

September 20, 2021

Dr. Martin Brunson
2485 Ennis Road
Starkville, MS 39759

Dear Dr. Brunson:

Enclosed is one copy of the financial statements and independent auditors' report of Catch-A-Dream Foundation, Inc., as of December 31, 2020 and 2019. If you have any questions regarding this report, please do not hesitate to contact our office.

Very truly yours,

T. E. Lott & Company

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CATCH-A-DREAM FOUNDATION, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2020 AND 2019

CATCH-A-DREAM FOUNDATION, INC.

DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Catch-A-Dream Foundation, Inc.
Starkville, MS 39759

We have audited the accompanying financial statements of Catch-A-Dream Foundation, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, and cash flows, for the years then ended, and the related notes to financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catch-A-Dream Foundation, Inc., as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 17 and 18 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

J. E. Lott & Company

Columbus, Mississippi
September 10, 2021

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

<i>ASSETS</i>	<u>2020</u>	<u>2019</u>
<i>CURRENT ASSETS</i>		
Cash and cash equivalents	\$ 744,643	\$ 883,594
Prepaid expenses	7,276	10,186
Accrued interest receivable	<u>5,928</u>	<u>7,483</u>
Total current assets	757,847	901,263
<i>INVESTMENTS</i> , at fair value	2,685,540	2,263,536
<i>PROPERTY</i>		
Building	351,834	351,834
Land	70,722	70,722
Vehicle	25,200	25,200
Furniture	18,163	16,163
Equipment	55,975	55,975
Accumulated depreciation	<u>(148,813)</u>	<u>(130,254)</u>
	373,081	389,640
<i>OTHER ASSETS</i>	<u>675</u>	<u>675</u>
Total Assets	<u><u>\$ 3,817,143</u></u>	<u><u>\$ 3,555,114</u></u>
<i>LIABILITIES AND NET ASSETS</i>		
<i>CURRENT LIABILITIES</i>		
Accounts payable	\$ 3,334	\$ 21,571
Accrued liabilities	6,804	7,369
Accrued pending dream costs	<u>4,500</u>	<u>9,000</u>
Total current liabilities	14,638	37,940
<i>NET ASSETS</i>		
Without donor restrictions:		
Undesignated - available for general activities	3,452,766	3,216,478
With donor restrictions:		
Endowment fund	<u>349,739</u>	<u>300,696</u>
Total net assets	<u><u>3,802,505</u></u>	<u><u>3,517,174</u></u>
Total Liabilities and Net Assets	<u><u>\$ 3,817,143</u></u>	<u><u>\$ 3,555,114</u></u>

The accompanying notes are an integral part of these statements.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Contributions	\$ 721,284	\$ 17,455	\$ 738,739
Paycheck Protection Program grant income	-	96,500	96,500
Special event revenue	88,170	-	88,170
Less cost of direct benefit to donor	<u>(50,489)</u>	<u>-</u>	<u>(50,489)</u>
	37,681	-	37,681
Investment income, net of expenses	55,105	7,582	62,687
Realized and unrealized gains (losses) on investments, net	141,597	24,006	165,603
Transfer to without donor restrictions	<u>96,500</u>	<u>(96,500)</u>	<u>-</u>
Total revenues	1,052,167	49,043	1,101,210
EXPENSES			
Program services	466,798	-	466,798
Supporting services:			
Management and general	271,604	-	271,604
Fund-raising	<u>77,477</u>	<u>-</u>	<u>77,477</u>
Total supporting services	349,081	-	349,081
Total expenses	<u>815,879</u>	<u>-</u>	<u>815,879</u>
Change in net assets	236,288	49,043	285,331
Net assets, beginning of year	<u>3,216,478</u>	<u>300,696</u>	<u>3,517,174</u>
Net assets, end of year	<u>\$ 3,452,766</u>	<u>\$ 349,739</u>	<u>\$ 3,802,505</u>

