SWEET DREAM MAKERS, INC.

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021
With
INDEPENDENT AUDITOR'S REPORT

SWEET DREAM MAKERS, INC.
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022 and 2021 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sweet Dream Makers, 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 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.

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 Sweet Dream Makers Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 Sweet Dream Makers, 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 Sweet Dream Makers, 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.

Divine, Blalock, Martin & Sellari, LLC

DIVINE, BLALOCK, MARTIN & SELLARI, LLC
West Palm Beach, Florida
April 19, 2023

SWEET DREAM MAKERS, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 570,929	$ 1,299,518
Investments	802,408	50
Pledges and grants receivable	193,500	243,908
Accounts receivable	-	2,225
Prepaid expenses	-	3,329
Total Current Assets	1,566,837	1,549,030
Property and equipment, net	14,790	24,650
Other Assets		
Endowment - restricted in perpetuity	113,422	-
Deposits	1,500	1,500
Total Other Assets	114,922	1,500
Total Assets	$ 1,696,549	$ 1,575,180
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 70,302	$ -
Credit cards payable	63,660	55,036
Accrued expenses	13,384	33,092
Deferred contributions	-	43,061
Total Liabilities	147,346	131,189
Net Assets		
Without donor restrictions	1,242,281	1,103,083
With donor restrictions	306,922	340,908
Total Net Assets	1,549,203	1,443,991
Total Liabilities and Net assets	$ 1,696,549	$ 1,575,180

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

SWEET DREAM MAKERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions	$ 261,336	$ 10,000	$ 271,336
Events	751,999	193,500	945,499
Grants revenue	710,559	-	710,559
Contributions in kind	65,475	-	65,475
Interest and dividend income	16,244	-	16,244
Realized and unrealized loss on investments, net	(5,674)	-	(5,674)
Net assets released from restrictions	237,486	(237,486)	-
Total Revenue and Support	2,037,425	(33,986)	2,003,439
Expenses:			
Program expenses	1,491,137	-	1,491,137
Fundraising	388,676	-	388,676
Management and general	18,414	-	18,414
Total Expenses	1,898,227	-	1,898,227
Increase (decrease) in net assets	139,198	(33,986)	105,212
Net assets at beginning of the year	1,103,083	340,908	1,443,991
Net assets at end of year	$ 1,242,281	$ 306,922	$ 1,549,203

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

SWEET DREAM MAKERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions	$ 228,201	$ 175,000	$ 403,201
Events	601,096	130,908	732,004
Grants revenue	763,867	-	763,867
Contributions in kind	65,551	-	65,551
Interest income	439	-	439
Net assets released from restrictions	35,000	(35,000)	-
Total Revenue and Support	1,694,154	270,908	1,965,062
Expenses:			
Program expenses	1,000,282	-	1,000,282
Fundraising	371,572	-	371,572
Management and general	16,296	-	16,296
Total Expenses	1,388,150	-	1,388,150
Increase in net assets	306,004	270,908	576,912
Net assets at beginning of the year	797,079	70,000	867,079
Net assets at end of year	$ 1,103,083	$ 340,908	$ 1,443,991

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, 2022

	Program Expenses	Fundraising	General and Administrative	Total
Credit card fees	$ -	$ 17,705	$ -	$ 17,705
Depreciation expense	9,860	-	-	9,860
Development expense	-	3,946	-	3,946
Fundraising event expenses	-	297,219	-	297,219
Grant writing	3,090	3,091	-	6,181
In-Kind household furniture	65,475	-	-	65,475
Insurance	3,138	588	2,044	5,770
Miscellaneous	487	91	317	896
New beds and bedding	1,153,340	-	-	1,153,340
Other fundraising expenses	-	2,845	-	2,845
Payroll & payroll taxes	196,866	49,485	9,011	255,362
Postage and printing	129	5,568	767	6,464
Professional services	2,000	675	5,825	8,500
Rent - office	7,200	1,350	450	9,000
Software expense	4,034	6,112	-	10,146
Supplies	1,486	-	-	1,486
Truck expenses	6,867	-	-	6,867
Warehouse expenses	37,165	-	-	37,165
	$ 1,491,137	$ 388,676	$ 18,414	$ 1,898,227

