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CPA PC

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SEPTEMBER 22 2021

**LUTZIE**

F O U N D A T I O N

# REVIEW REPORT

With Independent Accountant's Report for  
the year ending December 31, 2019



CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

50 HURT PLAZA SE SUITE 1438 • ATLANTA, GA 30303 • (404) 214-5007 office • [www.prestoncpa.com](http://www.prestoncpa.com)

**LUTZIE 43 FOUNDATION**  
**(A NON-PROFIT ORGANIZATION)**

**TABLE OF CONTENTS**

	<b>Page</b>
<b>Independent Accountant's Report</b>	<b>3</b>
<b>Statement of Financial Position</b>	<b>5</b>
<b>Statement of Activities</b>	<b>6</b>
<b>Statement of Cash Flows</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>8-11</b>



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## INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of  
Lutzie 43 Foundation  
c/o Michael Lutzenkirchen  
1460 Woodstock Rd  
Roswell, GA 30075

We have reviewed the accompanying financial statements of Lutzie 43 Foundation which comprise the statement of financial position as of December 31, 2019 and the related statement of activities 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 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.

### **Accountant's 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.

### **Change in Accounting Principle**

As described in Note 2 to the financial statements, the Organization has adopted ASU 2014-09, *Revenue from Contracts with Customer (Topic 606)* and ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. Our opinion is not modified with respect to these matters.

**Accountant's 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.

 CPA

Preston CPA P.C.  
Atlanta, GA  
September 22, 2021

**LUTZIE 43 FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**  
(With Summarized Financial Information for the Year Ended December 31, 2018)

**ASSETS**

	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$421,061	\$511,735
Accounts Receivable	46,189	127,828
Other Receivable	<u>7,386</u>	<u>17,982</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>\$474,636</u></b>	<b><u>\$657,545</u></b>

<b>TOTAL ASSETS</b>	<b><u>\$474,636</u></b>	<b><u>\$657,545</u></b>
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**LIABILITIES & OWNER'S EQUITY**

**CURRENT LIABILITIES**

Accounts Payable	\$13,743	\$16,194
Credit Card Payable	5,520	7,757
Deferred Revenues	6,000	3,000
Scholarships Payable	4,567	4,567
Accrued Expenses	<u>-</u>	<u>521</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$29,830</u></b>	<b><u>\$32,039</u></b>

**NET ASSETS**

Unrestricted Net Assets	625,506	429,358
Prior Period Adjustment	-	(117)
Net Income (Loss)	<u>(180,700)</u>	<u>196,265</u>
<b>TOTAL NET ASSETS</b>	<b><u>444,806</u></b>	<b><u>625,506</u></b>

<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u>\$474,636</u></b>	<b><u>\$657,545</u></b>
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**See accompanying notes and Independent Accountant's Report**

**LUTZIE 43 FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**  
**(With Summarized Financial Information for the Year Ended December 31, 2018)**

