ASSURANCE DIMENSIONS

Financial Statements and

Independent Auditor's Report

Children's Dream Fund, Inc.

December 31, 2019 and 2018

Children's Dream Fund, Inc.

Table of Contents

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Children's Dream Fund, Inc.:

We have audited the accompanying statements of financial position of **Children's Dream Fund, Inc.** (the "Organization") as of December 31, 2019 and 2018, the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinions.

Opinion

In our opinion, the financial statements referred to above represent fairly, in all material respects, the financial position of the Organization as of December 31, 2019 and 2018, the changes in its net assets, its cash flows, and functional expenses for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Assurance Dimensions

Tampa, Florida
June 23, 2020

ASSURANCE DIMENSIONS CERTIFIED PUBLIC ACCOUNTANTS & ASSOCIATES
also d/b/a McNAMARA and ASSOCIATES, PLLC
TAMPA BAY: 4920 W Cypress Street, Suite 102 | Tampa, FL 33607 | Office: 813.443.5048 | Fax: 813.443.5053
JACKSONVILLE: 4720 Salisbury Road, Suite 223 | Jacksonville, FL 32256 | Office: 888.410.2323 | Fax: 813.443.5053
ORLANDO: 1800 Pembrook Drive, Suite 300 | Orlando, FL 32810 | Office: 888.410.2323 | Fax: 813.443.5053
SOUTH FLORIDA: 2000 Banks Road, Suite 218 | Margate, FL 33063 | Office: 754.800.3400 | Fax: 813.443.5053
www.assurancedimensions.com

Children's Dream Fund, Inc.
Statements of Financial Position
As of December 31, 2019 and 2018

Assets	2019	2018
Current assets:		
Cash and cash equivalents	$ 469,747	$ 524,296
Contributions receivable	32,945	40,112
Current portion of pledge receivable, net	21,829	27,720
Investments	1,822,249	1,472,630
Restricted investments	23,520	23,520
Beneficial interest in assets of Community Foundation of Tampa Bay, Inc.	19,537	16,670
Prepaid expenses	2,178	2,457
Total current assets	2,392,005	2,107,405
Long-term pledge receivable, net	36,463	26,086
Total assets	$ 2,428,468	$ 2,133,491
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	$ 72,142	$ 89,386
Deferred contributions	-	25,000
Total liabilities	72,142	114,386
Net assets:		
Without Donor restrictions		
Undesignated	2,322,806	1,985,585
Board designated endowment	10,000	10,000
Total without donor restrictions	2,332,806	1,995,585
With Donor restrictions	23,520	23,520
Total net assets	2,356,326	2,019,105
Total liabilities and net assets	$ 2,428,468	$ 2,133,491

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

Children's Dream Fund, Inc.
Statement of Activities
For the Year Ended December 31, 2019

	2019		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Contributions	$ 702,329	$ -	$ 702,329
In-kind contributions	525,618	-	525,618
Bequests	17,322	-	17,322
Special events:			
Proceeds	395,860	-	395,860
Less: Direct expenses	(84,458)	-	(84,458)
Donated services and facilities	91,411	-	91,411
Investment income	336,664	-	336,664
Total revenues, gains and other support	1,984,746	-	1,984,746
Expenditures:			
Program	1,395,084	-	1,395,084
Administration	86,715	-	86,715
Fundraising	165,726	-	165,726
Total expenditures	1,647,525	-	1,647,525
Changes in net assets	337,221	-	337,221
Beginning of year	1,995,585	23,520	2,019,105
End of year	$ 2,332,806	$ 23,520	$ 2,356,326

The accompanying notes are an integral part of this financial statement.

Children's Dream Fund, Inc.
Statement of Activities
For the Year Ended December 31, 2018

	2018		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Contributions	$ 600,385	$ -	$ 600,385
In-kind contributions	383,321	-	383,321
Bequests	350,973	-	350,973
Change in beneficial interest in assets of Community Foundation of Tampa Bay, Inc.	(1,352)	-	(1,352)
Special events:			
Proceeds	424,811	-	424,811
Less: Direct expenses	(116,065)	-	(116,065)
Donated services and facilities	88,337	-	88,337
Donated stock	1,106	-	1,106
Investment loss	(71,704)	-	(71,704)
Total revenues, gains and other support	1,659,812	-	1,659,812
Expenditures:			
Program	1,190,920	-	1,190,920
Administration	99,033	-	99,033
Fundraising	150,034	-	150,034
Total expenditures	1,439,987	-	1,439,987
Changes in net assets	219,825	-	219,825
Beginning of year	1,775,760	23,520	1,799,280
End of year	$ 1,995,585	$ 23,520	$ 2,019,105

The accompanying notes are an integral part of this financial statement.

