

**MILWAUKEE TENNIS & EDUCATION FOUNDATION**  
Milwaukee, Wisconsin

**Reviewed Financial Statements**

Year Ended December 31, 2021

(With Summarized Totals for the  
Year Ended December 31, 2020)

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## Independent Accountants' Review Report

To the Board of Directors  
Milwaukee Tennis & Education Foundation  
Milwaukee, Wisconsin

We have reviewed the accompanying financial statements of Milwaukee Tennis & Education Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Milwaukee Tennis & Education Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### Report on 2020 Financial Statements

The 2020 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated May 13, 2021. We have not performed any auditing procedures since that date.

## **Report on Summarized Comparative Information**

We have previously audited the Milwaukee Tennis & Education Foundation's 2020 financial statements and our report dated May 13, 2021 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

March 8, 2022  
Milwaukee, Wisconsin

**MILWAUKEE TENNIS & EDUCATION FOUNDATION**

Milwaukee, Wisconsin

**Statements of Financial Position**

December 31, 2021 and 2020

	<b>Reviewed 2021</b>	<b>Audited 2020</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and equivalents	\$ 322,167	\$ 281,610
Investments	51,901	51,806
Prepaid expenses	-	3,416
<b>Total assets</b>	<b>\$ <u>374,068</u></b>	<b>\$ <u>336,832</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 20,921	\$ 27,787
<b>Net Assets:</b>		
Without donor restriction	327,268	292,396
With donor restriction	<u>25,879</u>	<u>16,649</u>
<b>Total net assets</b>	<b><u>353,147</u></b>	<b><u>309,045</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>374,068</u></b>	<b>\$ <u>336,832</u></b>

The accompanying notes to financial statements  
are an integral part of these statements.

**MILWAUKEE TENNIS & EDUCATION FOUNDATION**  
Milwaukee, Wisconsin

**Statement of Activities**  
Year Ended December 31, 2021  
With Summarized Information for the Year Ended December 31, 2020

	<b>Reviewed</b>			<b>Audited 2020 Total</b>
	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total 2021</b>	
<b>Revenues:</b>				
Contributions	\$ 240,238	\$ 16,730	\$ 256,968	\$ 259,700
In-kind contributions	39,360	-	39,360	47,700
Special event revenues	32,928	-	32,928	-
Less: Direct benefit to donor	(32,747)	-	(32,747)	-
Investment income	360	-	360	896
Unrealized gain/(loss) on investments	(242)	-	(242)	422
Registration fees	10,629	-	10,629	7,257
Contribution - PPP	31,212	-	31,212	24,680
Miscellaneous income	-	-	-	858
Net assets released from restrictions	7,500	(7,500)	-	-
<b>Total revenues</b>	<b>329,238</b>	<b>9,230</b>	<b>338,468</b>	<b>341,513</b>
<b>Expenses:</b>				
Program related	178,316	-	178,316	170,259
General and administrative	50,652	-	50,652	43,161
Fundraising	65,398	-	65,398	38,455
<b>Total expenses</b>	<b>294,366</b>	<b>-</b>	<b>294,366</b>	<b>251,875</b>
<b>Change In Net Assets</b>	<b>34,872</b>	<b>9,230</b>	<b>44,102</b>	<b>89,638</b>
<b>Net Assets, Beginning of year</b>	<b>292,396</b>	<b>16,649</b>	<b>309,045</b>	<b>219,407</b>
<b>Net Assets, End of year</b>	<b>\$ 327,268</b>	<b>\$ 25,879</b>	<b>\$ 353,147</b>	<b>\$ 309,045</b>

The accompanying notes to financial statements  
are an integral part of these statements.

