

DEBBIE'S DREAM FOUNDATION, INC.

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

**With Summarized
Comparative Information
for the Year Ended December 31, 2022**

DEBBIE’S DREAM FOUNDATION, INC.

FINANCIAL STATEMENTS

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Comparative Information
for the Year Ended December 31, 2022**

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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, 2023, 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, 2023, 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 15, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, 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
October 21, 2024

DEBBIE'S DREAM FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

With summarized comparative totals as of December 31, 2022

ASSETS

	2023	2022
Current Assets		
Cash	\$ 1,248,939	\$ 3,091,875
Contracts receivable	215	1,622
Prepaid expenses	63,567	26,456
Investments	1,551,107	-
In-kind assets	36,002	39,802
Total Current Assets	2,899,830	3,159,755
Property and Equipment		
Furniture and equipment	1,337	1,337
Accumulated depreciation	(758)	(490)
Property and Equipment, net	579	847
Total Assets	\$ 2,900,409	\$ 3,160,602

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 30,724	\$ 10,367
Grants payable	283,960	230,000
Accrued wages	33,731	30,178
Accrued payroll taxes payable	3,001	4,262
Deferred revenue	401,822	650,177
Agency payable	24,513	26,748
Total Current Liabilities	777,751	951,732
Long-Term Liabilities		
Grants payable	183,960	100,000
Total Long-Term Liabilities	183,960	100,000
Total Liabilities	961,711	1,051,732
Net Assets		
Net assets without donor restrictions	1,938,698	2,108,870
Net assets with donor restrictions	-	-
Total Net Assets	1,938,698	2,108,870
Total Liabilities and Net Assets	\$ 2,900,409	\$ 3,160,602

See accompanying notes to the financial statements

DEBBIE'S DREAM FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
With summarized comparative totals for the year ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>Total 2023</u>	<u>Total 2022</u>
Revenue from Contracts			
Sponsorships	\$ 1,415,819	\$ 1,415,819	\$ 1,705,022
Events	17,299	17,299	47,085
Total Revenue from Contracts	<u>1,433,118</u>	<u>1,433,118</u>	<u>1,752,107</u>
Contributions			
Contributions and donations	122,831	122,831	104,912
In-kind contributions	25	25	34,316
Total Contributions	<u>122,856</u>	<u>122,856</u>	<u>139,228</u>
Interest income	5,683	5,683	36
Dividends	51,107	51,107	-
Other income	768	768	105
Total Revenues	<u>1,613,532</u>	<u>1,613,532</u>	<u>1,891,476</u>
Expenses			
Program services	1,520,881	1,520,881	793,895
Management and general	160,433	160,433	107,175
Fundraising	102,390	102,390	161,059
Total Expenses	<u>1,783,704</u>	<u>1,783,704</u>	<u>1,062,129</u>
Changes in Net Assets	(170,172)	(170,172)	829,347
Net Assets at Beginning of Year	<u>2,108,870</u>	<u>2,108,870</u>	<u>1,279,523</u>
Net Assets at End of Year	<u>\$ 1,938,698</u>	<u>\$ 1,938,698</u>	<u>\$ 2,108,870</u>

See accompanying notes to the financial statements

DEBBIE'S DREAM FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
With summarized comparative totals for the year ended December 31, 2022

	Program Services				Supporting Services		Totals	
	Research	PREP	Advocacy	Total	Management and General	Fundraising	2023	2022
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Employee benefits	-	-	-	-	10,206	-	10,206	9,930
Events	-	82,263	167,254	249,517	1,726	18,711	269,954	129,653
Fees	-	187	-	187	7,175	2,761	10,123	11,437
Grant funding	713,880	-	-	713,880	-	-	713,880	270,000
Insurance	-	-	-	-	4,674	-	4,674	4,195
Occupancy	-	-	-	-	6,631	-	6,631	39,859
Office expenses	-	51,795	13,710	65,505	52,688	3,252	121,445	54,809
Payroll taxes	-	18,877	-	18,877	2,247	3,328	24,452	25,501
Printing and reproduction	-	11,488	2,941	14,429	650	1,533	16,612	7,385
Professional fees	-	32,841	53,550	86,391	21,590	30,047	138,028	102,010
Promotion	-	3,750	-	3,750	17,281	-	21,031	24,306
Salaries	-	242,535	-	242,535	28,506	42,758	313,799	333,620
Travel	-	58,030	67,280	125,310	6,791	-	132,101	48,357
Miscellaneous	-	500	-	500	-	-	500	300
Depreciation	-	-	-	-	268	-	268	267
Total Expenses	\$ 713,880	\$ 502,266	\$ 304,735	\$ 1,520,881	\$ 160,433	\$ 102,390	\$ 1,783,704	\$ 1,062,129

See accompanying notes to the financial statements

DEBBIE'S DREAM FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
With summarized comparative totals for the year ended December 31, 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Changes in net assets	\$ (170,172)	\$ 829,347
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation	268	267
Bad debt expense	-	500
In-kind assets	3,800	(7,844)
Increase or decrease in:		
Contracts receivable	1,407	(2,122)
Prepaid expenses	(37,111)	(8,560)
Security deposits	-	6,923
Accounts payable	20,357	(9,533)
Grants payable	137,920	110,000
Accrued wages	3,553	21,656
Accrued payroll taxes payable	(1,261)	841
Deferred revenue	(248,355)	(50,299)
Agency payable	(2,235)	2,502
Net Cash (Used In) Provided By Operating Activities	<u>(291,829)</u>	<u>893,678</u>
Cash Flows From Investing Activities		
Purchase of investments	<u>(1,551,107)</u>	<u>-</u>
Net Cash (Used In) Investing Activities	<u>(1,551,107)</u>	<u>-</u>
Net (Decrease) Increase in Cash	(1,842,936)	893,678
Cash, Beginning of Year	<u>3,091,875</u>	<u>2,198,197</u>
Cash, End of Year	<u>\$ 1,248,939</u>	<u>\$ 3,091,875</u>

See accompanying notes to the financial statements

DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
With summarized comparative totals for the year ended December 31, 2022

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, 2023
With summarized comparative totals for the year ended December 31, 2022

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.

