

DEBBIE'S DREAM FOUNDATION, INC.

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

**With Summarized
Comparative Information
for the Year Ended December 31, 2020**

DEBBIE’S DREAM FOUNDATION, INC.

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Comparative Information
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Debbie's Dream Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Debbie's Dream Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 Debbie's Dream Foundation, Inc. as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Debbie's Dream Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 Debbie's Dream Foundation Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Debbie's Dream Foundation Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Debbie's Dream Foundation Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 18, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bellows Associates P.A.

Bellows Associates, P.A.
Coral Springs, Florida
September 16, 2022

**DEBBIE'S DREAM FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

With summarized comparative totals as of December 31, 2020

	<u>ASSETS</u>	
	<u>2021</u>	<u>2020</u>
Current Assets		
Cash	\$ 2,198,197	\$ 1,283,265
Contracts receivable	-	17,500
Contributions receivable, net	-	2,000
Prepaid expenses	17,896	22,970
In-kind assets	31,958	55,812
Security deposits	6,923	-
Total Current Assets	<u>2,254,974</u>	<u>1,381,547</u>
Property and Equipment		
Furniture and equipment	1,337	-
Accumulated depreciation	(223)	-
Property and Equipment, net	<u>1,114</u>	<u>-</u>
Other Assets		
Security deposits	-	6,923
Total Other Assets	<u>-</u>	<u>6,923</u>
Total Assets	<u>\$ 2,256,088</u>	<u>\$ 1,388,470</u>

	<u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities		
Accounts payable	\$ 19,900	\$ 7,633
Grants payable	110,000	-
PPP loan payable	-	60,700
Accrued wages	8,522	25,825
Accrued payroll taxes payable	3,421	4,700
Deferred revenue	700,476	329,864
Agency payable	24,246	17,818
Total Current Liabilities	<u>866,565</u>	<u>446,540</u>
Long-Term Liabilities		
Grants payable	110,000	-
Total Long-Term Liabilities	<u>110,000</u>	<u>-</u>
Total Liabilities	<u>976,565</u>	<u>446,540</u>
Net Assets		
Net assets without donor restrictions	1,279,523	941,930
Net assets with donor restrictions	-	-
Total Net Assets	<u>1,279,523</u>	<u>941,930</u>
Total Liabilities and Net Assets	<u>\$ 2,256,088</u>	<u>\$ 1,388,470</u>

See accompanying notes to the financial statements

DEBBIE'S DREAM FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
With summarized comparative totals for the year ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>Total 2021</u>	<u>Total 2020</u>
Revenue from Contracts			
Sponsorships	\$ 1,029,354	\$ 1,029,354	\$ 606,714
Events	38,910	38,910	6,720
Total Revenue from Contracts	<u>1,068,264</u>	<u>1,068,264</u>	<u>613,434</u>
Contributions			
Grants	445	445	10,889
Contributions and donations	152,218	152,218	178,883
In-kind contributions	550	550	14,899
Total Contributions	<u>153,213</u>	<u>153,213</u>	<u>204,671</u>
Interest income	701	701	1,525
Forgiveness of debt	121,380	121,380	-
Other income	269	269	714
Total Revenues	<u>1,343,827</u>	<u>1,343,827</u>	<u>820,344</u>
Expenses			
Program services	797,590	797,590	508,992
Management and general	75,788	75,788	82,849
Fundraising	132,856	132,856	104,869
Total Expenses	<u>1,006,234</u>	<u>1,006,234</u>	<u>696,710</u>
Changes in Net Assets	337,593	337,593	123,634
Net Assets at Beginning of Year	<u>941,930</u>	<u>941,930</u>	<u>818,296</u>
Net Assets at End of Year	<u>\$ 1,279,523</u>	<u>\$ 1,279,523</u>	<u>\$ 941,930</u>

