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# The Teammates for Kids Foundation

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**Modified Cash Basis Financial Report  
with Supplemental Information  
December 31, 2021**

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## Independent Auditor's Report

To the Board of Directors  
The Teammates for Kids Foundation

### **Opinion**

We have audited the modified cash basis financial statements of The Teammates for Kids Foundation (the "Foundation"), which comprise the modified cash basis statement of assets and net assets as of December 31, 2021 and 2020 and the related modified cash basis statements of activities and changes in net assets and functional expenses for the years then ended, and the related notes to the modified cash basis financial statements.

In our opinion, the accompanying modified cash basis financial statements present fairly, in all material respects, the assets and liabilities arising from cash transactions of the Foundation as of December 31, 2021 and 2020 and its changes in net assets and functional expenses during the years then ended in accordance with the modified cash basis of accounting described in Note 2.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Modified Cash Basis Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our 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.

### **Basis of Accounting**

We draw attention to Note 2 to the modified cash basis financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Modified Cash Basis Financial Statements**

Management is responsible for the preparation and fair presentation of the modified cash basis financial statements in accordance with the modified cash basis of accounting described in Note 2 and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of modified cash basis financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the modified cash basis financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year from the audit report date.

To the Board of Directors  
The Teammates for Kids Foundation

***Auditor's Responsibilities for the Audits of the Modified Cash Basis Financial Statements***

Our objectives are to obtain reasonable assurance about whether the modified cash basis 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 audits conducted in accordance with GAAS 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 modified cash basis financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the modified cash basis 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 modified cash basis financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Foundation'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 modified cash basis financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

*Plante & Moran, PLLC*

August 29, 2022

## The Teammates for Kids Foundation

# Modified Cash Basis Statement of Assets and Net Assets

		December 31, 2021 and 2020	
		2021	2020
<b>Assets</b>			
<b>Assets</b>			
Cash and cash equivalents		\$ 6,572,013	\$ 6,114,546
Investments		<u>76,618,058</u>	<u>71,172,165</u>
Total assets		<u><b>\$ 83,190,071</b></u>	<u><b>\$ 77,286,711</b></u>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
		\$ -	\$ -
<b>Net Assets</b>			
Without donor restrictions		37,881,481	31,083,527
With donor restrictions		<u>45,308,590</u>	<u>46,203,184</u>
Total liabilities and net assets		<u><b>\$ 83,190,071</b></u>	<u><b>\$ 77,286,711</b></u>

## The Teammates for Kids Foundation

# Modified Cash Basis Statement of Activities and Changes in Net Assets

Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenue</b>						
Individual, corporate, and foundation contributions	\$ -	\$ 2,467,523	\$ 2,467,523	\$ -	\$ 1,953,047	\$ 1,953,047
Net assets released from restrictions	3,362,117	(3,362,117)	-	3,116,560	(3,116,560)	-
Total operating revenue	3,362,117	(894,594)	2,467,523	3,116,560	(1,163,513)	1,953,047
<b>Operating Expenses</b>						
Program services:						
Children's health	2,391,629	-	2,391,629	1,381,474	-	1,381,474
Children's education	332,275	-	332,275	350,521	-	350,521
Children's inner city needs	447,600	-	447,600	1,182,351	-	1,182,351
Total program services	3,171,504	-	3,171,504	2,914,346	-	2,914,346
Support services:						
General and administrative	76,863	-	76,863	94,323	-	94,323
Fundraising	113,750	-	113,750	107,891	-	107,891
Total support services	190,613	-	190,613	202,214	-	202,214
Total operating expenses	3,362,117	-	3,362,117	3,116,560	-	3,116,560
<b>Change in Net Assets - Before other revenue</b>	-	(894,594)	(894,594)	-	(1,163,513)	(1,163,513)
<b>Other Revenue</b>						
Interest and dividend income	1,749,818	-	1,749,818	1,603,471	-	1,603,471
Investment return - Net	5,048,136	-	5,048,136	112,938	-	112,938
Total other revenue	6,797,954	-	6,797,954	1,716,409	-	1,716,409
<b>Change in Net Assets</b>	6,797,954	(894,594)	5,903,360	1,716,409	(1,163,513)	552,896
<b>Net Assets - Beginning of year</b>	31,083,527	46,203,184	77,286,711	29,367,118	47,366,697	76,733,815
<b>Net Assets - End of year</b>	<b>\$ 37,881,481</b>	<b>\$ 45,308,590</b>	<b>\$ 83,190,071</b>	<b>\$ 31,083,527</b>	<b>\$ 46,203,184</b>	<b>\$ 77,286,711</b>

