

SWEET DREAM MAKERS, INC.

***FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019***

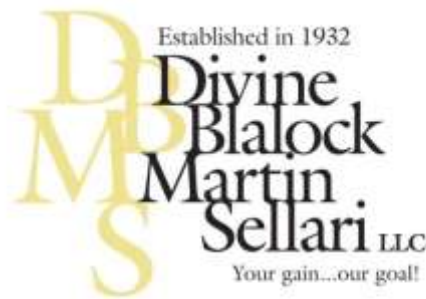
SWEET DREAM MAKERS, INC.
TABLE OF CONTENTS
DECEMBER 31, 2020 AND 2019

	<u>Page</u>
Independent Auditors' Report.....	1
Statements of Financial Position.....	3
Statements of Activities.....	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to the Financial Statements.....	9

GARY B. SELLARI, CPA/PFS, MSM
SCOTT A. STEIN, CPA***
SUZI J. RAPP, CPA*, MAC
B. CHARLES SELLARI, CPA*, MTAX

J. RONALD ANDERSON, CPA**/ABV
VICTORIA BOLSKAR, CPA****, LTD
DUSTAN J. BROWN, CPA*****
MARY L. CONTESSA, CPA*, PA
STEVE A. GOINDOO, CPA**/PFS, MTAX, CFP®
SHARON HOWARD, CPA, CMA, MST*
TOM KEYS, CPA*, CGMA
CANDACE ANTEZANA KLOTZBIER, CPA*
CHRISTINE M. MCKENNA, CPA*
ROBERT REYNOLDS, CPA*****
JAMIE M. RUSSO, CPA*
JANET SCALZITTI, CPA*****
APRIL M. SINNOTT, CPA*
ARTHUR J. SINNOTT, CPA**

BARBARA AHEARN-DUNN, EA
KELLY BEACH, EA
JACQUELINE CARTIER, EA
ANTHONY J. SELLARI, EA



Certified Public Accountants and Consultants
580 Village Boulevard, Suite 110
West Palm Beach, FL 33409
Phone: (561) 686-1110 Fax: (561) 686-1330
info@dbmscpa.com

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

WILBUR F. DIVINE, III, CPA (1896-1964)
WILBUR F. DIVINE, IV, CPA (1925-1989)
JAMES A. BLALOCK, CPA (1914-1996)
G. MICHAEL MARTIN, CPA (1945-2014)
*REGULATED BY THE STATE OF FL
**REGULATED BY THE STATE OF FL AND
THE STATE OF TN
***REGULATED BY THE STATE OF FL
AND THE STATE OF NY
****REGULATED BY THE STATE OF WI
*****REGULATED BY THE STATE OF FL
AND THE STATE OF NJ
*****REGULATED BY THE STATE OF NJ
*****REGULATED BY THE STATE OF NY

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Sweet Dream Makers, Inc.
Boca Raton, Florida

We have audited the accompanying financial statements of Sweet Dream Makers, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2020 and 2019 and the related statements of activities and cash flows for the years then ended, and the related notes to the 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.

Auditor's Responsibility

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

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Sweet Dream Makers, 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.

Divine, Blalock, Martin & Sellari, LLC

DIVINE, BLALOCK, MARTIN & SELLARI, LLC

West Palm Beach, Florida

March 9, 2021

SWEET DREAM MAKERS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Assets		
Cash and cash equivalents	\$ 779,717	\$ 483,345
Pledges and grants receivable	70,000	65,803
Prepaid expenses	17,500	-
Property and equipment, net	34,510	44,370
Deposits	1,500	1,500
	Total Assets	Total Assets
	\$ 903,227	\$ 595,018
LIABILITIES AND NET ASSETS		
Liabilities		
Accrued expenses	\$ 36,148	\$ 70,998
	Total Liabilities	Total Liabilities
	36,148	70,998
Net Assets		
Without donor restrictions	797,079	544,020
With donor restrictions	70,000	(20,000)
	Total Net Assets	Total Net Assets
	867,079	524,020
	Total Liabilities and Net assets	Total Liabilities and Net assets
	\$ 903,227	\$ 595,018

