of Revenue over Direct Expenses
BMW Championship	\$ 25,979,458	\$ 21,280,765	\$ 4,698,693
Pro-Amateur Tournaments	1,251,000	326,327	924,673
Total BMW Championship	<u>27,230,458</u>	<u>21,607,092</u>	<u>5,623,366</u>
Evans Scholars Invitational	749,668	745,248	4,420
Other Tournaments:			
Western Amateur	54,425	130,366	(75,941)
Western Junior	67,325	64,442	2,883
Women's Western Amateur and Junior	62,520	59,679	2,841
Total Other Tournaments	<u>184,270</u>	<u>254,487</u>	<u>(70,217)</u>
Total	<u>\$ 28,164,396</u>	<u>\$ 22,606,827</u>	<u>\$ 5,557,569</u>

Note: In the preparation of the Organization's tax returns, general and administrative expenses totaling \$1,494,979 are allocated to tournament expenses.

EVANS SCHOLARS FOUNDATION AND WESTERN GOLF ASSOCIATION
SCHEDULE OF PROPERTY, BUILDINGS, AND EQUIPMENT
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)
(SEE INDEPENDENT AUDITORS' REPORT)

Description	2020			2019
	Cost	Accumulated Depreciation	Net	Net
Scholarship Houses:				
General Fund:				
Evans Scholars Houses:				
Marquette University	\$ 3,030,530	\$ 1,793,374	\$ 1,237,156	\$ 1,339,012
Northwestern University	6,456,400	2,259,393	4,197,007	4,412,239
Pennsylvania State University	328,226	54,238	273,988	307,352
University of Illinois	8,363,920	4,326,900	4,037,020	4,245,173
Allis-Carrol Fund:				
University of Wisconsin	8,985,072	1,337,039	7,648,033	7,916,036
Eisenhower-Evans Fund:				
University of Colorado	7,123,135	1,838,687	5,284,448	5,495,852
Michigan Fund:				
Michigan State University	4,157,695	1,992,273	2,165,422	2,311,726
University of Michigan	5,232,415	2,688,934	2,543,481	2,721,873
Minnesota Fund:				
University of Minnesota	4,890,297	2,857,246	2,033,051	2,181,533
St. Louis Fund:				
University of Missouri	2,061,213	1,788,614	272,599	314,383
Indiana Fund:				
Purdue University	1,298,684	1,254,821	43,863	47,805
Indiana University	2,378,529	1,574,136	804,393	889,470
Ohio Fund:				
Ohio State University	9,052,305	3,061,490	5,990,815	6,249,786
Miami University	5,711,501	949,708	4,761,793	4,952,233
Oregon Fund:				
University of Oregon	2,862,058	262,601	2,599,457	2,723,957
Washington Fund:				
University of Washington	2,825,444	319,222	2,506,222	2,609,698
Total Scholarship Houses	74,757,424	28,358,676	46,398,748	48,718,128
Headquarters - Golf, Illinois:				
Land	3,431	-	3,431	3,431
Building	912,616	585,216	327,400	348,320
Furniture and Furnishings	229,602	214,295	15,307	15,307
Computer Equipment	603,916	603,916	-	11
Headquarters - Glenview, Illinois:				
Land	2,340,232	-	2,340,232	2,340,232
Building	11,757,548	586,922	11,170,626	11,503,208
Furniture and Furnishings	925,179	138,777	786,402	878,920
Computer Equipment	641,520	187,109	454,411	515,461
Other:				
Automobiles	156,374	132,226	24,148	48,113
Tournament Equipment	52,115	52,115	-	-
Trophies	201,271	-	201,271	187,700
Total Property, Buildings, and Equipment	<u>\$ 92,581,228</u>	<u>\$ 30,859,252</u>	<u>\$ 61,721,976</u>	<u>\$ 64,558,831</u>