## The Teammates for Kids Foundation

# Modified Cash Basis Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services				Support Services			
	Children's Health	Children's Education	Children's Inner City Needs	Total	General and Administrative	Fundraising	Total	Total
Grants and charitable program support	\$ 2,299,562	\$ 241,121	\$ 353,638	\$ 2,894,321	\$ -	\$ -	\$ -	\$ 2,894,321
Salaries and benefits	77,776	77,776	77,776	233,328	49,999	49,999	99,998	333,326
Professional fees and services	3,033	3,033	3,033	9,099	19,409	1,820	21,229	30,328
Marketing and promotional	4,847	4,847	4,847	14,541	-	46,047	46,047	60,588
Travel and lodging	3,688	3,688	6,496	13,872	-	3,688	3,688	17,560
Insurance	992	992	992	2,976	4,462	7,437	11,899	14,875
Office and administrative	589	589	589	1,767	2,650	4,416	7,066	8,833
Occupancy	1,142	229	229	1,600	343	343	686	2,286
<b>Total expenses</b>	<b>\$ 2,391,629</b>	<b>\$ 332,275</b>	<b>\$ 447,600</b>	<b>\$ 3,171,504</b>	<b>\$ 76,863</b>	<b>\$ 113,750</b>	<b>\$ 190,613</b>	<b>\$ 3,362,117</b>

## The Teammates for Kids Foundation

# Modified Cash Basis Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services				Support Services			
	Children's Health	Children's Education	Children's Inner City Needs	Total	General and Administrative	Fundraising	Total	Total
Grants and charitable program support	\$ 1,289,894	\$ 259,819	\$ 1,090,449	\$ 2,640,162	\$ -	\$ -	\$ -	\$ 2,640,162
Salaries and benefits	77,102	77,102	77,102	231,306	49,566	49,566	99,132	330,438
Professional fees and services	5,941	5,941	5,941	17,823	38,023	3,565	41,588	59,411
Marketing and promotional	4,441	4,441	4,441	13,323	-	42,189	42,189	55,512
Travel and lodging	1,575	1,575	2,775	5,925	-	1,575	1,575	7,500
Insurance	989	989	989	2,967	4,451	7,418	11,869	14,836
Office and administrative	434	434	434	1,302	1,954	3,249	5,203	6,505
Occupancy	1,098	220	220	1,538	329	329	658	2,196
<b>Total expenses</b>	<b>\$ 1,381,474</b>	<b>\$ 350,521</b>	<b>\$ 1,182,351</b>	<b>\$ 2,914,346</b>	<b>\$ 94,323</b>	<b>\$ 107,891</b>	<b>\$ 202,214</b>	<b>\$ 3,116,560</b>

## The Teammates for Kids Foundation

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# Notes to Modified Cash Basis Financial Statements

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December 31, 2021 and 2020

### Note 1 - Nature of Business

The Teammates for Kids Foundation (the "Foundation") is a nonprofit corporation formed on January 9, 1999 in accordance with the Colorado Nonprofit Corporation Act. The Foundation's primary focus is to contribute financial resources to selected nonprofit entities that have consistently demonstrated the capacity to efficiently and effectively deliver educational programs, health care services, other recreation/faith activities, and social interactive opportunities to needy children. Funding is received from fundraising events, individuals, private corporate donors, and foundations.

At times, the Foundation also enlists teammates to triple the contributions made by professional athletes. Of the contributions by these individuals or entities, 100 percent has been used and will continue to be used by the Foundation for children's charities unless specifically authorized for operations by the donors.

The Foundation, in a partnership with other private and corporate donors, also focuses on child life zones. The goal of these zones is to create a state-of-the-art, high-tech interactive play area for children in hospitals in various cities. Expenses related to these zones are included in the children's health program services on the modified cash basis statements of activities and changes in net assets and functional expenses.

### Note 2 - Significant Accounting Policies

#### ***Basis of Accounting***

The accompanying financial statements of the Foundation have been prepared using the modified cash basis of accounting.

This basis differs from accounting principles generally accepted in the United States of America primarily as follows:

Unconditional promises to give and beneficial interests in trust arrangements are recognized upon receipt rather than when the pledge is made.

Business expenses and grant obligations are recognized when paid instead of when incurred.

This basis differs from the cash basis of accounting primarily as follows:

Investments are stated at fair value, and unrealized gains and losses are included on the modified cash basis statement of activities and changes in net assets.

#### ***Classification of Net Assets***

Net assets of the Foundation are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Foundation.

