

CATCH-A-DREAM FOUNDATION, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2022 AND 2021

CATCH-A-DREAM FOUNDATION, INC.

DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Catch-A-Dream Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows, for the years then ended, and the related notes to financial statements.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Catch-A-Dream Foundation, Inc. and to meet our other 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Catch-A-Dream Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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



Columbus, Mississippi
July 26, 2023

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

<i>ASSETS</i>	<u>2022</u>	<u>2021</u>
<i>CURRENT ASSETS</i>		
Cash and cash equivalents, unrestricted	\$ 785,438	\$ 747,739
Cash and cash equivalents, restricted	8,061	47,797
Prepaid expenses	11,725	10,631
Accrued interest receivable	<u>9,656</u>	<u>6,808</u>
Total current assets	814,880	812,975
<i>INVESTMENTS</i> , at fair value	2,837,940	3,153,677
<i>PROPERTY</i>		
Building	351,834	351,834
Land	70,722	70,722
Vehicle	25,200	25,200
Furniture	15,008	17,721
Equipment	54,471	52,500
Accumulated depreciation	<u>(177,068)</u>	<u>(163,451)</u>
	340,167	354,526
<i>OTHER ASSETS</i>	<u>675</u>	<u>675</u>
Total Assets	<u>\$ 3,993,662</u>	<u>\$ 4,321,853</u>
<i>LIABILITIES AND NET ASSETS</i>		
<i>CURRENT LIABILITIES</i>		
Accounts payable	\$ 37,086	\$ 15,037
Accrued liabilities	9,191	8,353
Accrued pending dream costs	<u>16,500</u>	<u>11,000</u>
Total current liabilities	62,777	34,390
<i>NET ASSETS</i>		
Without donor restrictions:		
Undesignated - available for general activities	3,542,327	3,848,045
With donor restrictions:		
Endowment fund	<u>388,558</u>	<u>439,418</u>
Total net assets	<u>3,930,885</u>	<u>4,287,463</u>
Total Liabilities and Net Assets	<u>\$ 3,993,662</u>	<u>\$ 4,321,853</u>

The accompanying notes are an integral part of these statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Contributions	\$ 797,904	\$ 17,358	\$ 815,262
Gifts-in-kind contributions	201,334	-	201,334
Special event revenue	198,315	-	198,315
Less cost of direct benefit to donor	<u>(90,568)</u>	<u>-</u>	<u>(90,568)</u>
	107,747	-	107,747
Investment income, net of expenses	46,697	4,339	51,036
Realized and unrealized gains (losses) on investments, net	(388,448)	(72,557)	(461,005)
Miscellaneous income	<u>13,463</u>	<u>-</u>	<u>13,463</u>
Total revenues	778,697	(50,860)	727,837
EXPENSES			
Program services	904,634	-	904,634
Supporting services:			
Management and general	134,862	-	134,862
Fund-raising	<u>44,919</u>	<u>-</u>	<u>44,919</u>
Total supporting services	179,781	-	179,781
Total expenses	<u>1,084,415</u>	<u>-</u>	<u>1,084,415</u>
Change in net assets	(305,718)	(50,860)	(356,578)
Net assets, beginning of year	<u>3,848,045</u>	<u>439,418</u>	<u>4,287,463</u>
Net assets, end of year	<u>\$ 3,542,327</u>	<u>\$ 388,558</u>	<u>\$ 3,930,885</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 757,289	\$ 47,102	\$ 804,391
Gifts-in-kind contributions	185,610	-	185,610
Paycheck Protection Program grant income	-	77,160	77,160
Special event revenue	181,900	-	181,900
Less cost of direct benefit to donor	(94,444)	-	(94,444)
	<u>87,456</u>	<u>-</u>	<u>87,456</u>
Investment income, net of expenses	36,038	3,377	39,415
Realized and unrealized gains (losses) on investments, net	242,629	39,200	281,829
Miscellaneous income	13,977	-	13,977
Transfer from without donor restrictions	<u>77,160</u>	<u>(77,160)</u>	<u>-</u>
Total revenues	1,400,159	89,679	1,489,838
EXPENSES			
Program services	831,661	-	831,661
Supporting services:			
Management and general	128,698	-	128,698
Fund-raising	<u>44,521</u>	<u>-</u>	<u>44,521</u>
Total supporting services	173,219	-	173,219
Total expenses	<u>1,004,880</u>	<u>-</u>	<u>1,004,880</u>
Change in net assets	395,279	89,679	484,958
Net assets, beginning of year	<u>3,452,766</u>	<u>349,739</u>	<u>3,802,505</u>
Net assets, end of year	<u>\$ 3,848,045</u>	<u>\$ 439,418</u>	<u>\$ 4,287,463</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Supporting Services		Total
		Management and General	Fund-raising	
Clothing	\$ 4,511	\$ -	\$ -	\$ 4,511
Depreciation	-	18,057	-	18,057
Direct costs of dreams	257,873	-	-	257,873
Donor and volunteer recognition	7,005	1,527	449	8,981
Dues and subscriptions	7,356	1,603	472	9,431
Fees	9,029	1,968	578	11,575
Insurance	68,647	14,962	4,400	88,009
Marketing and promotional expense	-	-	15,475	15,475
Occupancy	7,844	1,710	503	10,057
Office expense	6,918	1,508	443	8,869
Postage/delivery costs	2,301	502	147	2,950
Professional fees	-	16,687	-	16,687
Repairs and maintenance	3,883	846	249	4,978
Retirement	8,760	1,909	562	11,231
Salaries	306,092	66,712	19,621	392,425
Taxes	24,532	5,347	1,572	31,451
Telephone	3,866	843	248	4,957
Travel	186,017	681	200	186,898
Total	<u>\$ 904,634</u>	<u>\$ 134,862</u>	<u>\$ 44,919</u>	<u>\$ 1,084,415</u>