The accompanying notes are an integral part of these statements.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 916,633	\$ 42,150	\$ 958,783
Special event revenue	160,472	-	160,472
Less cost of direct benefit to donor	<u>(86,950)</u>	<u>-</u>	<u>(86,950)</u>
	73,522	-	73,522
Investment income, net of expenses	74,332	-	74,332
Realized and unrealized gains (losses) on investments, net	240,837	-	240,837
Transfer from without donor restrictions	<u>-</u>	<u>258,546</u>	<u>258,546</u>
Total revenues	1,305,324	300,696	1,606,020
EXPENSES			
Program services	616,266	-	616,266
Supporting services:			
Management and general	248,576	-	248,576
Fund-raising	<u>72,158</u>	<u>-</u>	<u>72,158</u>
Total supporting services	320,734	-	320,734
Transfer to with donor restrictions	<u>258,546</u>	<u>-</u>	<u>258,546</u>
Total expenses	<u>1,195,546</u>	<u>-</u>	<u>1,195,546</u>
Change in net assets	109,778	300,696	410,474
Net assets, beginning of year	<u>3,106,700</u>	<u>-</u>	<u>3,106,700</u>
Net assets, end of year	<u>\$ 3,216,478</u>	<u>\$ 300,696</u>	<u>\$ 3,517,174</u>

The accompanying notes are an integral part of these statements.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Change in net assets	\$ 285,331	\$ 410,474
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gains) losses	(147,873)	(237,789)
Realized gains	(17,731)	(3,048)
Depreciation	18,559	18,098
Paycheck Protection Program Grant Income	(96,500)	-
Decrease in accounts receivable	-	450
Decrease (increase) in prepaid expenses	2,910	(1,209)
Decrease in supply inventories	-	6,670
Decrease in accrued interest receivable	1,555	922
Increase (decrease) in accounts payable	(18,237)	13,140
Decrease in accrued liabilities	(565)	(2,584)
Increase (decrease) in accrued pending dream costs	<u>(4,500)</u>	<u>4,500</u>
Net cash provided by operating activities	22,949	209,624
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>		
Purchase of investments	(1,083,874)	(466,415)
Proceeds for Paycheck Protection Program loan	96,500	-
Proceeds from sale of investments	827,474	457,869
Purchase of fixed assets	<u>(2,000)</u>	<u>(3,749)</u>
Net cash used in investing activities	<u>(161,900)</u>	<u>(12,295)</u>
Net increase (decrease) in cash and cash equivalents	(138,951)	197,329
Cash and cash equivalents at beginning of year	<u>883,594</u>	<u>686,265</u>
Cash and cash equivalents at end of year	<u>\$ 744,643</u>	<u>\$ 883,594</u>

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**1. Nature of Activities**

Catch-A-Dream Foundation, Inc., (the Foundation) is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The singular mission of the Foundation is to grant once-in-a-lifetime outdoor experiences to children 18 years old or younger who have a life-threatening illness.

2. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Without donor restrictions

Contributions made to the Foundation that are free of any donor stipulation or restriction and will be classified as without donor restrictions. Contributions without donor restrictions are available for Foundation operations.

With donor restrictions

Net assets subject to donor imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a donor 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 in the statement of activities and changes in net assets as net assets released from restrictions. Contributions with donor restrictions designated by the donor for the endowment fund will have the principal balance restricted in perpetuity. Any earnings on the endowment fund are without restriction and available to support the Foundation operations.

3. Donated Property, Facilities, Auction Items, and Donated Services

Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (1) create or enhance nonfinancial assets or (2) require specialized skills or are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Foundation received services, facilities, property and various items that are included in the accompanying statements of activities and changes in net assets at an estimated fair market value of \$125,690 and \$193,523 during 2020 and 2019, respectively, which met the previously discussed criteria.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4. Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

5. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as net assets with donor restriction support that increases that net asset class. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

6. Description of Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program

Activities performed by the Foundation, which grants dreams to children with life-threatening medical conditions.