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 the donor has stipulated the funds be maintained in perpetuity. The Foundation does not currently maintain net assets to be held in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

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**Notes to Modified Cash Basis Financial Statements**

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**December 31, 2021 and 2020**

**Note 2 - Significant Accounting Policies (Continued)**

***Cash and Cash Equivalents***

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents unless held as part of the Foundation's investment portfolio and intended to be used to purchase additional investments. In addition, the Foundation maintains cash equivalents within its investment portfolio to mitigate the exposure to market risks. Therefore, these amounts have been presented as cash and cash equivalents on the accompanying modified cash basis statement of assets and net assets. At various times throughout the year, the Foundation held cash balances in excess of federally insured limits.

***Investments***

The Foundation accounts for investments at fair value, with the change in unrealized gains and losses included on the modified cash basis statement of activities and changes in net assets. Realized gains and losses on the sale of investments are calculated using the specific identification method. Dividend and interest income are recorded as earned. Investment income and net gains and losses on the sale of investments are recognized as increases or decreases in net assets without donor restrictions.

The alternative investments, primarily composed of hedge funds and private equity (in the form of limited partnerships that are not readily marketable), are measured at fair value, valued at net asset value per share as the practical expedient. The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and significant assumptions used in determining fair value. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

The Foundation's assets are invested in financial instruments that are inherently subject to a certain amount of risk. The Foundation reduces its credit and market risks related to investments by investing primarily in high-grade bonds, equity securities, and alternative investments.

***Revenue Recognition***

Contributions are reported as revenue when received. All contributions are considered to be without donor restrictions unless specifically restricted by the donors. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

***Contributed Facilities, Goods, and Services***

Contributed facilities and goods are recorded at fair value on the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as net assets with donor restrictions. In the absence of such stipulations, contributions of facilities and goods are recorded as net assets without donor restrictions.

The Foundation generally pays for services requiring specific expertise, with the exception of legal services, if any, which are provided by a board member at no cost.

***Functional Allocation of Expenses***

Costs of providing the program and support services have been reported on a functional basis in the modified cash basis statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and support services benefited. Expenses are allocated based upon, among other things, evaluations of employees' time incurred on each program. General and administrative expenses include subscriptions/dues, postage and shipping, supplies, telephone, bank service charges, and computer support.

## The Teammates for Kids Foundation

# Notes to Modified Cash Basis Financial Statements

December 31, 2021 and 2020

### Note 2 - Significant Accounting Policies (Continued)

#### *Income Taxes*

The Foundation is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

#### *Use of Estimates*

The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect the reported amounts of assets and disclosure of contingent assets at the date of the modified cash basis financial statements and the reported amounts of revenue, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

#### *Subsequent Events*

The modified cash basis financial statements and related disclosures include evaluation of events up through and including August 29, 2022, which is the date the modified cash basis financial statements were available to be issued.

### Note 3 - Economic Uncertainty

As a result of supply chain issues, inflation, the war in Ukraine, and their impacts on financial markets, the Foundation's investment portfolio incurred a significant decline in fair value subsequent to year end, consistent with the general decline in financial markets. No impairments were recorded as of the modified cash basis statement of assets and net assets date; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while the Foundation's activities, cash flows, and financial position could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time. There have been no other significant impacts to the Foundation's operations, but the Foundation continues to monitor the situation.

### Note 4 - Major Contributions

For the years ended December 31, 2021 and 2020, contributions by three and four donors, respectively, to the Foundation amounted to \$1,512,189 and \$1,161,165, respectively (61.3 and 59.5 percent, respectively, of total contributions and support).

### Note 5 - Investments

The Foundation utilizes the services of an advisor at an investment firm to manage its investments. The board of directors has designated a group of individuals to be responsible for these functions and serve as the finance committee. Management, the investment advisor, and the finance committee monitor the trades, balances, and performance of the investment portfolio on a periodic basis.