**MILWAUKEE TENNIS & EDUCATION FOUNDATION**  
Milwaukee, Wisconsin

**Statement of Functional Expenses**  
Year Ended December 31, 2021

With Summarized Information for the Year Ended December 31, 2020

	Reviewed				Total 2021	Audited 2020 Total
	Program Related Expenses	General and Administrative Expenses	Fundraising Expenses	Cost of Direct Benefit to Donors		
<b>Expenses:</b>						
Salaries & wages	\$ 112,578	\$ 22,664	\$ 29,975	\$ -	\$ 165,217	\$ 149,823
Payroll taxes	8,949	1,859	2,111	-	12,919	9,026
Professional fees	800	10,266	-	-	11,066	10,153
Professional development	-	5,339	-	-	5,339	140
Supplies	2,581	1,538	2,834	-	6,953	5,362
Postage	-	351	-	-	351	448
Printing & publications	-	242	1,449	-	1,691	3,324
Travel	-	106	-	-	106	195
Meals & entertainment	-	-	2,443	-	2,443	-
Bank / credit card fees	-	3,604	-	-	3,604	1,398
Insurance	-	2,916	-	-	2,916	2,590
Computer and internet	-	1,510	-	-	1,510	2,629
Special event expenses	-	-	18,586	32,747	51,333	-
Curriculum	7,978	-	-	-	7,978	6,923
Court time	6,570	-	-	-	6,570	3,813
Scholarships	7,500	-	-	-	7,500	8,351
In-kind contributions	31,360	-	8,000	-	39,360	47,700
Miscellaneous	-	257	-	-	257	-
<b>Total functional expenses</b>	<b>178,316</b>	<b>50,652</b>	<b>65,398</b>	<b>32,747</b>	<b>327,113</b>	<b>251,875</b>
<b>Less expenses included with revenues on the statement of activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,747)</b>	<b>(32,747)</b>	<b>-</b>
<b>Total expenses included in the expense section of the statement of activities</b>	<b>\$ 178,316</b>	<b>\$ 50,652</b>	<b>\$ 65,398</b>	<b>\$ -</b>	<b>\$ 294,366</b>	<b>\$ 251,875</b>

The accompanying notes to financial statements  
are an integral part of these statements.

**MILWAUKEE TENNIS & EDUCATION FOUNDATION**

Milwaukee, Wisconsin

**Statements of Cash Flows**  
December 31, 2021 and 2020

	<b>Reviewed 2021</b>	<b>Audited 2020</b>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 44,102	\$ 89,638
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Realized and unrealized (gain) loss on investments	242	(422)
Change in other assets and liabilities:		
Receivables	-	275
Prepaid expenses	3,416	(3,416)
Accounts payable	(6,866)	15,509
<b>Net cash provided by operating activities:</b>	<u>(3,208)</u>	<u>11,946</u>
Net cash provided by operations	40,894	101,584
<b>Cash Flows From Investing Activities:</b>		
Purchase of investments, net	<u>(337)</u>	<u>(810)</u>
Net cash (used) by investing activities	<u>(337)</u>	<u>(810)</u>
<b>Net increase in cash and equivalents</b>	40,557	100,774
<b>Cash and Equivalents, Beginning of Year</b>	<u>281,610</u>	<u>180,836</u>
<b>Cash and Equivalents, End of Year</b>	<u>\$ 322,167</u>	<u>\$ 281,610</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**MILWAUKEE TENNIS & EDUCATION FOUNDATION**  
Milwaukee, Wisconsin

**Notes to the Financial Statements**  
December 31, 2021 and 2020

**1. Nature of Organization**

The mission of Milwaukee Tennis & Education Foundation (“the Organization”), a nonprofit organization, is to improve the lives and futures of Milwaukee’s youth through tennis, education and mentoring. The Organization’s main source of revenue is donations.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements of Milwaukee Tennis & Education Foundation have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

**Basis of Presentation**

Financial statement presentation follows accounting principles generally accepted in the United States of America (“U.S. GAAP”). Under these principles, the Organization is required to report information regarding its financial position and activities according to classes of net assets as follows:

**Net assets without donor restrictions** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**Net assets with donor restrictions** – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization does not have any restrictions that are required to be held in perpetuity.

**Cash and Equivalents**

The Organization considers all checking, savings, and money market accounts to be cash and equivalents.

**Revenue Recognition**

The Organization recognizes revenue based on the existence or absence of an exchange transaction. The Organization recognizes revenue from exchange transactions when it satisfies a performance obligation by providing a service to a customer or member or by transferring control over a product to a customer or member.

Revenue from performance obligations satisfied at a point in time consists of the following:

- **Registration fees**– recognized as performance obligations are met



**MILWAUKEE TENNIS & EDUCATION FOUNDATION**  
Milwaukee, Wisconsin

**Notes to the Financial Statements**  
December 31, 2021 and 2020  
(Continued)

**2. Summary of Significant Accounting Policies (Continued)**

**Revenue Recognition (Continued)**

Revenue from non-exchange transactions consist of the following:

- **Contributions of cash and promises to give** - received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restriction. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

Revenue that has characteristics of both exchange and non-exchange transactions consist of the following:

- **Special event revenue** – The direct benefit to donors is recognized as revenue as an exchange transaction, while the remaining is recognized as a non-exchange contribution.

**Investments**

Under U.S. GAAP, investments in marketable securities with readily determinable fair value and all investments in debt securities are valued at their fair value in the statement of financial position. Unrealized gains and losses are included in the change of net assets.