Children's Dream Fund, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

		2019		2018
Cash flows from operating activities:				
Change in net assets:	$	337,221	$	219,825
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation		-		378
Unrealized (gains) losses on investments		(225,695)		189,856
Gain on sale of investments		(10,617)		(2,133)
Change in beneficial interest in assets		(2,867)		1,352
Increase (decrease)				
Pledge and contributions receivables		2,681		(54,906)
Prepaid expenses		279		(16)
Accounts payable and accrued liabilities		(17,244)		24,297
Deferred contribution		(25,000)		25,000
Net cash provided by operating activities		58,758		403,653
Cash flows from investing activities:				
Proceeds from sale of investments		57,323		71,356
Purchases of investments		(170,630)		(408,533)
Net cash used by investing activities		(113,307)		(337,177)
Net increase (decrease) in cash		(54,549)		66,476
Cash, beginning of period		524,296		457,820
Cash, end of period	$	469,747	$	524,296
Supplemental and Non-Cash Disclosures:				
In-kind donations	$	525,618	$	383,321
Donated services and facilities	$	91,411	$	88,337
Interest received	$	3,573	$	1,424

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

Children's Dream Fund, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2019

	2019			
		Supporting Services		
Expenditures	**Program**	**Administration**	**Fundraising**	**Total**
In-kind program expenses	$ 525,618	$ -	$ -	$ 525,618
Salaries	273,439	53,337	97,777	424,553
Program expenses	393,528	-	-	393,528
In-kind rent and services expense	73,129	9,141	9,141	91,411
Employee benefits	33,472	6,529	11,969	51,970
Office and occupancy expense	33,096	6,456	11,834	51,386
Payroll taxes	20,601	4,018	7,367	31,986
Professional services	18,073	3,525	6,462	28,060
Rent expense	14,240	1,780	1,780	17,800
Fundraising expense	-	-	15,860	15,860
Staff development and travel	9,888	1,929	3,536	15,353
Total expenditures	$ 1,395,084	$ 86,715	$ 165,726	$ 1,647,525

The accompanying notes are an integral part of this financial statement.

Children's Dream Fund, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2018

	2018			
		Supporting Services		
Expenditures	**Program**	**Administration**	**Fundraising**	**Total**
In-kind program expenses	$ 383,321	$ -	$ -	$ 383,321
Salaries	257,948	53,678	86,000	397,626
Program expenses	356,291	-	-	356,291
In-kind rent and services expense	70,669	8,834	8,834	88,337
Office and occupancy expense	42,666	8,879	14,225	65,770
Employee benefits	36,794	7,656	12,268	56,718
Payroll taxes	18,552	3,860	6,185	28,597
Rent expense	14,550	1,819	1,819	18,188
Fundraising expense	-	-	17,327	17,327
Staff development and travel	9,883	2,057	3,294	15,234
Professional services	-	12,200	-	12,200
Depreciation	246	50	82	378
Total expenditures	$ 1,190,920	$ 99,033	$ 150,034	$ 1,439,987

The accompanying notes are an integral part of this financial statement.

Note A – Organization and Description of Business

The Children's Dream Fund, Inc. (the "Organization") is a nonprofit organization incorporated in the State of Florida on December 9, 1981. It was created with the single purpose of fulfilling dreams for children on the West Coast of Florida. The Organization grants dreams to children between the ages of three and twenty-one who have been diagnosed with a life-threatening medical condition. In 2001, the Organization changed its name from Suncoast Children's Dream Fund, Inc. to the Children's Dream Fund, Inc.

The Organization granted its first dream in 1981 and has granted over 3,000 dreams through December 2019.

Note B – Significant Accounting Policies

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

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, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. The accompanying financial statements include the accounts of the Organization. The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- *Net assets without donor restriction* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for various reasons
- *Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, split-interest agreements, investments, valuation of contributions receivable, accrued pending dream costs, and whether an allowance for uncollectible contributions receivable is required. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

Note B – Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update, *Leases* (Topic 842), intended to improve financial reporting about leasing transactions. The ASU affects all companies and other organizations that lease assets such as real estate, airplanes, and manufacturing equipment. Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with current Generally Accepted Accounting Principles (GAAP), the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. However, unlike current GAAP—which requires only capital leases to be recognized on the statement of assets, liabilities, and members' equity (deficit)—the new ASU will require both types of leases to be recognized on the statement of assets, liabilities, and members' equity (deficit). The ASU on leases will take effect for all non-public companies for fiscal years beginning after December 15, 2020.