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, 2021

	Program Expenses	Fundraising	General and Administrative	Total
Credit card fees	$ -	$ 8,600	$ -	$ 8,600
Depreciation expense	9,860	-	-	9,860
Development expense	-	2,827	-	2,827
Fundraising event expenses	-	303,069	-	303,069
Grant writing	11,249	16,873	-	28,122
In-Kind household furniture	65,551	-	-	65,551
Insurance	-	-	1,907	1,907
Miscellaneous	-	-	762	762
New beds and bedding	739,775	-	-	739,775
Other fundraising expenses	-	2,450	-	2,450
Payroll & payroll taxes	131,870	16,965	5,655	154,490
Postage and printing	-	14,348	522	14,870
Professional services	-	-	7,000	7,000
Rent - office	6,750	1,800	450	9,000
Software expense	1,555	4,016	-	5,571
Supplies	1,213	624	-	1,837
Truck expenses	5,131	-	-	5,131
Warehouse expenses	27,328	-	-	27,328
	$ 1,000,282	$ 371,572	$ 16,296	$ 1,388,150

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, 2022 AND 2021

	2022	2021
Cash flows from operating activities		
Change in net assets without donor restrictions	$ 139,198	$ 306,004
Change in net assets with donor restrictions	(33,986)	270,908
Total change in net assets	105,212	576,912
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,860	9,860
Realized and unrealized loss on investments	5,674	-
Changes in operating non-cash assets & liabilities:		
Pledges and grants receivable	50,408	(173,908)
Accounts receivable	2,225	11,946
Prepaid expenses	3,329	-
Accounts payable	70,302	-
Credit cards payable	8,624	-
Accrued expenses	(19,708)	51,980
Deferred Contributions	(43,061)	43,061
Net cash provided by operating activities	192,865	519,851
Cash flows from investing activities		
Purchase of investments	(1,417,054)	(50)
Purchase of endowment - restricted in perpetuity	(110,000)	-
Proceeds from sale of investments	605,600	-
Net cash used in investing activities	(921,454)	(50)
Net (decrease) increase in cash and cash equivalents	(728,589)	519,801
Cash and cash equivalents, beginning of the year	1,299,518	779,717
Cash and cash equivalents, end of the year	$ 570,929	$ 1,299,518

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

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-Cash includes amounts on deposit in checking accounts and money market accounts. For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Organization maintains cash deposits at South State Bank, located in Palm Beach County, Florida, as well as with brokerage firms.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents, continued

At December 31, 2022, operating account deposits totaled $649,292, which exceeded Federal Deposit Insurance Corporation (FDIC) coverage by approximately $399,292. The Organization periodically evaluates the financial condition of its banking institutions and has not experienced any loss on such accounts. Management believes the Organization is not exposed to any significant credit risk arising from such balances.

Investments

Investments are presented in the financial statements at fair value, using quoted market prices for publicly traded securities and other relevant information generated by market transactions. Investments consist of funds invested in mutual funds, exchange traded funds (ETF's) and US Treasury bonds. The mutual funds and exchange traded funds are held by Fidelity Investments for the benefit of the Organization, but are not insured or collateralized. The US Treasury Bonds are issued by Fidelity Investments and is insured up to $250,000 by the FDIC and is recorded at cost plus accrued interest income. Investment transactions are recorded on a trade date basis. Investment income is recorded on the accrual basis and dividend income is recorded on the ex-dividend date. Investment earnings and realized and unrealized gains and losses are included in the Statement of Activities. Investment expenses are netted against investment income.

Pledges and Grant 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.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Support 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 nets 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.

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, 2022 and 2021. Using the Independent Sector Community Service survey that estimates a $29.95 value per hour of volunteer time, management estimates the value of these efforts to be approximately $89,850 for the year ended December 31, 2022 (www.independensector.org). 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, 2022 and 2021.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Employees of the Organization are entitled to paid vacations, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

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 2018. 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.