The fair values of investments consist of the following:

	2021	2020
Corporate fixed-income securities	\$ 29,063,647	\$ 32,119,761
Equities	33,672,058	26,182,732
Mutual funds	9,231,440	9,001,306
Exchange-traded funds	2,930,069	2,100,405
Alternative:		
Hedge fund	1,220,346	1,000,268
Private equity	497,966	760,679
Municipal bonds	2,532	7,014
Total	<u>\$ 76,618,058</u>	<u>\$ 71,172,165</u>

## The Teammates for Kids Foundation

# Notes to Modified Cash Basis Financial Statements

December 31, 2021 and 2020

### Note 5 - Investments (Continued)

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 1,749,818	\$ 1,603,471
Unrealized gains (losses)	4,836,997	(412,533)
Realized gains	483,257	815,922
Investment advisory fees	(272,118)	(290,451)
Total	<u>\$ 6,797,954</u>	<u>\$ 1,716,409</u>

### Note 6 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at December 31, 2021 and 2020 and the valuation techniques used by the Foundation to determine those values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

## The Teammates for Kids Foundation

# Notes to Modified Cash Basis Financial Statements

December 31, 2021 and 2020

### Note 6 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2021				
	Level 1	Level 2	Level 3	Total
Investments:				
Corporate fixed-income securities	\$ -	\$ 29,063,647	\$ -	\$ 29,063,647
Equities	33,672,058	-	-	33,672,058
Exchange-traded funds	2,930,069	-	-	2,930,069
Mutual funds	9,231,440	-	-	9,231,440
Municipal bonds	-	2,532	-	2,532
Total investments	\$ 45,833,567	\$ 29,066,179	\$ -	74,899,746
Investments measured at net asset value (NAV):				
Hedge funds				1,220,346
Private equity				497,966
Total investments measured at NAV				1,718,312
Total				\$ 76,618,058

Assets Measured at Fair Value on a Recurring Basis at December 31, 2020				
	Level 1	Level 2	Level 3	Total
Investments:				
Corporate fixed-income securities	\$ -	\$ 32,119,761	\$ -	\$ 32,119,761
Equities	26,182,732	-	-	26,182,732
Exchange-traded funds	2,100,405	-	-	2,100,405
Mutual funds	9,001,306	-	-	9,001,306
Municipal bonds	-	7,014	-	7,014
Total investments	\$ 37,284,443	\$ 32,126,775	\$ -	69,411,218
Investments measured at net asset value:				
Hedge funds				1,000,268
Private equity				760,679
Total investments measured at NAV				1,760,947
Total				\$ 71,172,165

Level 1 assets in the Foundation's investment portfolio include equities; exchange-traded funds (ETFs), which comprise money market funds and stocks; and mutual funds. ETFs, money market funds, mutual funds, and stocks are valued based on quoted daily market values that are directly observable in the marketplace by market participants, and the fair values of the ETFs, money market funds, mutual funds, and stocks are equivalent to the market value at the close of business on the reporting date.

Notes to Modified Cash Basis Financial Statements

December 31, 2021 and 2020

**Note 6 - Fair Value Measurements (Continued)**

The fair value of corporate fixed-income securities and municipal bonds at December 31, 2021 was determined primarily based on Level 2 inputs. The Foundation estimates the fair value of these investments based on trades of the securities within a publicly observable marketplace and are based on negotiated contracts between a limited number of parties rather than high-volume exchange transactions. Pricing for corporate fixed-income securities and municipal bonds can be determined through review of the transactions involving the specified security or a similar security.

**Investments in Entities that Calculate Net Asset Value per Share**

The following table sets forth a summary of certain investments that are valued based on NAV per share:

	2021	2020	2021		
	NAV	NAV	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Hedge funds	\$ 1,220,346	\$ 1,000,268	\$ -	Monthly to semiannually	20 to 90 days
Private equity	497,966	760,679	19,839	No redemption available	N/A
Total	\$ 1,718,312	\$ 1,760,947	\$ 19,839		

The Foundation has multiple types of alternative investment funds with the goal of providing additional diversification to the overall investment portfolio and seeking to realize attractive risk-adjusted returns over a medium time horizon. The Foundation has funds of hedge funds and private equity with the goal of diversification, stability, growth, and income. The Foundation has managed futures with the goal of uncorrelated returns relative to the equity and fixed-income markets. The Foundation has one mutual fund position with a three-to-five-year investment time horizon. The goal of this particular investment is to provide additional income to the portfolio.

There were no changes to the valuation methodologies during the years ended December 31, 2021 and 2020.

The Foundation's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the actual date of the event. There were no transfers among the fair value classifications during the years ended December 31, 2021 and 2020.

**Note 7 - Net Assets**

At December 31, 2021 and 2020, net assets with donor restrictions had been restricted by donors to either be spent specifically for children's charities and specific child life zones or had been restricted by donors to fund only operational and administrative expenses. Net assets with donor restrictions are released from restrictions when appropriate expenses have been paid.