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update*, Revenue from Contracts with Customers*. The effective date for this Standard for nonpublic entities is annual reporting periods beginning after December 15, 2018, with early adoption permitted for annual periods beginning after December 15, 2016. ASU 2014-09 outlines a new, single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. This new revenue recognition model provides a five-step analysis in determining when and how revenue is recognized.

The new model requires revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration an organization expects to receive in exchange for those goods or services. The adoption of ASC 606 resulted in an immaterial impact to the individual financial statement line items of the Organization's statement of activities during the year ended December 31, 2019.

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 an immaterial impact to the financial statement during the year ended December 31, 2019

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Contributions Receivable

The Organization recognizes contributions received before the year end but not yet deposited as contributions receivable.

Discount on Pledges Receivable

Pledges receivable are discounted at the time the receivable is initially recognized at an effective interest rate of 5%. The discount is amortized to contribution revenue over the life of the receivable. Unamortized discounts were approximately $6,300 and $5,800 at December 31, 2019 and 2018, respectively.

Note B – Significant Accounting Policies (continued)

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of activities. Investment incomes and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the incomes and gains are recognized. Income from investments is reflected net of related expenses.

Deferred Contributions

Contributions are deferred when conditions are made by the donor, that the contribution is to be utilized and reporting is required to the donor, during the following period.

Contributions

All contributions are recorded in accordance with ASC 606, *Revenue from Contracts with Customers*, which is recognized when: (i) a pledge with a customer has been identified, (ii) the performance obligation(s) in the pledges have been identified, (iii) the transaction price has been determined, (iv) the transaction price has been allocated to each performance obligation in the pledge, and (v) the Organization has satisfied the applicable performance obligation over time or at a point in time.

Contributions, including unconditional promises to give due in future periods, are recognized as revenues in the period made or received. Conditional promises to give, which depend upon specified future and uncertain events, are recognized as revenue when the conditions upon which they depend are substantially met. Contributions received with donor-imposed restrictions that are met in the same year as the contribution are reported initially as revenues of net assets with donor restrictions, and a reclassification to net assets without donor restrictions is made to reflect the expiration of such restrictions. Contributions of assets other than cash are recorded at their estimated fair value at the date received.

Functional Allocation of Expenses

The costs of programs and other activities have been summarized on a functional basis as follows:

Program – Program expenses include all direct and allocated expenses directly attributable to providing dreams.

Administration – Administration expenses include all expenses not directly attributable to providing dreams or fundraising.

Fundraising – Activities include publicizing and conducting fundraising campaigns, maintaining donor lists, conducting fundraising events, and any other activities that solicit contributions from corporations, foundations, individuals and others. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Expenses that can be identified with a specific function are charged directly to that function, whereas costs common to multiple functions have been allocated. Salaries and wages, benefits and payroll taxes are allocated based on employee estimates of the percentage of time spent in each function. Facilities, telecommunications, office, printing, supplies and insurance expenses are allocated based on salary allocations.

Note B – Significant Accounting Policies (continued)

Income Taxes

The Organization qualifies as an exempt organization for state and federal income tax purposes, under Internal Revenue Code Section 501 (c)(3). The Organization is a public charity and contributions to it qualify as a charitable tax deduction for the contributor. Management evaluated the Organization's tax positions and concluded that the Organization has maintained its exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Accordingly, there is no provision or liability for income taxes included in the financial statements. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2017, 2018 and 2019 are subject to examination by the IRS, generally for 3 years after they are filed.

Note C – Property and Equipment

Property and equipment and related accumulated depreciation consisted of the following as of December 31:

	2019	2018
Furniture and equipment	$ 3,200	$ 3,200
Computers	1,110	1,110
Sign	-	-
Total	4,310	4,310
Less: Accumulated depreciation	(4,310)	(4,310)
Property and equipment, net	$ -	$ -

Depreciation expense totaled $0 and $378 for the years ended December 31, 2019 and 2018, respectively.