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and expand disclosures about fair value measurements. This clarifies that the exchange price is the price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. It emphasizes that fair value is a market-based measurement and not an entity-specific measurement. Adoption of this standard has not had a material impact on the Organization's financial statements. Accounting principles generally accepted in the United States of America establish a fair value hierarchy that prioritizes the inputs, which are summarized as follows:

**Level 1** – Quoted prices in active markets, e.g. NYSE, NASDAQ, etc. for assets identical to the securities to be valued. If a Level 1 input is available, it must be used.

**Level 2** – Inputs other than quoted prices that are observable for securities, either directly or indirectly. Examples include matrix pricing utilizing yield curves, prepayment speeds, credit risks, etc.; quoted prices for similar assets in active markets; and inputs derived from observable market data by correlation or other means.

**Level 3** – Unobservable inputs, which contain assumptions by the party valuing those assets. For level 3 inputs, there is no market data or correlations with market assumptions. Examples would include limited partnership interests, closely held stock, etc.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**MILWAUKEE TENNIS & EDUCATION FOUNDATION**  
Milwaukee, Wisconsin

**Notes to the Financial Statements**  
December 31, 2021 and 2020  
(Continued)

**2. Summary of Significant Accounting Policies (Continued)**

**Investments (Continued)**

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021.

*Mutual funds:* Valued at net asset value of shares held by the Organization at year-end.

**Estimates**

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

**Allocation of Functional Expenses**

The costs of program and supporting services activities have been summarized on the functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, salaries and related expenses are allocated to functional activities based on the time spent in each area. Expenses specifically identifiable with an activity are charged to that activity. Other expenses not specifically identifiable with functions are allocated to functional activities using percentages based on actual experience.

**Income Taxes**

Milwaukee Tennis & Education Foundation is a nonprofit organization which is tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

The Organization has implemented accounting for uncertainty in income taxes in accordance with accounting principles generally accepted in the United States of America. This standard describes a recognition threshold and measurement attributable for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as derecognizing, interest, penalties and disclosure required. Management of the Organization evaluates the uncertain tax positions taken, if any, and consults with outside counsel as deemed necessary. The Organization recognizes interest and penalties, if any, related to unrecognized tax liabilities in income tax expense.

**Donated Materials and Services**

Donated equipment, services, and materials are recorded at the estimated market value and consist of the following:

	<u>2021</u>	<u>2020</u>
Court time	\$ 7,200	\$ 8,100
Administrative support	8,000	20,000
Tennis supplies	1,710	4,900
Volunteers	10,750	3,000
Other in-kind contributions	11,700	11,700
<b>Total</b>	<u>\$ 39,360</u>	<u>\$ 47,700</u>

**MILWAUKEE TENNIS & EDUCATION FOUNDATION**  
Milwaukee, Wisconsin

**Notes to the Financial Statements**  
December 31, 2021 and 2020  
(Continued)

**2. Summary of Significant Accounting Policies (Continued)**

**Subsequent Events**

Management has evaluated all subsequent events through March 8, 2022 for possible inclusion as a disclosure in the notes to the financial statements. There were no additional subsequent events that require recognition or disclosure.

**3. Investments**

The following summarizes the investments by classification and method of valuation in accordance with the requirements of U.S. GAAP for the year ended December 31, 2021:

<u>Description</u>	<u>Fair Value Measurement at Reporting Date Using</u>		
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Mutual Funds:			
Short-term income	\$ <u>51,901</u>	\$ <u>51,901</u>	\$ <u>-</u>

The following summarizes the investments by classification and method of valuation in accordance with the requirements of U.S. GAAP for the year ended December 31, 2020:

<u>Description</u>	<u>Fair Value Measurement at Reporting Date Using</u>		
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Mutual Funds:			
Short-term income	\$ <u>51,806</u>	\$ <u>51,806</u>	\$ <u>-</u>

**4. Concentrations**

The Organization maintains its cash balance in Milwaukee area financial institutions. The Organization's combined deposits at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time, the Organization's deposits may exceed the insured limits.

The Organization receives grants and contributions from various private agencies. For the years ended December 31, 2021 and 2020, approximately 28% and 0% of the Organization's revenue was derived from the Tennis Ball fundraising event, respectively. For the years ended December 31, 2021 and 2020, approximately 30% and 14% of the Organization's revenue was derived from grants from two donors, respectively.

**5. Lease Commitment**

The Organization currently has a lease agreement with the Mary Ryan Branch of the Boys & Girls Clubs of Greater Milwaukee. The lease agreement is at will and will remain in effect until modified or terminated by any one of the partners by mutual consent. Under the agreement, the Organization has access to office space, a gymnasium, six outdoor tennis courts, two classrooms, and a computer lab. The Organization paid \$1,800 for rent under this agreement for the years ended December 31, 2021 and 2020.