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

SWEET DREAM MAKERS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support:			
Contributions	\$ 193,720	\$ 70,000	\$ 263,720
Events	283,160	-	283,160
Grants revenue	631,669	-	631,669
Contributions in kind	59,844	-	59,844
Interest Income	457	-	457
Conditional Contribution	-	11,768	11,768
Net assets released from restrictions	11,768	(11,768)	-
Total revenue and support	1,180,618	70,000	1,250,618
Expenses:			
Program expenses	830,462	-	830,462
Fundraising	65,047	-	65,047
Management and General	12,050	-	12,050
Total expenses	907,559	-	907,559
Increase (decrease) in net assets	273,059	70,000	343,059
Net assets at beginning of the year	524,020	-	524,020
Net assets at end of year	\$ 797,079	\$ 70,000	\$ 867,079

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

SWEET DREAM MAKERS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support:			
Contributions	\$ 163,103	\$ -	\$ 163,103
Events	447,332	-	447,332
Grants revenue	344,682	-	344,682
Contributions in kind	93,340	-	93,340
Interest Income	412	-	412
Net assets released from restrictions	20,000	(20,000)	-
Total revenue and support	1,068,869	(20,000)	1,048,869
Expenses:			
Program expenses	642,338	-	642,338
Fundraising	195,790	-	195,790
Management and General	8,466	-	8,466
Total expenses	846,594	-	846,594
Increase (decrease) in net assets	222,275	(20,000)	202,275
Net assets at beginning of the year	321,745	-	321,745
Net assets at end of year	<u>\$ 544,020</u>	<u>\$ (20,000)</u>	<u>\$ 524,020</u>

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

SWEET DREAM MAKERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program Expenses</u>	<u>Fundraising</u>	<u>General and Adminstrative</u>	<u>Total</u>
Credit card fees	\$ -	\$ 4,858	\$ -	\$ 4,858
Depreciation expense	9,860	-	-	9,860
Development expense	-	887	-	887
Fundraising event expenses	-	4,099	-	4,099
Grant writing	19,500	29,300	-	48,800
In-Kind household furniture	59,844	-	-	59,844
Insurance	-	-	898	898
Miscellaneous	-	-	47	47
New beds and bedding	606,444	-	-	606,444
Other fundraising expenses	-	1,430	-	1,430
Aministrative expenses	-	-	-	-
Payroll & payroll taxes	91,881	10,900	3,633	106,414
Postage and printing	-	7,697	22	7,719
Professional services	-	-	7,000	7,000
Rent - office	6,750	1,800	450	9,000
Software expense	2,716	3,802	-	6,518
Supplies	1,028	274	-	1,302
Truck expenses	4,276	-	-	4,276
Warehouse expenses	28,163	-	-	28,163
	<u>\$ 830,462</u>	<u>\$ 65,047</u>	<u>\$ 12,050</u>	<u>\$ 907,559</u>

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

SWEET DREAM MAKERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Expenses	Fundraising	General and Adminstrative	Total
Credit card fees	\$ -	\$ 5,571	\$ -	\$ 5,571
Depreciation expense	4,930	-	-	4,930
Fundraising event expenses	-	173,406	-	173,406
Grant writing	21,150	-	-	21,150
In-Kind household furniture	43,176	-	-	43,176
Insurance	-	-	1,919	1,919
Miscellaneous	754	-	1,058	1,812
New beds and bedding	480,692	-	-	480,692
Other fundraising expenses	-	6,677	-	6,677
Payroll & payroll taxes	53,369	-	-	53,369
Postage and printing	-	3,863	2,673	6,536
Professional services	6,000	1,600	400	8,000
Rent - office	6,750	1,800	450	9,000
Software expense	-	2,873	-	2,873
Supplies	-	-	1,966	1,966
Truck expenses	5,534	-	-	5,534
Warehouse expenses	19,983	-	-	19,983
	<u>\$ 642,338</u>	<u>\$ 195,790</u>	<u>\$ 8,466</u>	<u>\$ 846,594</u>