Note D – Investments

Investments are reported at market value at December 31, 2019 and 2018 and are comprised of the following:

Year ending December 31, 2019	Cost	Market	Unrealized Appreciation (Depreciation)
Cash & cash equivalents	$ 97,165	$ 97,165	$ -
Mutual funds	1,501,256	1,748,604	247,348
Total	$ 1,598,421	$ 1,845,769	$ 247,348

Year ending December 31, 2018	Cost	Market	Unrealized Appreciation (Depreciation)
Cash & cash equivalents	$ 73,382	$ 73,263	$ (119)
Mutual funds	1,403,240	1,422,887	19,647
Total	$ 1,476,622	$ 1,496,150	$ 19,528

Note D – Investments (continued)

The following schedule summarizes investment income (loss) for the years ending December 31, 2019 and 2018, respectively:

	2019 Without Donor Restrictions	With Donor Restrictions	Total
Dividends and interest	$ 37,927	$ -	$ 37,927
Unrealized gains/(loss)	225,695	-	225,695
Capital gains reinvested	62,425	-	62,425
Realized gains	10,617	-	10,617
Total investment income	$ 336,664	$ -	$ 336,664

	2018 Without Donor Restrictions	With Donor Restrictions	Total
Dividends and interest	$ 28,871	$ -	$ 28,871
Unrealized gains/(loss)	(189,856)	-	(189,856)
Capital gains reinvested	87,148	-	87,148
Realized gains	2,133	-	2,133
Total investment loss	$ (71,704)	$ -	$ (71,704)

Note E – Fair Value Measurement

The Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The Organization has adopted the provisions of ASC Topic 820, Fair Value Measurements and Disclosures, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Note E – Fair Value Measurement (continued)

The Organization follows the provisions of ASU 2009-12 for certain investments in funds that do not have readily determinable fair values. This guidance amends ASC Topic 820 and allows for the estimation of fair value of investments for which the investment does not have a readily determinable fair value using Net Asset Value (NAV) per share or its equivalent. NAV, in many instances, may not equal fair values that would be calculated pursuant to ASC Topic 820.

The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at December 31, 2019 and 2018:

	Fair Value Measurements at Reporting Date Using:	
	Assets Measured at Fair Value at 12/31/2019	(Level 1)
Cash and cash equivalents	$ 97,165	$ 97,165
Mutual funds:		
Domestic equity	1,039,493	1,039,493
International equity	154,111	154,111
Fixed income	419,823	419,823
Real estate	125,519	125,519
Other	9,658	9,658
	$ 1,845,769	$ 1,845,769

	Assets Measured at Fair Value at 12/31/2018	(Level 1)
Cash and cash equivalents	$ 73,263	$ 73,263
Mutual funds:		
Domestic equity	799,805	799,805
International equity	118,832	118,832
Fixed income	398,417	398,417
Real estate	99,863	99,863
Other	5,970	5,970
	$ 1,496,150	$ 1,496,150

The Organization's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no significant transfers into or out of Level 1, Level 2, or Level 3 for the years ended December 31, 2019 and 2018. The Organization held no assets valued at Level 2 or Level 3 inputs at December 31, 2019 or 2018.

Note E – Fair Value Measurement (continued)

Allocation of Investment Strategies

In addition to traditional stocks and fixed-income securities, the Organization may also hold shares or units in traditional institutional funds as well as in alternative investment funds involving hedged strategies, private equity, and real asset strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments, and are valued accordingly. Private equity funds employ buy-out and venture capital strategies and focus on investments in turn-around situations. Real asset funds generally hold interests in public real estate investment trusts ("REITS") or commercial real estate through sole-member entities. Private equity and real asset strategies, therefore, often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales price, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Moreover, the fair values of the Organization's interests in shares or units of these funds, because of liquidity and capital commitment terms that vary depending on the specific fund or partnership agreement, may differ from the fair values of the funds' underlying net assets.

Note F – Liquidity and Availability of Financial Assets

The Organization's management monitors its liquidity so that it is able to cover operating expenses. Management budgets for such costs based on the prior year actual expenses and anticipated future expenses. Budgets are approved by the board of directors in December for the following year.

Management has budgeted approximately $738,945 of operating expenses to be paid within one year of the balance sheet date. The Organization has the following financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2019
Financial assets:	
Cash	$ 469,747
Contributions receivable	32,945
Current portion of pledge receivable, net	21,829
Investments	1,822,249
Restricted investments	23,520
Long-term pledge receivable, net	36,463
Total financial assets	2,406,753
Less: Financial assets held to meet donor-imposed restrictions	(23,520)
Less: Financial assets not available within one year	(36,463)
	$ 2,346,770

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization expects to cover operating expenses through contributions, available cash and investments.

