

# Ted Lindsay Foundation

**Financial Report**

**December 31, 2020**

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### **Accountant's Compilation Report**

To the Board of Directors of  
Ted Lindsay Foundation

Management is responsible for the accompanying financial statements of Ted Lindsay Foundation (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—cash basis as of December 31, 2020, and the related statements of revenues, expenses, and other changes in net assets—cash basis for the year then ended, and the related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

*Zerbo Consulting Group, P.C.*

February 28, 2022

Statement of Assets, Liabilities, and Net Assets - Cash Basis

December 31, 2020

<b>Assets</b>	
<b>Current Assets</b>	
Cash, cash equivalents, and restricted cash	
Unrestricted cash and cash equivalents	\$ 119,190
Restricted cash - (Note 3)	151,350
Total Cash, Cash Equivalents, and Restricted Cash	<u>270,540</u>
Inventory	16,000
Total Current Assets	<u>286,540</u>
<b>Property and Equipment</b>	
Vehicles	32,826
Less accumulated depreciation	<u>(32,826)</u>
Property and Equipment - Net	<u>-</u>
 Total Assets	 <u><u>\$ 286,540</u></u>
<b>Liabilities and Net Assets</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 2,481
Total Current Liabilities	<u>2,481</u>
 Custodied Endowment Fund - (Note 3)	 151,350
Total Liabilities	<u>153,831</u>
<b>Net Assets</b>	
Without Donor Restrictions	132,709
Total Net Assets	<u>132,709</u>
 Total Liabilities and Net Assets	 <u><u>\$ 286,540</u></u>

Ted Lindsay Foundation

Statement of Revenues, Expenses, and Other Changes in Net Assets -  
Cash Basis

Year Ended December 31, 2020

	Without Donor Restrictions
<b>Revenue</b>	
Contributions	\$ 55,103
Golf outing revenue and contributions	165,025
Wine tasting	3,470
Investment income	667
<b>Total Revenue</b>	<u>224,265</u>
<b>Operating Expenses</b>	
Program activities	127,950
Management and general	15,255
Fundraising	78,122
<b>Total Expenses</b>	<u>221,327</u>
<b>Change in Net Assets</b>	2,938
<b>Net Assets - Beginning of year</b>	<u>129,771</u>
<b>Net Assets - End of year</b>	<u><u>\$ 132,709</u></u>

Statement of Functional Expenses

Year Ended December 31, 2020

	Program Activities	Management and General	Fundraising	Total
Golf outing	\$ -	\$ -	\$ 71,382	\$ 71,382
Wine tasting	-	-	2,199	2,199
Oakland University contributions	15,462	-	-	15,462
Other Foundation contributions	57,394	-	-	57,394
Salaries and wages	32,400	3,600	-	36,000
Payroll taxes	827	91	-	918
Vehicles	1,259	-	1,259	2,518
Office	9,652	1,072	-	10,724
Insurance	3,589	-	-	3,589
Meals and entertainment	-	8,409	-	8,409
Auction prizes	-	-	3,282	3,282
Depreciation	5,034	-	-	5,034
Other	2,333	2,083	-	4,416
<b>Total Expenses</b>	<b>\$ 127,950</b>	<b>\$ 15,255</b>	<b>\$ 78,122</b>	<b>\$ 221,327</b>

Statement of Cash Flows

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Year Ended December 31, 2020

**Cash flows from Operating Activities:**

Change in net assets	\$	2,938
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation		5,034
Changes in operating assets and liabilities that provided cash:		
Accounts payable		1,934
Net cash used by operating activities		<u>9,906</u>

**Net increase in cash, cash equivalents, and restricted cash** 9,906

**Cash, cash equivalents, and restricted cash - Beginning of year** 260,634

**Cash, cash equivalents, and restricted cash - End of year** \$ 270,540

December 31, 2020

**Note 1 – Summary of Significant Accounting Policies**

***Organization***

The Ted Lindsay Foundation (“the Foundation”) is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”). The Foundation was established to support research and educational programs focusing on children’s health and welfare, and particularly, the cause and management of autism spectrum disorders. Support is derived principally from public contributions and fundraising events.

***Basis of Presentation***

The accompanying financial statements of the Foundation have been prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the cash basis of accounting, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Consequently, the Foundation has not recognized receivables from donors or their related effects on the change in net assets in the accompanying financial statements. The cash basis of accounting requires the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction has been met or when a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of revenues, expenses, and other changes in net assets.

***Use of Estimates***

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

Cash and cash equivalents consist of demand deposits and cash on hand. The Foundation maintains its deposits in local financial institutions, which, at times may exceed federally insured limits. Management does not believe the Foundation is exposed to significant interest rates or other financial risks as a result of these deposits.

***Inventory***

Inventory, which consists primarily of prizes and sports memorabilia that are provided to participants of fundraising events, is stated at the lower of cost or market, determined on the first-in, first- out basis.