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 SouthState bank accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. As of December 31, 2022, the Organization had approximately $399,292 in excess of insured limits.

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.

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.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Recent Accounting Pronouncements

The FASB has issued the following accounting standards updates that may affect the Organization in future years. Management is evaluating the effects, if any, of the following updates:

- *ASU 2016-09 (Leases)*- Effective January 1, 2022, the Company adopted the new lease standard. At December 31, 2022 the Company had no lease agreements in place that require the new standard.
- *ASU 2020-07, (Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets)* - Effective January 1, 2022, the Company adopted ASU 2020-07 – Presentation and Disclosures by Not-for- Profit Entities for Contributed Nonfinancial assets. At December 31, 2022 the Company had no contribution of nonfinancial assets.

The Company does not believe that any other recently issued but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

Reclassifications

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.

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 US Treasury bonds. Total investments at December 31, 2022 and 2021 were $802,408 and $50, respectively and the carrying amount approximates the fair value.

Investments as of December 31, 2022 are classified as follows:

	2022	2021
US Treasury bonds	$ 802,408	$ -
Cash reserve	-	50
Total Investments	$ 802,408	$ 50

NOTE C – PLEDGES AND GRANTS RECEIVABLE

Pledges are recorded as receivables and support when received or promised. These pledges are considered unconditional promises to give which is a promise to give that depends only on the passage of time or demand by the promise for performance. Unconditional promises to give that are due beyond one year have been measured using the net present value of their estimated future cash flows.

Pledges and grants receivable are as follows as of December 31:

	2022	2021
Pledges and grants receivable	$ 193,500	$ 243,908

Management has determined that neither a present value discount nor an allowance for doubtful accounts is necessary as of December 30, 2022 and 2021.

NOTE D – ENDOWMENTS

The Organization's endowments consist of a donor-restricted endowment fund that was established to support its annual operating expenses. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

FASB ASC 958, Not-for-Profit Entities, provides guidance on the net asset classification of endowment funds with donor restrictions for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and requires disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA. The State of Florida enacted a version of UPMIFA, known as the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) that governs the investment, management and spending of donor- restricted endowment funds by Florida not-for-profit organizations. Absent explicit donor stipulations, FUPMIFA generally requires prudent care in investing, managing and developing spending plans for donor-restricted endowment funds.

The Organization classifies as perpetually restricted net assets the following items: (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument (if applicable) at the time the accumulation is added to the fund, and (d) the portion of investment return added to the perpetual endowment to maintain its purchasing power, if donor-restricted. The Organization classifies as time or purpose restricted net assets: (a) the portion of donor-restricted term endowment funds that is deemed to be restricted over a donor-specified period, and (b) the portion of donor-restricted endowment funds with donor-imposed purpose restrictions that have not yet been met.

NOTE D – ENDOWMENTS, CONTINUED

The Organization considers the following factors in making a determination to expend donor-restricted endowment funds:

- *The duration and preservation of the fund*
- *The purposes of the Organization and the donor-restricted endowment fund*
- *General economic conditions*
- *The possible effect of inflation and deflation*
- *The expected total return from income and the appreciation of investments*
- *Other resources of the Organization*
- *The investment policies of the Organization*

In 2021 the organization received a gift of $100,000 from the H. F. Lenfest Fund and $10,000 from Larry Geller to establish an endowment. The principal amount of the endowment shall be kept in perpetuity and the investment income generated by the fund can be used for general operating costs and expenses. For the year ended December 31, 2022 the endowment funds were held by Fidelity Investments and had earnings of $3,422 and a fair market value of $113,422.