See accompanying notes to the financial statements

DEBBIE'S DREAM FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

With summarized comparative totals for the year ended December 31, 2020

	Program Services				Supporting Services		Totals	
	Research	PREP	Advocacy	Total	Management and General	Fundraising	2021	2020
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 500	\$ -
Employee benefits	-	-	-	-	332	-	332	-
Events	-	111,713	-	111,713	465	50,568	162,746	79,324
Fees	-	150	81	231	3,062	6,606	9,899	6,238
Grant funding	220,000	-	-	220,000	-	-	220,000	-
Insurance	-	-	-	-	4,297	-	4,297	4,510
Occupancy	-	37,437	-	37,437	4,991	7,488	49,916	48,431
Office expenses	-	47,448	-	47,448	9,302	4,727	61,477	52,104
Payroll taxes	-	14,880	-	14,880	1,813	7,645	24,338	26,623
Printing and reproduction	-	1,513	-	1,513	-	1,240	2,753	13,226
Professional fees	-	50,003	51,580	101,583	17,914	86	119,583	79,219
Promotion	-	5,256	146	5,402	22,258	2,281	29,941	7,568
Salaries	-	254,238	-	254,238	10,831	51,715	316,784	347,628
Travel	-	2,445	-	2,445	-	-	2,445	30,839
Miscellaneous	-	700	-	700	300	-	1,000	1,000
Depreciation	-	-	-	-	223	-	223	-
Total Functional Expenses	\$ 220,000	\$ 525,783	\$ 51,807	\$ 797,590	\$ 75,788	\$ 132,856	\$ 1,006,234	\$ 696,710

See accompanying notes to the financial statements

DEBBIE'S DREAM FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
With summarized comparative totals for the year ended December 31, 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Changes in net assets:	\$ 337,593	\$ 123,634
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	223	-
Bad debt expense	500	-
In-kind contribution expense	23,854	2,169
Forgiveness of debt	(121,380)	
Increase or decrease in:		
Contracts receivable	17,000	(13,825)
Contributions receivable, net	2,000	(1,550)
Prepaid expenses	5,074	16,531
Accounts payable	12,267	(33,711)
Grants payable	220,000	-
Accrued wages	(17,303)	2,243
Accrued payroll taxes payable	(1,279)	2,874
Deferred revenue	370,612	270,325
Agency payable	6,428	9,016
Net Cash Provided By Operating Activities:	<u>855,589</u>	<u>377,706</u>
Cash Flows From Investing Activities:		
Purchase of fixed assets:	<u>(1,337)</u>	<u>-</u>
Net Cash (Used In) Investing Activities:	<u>(1,337)</u>	<u>-</u>
Cash Flows From Financing Activities:		
PPP loan borrowings:	<u>60,680</u>	<u>60,700</u>
Net Cash Provided By Financing Activities:	<u>60,680</u>	<u>60,700</u>
Net Increase in Cash	914,932	438,406
Cash, Beginning of Year	<u>1,283,265</u>	<u>844,859</u>
Cash, End of Year	<u>\$ 2,198,197</u>	<u>\$ 1,283,265</u>
Supplemental disclosures of cash flow information:		
Noncash financing activities:		
PPP loan forgiveness of debt	<u>\$ 121,380</u>	<u>\$ -</u>

See accompanying notes to the financial statements

DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
With summarized comparative totals for the year ended December 31, 2020

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Debbie's Dream Foundation, Inc. (the Organization) was organized as a Florida non-profit corporation on April 21, 2009. The Organization is dedicated to raising awareness about stomach cancer, advancing funding for research, and providing education and support internationally to patients, families, and caregivers. The Organization seeks as its ultimate goal to make the cure for stomach cancer a reality.

Research

The Organization strives to increase the treatment options available for stomach cancer patients by directly funding stomach cancer research. By offering grants for basic, translational and clinical research in stomach cancer to scientists and clinicians at various career levels. The Organization is in the fight against the disease by advancing the field to make progress toward the goal of increasing survival.

Patient Resource Education Program (PREP)

The Organization offers many stomach cancer support services. The free PREP helps patients understand their diagnosis, staging, treatment options, clinical trials, research, management of the disease, and more. PREP connects patients with vital information from the world's leading stomach cancer doctors to receive the best care available. Upon receiving a stomach cancer diagnosis, patients, families, and caregivers should request a Mentor. Mentors share their stories, tips, advice, and concerns with each other to ensure patients are not alone in their fight. Since the program was established in 2010, the PREP program has helped approximately 1,600 patients and their family members across a multitude of countries worldwide.

Advocacy

Advocates and supporters from across the nation travel to Capitol Hill to ask Congress to invest more federal resources in gastric cancer research, and, to again, include stomach cancer as one of the cancers under the Peer Reviewed Cancer Research Program (PRCRP). Inclusion of stomach cancer in the PRCRP is a significant milestone that the Organization accomplished through its advocacy efforts in 2014.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
With summarized comparative totals for the year ended December 31, 2020

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Basis of Presentation (Continued)

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended in accordance with the allowable objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations by donors and grantors. Some restrictions are temporary in nature and will be met by actions of the Organization or by the passage of time. Other restrictions are perpetual in nature, and funds must be maintained in perpetuity.