	Without Donor Restrictions	With Donor Restrictions	2019 Total	<u>2018</u> <u>Total</u>
<b>REVENUES &amp; GRANTS</b>				
<b>Direct Public Grants:</b>				
Foundation Grants	\$-	\$17,000	\$17,000	\$268,300
<b>Direct Public Support:</b>				
Donations-Corporate/Individuals	124,237	-	124,237	125,601
Fundraiser Events	266,307	-	266,307	241,439
Program Income	<u>176,485</u>		<u>176,485</u>	<u>128,583</u>
<b>Total Direct Revenue</b>	567,029	17,000	584,029	763,923
Interest Income	4,266	-	4,266	332
Miscellaneous Income	5,610	-	5,610	100
In-kind Donations	-	-	-	2,500
Net assets released from res	<u>17,000</u>	<u>(17,000)</u>	-	-
<b>TOTAL REVENUES</b>	\$593,905	-	\$593,905	\$766,855
<b>GROSS PROFIT</b>	\$593,905	-	\$593,905	\$766,855
<b>PROGRAM EXPENSES:</b>				
Management Fees	\$136,950	-	\$136,950	\$113,503
Travel & Meetings	30,054	-	30,054	30,021
Salaries & Wages - Program	101,652	-	101,652	64,458
Facility & Communication	83,886	-	83,886	84,225
Scholarship & Gift Awards	70,077	-	70,077	58,230
Apparel	138,409	-	138,409	61,265
Marketing	76,726	-	76,726	17,921
Other Program Expenses	<u>36,605</u>	-	<u>36,605</u>	<u>30,812</u>
<b>Total Program Expenses</b>	\$674,359	-	\$674,359	\$460,435
<b>Fundraising Expenses</b>	7,535	-	7,535	9,488
<b>G&amp;A EXPENSES:</b>				
Admin Salaries	33,884	-	33,884	27,625
Insurance	3,563	-	3,563	2,415
In-Kind expenses	-	-	-	2,500
Other G&A Expenses	<u>55,264</u>	-	<u>55,264</u>	<u>68,127</u>
<b>Total G&amp;A Expenses</b>	92,711	-	92,711	100,667
<b>TOTAL EXPENSES</b>	\$774,605	-	\$774,605	\$570,590
<b>Change in net assets</b>	(\$180,700)	-	(\$180,700)	196,265
<b>Without Donor Restrictions</b>	625,506	-	625,506	429,358
<b>Prior Period Adjustments</b>	-	-	-	(117)
<b>Net Assets, End of year</b>	<u>\$444,806</u>	<u>-</u>	<u>\$444,806</u>	<u>\$625,506</u>

See accompanying notes and Independent Accountant's Report

**LUTZIE 43 FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**  
(With Summarized Financial Information for the Year Ended December 31, 2018)

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM RATING ACTIVITIES</b>		
Net Income (Loss)	(\$180,700)	\$196,265
Adjustments to reconcile net income to net cash		
Provided by operating activities:		
Change in Accounts Receivable	81,279	(113,185)
Changes in Other Receivables	3,028	(17,495)
Change in Investments	7,568	2,573
Change in Accounts Payable	(2,451)	(353)
Change in Other Liabilities	(2,398)	3,101
Change in Deferred Revenue	3,000	(8,011)
Change in Scholarship Payable	-	(6,220)
Change in Accrued expenses	-	(536)
Net cash provided by operating activities	(90,674)	56,139
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(90,674)</b>	<b>455,596</b>
<b>CASH AND CASH EQUIVALENTS, BEG OF YEAR</b>	<b>511,735</b>	<b>332,425</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$421,061</u></b>	<b><u>\$511,735</u></b>

**See accompanying notes and Independent Accountant's Report**

**LUTZIE 43 FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2019**

**1. ORGANIZATION AND OPERATIONS**

**Nature of Business**

Lutzie 43 Foundation was established in loving memory of Philip Lutzenkirchen shortly after his death in 2014. The objective of the Foundation is to pass on Philip's many remarkable characteristics in terms of community service, leadership, and service to others. The Foundation's motto for young students and athletes is to "Live like Lutz, Love like Lutz, and Learn from Lutz", reflecting our desire to help others live out the many positive character attributes that Philip displayed. One of the missions is to reduce the number of deaths and accidents due to distracted and impaired driving. The 43 Key Seconds curriculum is designed to be flexible to be used in many forums from schools to government, from one day events to off-season (or in season) programs. Participants in the program will be eligible to pursue "Prepared for Life - PFL Scholarship" rewarding individuals displaying outstanding character in their communities.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Financial Statements of the organization have been prepared on the accrual basis in accordance with Generally Accepted Accounting Principles. Income is recognized when earned by the Organization.

Basis of accounting and financial statement presentation

The financial statements have been prepared on the accrual basis of accounting which recognized support and revenue when earned and expenses when incurred.

Net assets and changes therein are classified as follows:

- *Net assets without donor restrictions* – net assets not subject to donor-imposed stipulations. Net assets without donor restrictions includes a board-designated operating reserve for sustainability and funds available for normal operations to support toward the mission of the organization. There is an annual budget generated for these operational expenses.