Management and General

Includes all costs not specifically identifiable with dream granting or fund-raising activities, but indispensable to the conduct of the Foundation's mission. These include expenses for the overall direction of the organization, business management, general recordkeeping, and activities relating to these functions such as salaries, supplies, equipment and other general overhead. Expenses that benefit more than one function of the Foundation are allocated among the functions based, generally, on the amount of time spent by employees on each function.

Fund-raising

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations.

7. Investments

Investments in marketable securities with determinable fair values are stated at their fair values in the statements of financial position. Unrealized gains and losses and investment income are recorded in the statements of activities and changes in net assets without donor restrictions, unless they are restricted by the donor.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**8. *Accrued Pending Dream Costs***

The Foundation accrues for the estimated cost of reportable pending dreams when certain measurable dream criteria are met. The reportable pending dream criteria include formal referral of the child to the Foundation, a medical eligibility form signed by the child's physician, formal approval by the Foundation, determination of the dream, and reasonable expectation that the dream will be granted within the following year. As of December 31, 2020 and 2019, the Foundation had one and two, respectively, reportable pending dreams recorded in the accompanying statements of financial position.

9. *Property*

Property is stated at cost or at the estimated fair value at date of donation. The Foundation's policy is to capitalize asset purchases over \$1,000. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Building	39 years
Equipment	5 years
Furniture and Vehicle	7 years

Depreciation expense was \$18,559 and \$18,098 for the years ended December 31, 2020 and 2019, respectively.

10. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The Foundation believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**11. Revenue From Contracts With Customers**

Effective January 1, 2019, the Organization adopted ASC 606 - Revenue from Contracts with Customers. Under ASC 606, the Organization recognizes revenue from licensing agreements and contracts by applying the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied. There was no impact to the Organization's statement of activities on the date of adoption of Topic 606.

12. Subsequent Events

Management has evaluated the effect of subsequent events on these financial statements through September 10, 2021, the date the financial statements were available to be issued.

NOTE B - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The carrying amounts reported in the statements of financial position for cash and cash equivalents, other current assets, accounts payable, and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments. Investments are reflected in the accompanying financial statements at fair value.

Generally accepted accounting principles require that the Foundation establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) available in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 inputs are unobservable inputs where there is little or no market activity for the asset or liability, and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability, including assumptions regarding risk.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE B - INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following is a summary of the levels within the fair value hierarchy as of December 31, 2020 and 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2020 Total</u>
Fixed Income:				
Certificates of Deposit	\$ -	\$ 126,147	\$ -	\$ 126,147
Corporate Bonds	-	67,639	-	67,639
Mortgage-Backed Securities	-	22,045	-	22,045
Municipal Bonds	-	473,548	-	473,548
Other Securities	-	<u>160,643</u>	-	<u>160,643</u>
Total Fixed Income	-	850,022	-	850,022
Equities:				
Stock Mutual Funds	1,050,804	-	-	1,050,804
Exchange-Traded Products	<u>784,714</u>	-	-	<u>784,714</u>
Total Equities	<u>1,835,518</u>	-	-	<u>1,835,518</u>
Total	<u>\$ 1,835,518</u>	<u>\$ 850,022</u>	<u>\$ -</u>	<u>\$ 2,685,540</u>
				<u>2019 Total</u>
Fixed Income:				
Certificates of Deposit	\$ -	\$ 172,523	\$ -	\$ 172,523
Agency Securities	-	20,132	-	20,132
Corporate Bonds	-	123,928	-	123,928
Mortgage-Backed Securities	-	27,742	-	27,742
Municipal Bonds	-	523,117	-	523,117
Other Securities	-	<u>145,124</u>	-	<u>145,124</u>
Total Fixed Income	-	1,012,566	-	1,012,566
Equities:				
Stock Mutual Funds	740,397	-	-	740,397
Exchange-Traded Products	<u>510,573</u>	-	-	<u>510,573</u>
Total Equities	<u>1,250,970</u>	-	-	<u>1,250,970</u>
Total	<u>\$ 1,250,970</u>	<u>\$ 1,012,566</u>	<u>\$ -</u>	<u>\$ 2,263,536</u>