The accompanying notes are an integral part of this schedule.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	Supporting Services		Total
		Management and General	Fund-raising	
Clothing	\$ 5,328	\$ -	\$ -	\$ 5,328
Depreciation	-	18,555	-	18,555
Direct costs of dreams	230,338	-	-	230,338
Donor and volunteer recognition	5,369	1,170	344	6,883
Dues and subscriptions	10,373	2,261	665	13,299
Fees	8,121	1,770	521	10,412
Insurance	60,122	13,104	3,854	77,080
Marketing and promotional expense	-	-	16,237	16,237
Occupancy	8,160	1,778	523	10,461
Office expense	9,596	2,092	615	12,303
Postage/delivery costs	871	190	56	1,117
Professional fees	-	13,977	-	13,977
Repairs and maintenance	3,894	849	250	4,993
Retirement	9,082	1,979	582	11,643
Salaries	298,350	65,025	19,125	382,500
Taxes	21,971	4,789	1,408	28,168
Telephone	3,755	818	241	4,814
Travel	156,331	341	100	156,772
Total	<u>\$ 831,661</u>	<u>\$ 128,698</u>	<u>\$ 44,521</u>	<u>\$ 1,004,880</u>

The accompanying notes are an integral part of this schedule.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Change in net assets	\$ (356,578)	\$ 484,958
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized loss (gain) on investments	509,720	(212,288)
Realized gains	(48,715)	(69,541)
Depreciation	18,057	18,555
Loss on disposal of fixed asset	500	-
Paycheck Protection Program grant income	-	(77,160)
Increase in prepaid expenses	(1,094)	(3,355)
Increase in accrued interest receivable	(2,848)	(880)
Increase in accounts payable	22,049	11,703
Increase in accrued liabilities	838	1,549
Increase in accrued pending dream costs	<u>5,500</u>	<u>6,500</u>
Net cash provided by operating activities	147,429	160,041
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>		
Purchase of investments	(1,441,412)	(708,699)
Proceeds from sale of investments	1,296,144	522,391
Purchase of fixed assets	<u>(4,198)</u>	<u>-</u>
Net cash used in investing activities	<u>(149,466)</u>	<u>(186,308)</u>
<i>CASH FLOWS FROM FINANCING ACTIVITIES</i>		
Proceeds from Paycheck Protection Program Grant	<u>-</u>	<u>77,160</u>
Net cash provided by financing activities	<u>-</u>	<u>77,160</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	(2,037)	50,893
Cash, cash equivalents, and restricted cash at beginning of year	<u>795,536</u>	<u>744,643</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 793,499</u>	<u>\$ 795,536</u>

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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 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 \$201,334 and \$185,610 during 2022 and 2021, respectively, which met the previously discussed criteria.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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, 2022 AND 2021

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, 2022 and 2021, the Foundation had three 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 \$18,057 and \$18,555 for the years ended December 31, 2022 and 2021, 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.