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

SWEET DREAM MAKERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets without donor restrictions	\$ 273,059	\$ 172,975
Change in net assets with donor restrictions	70,000	(20,000)
TOTAL CHANGE IN NET ASSETS	343,059	152,975
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,860	4,930
Changes in operating non-cash assets & liabilities:		
Pledges and grants receivable	(4,197)	38,682
Prepaid expenses	(17,500)	-
Security deposits	-	(1,500)
Accrued expenses	(34,850)	26,509
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>296,372</u>	<u>221,596</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	296,372	221,596
CASH AND CASH EQUIVALENTS, beginning of year	<u>483,345</u>	<u>261,749</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 779,717</u>	<u>\$ 483,345</u>
SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING ACTIVITIES:		
In-kind donations of a truck	<u>\$ -</u>	<u>\$ 49,300</u>

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

SWEET DREAM MAKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Organization is organized as a 501(c)(3) nonprofit corporation located in Boca Raton, FL established in 2016 in accordance with the laws of the State of Florida. The Organization's is community based and their mission is to promote the health and wellness of children and families by providing, beds, bedding and essential furniture.

Basis of Accounting

The Organization's financial statements presented herein have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Sweet Dream Makers records unconditional promises to give (pledges) as contributions at fair value at the date the promises are received or made and distinguishes between promises received for each net asset category in accordance with donor restrictions, if any.

Net assets and revenue, expenses, gains and losses are classified as net assets with donor restrictions and net assets without donor restrictions based on the existence or absence, respectively, of donor-imposed restrictions. Accordingly, net assets of the Sweet Dream Makers and changes therein are classified as follows:

Net assets without donor restrictions – Net assets either not restricted by donors or the donor-imposed restrictions have expired.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time and net assets subject to donor-imposed stipulations to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the earnings on related investments for general or specific purposes.

The amounts for each class of net assets are required to be displayed in a statement of financial position and the amount of the change in each class of net assets are required to be displayed in a statement of activities.

Cash and Cash Equivalents

Cash and cash equivalents consist of non-interest-bearing demand deposit accounts and interest-bearing money market accounts. Cash equivalents are short term investments with a maturity date of three months or less from the date of purchase. The concentration of credit risk associated with cash and cash equivalents is considered low due to the credit quality of the financial institutions and the immediate availability of these financial instruments.

SWEET DREAM MAKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Pledges receivable represent unconditional promises to give support over a period of time. Unconditional promises to give are reported as an increase in net assets with or without donor restrictions, depending on the nature of the donor-imposed restriction, if any. The Organization recognizes pledges receivable at estimated net realizable value for pledges due within one year. Pledges receivable that are expected to be collected in future years are recorded at the present value of their net realizable value. No allowance was deemed necessary for pledges receivable as they were deemed fully collectible by management

Property and Equipment

Property and equipment are stated at cost, if purchased, or if acquired by contribution, at estimated fair value on the date of contribution. Depreciation is provided for using the straight-line method over the five to ten year estimated useful lives of the assets. Office, computers and medical equipment are generally assigned an estimated useful life of 5-years; office furniture is assigned a useful life of 7-years; and leasehold improvements are generally amortized over a 10-year period. Expenditures for furniture and equipment costing \$1,000 or more are capitalized; lesser amounts are expensed.

Revenue Recognition

Financial support is provided by private sector grants, public donations and gifts. Private grants and public contributions are recognized when received or when a donor or grantor makes an unconditional promise to give. Donor pledges are considered intent to give rather than an unconditional promise to give. Accordingly, pledges are not recognized as support at the time of the pledge. Donations that contain donor stipulations that limit the use of an asset for specific purposes or designates the support for future periods, are reported as an increase in net assets with donor restrictions and net assets without donor restrictions depending upon the nature of the restriction. When a donor restriction expires, that is, when a stipulation time restriction ends or a purpose restriction is accomplished; net assets with donor restrictions are reclassified and reported in the statements of activities as net assets released from restrictions. Donor contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Contributions of long-lived assets (e.g., property and equipment) or contributions that the donor requires to be used to acquire long-lived assets are reported as net assets with donor restrictions. Sweet Dream Makers reflects the expiration of the donor-imposed restriction when long-lived assets have been placed in service, at which time 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.