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE C - CONCENTRATION OF CREDIT RISK

The Foundation maintains cash balances at a financial institution and a security brokerage firm. Accounts at the financial institution are insured by the FDIC up to \$250,000 and the account at the brokerage firm is insured by the SIPC up to \$2,500,000. At December 31, 2020 and 2019, the Foundation's uninsured cash balances totaled \$186,337 and \$157,178, respectively.

NOTE D - CONCENTRATION OF DONOR RISK

The Foundation receives a substantial portion of its contributions from a small pool of donors. Management believes these donors can be replaced, although not immediately. For the years ended December 31, 2020 and 2019, two donors contributed \$137,500 and \$167,394, or 19% and 17%, respectively, of total contributions.

NOTE E - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

All of the costs associated with fund-raising are determined to be assigned to the fund-raising function, and, therefore, none are allocated to other functional expense categories.

NOTE F - INCOME TAX STATUS

ASC Topic 740, *Income Taxes*, provides guidance on financial statement recognition and measurement of tax positions taken, or expected to be taken, in tax returns. ASC Topic 740 requires an evaluation of tax positions to determine if the tax positions will more likely than not be sustainable upon examination by the appropriate tax authority. The Foundation, at December 31, 2020, had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE G - RETIREMENT PLAN

The Catch-A-Dream Foundation sponsors a retirement plan that covers all full-time employees with a minimum of six months employment. Contributions to the plan are based on a dollar-for-dollar match up to 3% of compensation. For the years ended December 31, 2020 and 2019, the amount of retirement expense was \$10,964 and \$10,777, respectively.

NOTE H - LIQUIDITY AND AVAILABLE RESOURCES

Financial assets, at year-end	\$ 3,436,111
Less Endowment funds	<u>(349,739)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,086,372</u>

Financial assets at year-end include cash and cash equivalents, accounts receivable, accrued interest receivable and investments. The Foundation is substantially supported by current year contributions and historically operates with an operating surplus year to year, as expenses are managed annually based on current contributions.

NOTE I - ENDOWMENT FUND

On December 11, 2019, an endowment fund was created for the long-term well-being of the Organization. The earnings on the endowment fund are available for any Foundation use and not restricted funds, unless prohibited by the donor.

The Foundation's endowment fund includes donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE I - ENDOWMENT FUND (Continued)

The Foundation is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors has interpreted SPMIFA as not requiring the maintenance or purchasing power of the original gift amount that was contributed to an endowment fund, unless a donor stipulates to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Foundation has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Endowment Net Asset Composition by Fund Type as of December 31, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<i>December 31, 2020</i>			
Donor-restricted endowment funds	\$ -	\$ 349,739	\$ 349,739
Total funds	\$ -	\$ 349,739	\$ 349,739

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE I - ENDOWMENT FUND (Continued)

Changes in endowment net assets for the year ended December 31, 2020:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<i>December 31, 2020</i>			
Endowment net assets, beginning of year	\$ -	\$ 300,696	\$ 300,696
Contributions	-	17,455	17,455
Investment income	-	7,582	7,582
Gain on investments	<u>-</u>	<u>24,006</u>	<u>24,006</u>
 Endowment net assets, end of year	 <u>\$ -</u>	 <u>\$ 349,739</u>	 <u>\$ 349,739</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature result from unfavorable market fluctuations and would be included in net assets with donor restrictions. As of December 31, 2020, there were no such deficiencies.