11. Functional Allocation of Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relevant time spent by employees of the Foundation providing those services.

12. Reclassifications

Certain reclassifications have been made to the 2021 financial statements to conform to classifications used in 2022.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**13. Revenue From Contracts With Customers**

The Foundation recognizes revenue in accordance with *ASC 606 – Revenue from Contracts with Customers*. Revenue from contracts with customers is derived from custom license plate fees and sale of merchandise. The Foundation had no receivables from contracts with customers as of December 31, 2022 and 2021. The Foundation recognizes revenue from contracts with customers at the point in time goods are delivered. Revenue from contracts with customers was \$13,463 and \$13,977 for the years ended December 31, 2022 and 2021, respectively.

14. Subsequent Events

Management has evaluated the effect of subsequent events on these financial statements through July 26, 2023, the date the financial statements were available to be issued.

15. Change in Accounting Principle

On January 1, 2022, the Foundation adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirement around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Retrospective application is required and thus the 2021 contributions on the statement of activities have been reclassified and split into contributions and gifts-in-kind contributions to adhere to the standard.

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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

NOTE B - INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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.

The following is a summary of the levels within the fair value hierarchy as of December 31, 2022 and 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2022 Total</u>
Fixed Income:				
Certificates of Deposit	\$ -	\$ 356,538	\$ -	\$ 356,538
Agency Securities	-	49,717	-	49,717
Corporate Bonds	-	306,685	-	306,685
Mortgage-Backed Securities	-	8,558	-	8,558
Municipal Bonds	-	277,796	-	277,796
Other Securities	-	<u>131,820</u>	-	<u>131,820</u>
Total Fixed Income	-	1,131,114	-	1,131,114
Equities:				
Stock Mutual Funds	1,155,672	-	-	1,155,672
Exchange-Traded Products	<u>551,154</u>	-	-	<u>551,154</u>
Total Equities	<u>1,706,826</u>	-	-	<u>1,706,826</u>
Total	<u>\$ 1,706,826</u>	<u>\$ 1,131,114</u>	<u>\$ -</u>	<u>\$ 2,837,940</u>
				2021
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income:				
Certificates of Deposit	\$ -	\$ 183,239	\$ -	\$ 183,239
Corporate Bonds	-	122,113	-	122,113
Mortgage-Backed Securities	-	11,190	-	11,190
Municipal Bonds	-	410,511	-	410,511
Other Securities	-	<u>82,500</u>	-	<u>82,500</u>
Total Fixed Income	-	809,553	-	809,553
Equities:				
Stock Mutual Funds	1,377,130	-	-	1,377,130
Exchange-Traded Products	<u>966,994</u>	-	-	<u>966,994</u>
Total Equities	<u>2,344,124</u>	-	-	<u>2,344,124</u>
Total	<u>\$ 2,344,124</u>	<u>\$ 809,553</u>	<u>\$ -</u>	<u>\$ 3,153,677</u>

NOTES TO FINANCIAL STATEMENTS**DECEMBER 31, 2022 AND 2021*****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 accounts at the brokerage firm are insured by the SIPC up to \$2,500,000. At December 31, 2022 and 2021, the Foundation's uninsured cash balances totaled \$411,874 and \$314,121, respectively.

NOTE D - CONCENTRATION OF DONOR RISK

The Foundation receives a substantial portion of its contributions and gifts-in-kind from a small pool of donors. Management believes these donors can be replaced, although not immediately. For the years ended December 31, 2022 and 2021, two and one donors, respectively, contributed \$158,383 and \$76,391, or 16% and 8%, respectively, of total contributions.

