



Chasin A Dream Foundation, Inc.

Financial Statements

December 31, 2022

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Independent Accountant's Review Report

To the Board of Directors
Chasin A Dream Foundation, Inc.
Jupiter, Florida

I have reviewed the accompanying financial statements of Chasin A Dream Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of the Foundation and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Justin Ricciardella, CPA

Ricciardella CPA, PLLC
Palm Beach Gardens, Florida
April 27, 2023

Chasin A Dream Foundation, Inc.
Statement of Financial Position
December 31, 2022

ASSETS

Assets:	
Cash	\$ 556,160
Investments	140,623
Prepaid expenses	10,574
Inventory	<u>68,164</u>
Total assets	<u>\$ 775,521</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accrued expenses	\$ 818
Deferred revenue	<u>90,724</u>
Total liabilities	<u>91,542</u>

Net assets:	
Without donor restrictions	612,836
With donor restrictions	<u>71,143</u>
Total net assets	<u>683,979</u>
 Total liabilities and net assets	 <u>\$ 775,521</u>

See the accompanying notes to the financial statements
and independent accountant's review report

Chasin A Dream Foundation, Inc.
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>
Support and revenue:			
Contributions	\$ 285,395	\$ 160,000	\$ 445,395
In-kind contributions	100,402	-	100,402
Special events, net	150,971	-	150,971
Net investment loss	(16,352)	-	(16,352)
Other	1,598	-	1,598
Net assets released from donor restrictions	<u>88,857</u>	<u>(88,857)</u>	<u>-</u>
Total support and revenue	<u>610,871</u>	<u>71,143</u>	<u>682,014</u>
Expenses:			
Program services	394,768	-	394,768
Management and general	5,845	-	5,845
Fundraising	<u>17,534</u>	<u>-</u>	<u>17,534</u>
Total expenses	<u>418,147</u>	<u>-</u>	<u>418,147</u>
Change in net assets	192,724	71,143	263,867
Net assets, beginning of year	<u>420,112</u>	<u>-</u>	<u>420,112</u>
Net assets, end of year	<u>\$ 612,836</u>	<u>\$ 71,143</u>	<u>\$ 683,979</u>

See the accompanying notes to the financial statements
and independent accountant's review report

Chasin A Dream Foundation, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2022

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Expenses:				
Grant assistance	\$ 301,261	\$ -	\$ -	\$ 301,261
Payroll and payroll taxes	49,950	3,122	9,366	62,438
Office expense	17,905	1,119	3,357	22,381
Advertising and marketing	9,805	613	1,840	12,258
Storage rent	8,834	552	1,656	11,042
Professional fees	5,212	326	977	6,515
Travel	1,801	113	338	2,252
Total expenses	\$ 394,768	\$ 5,845	\$ 17,534	\$ 418,147

See the accompanying notes to the financial statements
and independent accountant's review report

Chasin A Dream Foundation, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2022

Cash flows from operating activities:	
Change in net assets	\$ 263,867
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net unrealized loss from investments	21,955
Change in operating assets and liabilities:	
Prepaid expenses	(10,574)
Inventory	(27,059)
Accrued expenses	600
Deferred revenue	90,724
Net cash provided by operating activities	<u>339,513</u>
Cash flows from investing activities:	
Purchase of investments	<u>(83,578)</u>
Net cash used in investing activities	<u>(83,578)</u>
Cash flows from financing activities	<u>-</u>
Net increase in cash	255,935
Cash, beginning of year	<u>300,225</u>
Cash, end of year	<u>\$ 556,160</u>

See the accompanying notes to the financial statements
and independent accountant's review report

Chasin A Dream Foundation, Inc.
Notes to Financial Statements

Note 1 – Nature of Foundation

Chasin A Dream Foundation, Inc. (the “Foundation”) was incorporated on June 26, 2017 as a Florida not-for-profit corporation. The Foundation’s mission is to provide individualized, life-changing assistance to families with children battling cancer, heart disease, cystic fibrosis, and other life-threatening illnesses and lifelong disabilities.

The Foundation’s support is primarily derived from individual, foundation, and corporate donations and special events.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Foundation’s financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The Foundation reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restriction: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation’s management and the board of directors.

Net assets with donor restriction: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restriction. When a restriction expires, net assets are reclassified from net assets with donor restriction to net assets without donor restriction in the accompanying statement of activities and changes in net assets.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three (3) months or less to be cash equivalents.

Functional Allocation of Expenses

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

Chasin A Dream Foundation, Inc.
Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies, continued

Property and Equipment

Property and equipment are recorded at cost. Donated property and equipment are valued at fair value on the date of donation. Expenditures for major repairs that extend the useful life of an asset are capitalized and minor repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The Foundation has computer equipment which were fully depreciated prior to the year ended December 31, 2022.

Inventory

Inventory consists of supplies to be used for program activities and is recorded at the lower of cost or net realizable value.