December 31, 2020

**Note 1 – Summary of Significant Accounting Policies (Continued)*****Property and Equipment***

Property and equipment is carried at cost or, if donated, at fair market value at the time of donation. The Foundation's policy is to capitalize improvements or assets of \$500 or more. Depreciation is provided on a straight-line basis over the estimated useful life of 6 years. Depreciation expense was \$5,034 for the year ended December 31, 2020.

***Contribution Revenue***

Contributions of cash and other assets are reported as revenue when received and are measured at fair value. Contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the contributions are recognized. Contributions with donor-imposed time or purpose restrictions are reported as support with restrictions. All other contributions are reported as support without restrictions.

Contributions, including unconditional promises to give, are recognized as public support in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met and when the support is received. There were no unconditional promises to give recognized as of December 31, 2020.

***Donated Services***

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, performed by people with those skills, and would otherwise be purchased by the Foundation.

Donated services are recorded on the date of receipt at an estimated fair market value when an objective basis is available to measure value. There were no donated services during the year ended December 31, 2020.

***Functional Allocations of Expenses***

Costs of providing the program, management, and fundraising services have been reported on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses required allocation on a reasonable basis that is consistently applied. Depreciation is allocated on the basis of the program or support service that uses the fixed asset. Costs have been allocated between the various programs and support services based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

***Adoption of Accounting Pronouncement***

In June 2018 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The accounting guidance results in more governmental contracts being accounted for as contributions and may delay revenue recognition for certain grants and contributions that no longer meet the definition of unconditional. The new guidance is effective for the Foundation's year-ended December 31, 2020. The new standard does not have an impact on the timing or revenue recognized based on contributions received for the year-ended December 31, 2020.

December 31, 2020

**Note 1 – Summary of Significant Accounting Policies (Continued)*****Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including February 28, 2022, which is the date the financial statements were available to be issued.

**Note 2 – Tax Position**

Although the Foundation was granted an income tax exemption by the Internal Revenue Service, such exemption does not apply to “unrelated business taxable income.” Such income, pursuant to the IRC and related regulations, includes investment income such as interest received from sources other than directly from contributors. The Foundation has not been classified as a private foundation.

The Foundation analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions, to identify potential uncertain tax positions. Interest and penalties attributable to income taxes, to the extent they arise, are reflected as a component of its management and general expenses.

The Foundation has evaluated its income tax positions taken for all open tax years and has concluded as of December 31, 2020, that there are no uncertain tax positions of significance that would require recognition of liability or disclosure in the Foundation’s financial statements.

**Note 3 – Gift and Pledge Endowment**

On September 21, 2018, the Foundation entered into a Gift and Pledge Agreement with Oakland University’s Center for Autism-Outreach Services (Center). Under the terms of that agreement, the Foundation is providing a total of \$1,000,000 for the funding of the Center’s autism programs. The Foundation pledged to pay \$1,000,000 over the ensuing five years, of which \$250,000 was paid or held by the Foundation in 2018, \$400,000 has been paid or held by the Foundation in 2019, and no payments were made in 2020 as a result of the COVID-19 Pandemic. Given the Foundation was ahead of its pledged payment schedule, the terms of the agreement remained unchanged. Of the total \$650,000 contributed to the University as of December 31, 2020, \$80,000 was spent directly on autism programs, \$418,650 was contributed to the University’s high return endowment fund managed by the University, and \$151,350 was invested in a Pledge Fund of risk reduction assets held in trust for the Center by the Foundation. The total balance of the Pledge Fund held by the Foundation is \$151,350 as of December 31, 2020. The Foundation recognizes the balance as restricted cash and as an endowment liability on the statement of assets, liabilities, and net assets.

The Foundation also contributed \$15,462 to Oakland University that was unrelated to the gift mentioned above. Contributions to Oakland University totaled \$15,462 for the year-ended December 31, 2020.

**Note 4 – Liquidity and Availability of Financial Resources**

The Foundation has \$270,540 of financial assets available within one year of the statement of assets, liabilities, and net assets date to meet cash needs for general expenditure consisting of cash of \$270,540. Of the \$270,540 of financial assets, \$151,350 is restricted for the Oakland University Center for Autism-Outreach Services. The Foundation has no other financial assets subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of assets, liabilities, and net assets date. The Foundation has a goal to maintain financial assets, which consist of cash, on hand to meet 60 days of normal operating expenses, which are, on average approximately \$37,000. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**December 31, 2020**

**Note 5 – COVID 19**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Foundation’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, and workforce.

Given the evolution of the COVID-19 outbreak and the responses to curb its spread, the Foundation curtailed its Celebrity Golf Outing in September 2020 by limiting the number of participants eligible to partake in the golf outing and related auction. The Celebrity Golf Outing is the Foundation’s principal fundraising activity. The Foundation also cancelled its Wine Tasting Event scheduled in May 2020 and scheduled a virtual Wine Tasting Event in December 2020. The Wine Tasting Event is the Foundation’s second largest fundraising activity. Revenues for the year ended December 31, 2020 decreased by approximately 54% of revenues recognized as of December 31, 2019.