**MILWAUKEE TENNIS & EDUCATION FOUNDATION**  
Milwaukee, Wisconsin

**Notes to the Financial Statements**  
December 31, 2021 and 2020  
(Continued)

**6. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of balance sheet date, comprise of the following at December 31:

	<u><b>2021</b></u>	<u><b>2020</b></u>
Cash and equivalents	\$ 322,167	\$ 281,610
Investments at fair value	51,901	51,806
<b>Total financial assets</b>	<u>374,068</u>	<u>333,416</u>
<b>Less amounts not available to be used within one year for general expenditures and other contractual obligations:</b>		
Net assets with donor restrictions	<u>(25,879)</u>	<u>(16,649)</u>
<b>Financial assets available to meet general expenditures within one year</b>	<u><u>\$ 348,189</u></u>	<u><u>\$ 316,767</u></u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash for the years ended December 31, 2021 and 2020.

**7. Net Assets with Donor Restriction**

Net assets with donor restriction consist of the following at December 31, 2021:

<b>Subject to expenditure for specified purpose:</b>	
Scholarships	\$ <u>25,879</u>
<b>Total net assets with donor restriction</b>	<u><u>\$ 25,879</u></u>

Net assets with donor restriction consist of the following at December 31, 2020:

<b>Subject to expenditure for specified purpose:</b>	
Scholarships	\$ <u>16,649</u>
<b>Total net assets with donor restriction</b>	<u><u>\$ 16,649</u></u>

**MILWAUKEE TENNIS & EDUCATION FOUNDATION**  
Milwaukee, Wisconsin

**Notes to the Financial Statements**  
December 31, 2021 and 2020  
(Continued)

**8. Revenue**

Revenue, disaggregated by type, consists of the following for the year ended December 31, 2021:

<b>Exchange:</b>	
Registration fees	\$ 10,629
<b>Total exchange revenue</b>	10,629
<b>Non-exchange:</b>	
Contributions	256,968
Contribution - PPP	31,212
<b>Total non-exchange</b>	288,180
<b>In-kind revenue</b>	39,360
<b>Special events, net</b>	181
<b>Investment income, net</b>	118
<b>Total revenue</b>	\$ 338,468

Revenue, disaggregated by type, consists of the following for the year ended December 31, 2020:

<b>Exchange:</b>	
Registration fees	\$ 7,257
<b>Total exchange revenue</b>	7,257
<b>Non-exchange:</b>	
Contributions	259,700
Contribution - PPP	24,680
Miscellaneous income	858
<b>Total non-exchange</b>	285,238
<b>In-kind revenue</b>	47,700
<b>Investment income, net</b>	1,318
<b>Total revenue</b>	\$ 341,513

**9. Paycheck Protection Program**

During the year ended December 31, 2020, the Organization received loan proceeds in the amount of \$24,680 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The Organization recognized the PPP Loan proceeds as revenue for the year ended December 31, 2020 as the PPP Loan obligations had been substantially met at year end. In April 2021, the PPP loan was officially forgiven by the Small Business Administration.

In February 2021, the Organization received a second PPP Loan in the amount of \$31,212 under the Paycheck Protection Program (“PPP Loan”). The PPP Loan and accrued interest are forgivable after the covered period, up to 24-weeks, if the borrower uses the PPP Loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, covered operations expenditures, covered property damage, covered supplier costs, covered worker protection expenditures and maintains its payroll levels. The amount of the PPP Loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period, up to 24-weeks. The unforgiven portion of the PPP Loan is payable over 5 years at an interest rate of 1%, with a deferral of payments for the first 10 months. In July 2021, the Organization received notification that the second PPP Loan has been forgiven in full.

**MILWAUKEE TENNIS & EDUCATION FOUNDATION**  
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**Notes to the Financial Statements**  
December 31, 2021 and 2020  
(Continued)

**10. Special Events**

Special event activities are reported by their natural classification in the statements of activities. Gross special event revenues and expenses are as follows for the years ended December 31:

	<u>2021</u>	<u>2020</u>
<b>Revenue:</b>		
Non-exchange contributions	\$ 108,847	\$ ---
Exchange direct benefit to donor	32,928	---
<b>Total revenue</b>	<u>141,775</u>	<u>---</u>
<b>Expenses:</b>		
Direct benefit to donors	(32,747)	---
Incidental benefits	(18,586)	---
<b>Total expense</b>	<u>(51,333)</u>	<u>---</u>
<b>Special events, net</b>	<u>\$ 90,442</u>	<u>\$ ---</u>