In-Kind Contributions

The Organization regularly receives contributions of Beds and bedding, household items and gently used furniture from the public. Items are assigned values using the goodwill average.

SWEET DREAM MAKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

Donated services are recognized as contributions if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The Organization received donated services from its officers, directors and community volunteers which totals in excess of 3000 person-hours for the year ended December 31, 2020. Using the Corporation for National and Community Service survey that estimates a \$24.74 value per hour of volunteer time, management estimates the value of these efforts to be approximately \$74,220 for the year ended December 31, 2020. As the recognition criteria for donated services were not met, these volunteer efforts were not recognized as contributions in the financial statements for the year ended December 31, 2020.

Income Taxes

The Organization qualifies as a tax-exempt Organization, other than a private foundation, under Section 501(c) (3) of the Internal Revenue Code and therefore, has no provision for federal income taxes. The Organization qualifies as a public charity under the Internal Revenue Code.

The Organization files required income tax returns in the U.S. federal jurisdiction. With few exceptions, the Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2014. The Organization has concluded no material uncertain tax positions have been taken on any open tax returns. For the current year the Organization believes all tax positions are fully supportable by existing Federal law and related interpretations and there are no uncertain tax positions to consider.

Functional Allocation of Expenses

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

Concentrations of Credit and Market Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents. The Organization maintains its cash and cash equivalents in various bank accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

The Organization considers pledges and grants receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If the amounts become uncollectible, they will be charged to operations when that determination is made.

Reclassification

Certain prior year amounts have been reclassified to conform to current year's presentation. The reclassifications had no effect on previously reported net assets or increase in net assets.

SWEET DREAM MAKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The use of estimates includes, but is not limited to, amounts earned in the reporting period under grant contracts, the estimated value of in-kind services, the allocation of expenses among program and support categories, and useful lives of depreciable assets. Actual results could differ from those estimates.

Changes in Accounting Principles

The Financial Accounting Standards Board (FASB) issued the following Accounting Standards Updates (ASU) that were effective for the Organization in 2020:

- ASU 2014-09, *Revenue from Contracts with Customers*, and five subsequent amendments to ASU 2014-09 (collectively “ASU 2014-09”), clarifies the principles for recognizing revenue and creates common revenue recognition guidance for U.S. generally accepted accounting principles (GAAP). The revenue recognition principles of ASU 2014-09 apply only to exchange transactions and not to contributions and other nonreciprocal transfers to the Organization. The adoption of ASU 2014-09 resulted in no impact to the financial statement during the year ended December 31, 2020.
- In June 2018, the FASB released ASU 2018-08, *Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The adoption of ASU 2018-08 resulted in no impact to the financial statement during the year ended December 31, 2020.

The cumulative impact from adopting these ASUs did not result in any changes to the previously reported amounts as of and for the year ended December 31, 2020.

Recent Accounting Pronouncements

The FASB has issued the following accounting standards updates that may affect the Organization in future years. Management has not completed its analysis of effects, if any, of the following updates:

ASU 2016-02, *Leases*, will be effective for the Organization for the year ending December 31, 2022 and must be adopted using a modified retrospective method. ASU 2016-02 generally requires lessees to recognize assets and liabilities arising from leases on the statement of financial position.

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, will be effective for the year ending December 31, 2021. ASU 2020-07 seeks to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure.

SWEET DREAM MAKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE B – INVESTMENTS

All investments are stated at estimated fair value based upon current market quotes and are available to support current operations. The Organization currently has investments in stocks and mutual funds. These investments total \$50 at December 31, 2020 and the carrying amount approximates the fair value.