Included within net assets with donor restrictions are Zone Angel accounts in the amounts of \$28,483,965 and \$26,142,977 as of December 31, 2021 and 2020, respectively. Zone Angel accounts are established by donors with the intent of supporting the future maintenance and refurbishment of existing child life zones. Although intended to provide long-term support, these accounts are not established as perpetual endowments.

Included within net assets with donor restrictions are amounts restricted for future operational expenses in the amounts of \$1,913,837 and \$2,381,631 as of December 31, 2021 and 2020, respectively. These amounts represent donations received specifically for operating and administrative expenses and are reduced as operating and administrative expenses are incurred.

## The Teammates for Kids Foundation

# Notes to Modified Cash Basis Financial Statements

December 31, 2021 and 2020

### Note 7 - Net Assets (Continued)

Net assets without donor restrictions represent historical donations received that have not been specified for a particular purpose, as well as any accumulated investment earnings. Though not restricted by the donor, these net assets will be used to fulfill direct programmatic activities because all administrative and operational expenses are covered by a separate restricted donation noted above that is to be used to cover all operational and administrative expenses.

During 2021, the board designated \$5,000,000 for a program that will focus on experiences exclusively for 10-to-18-year-old girls. The board established a committee to oversee this new program. As of December 31, 2021, the designated amount for this program was \$5,000,000 and is included in net assets without donor restrictions.

Net assets with donor restrictions as of December 31 are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Subject to expenditures for a specified purpose:		
Zone Angel accounts	\$ 28,483,965	\$ 26,142,977
Restricted for children's charities	14,910,788	17,678,576
Restricted for future operational expenses	<u>1,913,837</u>	<u>2,381,631</u>
Total	<u>\$ 45,308,590</u>	<u>\$ 46,203,184</u>

### Note 8 - Operating Leases

The Foundation is obligated under operating leases primarily for storage space. The storage space is leased under a month-to-month operating lease with monthly payments of approximately \$183 and no expiration date. Rent expense incurred for this lease was \$2,286 and \$2,196 for the years ended December 31, 2021 and 2020, respectively.

### Note 9 - Liquidity and Availability of Resources

The Foundation has \$1,913,837 of financial assets available within one year of December 31, 2021 to meet cash needs for general expenditure, which include cash and cash equivalents of \$427,287 and investments of \$1,486,550. As of December 31, 2020, the Foundation had \$2,381,631 of financial assets available, which included cash and cash equivalents of \$587,311 and investments of \$1,794,320. These financial assets are subject to donor restrictions that make them only available for operating and administrative expenses. All other financial assets held by the Foundation are available to be used for programmatic purposes or have been accumulated through investment earnings and will be used on direct program expenses.

The Foundation manages its operating cash balance by ensuring that any administrative or operational expenses are paid from the operating cash checking account. All direct program expenses are paid out of the charitable giving accounts, which are included in both cash equivalents and investments in the accompanying modified cash basis statement of assets and net assets. The Foundation has received a commitment from a donor that the administrative and operating expenses will continue to be funded by this donor in order to ensure that all other assets of the Foundation will be utilized on direct program activities.

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## Supplemental Information

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**Independent Auditor's Report on Supplemental Information**

To the Board of Directors  
The Teammates for Kids Foundation

We have audited the modified cash basis financial statements of The Teammates for Kids Foundation as of and for the years ended December 31, 2021 and 2020 and have issued our report thereon dated August 29, 2022, which contained an unmodified opinion on those modified cash basis financial statements. Our audit was performed for the purpose of forming an opinion on the 2021 modified cash basis financial statements as a whole. The supplemental schedule of net assets is presented for the purpose of additional analysis and is not a required part of the modified cash basis 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 2021 modified cash basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 modified cash basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the modified cash basis financial statements or to the modified cash basis 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 2021 modified cash basis financial statements as a whole.

*Plante & Moran, PLLC*

August 29, 2022

The Foundation operates under a 100% model, meaning that 100% of donations received are used for direct program expenses unless otherwise directed by the donor. The Foundation has received donations specifically for operating and administrative expenses and all other donations are utilized for direct program expenses as indicated in the tables below:

Net Assets Available for Programmatic Activities:

Net assets as of December 31, 2020	\$	74,905,080
Donations		2,467,523
Investment gain, net		6,797,954
Direct program expenses		<u>(2,894,323)</u>
Net assets as of December 31, 2021	\$	<u><b>81,276,234</b></u>

Net Assets Available for Operating and Administrative Expenses:

Net assets as of December 31, 2020	\$	2,381,631
Donations		-
Operating and administrative expenses		<u>(467,794)</u>
Net assets as of December 31, 2021	\$	<u><b>1,913,837</b></u>