

TEE IT UP FOR THE TROOPS, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5

To the Board of Directors
Tee it Up for the Troops, Inc.
Burnsville, Minnesota

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of Tee it Up for the Troops, Inc. (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tee it Up for the Troops, Inc. as of December 31, 2011 and 2010, and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

November 15, 2012

TEE IT UP FOR THE TROOPS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>As Restated 2010</u>
ASSETS		
Cash	\$ 327,400	\$ 234,318
Account receivable	<u>67,398</u>	<u>160,052</u>
Total assets	<u><u>\$ 394,798</u></u>	<u><u>\$ 394,370</u></u>
LIABILITIES AND NET ASSETS		
Accounts Payable	\$ 27,605	\$ -
Credit card payable	<u>7,757</u>	<u>737</u>
Total liabilities	<u>35,362</u>	<u>737</u>
Net assets:		
Unrestricted	<u>359,436</u>	<u>393,633</u>
Total liabilities and net assets	<u><u>\$ 394,798</u></u>	<u><u>\$ 394,370</u></u>

See Notes to Financial Statements.

TEE IT UP FOR THE TROOPS, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>As Restated 2010</u>
Revenues:		
Event income	\$ 694,841	\$ 457,295
Contributions	249,822	400,308
Other income	109	207
Total revenues	<u>944,772</u>	<u>857,810</u>
Expenses:		
Program services:		
Contributions	586,360	417,046
Contract labor	62,493	38,312
Event expense	241,559	69,001
Program expense	-	130
Travel	21,654	17,008
Total program services	<u>912,066</u>	<u>541,497</u>
Administrative:		
Insurance	2,888	2,943
Licenses and permits	75	25
Marketing	3,646	4,220
Miscellaneous	3,306	764
Office expense	46,981	18,760
Professional services	6,265	6,347
Rent	3,742	7,200
Total administrative	<u>66,903</u>	<u>40,259</u>
Total expenses	<u>978,969</u>	<u>581,756</u>
Increase/(decrease) in net assets	(34,197)	276,054
Net assets, beginning of year	<u>393,633</u>	<u>117,579</u>
Net assets, end of year	<u>\$ 359,436</u>	<u>\$ 393,633</u>

See Notes to Financial Statements.

TEE IT UP FOR THE TROOPS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>As Restated 2010</u>
Operating activities:		
Change in net assets	\$ (34,197)	\$ 276,054
Adjustments to reconcile change in net assets to net cash from operating activities:		
(Increase)/Decrease in accounts receivable	92,654	(160,052)
Increase/(Decrease) in credit card payable	7,020	(1,373)
Increase in accounts payable	27,605	-
Net cash from operating activities	<u>93,082</u>	<u>114,629</u>
Increase in cash	93,082	114,629
Cash, beginning of year	<u>234,318</u>	<u>119,689</u>
Cash, end of year	<u><u>\$ 327,400</u></u>	<u><u>\$ 234,318</u></u>

See Notes to Financial Statements.

TEE IT UP FOR THE TROOPS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies

Organization and Nature of Activities

Tee it up for the Troops is a nonprofit corporation, incorporated in 1992. The Organization was established to help support the fallen and disabled members of our armed forces, and their families.

Basis of Accounting

The financial statements have been prepared on the accrual basis.

Financial Statement Presentation

In accordance with the FASB Codification the Organization is required to report information regarding its financial position and activities according to three net classes, unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Organization has no temporarily or permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. The Organization maintains cash balances with various financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times such balances may be in excess of the FDIC limit.

Accounts Receivable

Accounts receivable are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses depending on the form of the benefits received.

Contributions

Contributions are recorded at their net realizable values when the donor makes an unconditional promise to give to the Organization. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of restrictions. When a restriction expires, temporarily restricted net assets are released to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

TEE IT UP FOR THE TROOPS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies - (Continued)

Allocation of Expenses

The Organization's expenses are presented on a functional basis, showing basic program activities and support services. The Organization allocates expenses to program and support services based on the organizational cost centers (functional units) in which expenses are incurred.

Date of Management Review

Management has evaluated subsequent events through November 15, 2012, the date the financial statements were available to be issued.

2. Lease Commitments

Operating Lease

The Organization leases office space under a month to month operating lease at \$300 per month. Rent Expense for 2011 and 2010 was \$3,600 and \$7,200.

3. Income Taxes

The financial statements do not include any provisions for income taxes as Tee it Up For the Troops, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2009, 2010, and 2011 are subject to examination by the IRS, generally for three years after they were filed.

4. Restatement

The Organization has restated its previously issued 2010 financial statements. The Organization found that additional bank accounts previously not recorded were held in the Organizations name and being used for charitable events held by affiliates located in different states. The correction was to increase the 2010 ending cash account \$13,807 and a net increase in net assets at the end of the year. This correction does not reflect 2011 which was recorded as gross revenues and gross program services and gross administrative expenses.