NOTE C – PLEDGES AND GRANTS RECEIVABLE

Pledges and grants receivable at December 31, 2020 and 2019 consisted of:

	2020	2019
Grants receivable	\$ 70,000	\$ 65,803

NOTE D – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment and related accumulated depreciation as of December 31, 2020 and 2019:

	2020	2019
Vehicles	\$ 49,300	\$ 49,300
Less: accumulated depreciation	(14,790)	(4,930)
Property and equipment, net	\$ 34,510	\$ 44,370

NOTE E – CONDITIONAL CONTRIBUTION

On April 22, 2020 the Organization borrowed \$11,768 under the Paycheck Protection Program (PPP). The term note requires 18 monthly payments, including interest at 1%, accrued from the date of the loan, commencing November 22, 2020. Under the PPP, the borrower may qualify for partial or full loan forgiveness. On June 10, 2020 the AICPA issued guidance TQA 3200.18, *Borrower Accounting for a Forgivable Loan Received Under the Small Business Administration Paycheck Protection Program*.

The Organization has chosen to account for the PPP loan above as conditional contribution based on the above guidance. The Organization prepared a PPP loan forgiveness calculation provided by the Small Business Administration (SBA) indicating that the full \$11,768 amount received was to be forgiven and on January 5, 2021 the Organization received approval of the full forgiveness. For the year ended December 31, 2020, the Organization recognized \$11,768 related to the PPP loan as a conditional contribution included in revenue and support on the statement of activities.

NOTE F – FAIR VALUE MEASUREMENTS

The Organization uses a three-tier hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable market inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

SWEET DREAM MAKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE F – FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1: Quoted prices for similar assets or liabilities in active markets to which the organization has access at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted process for identical or similar assets in markets that are not active;
- Observable inputs other than quoted prices for assets or liability (for example, interest rates and yield curves); and
- Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value to the extent that observable inputs are not available.

The Organization recognizes transfers into and out of levels within the fair value hierarchy at the end of each fiscal year. There were no transfers between levels during the year ended December 31, 2020.

The primary use of fair value measurements in the Organization’s financial statements are the measurement of in-kind contributions.

NOTE G – LEASE COMMITMENTS

The Organization has commitments related to operating lease agreements for the rental of office and warehouse space at December 31, 2020. Up to December 31, 2019 the rent for the administrative offices had been contributed to the organization as a donation in kind by a board member. Commencing January 1, 2020, the organization has agreed to an operating lease agreement with the board member for these same administrative offices. The lease requires monthly payments of \$750 and has no expiration date, but either party may terminate the lease by giving at least ninety (90) days prior written notice . The Organization also has a lease agreement with a third party for warehouse space. This lease requires monthly payments of \$814 and expired in April 2019 at which time the lease will convert to month-to-month. For the year ended December 31, 2020, facility lease expense totaled \$18,768 .

Future annual lease payments for the administrative office and warehouse for the remaining terms of the leases in effect at December 31, 2020 are as follows:

Year ending December 31,	
2021	\$ 18,768
2022	-
2023	-
2024	-
2025 and thereafter	-
	\$ 18,768

SWEET DREAM MAKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE H – SPECIAL EVENTS

The Organization conducts special events for the purpose of raising money for operations. For the years ended December 31, 2020 and 2019 the Organization had revenues of \$283,160 and \$447,332 less related expenses of \$21,559 and \$173,406, respectively.

NOTE I – COMMITMENTS AND CONTINGENCIES

Certain grant provisions include compliance audits. No audits are currently in process.

NOTE J – LIQUIDITY

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general expenditures within one year of the statement of financial position date.

	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 779,717	\$ 483,345
Pledges and other receivable, net	70,000	65,803
Total Financial assets, at year end	849,717	549,148
Less those unavailable for general expenditures within one year due to:		
Donor restricted	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 849,717	\$ 549,148

NOTE K – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 9, 2021, the date on which the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our children and families, donors, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.