Investments

The Foundation reports investments at fair value. Net investment loss consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses. Net investment loss is reported in the statement of activities and changes in net assets as a change in net assets without donor restriction unless the use of the income is limited by donor-imposed restrictions.

Fair Value Measurements

Certain financial assets are recorded at fair value. Fair value is defined as the price that would be received to sell an asset between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset with the greatest volume and level of activity for the asset is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset with the price that maximizes the amount that would be received. Fair value is based on assumptions market participants would make in pricing the asset. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

The Foundation's assets recorded at fair value are categorized based on the priority of the inputs used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The inputs used in measuring fair value are categorized into three levels, as follows:

Level 1 - Inputs are based upon quoted prices for identical instruments traded in active markets.

Level 2 - Inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment.

Level 3 - Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

Chasin A Dream Foundation, Inc.
Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies, continued

Deferred Revenue

Deferred revenue consists of payments received in advance for the Foundation's special events. Revenue is recognized in the subsequent year when the event occurs.

Contributions

Contributions received are recorded as revenue without donor restriction or with donor restriction depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributed Services and Materials

Contributed services are recognized if the services received create or enhance non-financial assets or require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In-kind contributions are recognized at fair value when donated services received create or enhance long-lived assets or require specialized skills and when goods that would typically need to be purchased are provided by donation.

Special Events Revenue

Special events revenue is shown net of special events expense in the accompanying statement of activities and changes in net assets. Special events expense was \$72,497 for the year ended December 31, 2022.

Advertising Costs

The Foundation expenses advertising costs as they are incurred. Advertising expense was \$12,258 for the year ended December 31, 2022.

Income Taxes

The Foundation has been recognized by the Internal Revenue Service ("IRS") as an Organization that is exempt from federal income taxes under Internal Revenue Code ("IRC") Section 501(c)(3). Furthermore, it has been determined that the Foundation is not a private foundation. No provision has been made for income taxes in the financial statements.

Accounting Pronouncements Adopted

On January 1, 2022, the Foundation adopted Accounting Standards Update ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statements of activities and changes in net assets, apart from contributions of cash or other financial assets. The ASU also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received.

On January 1, 2022, the Foundation adopted ASU No. 2016-02, *Leases*. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities and changes in net assets. There was no impact on the Foundation's financial statements upon adoption of ASU No. 2016-02.

Chasin A Dream Foundation, Inc.
Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies, continued

Date of Management's Review

Management has evaluated events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through April 27, 2023, which is the date the financial statements were available to be issued.

Note 3 – Liquidity and Availability of Resources

The Foundation's financial assets available within one year to meet cash needs for general expenditures, without donor or other restrictions limiting their use, as of December 31, 2022 consists of:

Financial assets:		
Cash	\$	556,160
Investments		<u>140,623</u>
Total financial assets		<u>696,783</u>
Less: financial assets not available for general expenditure		
Donor restricted, program services		<u>(71,143)</u>
Total financial assets not available for general expenditure		<u>(71,143)</u>
Total financial assets available for general expenditure	\$	<u>625,640</u>

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 4 – Investments

As of December 31, 2022, the fair value of investments recognized in the accompanying statement of financial position at fair value on a recurring basis and the level within the fair value hierarchy is as follows:

	Fair Value Measurements			
	Fair Value	Level 1	Level 2	
Investments:				
Mutual fund	\$ <u>140,623</u>	\$ <u>140,623</u>	\$ -	\$ -
Total investments	\$ <u>140,623</u>	\$ <u>140,623</u>	\$ -	\$ -

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position.

Chasin A Dream Foundation, Inc.
Notes to Financial Statements

Note 4 – Investments, continued

Net investment loss consisted of the following for the year ended December 31, 2022:

Dividends	\$	2,454
Capital gain distribution		3,123
Interest income		26
Net unrealized loss		<u>(21,955)</u>
Net investment loss	\$	<u><u>(16,352)</u></u>

Note 5 – Net Assets With Donor Restriction

Net assets with donor restriction as of December 31, 2022 was \$71,143 and consisted of funds restricted for program service activities.

Note 6 – Related Party Transaction

The Foundation rents storage space from an officer to store the Foundation’s inventory. Rental payments made to the officer during the year ended December 31, 2022 was \$8,500.

Note 7 – In-kind Contributions

In-kind contributions consist of the following for the year ended December 31, 2022:

<u>In-kind Category</u>	<u>Valuation</u>		
Toys	Fair value, market estimate	\$	94,875
Equipment rentals	Fair value, market billing rates		4,427
Gift card	Fair value		100
Advertising	Fair value, market billing rates		<u>1,000</u>
		\$	<u><u>100,402</u></u>

Note 8 – Concentration of Risk

The Foundation maintains its cash at financial institutions which are members of the Federal Deposit Insurance Corporation (the “FDIC”). The FDIC insures deposits up to \$250,000 per depositor per each financial institution. Amounts on deposit in excess of FDIC insured limits as of December 31, 2022, was \$194,755.