The endowment composition by type of fund as of December 31, 2022 and 2021 was as follows:

	2022	2021
Mutual Funds	$ 80,510	$ -
US Treasury Bonds	32,710	-
Cash	202	-
Total endowment fund balance	$ 113,422	$ -

NOTE E – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment and related accumulated depreciation as of December 31, 2022 and 2021:

	2022	2021
Vehicles	$ 49,300	$ 49,300
Less: accumulated depreciation	(34,510)	(24,650)
Property and equipment, net	$ 14,790	$ 24,650

Depreciation and amortization expense totaled $9,860 for the years ended December 31, 2022 and 2021, respectively.

NOTE F – DEFERRED CONTRIBUTIONS

During 2021 contributions were received in advance for a fundraising event that was postponed in response to the COVID-19 pandemic. The contributions were deferred at December 31, 2021 and recognized as income in March 2022, when the event occurred. For the years ended December 31, 2022 and 2021 the amounts deferred were $0 and $43,061, respectively.

NOTE G – RESTRICTIONS ON NET ASSETS

In 2021 the organization received a gift of $100,000 from the H. F. Lenfest Fund and in 2022, a gift from Larry Geller of $10,000 to establish an endowment. The principal amount of the endowment shall be kept in perpetuity and the investment income generated by the fund can be used for general operating costs and expenses.

In addition, during 2022, the Organization received pledges from the Gillman Family Foundation in the amount of $145,000, and the Jill McNally Foundation in the amount of $22,500, Tim Lewis in the amount of $25,000 and the Altman Family Foundation in the amount of $1,000. These pledges are time restricted along the remaining balance of a $193,500 and they are due in 2023.

The Organization had net assets with donor restrictions which consisted of the following at December 31:

	2022	2021
Endowment held in perpetuity:		
H.F. Lenfest Endowment Fund	$ 113,422	$ 100,000
Subject to the passage of time:		
Gillman Family Foundation	145,000	133,908
Jill McNally	22,500	-
Altman family Foundation	1,000	-
Tim Lewis	25,000	-
Jim Moran Foundation	-	75,000
Pat Moran Family Foundation	-	35,000
Total net assets with donor resstrictions	$ 306,922	$ 343,908

NOTE H – FAIR VALUE MEASUREMENTS

The Organization uses a three-tier hierarchy established by the FASB ASC to prioritize the assumptions, referred to as inputs, used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1: *quoted prices in active markets for identical investments.*

Level 2: *other significant observable inputs (including quoted prices for similar investments in active markets, interest rates and yield curves, prepayment speeds, credit risks, etc.)*

Level 3: *significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).*

The fair value measurement of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methodologies during the year ended December 31, 2022.

Fair Value of Assets: The following table sets forth, by level within the fair value hierarchy, the fair value of the Organization's financial assets measured at fair value on a recurring basis at December 31, 2022:

Assets	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level1)
US Treasury bonds - Unrestricted	$ 802,408	$ 802,408
US Treasury bonds - Restricted in Perpuitity	32,710	32,710
Equity mutual funds - Restricted in Perpuitity	80,510	80,510
Cash reserve - Restricted in Perpuitity	202	202
Total Fair Value	$ 915,830	$ 915,830

NOTE I – SPECIAL EVENTS

The Organization conducts special events for the purpose of raising money for operations. For the years ended December 31, 2022 and 2021 the Organization had revenues of $945,499 and $732,004 less related expenses of $297,219 and $303,569, respectively.

NOTE J – LEASE COMMITMENTS

The Organization has commitments related to operating lease agreements for the rental of office and warehouse space at December 31, 2022. 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 on a month-to-month basis; as such, there were no future annual lease payments. The lease payments for the years ended December 31, 2022 and 2021 were $18,933 and $18,823, respectively.

NOTE K – 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 ended December 31, 2022.

	2022	2021
Financial assets:		
Cash and cash equivalents	$ 570,929	$ 1,299,518
Pledges and other receivable, net	193,500	243,908
Investments	802,408	50
Total Financial assets, at year end	1,566,837	1,543,476
Less those unavailable for general expenditures within one year due to:		
Donor restricted	306,922	340,908
Financial assets available to meet cash needs for general expenditures within one year	$ 1,259,915	$ 1,202,568

As part of the Organization’s liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE L – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 19, 2023, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.