None of the Organization's net assets are subject to donor-imposed restrictions and are therefore accounted for as net assets without donor restrictions.

Comparative Summarized Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset or functional class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures 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

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. As of December 31, 2021 and 2020, there are no cash equivalents.

Contracts Receivable

Accounts receivables consist primarily of event sponsorships and tickets. Management periodically reviews the contract and other receivable balances and provides an allowance for accounts which may be uncollectible. The amount is determined based upon historical experiences, economic conditions, and a review of subsequent collections. As of December 31, 2021 and 2020, management considers the accounts receivable to be fully collectible and no allowance for doubtful accounts has been established.

DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

With summarized comparative totals for the year ended December 31, 2020

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable. Management periodically reviews the contributions receivable balance and provides an allowance for amounts which may be uncollectible (See Note 3).

Revenue Recognition

Sponsorships

The Organization holds various educational programs geared to providing useful information to those diagnosed with stomach cancer. These events range from webinars, symposia, and classes/demonstrations. The Organization receives funds from other organizations, particularly in the pharmaceutical industry to hold the events. The Organization also holds fundraising events. Individuals and organizations are able to sponsor these events. The donating organizations and individuals receive marketing and advertising in exchange for their consideration provided. The Organization receives the consideration months prior to the event. The revenue from the consideration received is deferred until the event has taken place at which point it is then recognized as earned. As of December 31, 2021 and 2020, contracts receivable were \$0 and \$17,500, respectively.

Events

The Organization holds fundraising events where individuals and organizations may purchase tickets. Tickets may be purchased in advance or on the day of the event. The Organization defers recognition of revenue from consideration received until the event has taken place. Organization provides commensurate value to consideration received from individuals and organization purchasing tickets through event offerings (food, beverage, venue, entertainment, etc.). Refunds are allowable if it meets the criteria of the Organization's guidelines. See Note 7 for COVID-19 impact related to this revenue.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues at fair value in the period when the conditions on which they depend are substantially met. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire 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 restrictions. When a restriction expires, 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.

**DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

With summarized comparative totals for the year ended December 31, 2020

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Revenue Recognition (Continued)

In-kind Contributions

Noncash donations are recorded at their estimated fair value at the date of donation. These noncash donations include property and equipment, items to be used at auctions, and donated items to hold events.

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

The Organization utilizes volunteers to assist with the events held during the year. For the years ended December 31, 2021 and 2020, the number of volunteers utilized was approximately 200 and 100, respectively.

For the years ended December 31, 2021 and 2020, in-kind contributions totaled \$550 and \$14,899, respectively.

Deferred Revenue

Cash received from the sale of tickets prior to the year in which the event will occur is recorded as deferred revenue as of December 31, 2021 and 2020. Additionally, due to the nature of the sponsorship funds, amounts received are recorded as deferred revenue until the sponsoring organization receives substantial benefit in return for the resources contributed. As of December 31, 2021 and 2020, deferred revenue consists of the following:

	2021	2020
Sponsorships	\$ 659,416	\$ 316,628
Events	41,060	13,236
Total	\$ 700,476	\$ 329,864

Property and Equipment

Property and equipment are recorded at cost. Acquisitions that exceed \$1,000 are capitalized while replacements, maintenance, and repairs which do not improve or extend the lives of the respective assets are expensed. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets, as follows:

Furniture and equipment	<u>Years</u> 5-10
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For the years ended December 31, 2021 and 2020, depreciation expense was \$223 and \$0, respectively.

DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
With summarized comparative totals for the year ended December 31, 2020

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Functional Expenses

Expenditures incurred in connection with the Organization's operations have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The costs of providing the programs, fundraising, and management and general expenses have been allocated based on average time spent in each area by employees. Expenses not directly connected to a program or fundraising were charged to management and general expenses.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity. Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization believes it has appropriate support for any tax positions taken, and such, does not have any uncertain tax positions that are material to the financial statements. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990).

Date of Management's Review

Management has evaluated subsequent events through September 16, 2022, which is the date the financial statements were available to be issued.

NOTE 2 – RELATED PARTY TRANSACTIONS

The Board of Directors, or other closely affiliated entities and individuals, contribute to the Organization. For the years ended December 31, 2021 and 2020, the President made contributions of \$0 and \$250, respectively. For the years ended December 31, 2021 and 2020, contributions from the founder's family were \$2,480 and \$1,600, respectively. For the years ended December 31, 2021 and 2020, contributions from others totaled \$8,100 and \$2,069, respectively.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of unconditional promises to give and are recognized as revenues in the period received or promised. These amounts include general donations to the Organization. As of December 31, 2021 and 2020, contributions receivable without donor restrictions expected to be received within one year were \$0 and \$2,000.

DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
With summarized comparative totals for the year ended December 31, 2020

NOTE 4 – LIQUIDITY AND AVAILABILITY OF ORGANIZATION FUNDS

The Organization has \$2,205,120 and \$1,302,765 of financial assets available within one year of December 31, 2021 and 2020, respectively, to meet cash needs for general operating purposes, consisting of cash of \$2,198,197 and \$1,283,265, contracts receivables of \$0 and \$17,500, contributions receivable of \$0 and \$2,000, and security deposits of \$6,923 and \$0, respectively. None of these amounts are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of December 31, 2021 and 2020.

As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 5 – PPP LOAN PAYABLE

On May 4, 2020, the Organization entered into an agreement with Truist Bank (Lender) to obtain a Paycheck Protection Program (PPP) loan guaranteed by the U.S. Small Business Administration (SBA) in the amount of \$60,700. The PPP loan is designed to provide direct incentive for small businesses to keep their workers on the payroll during the COVID-19 crisis. The SBA may forgive the full sum if the Organization complies with the program provisions. On May 4, 2020, the Lender disbursed the PPP loan in the full amount to the Organization. No collateral or guarantee by the Organization is required to obtain the PPP loan. The PPP loan matures on May 4, 2022 and has an interest rate of 1%. Loan principal and interest payments are deferred for the first seven months from the date of the first disbursement of the loan. The PPP loan was forgiven on February 2, 2021. On March 19, 2021, the Organization entered into an agreement with the Lender to obtain a second PPP loan in the amount of \$60,680. The second loan was forgiven on August 2, 2021. As of December 31, 2021 and 2020, PPP loans payable were \$0 and \$60,700, respectively. For the years ended December 31, 2021 and 2020, no interest expense was incurred.

NOTE 6 – COMMITMENTS

Operating Lease

Debbie's Dream Foundation leases office and storage space under non-cancelable operating leases expiring through September 30, 2024. For the years ended December 31, 2021 and 2020, total office, storage, and equipment rent expense under non-cancelable leases was \$45,441 and \$43,297, respectively. See Note 8 regarding the subsequent cancellation of this lease.

Grants

On July 14, 2021, the Organization entered into agreements with the American Association of Cancer Research (AACR) to provide grants to recipients for a total of \$220,000. AACR selects and awards the grant to the recipients on behalf of the Organization. The Organization will make payments to AACR over a two-year period to pay for the grants provided to the recipients. As of December 31, 2021 and 2020, the amount owed was \$220,000 and \$0, respectively. For the years ended December 31, 2021 and 2020, grant funding expense was \$220,000 and \$0, respectively.

DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
With summarized comparative totals for the year ended December 31, 2020

NOTE 7 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

Concentration of Credit Risk

The Organization maintains its cash balances in several financial institutions. The account balances at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2021 and 2020, the Organization's cash exceeded the FDIC insured limits by \$1,387,720 and \$425,893, respectively. The Organization has not experienced any loss in such accounts and believe it is not exposed to any significant credit risk on its cash balance.

Credit risk with respect to contributions receivable is limited due to the number and credit worthiness of the corporations and individuals who comprise the contributor base. Contributions receivables are stated at the amount management expects to collect from outstanding balances.

Concentration of Revenue Source

The Organization's primary source of revenue is derived from various individuals and corporations in the form of donations, sponsorships, and grants. The level of revenue received is subject to the changes in the economic environment for these individuals and corporations.

COVID-19 Outbreak

In December 2019, a novel strain of coronavirus (COVID-19) was reported in China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The extent to which COVID-19 may impact funding, lay-offs, and other operating performances remains uncertain. Currently, the Organization has ceased holding a majority of its fundraising events. Funds received for events that were cancelled were either refunded or will be applied to an event in the future once the Organization begins hosting them. In lieu of this loss of revenue stream, the Organization sought and obtained greater pharmaceutical funds to focus more on the PREP program. This will continue to be the focus of the Organization until they are able to host fundraising events again. The Organization continues to take preventive measures by strictly adhering to and monitoring the Centers for Disease Control updated guidelines and regulations.

NOTE 8 – SUBSEQUENT EVENTS

On April 7, 2022, the Organization terminated their office lease expiring September 30, 2024. The Organization agreed to pay an early termination fee in the amount of \$16,287. The Organization did not sign a new office lease and has converted to completely remote operations.