*Net assets with donor restrictions* – net assets whose use for Lutzie 43 is limited by donor-imposed stipulations that either expire by passage of time or can be filled and removed by actions of Lutzie 43, as well as net assets subject to donor-imposed stipulations that required they be maintained in perpetuity.

**See Independent Accountant's Report**

**LUTZIE 43 FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**

Change in accounting principle

Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. GAAP. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. Revenue from contributions and investment income are not impacted by this new standard. Lutzie 43 adopted ASU 2014-09 with a date of initial application of January 1, 2019, using the full retrospective method. The adoption of ASU 2014-09 did not have an impact of Lutzie 43’s financial statements.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*, which clarifies the criteria for evaluating whether a transaction is a contribution or an exchange transaction and whether a contribution is conditional or unconditional. Lutzie 43 adopted ASU 2018-08 with a date of the initial application of January 1, 2019, using the modified prospective method. The adoption of ASU 2018-08 did not have a significant impact on Lutzie 43’s financial position, results of operations, or cash flows. Lutzie 43 has evaluated contributions received and has determined that there is no change as a result of the adoption of the standard.

Concentration of credit risk

Lutzie 43’s financial instruments consist primarily of cash and cash equivalents. Cash balances has not exceeded Federal Deposit Insurance Corporation (FDIC) limits on insurable amounts; therefore, credit risk is low.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash is defined as cash on hand, amounts held at Financial Institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. The Organization does not hold short-term investments that will mature three months or less.

Property and Equipment

Equipment, furniture, and fixtures are stated at cost. Expenditures for maintenance and repairs are charged to expenses as incurred. Any cost to extend the lives of property is capitalized. Depreciation of property and equipment is computed using the straight line, method over five to fifteen years. The organization does not have major fixed assets listed on the books. Depreciation for the year ended December 31, 2019 is \$0.

**See Independent Accountant’s Report**

**LUTZIE 43 FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**

Revenue recognition

Contributions are recognized as revenue when they are received or unconditionally promised as prescribed by ASC 958 – 605, *Not-for-Profit Entities – Revenue Recognitions* (“ASU 958 -605”). Lutzie 43 reports gifts or cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, donor restrictions are reclassified to net assets without restrictions and reported as net assets released from restriction.

Donor-restricted contributions whose restrictions are met in the same reporting period as contribution is recorded as contributions with donor restrictions and net assets released from restriction as donor restrictions are met.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

Lutzie 43 Foundation, Inc. is a nonprofit corporation exempt from Federal income e taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, these financial statements contain no provision for such taxes. Informational returns are filed annually with federal authority.

**3. CONTINGENCIES**

Lutzie 43 accounts for legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to such actions will not materially affect the financial position or results of operation of Lutzie 43.

**See Independent Accountant’s Report**

**LUTZIE 43 FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2019**

**4. RELATED PARTY TRANSACTIONS**

Lutzie 43 Foundation must comply with regulations. Those regulations require that all related party transactions be disclosed, regardless of their materiality to the financial statements. During the year ended December 31, 2019, there were no related party transactions.

**5. CONCENTRATIONS OF CREDIT RISK**

The Organization maintains its cash balances at Regions Bank located in Atlanta, Georgia. Accounts at the banking institution are insured by the Federal Deposit Insurance Corporation for up to \$250,000. The organization have two Money Market accounts with Regions Bank which holds an ending balance of \$270,063 and \$64,124, respectively. During 2019, the Institution had no uninsured balances in the operating account which had a balance of \$82,092. This is not considered a significant credit risk; however, future utilization of service is dependent on general support of program or grants which could affect the longevity of the organization if funds were not provided. There is no indication future funding will be reduced or withheld as the organization has a strong cash position.

**6. RISK AND UNCERTAINTIES**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders, including states where Lutzie 43 conducts business. In response, the U.S. Government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Economic Relief extension to the CARES Act, and the American Rescue Plan Act, which includes significant provisions to provide relief and assistance to affected organizations. The organization does not have a going concern because of this pandemic.

**7. SUBSEQUENT EVENT**

The organization has received a CARES PPP Loan during 2020 and has received forgiveness at the date of the report.

**See Independent Accountant's Report**