Note G – Donated Services and Facilities

In accordance with ASC Topic 958, NPO Entities, the value of donated use of facilities and donated services that require specialized skills that would have been purchased if not donated are reflected in the accompanying financial statements. Donated use of facilities is recorded at fair rental value during the period of use, since the free use of facilities is not promised for a specified period of time. These recorded donated services and facilities for the years ended December 31, 2019 and 2018, consisted of:

	2019	2018
Printing services	$ 17,591	$ 14,637
Office space and parking	73,820	73,700
	$ 91,411	$ 88,337

In addition, a number of other volunteers have donated significant amounts of their time to the operations of the Organization. However, they are not reflected in the accompanying financial statements, since they do not meet the criteria for recognition under ASC Topic 958.

Note H – Operating Lease

The Organization leases office facilities and equipment under a cancelable operating lease on a month-to-month basis. The lease can be terminated upon thirty days prior written notice by either party to the non-terminating party.

Rent expense for the years ended December 31, 2019 and 2018 was approximately $92,000, which includes donated office space and parking of approximately $74,000 (see Note G).

Note I – In-Kind Contributions

The majority of in-kind contributions consist of donations to fulfill children's dreams. In-kind contributions are recorded as both revenue and expense, based upon the donor's estimate of the fair market value of services or items provided. In-kind contributions for the years ended December 31, 2019 and 2018, amounted to $525,618 and $383,321 respectively, and are included in the separate statements of activities and functional expenses.

Note J – Beneficial Interest

In 2005, the Organization entered into a non-revocable agreement to transfer and assign assets in the amount of $10,000 to the Community Foundation of Tampa Bay, Inc. (the "Foundation"). Its purpose is to establish a permanent, designated endowment fund that directly benefits the Organization. Any person may make an irrevocable gift to the Foundation as an addition to the fund. Each year, the Organization may make a grant request from the Foundation, not to exceed 7% of the fair market value of the fund as of January 1st of said year, from the fund based on the average annual total return. Total return is defined as income plus or minus realized and unrealized capital gains or losses earned by the investment of the assets of the fund. There will be no grants from the principal of the fund. The fair market value at December 31, 2019 and 2018 was $19,537 and $16,670, respectively.

Note K – Net Assets with Donor Restrictions

Net assets with donor restrictions represent a memorial donation of $23,520. The donation is invested in a certificate of deposit and is reported as restricted investments on the statement of financial position. The interest earned on the donation is used to fulfill the dreams of children with life-threatening illnesses.

Note L – Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, cash equivalents and investments. The Organization places its cash and investments with high credit quality financial institutions and generally limits the amount of credit exposure to the amount of the FDIC Insurance coverage limit of $250,000. From time to time throughout the year, the Organization's cash balances may exceed the amount of the FDIC insurance coverage.

Note M – Retirement Plan

In 2007, the Organization agreed to provide retirement benefits to its employees through a simplified employee pension plan. Eligible employees have met all of the following requirements: have worked for the Organization in at least one of the last five years, have reached age 21, and have received the minimum compensation requirement. The Organization may make discretionary contributions each year, up to 25 percent of eligible compensation. Contributions to the plan during the years ended December 31, 2019 and 2018 were approximately $25,000 and $27,000, respectively.

Note N – Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, overall market volatility, 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 changes could materially affect the Organization's account balances and the amounts reported in the statements of financial position.

The Organization receives the majority of its support through contributions and in-kind contributions. Should these contribution levels decrease, the Organization may be adversely affected.

Note O – Contingencies

Management has concluded that the COVID-19 outbreak in 2020 may have a significant impact on business in general, but the potential impact on the Foundation is not currently measurable. Due to the level of risk this virus may have on the global economy, it is at least reasonably possible that it could have an impact on the operations of the Foundation in the near term that could materially impact the Foundation's financials. Management has not been able to measure the potential financial impact on the Foundation but will review commercial and federal financing options should the need arise.

Note P – Subsequent Events

In May 2020, the Company participated in the Paycheck Protection Program under the CARES Act and secured financing through a financial institution for $89,600 at 1.00% interest. The loan is guaranteed by the Small Business Administration. The loan qualifies for 100% forgiveness if certain criteria are met. The Company believes that the criteria will be met and the loan will be forgiven. Payments of $5,042 begin in December 2020 and end in May 2022 if the loan is not forgiven.

Subsequent events have been evaluated through June 23, 2020, which is the date the financial statements were available to be issued.