Description of assets classified as with donor restrictions:

	<u>2020</u>
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by state law	\$ 318,151
The portion of endowment funds with purpose restrictions	<u>31,588</u>
Total endowment funds classified as with donor restrictions	<u>\$ 349,739</u>

NOTES TO FINANCIAL STATEMENTS**DECEMBER 31, 2020 AND 2019*****NOTE J - CORONAVIRUS 2019***

The outbreak of Coronavirus Disease 2019 (“COVID-19”) could adversely impact the Foundation’s ability to raise funds through private donations or other fundraising events. While any disruption is currently expected to be temporary, there is considerable uncertainty around the duration and its impacts on the Foundation’s current and future donors, employees, and vendors. Therefore, the extent to which COVID-19 may impact the Foundation’s financial position or statement of activities cannot be reasonably estimated at this time.

NOTE K - PAYCHECK PROTECTION PROGRAM LOAN

On April 21, 2020, The Foundation received loan proceeds in the amount of \$96,500 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 not-for-profits for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying entity. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the program. The Foundation used the entire loan amount for qualifying expenses.

The Foundation was notified on December 30, 2020, by the Small Business Administration (SBA) that the loan, together with accrued interest, had been fully forgiven under the provisions of the PPP program. The Foundation has adopted FASB ASC 958-605-55 and, in accordance with ASC, the PPP proceeds were recognized and treated as a conditional contribution. Since the conditional contribution terms were met in the same period the contribution was received, the Foundation has recognized the contribution in the Statement of Activities as an increase in net assets without donor restrictions.

SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Supporting Services		Total
		Management and General	Fund-raising	
Clothing	\$ 1,397	\$ -	\$ -	\$ 1,397
Depreciation	-	18,559	-	18,559
Direct costs of dreams	131,231	-	-	131,231
Donor and volunteer recognition	-	10,113	-	10,113
Dues and subscriptions	-	13,003	-	13,003
Fees	-	8,729	-	8,729
Insurance	4,152	49,824	3,794	57,770
Marketing and promotional expense	-	-	23,352	23,352
Occupancy	-	7,194	-	7,194
Office expense	-	6,970	3,405	10,375
Other	-	4,985	-	4,985
Plaques	1,140	-	-	1,140
Postage/delivery costs	2,214	1,236	-	3,450
Professional fees	-	14,261	-	14,261
Repairs and maintenance	-	5,018	-	5,018
Retirement	-	10,964	-	10,964
Salaries	249,512	86,062	46,926	382,500
Taxes	-	26,266	-	26,266
Telephone	-	6,880	-	6,880
Travel	77,152	1,540	-	78,692
Total	<u>\$ 466,798</u>	<u>\$ 271,604</u>	<u>\$ 77,477</u>	<u>\$ 815,879</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services	Supporting Services		Total
		Management and General	Fund-raising	
Clothing	\$ 3,491	\$ -	\$ -	\$ 3,491
Depreciation	-	18,098	-	18,098
Direct costs of dreams	229,936	-	-	229,936
Donor and volunteer recognition	-	13,786	-	13,786
Dues and subscriptions	-	10,310	-	10,310
Fees	-	7,820	-	7,820
Insurance	3,927	26,728	3,179	33,834
Marketing and promotional expense	-	-	22,965	22,965
Occupancy	-	7,246	-	7,246
Office expense	-	12,012	4,053	16,065
Other	-	4,548	-	4,548
Plaques	3,054	-	-	3,054
Postage/delivery costs	3,617	1,695	-	5,312
Professional fees	-	13,225	-	13,225
Repairs and maintenance	-	5,759	-	5,759
Retirement	-	10,777	-	10,777
Salaries	249,659	78,411	41,961	370,031
Taxes	-	25,788	-	25,788
Telephone	-	7,939	-	7,939
Travel	122,582	4,434	-	127,016
Total	<u>\$ 616,266</u>	<u>\$ 248,576</u>	<u>\$ 72,158</u>	<u>\$ 937,000</u>

The accompanying notes are an integral part of this schedule.