NOTE E - 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, 2022, had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

NOTE F - RETIREMENT PLAN

The 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, 2022 and 2021, the amount of retirement expense was \$11,231 and \$11,643, respectively.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

NOTE G - LIQUIDITY AND AVAILABLE RESOURCES

	<u>2022</u>	<u>2021</u>
Financial assets, at year-end	\$ 3,641,095	\$ 3,956,021
Less restricted cash	(8,061)	(47,797)
Less endowment funds	<u>(380,497)</u>	<u>(391,620)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,252,537</u>	<u>\$ 3,516,604</u>

Financial assets at year-end include cash and cash equivalents, unrestricted, cash and cash equivalents, restricted, 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 H - CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The following table provides a reconciliation of cash and cash equivalents, unrestricted, and cash and cash equivalents, restricted reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents, unrestricted	\$ 785,438	\$ 747,739
Cash and cash equivalents, restricted	<u>8,061</u>	<u>47,797</u>
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	<u>\$ 793,499</u>	<u>\$ 795,536</u>

Assets restricted to restricted cash on the statement of financial position include restricted cash received with a donor-imposed restriction that limits use of that cash to long-term purposes.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

NOTE 1 - ENDOWMENT FUND

The Foundation maintains an endowment fund for the long-term wellbeing 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.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

NOTE 1 - ENDOWMENT FUND (Continued)

Endowment Net Asset Composition by Fund Type as of December 31, 2022 and 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<i>December 31, 2022</i>			
Donor-restricted endowment funds	\$ <u> -</u>	\$ <u>388,558</u>	\$ <u>388,558</u>
Total funds	<u>\$ <u> -</u></u>	<u>\$ <u>388,558</u></u>	<u>\$ <u>388,558</u></u>
<i>December 31, 2021</i>			
Donor-restricted endowment funds	\$ <u> -</u>	\$ <u>439,418</u>	\$ <u>439,418</u>
Total funds	<u>\$ <u> -</u></u>	<u>\$ <u>439,418</u></u>	<u>\$ <u>439,418</u></u>

Changes in endowment net assets for the years ended December 31, 2022 and 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<i>December 31, 2022</i>			
Endowment net assets, beginning of year	\$ -	\$ 439,418	\$ 439,418
Contributions	-	17,358	17,358
Investment income, net of fees	-	4,339	4,339
Loss on investments	<u> -</u>	<u>(72,557)</u>	<u>(72,557)</u>
Endowment net assets, end of year	<u>\$ <u> -</u></u>	<u>\$ <u>388,558</u></u>	<u>\$ <u>388,558</u></u>
<i>December 31, 2021</i>			
Endowment net assets, beginning of year	\$ -	\$ 349,739	\$ 349,739
Contributions	-	47,102	47,102
Investment income	-	3,377	3,377
Gain on investments	<u> -</u>	<u>39,200</u>	<u>39,200</u>
Endowment net assets, end of year	<u>\$ <u> -</u></u>	<u>\$ <u>439,418</u></u>	<u>\$ <u>439,418</u></u>

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

NOTE I - ENDOWMENT FUND (Continued)

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, 2022, there were no such deficiencies.

Description of assets classified as with donor restrictions:

	<u>2022</u>
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by state law	\$ 382,610
The portion of endowment funds with purpose restrictions	<u>5,948</u>
Total endowment funds classified as with donor restrictions	<u>\$ 388,558</u>

NOTE J – GIFTS-IN-KIND CONTRIBUTIONS

Gifts-in-kind contributions included in the statement of activities are composed of the following

	<u>2022</u>	<u>2021</u>
Fundraising auction items	\$ 32,416	\$ 24,117
Child trips		
Hunting trips	114,950	98,700
Fishing trips	36,200	42,875
Clothing	7,991	5,414
Taxidermy and other	9,777	14,504
	<u>\$ 201,334</u>	<u>\$ 185,610</u>

Fundraising auction items

The Foundation receives donations of physical items to be sold at fundraisers. Fundraising items are recognized at fair value as in-kind contributions without donor restrictions and are expensed as they are used. Fair value is measured using prices of identical or similar items.

Child trips

The Foundation receives donations of hunting trips, fishing trips, clothing, and other items to be used as program costs. Clothing and other items are recognized at fair value as gift-in-kind contributions without donor restrictions and are expensed as they are used. Fair value of clothing and other items is measured using prices of identical or similar items. Hunting and fishing trips are recognized at fair value and are expensed as the trips are taken. Fair value is measured based on current industry rates of hunts, travel, meals, and lodging.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

NOTE K - PAYCHECK PROTECTION PROGRAM LOAN

On February 19, 2021, The Foundation received loan proceeds in the amount of \$77,160 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 Foundation was notified on November 11, 2021, 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 Statements of Activities as an increase in net assets without donor restrictions.