Investment Valuation

Investments are stated at fair value. Fair value of a financial instrument is the amount 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, see Note 5.

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, 2022, 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, 2023 and 2022, there are no cash equivalents.

DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
With summarized comparative totals for the year ended December 31, 2022

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

Recently Adopted Accounting Standards

During the year ended December 31, 2023, the Organization adopted the provisions of Accounting Standards Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326). This ASU replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The ASU requires the Organization to immediately recognize the estimated expected credit losses over the life of a financial instrument. The estimate of expected credit losses considers not only historical information but also current and future economic conditions and events. The Organization adopted the ASU effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in additional disclosures.

Contracts Receivable

Contracts receivable 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. Contracts receivable are considered past due when the payment has not been made by the established due date. Contracts receivable are charged off against the allowance when management believes the collectability is confirmed. As of December 31, 2023 and 2022, management considers the accounts receivable to be fully collectible and no allowance for credit losses has been established.

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, and follows the same policy described for contracts receivable.

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, 2023 and 2022, contracts receivable were \$215 and \$1,622, respectively.

DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
With summarized comparative totals for the year ended December 31, 2022

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

Revenue Recognition (Continued)

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. The Organization provides commensurate value to consideration received from individuals and organizations purchasing tickets through event offerings (food, beverage, venue, entertainment, etc.). Refunds are allowable if it meets the criteria of the Organization's guidelines.

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.

In-kind Contributions

Noncash donations are recorded at their estimated fair value at the date of donation. These noncash donations include 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, 2023 and 2022, the number of volunteers utilized was approximately 200 for each year, respectively.

For the years ended December 31, 2023 and 2022, in-kind contributions totaled \$25 and \$34,316, respectively.

DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
With summarized comparative totals for the year ended December 31, 2022

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

Revenue Recognition (Continued)

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, 2023 and 2022. 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, 2023 and 2022, deferred revenue consists of the following:

	2023	2022
Sponsorships	\$ 400,000	\$ 538,750
Events	1,822	111,427
Total	\$ 401,822	\$ 650,177

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
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For the years ended December 31, 2023 and 2022, depreciation expense was \$268 and \$267, respectively.

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.

DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

With summarized comparative totals for the year ended December 31, 2022

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

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 October 21, 2024, 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, 2023 and 2022, contributions from the founder's family were \$0 and \$1,150, respectively. For the years ended December 31, 2023 and 2022, contributions from others totaled \$50 and \$1,918, respectively.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF ORGANIZATION FUNDS

The Organization has \$1,249,154 and \$3,093,497 of financial assets available within one year of December 31, 2023 and 2022, respectively, to meet cash needs for general operating purposes, consisting of cash of \$1,248,939 and \$3,091,875, and contracts receivable of \$215 and \$1,622, 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, 2023 and 2022.

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.

**DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

With summarized comparative totals for the year ended December 31, 2022

NOTE 4 – COMMITMENTS

Grants

On May 22, 2023, October 24, 2022, and July 14, 2021, the Organization entered into three separate agreements with the American Association of Cancer Research (AACR) to provide grants to recipients for \$162,000, \$220,000, and \$220,000, respectively. The 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. On November 16, 2023, the Organization entered into an agreement with the Memorial Sloan Kettering Cancer Center (MSKCC) to provide funding for a research position in the amount of \$551,880. The Organization will make payments to MSKCC over a two-year period. As of December 31, 2023 and 2022, the total amount owed was \$467,920 and \$330,000, respectively. For the years ended December 31, 2023 and 2022, grant funding expense was \$713,880 and \$270,000 for each year, respectively.

Amounts payable on these grants in each of the next five years and thereafter are as follows:

<u>Year Ending December 31,</u>		
2024	\$	283,960
2025		183,960
2026		-
2027		-
2028		-
Thereafter		-
Total	\$	467,920

NOTE 5 – FAIR VALUE MEASUREMENTS

Accounting standards provide a framework for measuring fair value based on a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as shown in the table below.

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none"> • Quoted prices for similar assets or liabilities in active markets; • Quoted prices for identical or similar assets or liabilities in active markets; • Inputs other than quoted prices that are observable for the asset or liability; and • Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
With summarized comparative totals for the year ended December 31, 2022

NOTE 5 – FAIR VALUE MEASUREMENTS (CONTINUED)

Assets and liabilities are classified in their entirety on the lowest level of input that is significant to the fair value measurement. Changes in valuation techniques may result in transfers in or out of an investment's assigned level within the hierarchy.

Asset Valuation Techniques

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets at fair value.

- *Registered investment companies* - mutual funds: Valued at the daily closing price as reported by the fund. These are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV), which is derived by dividing the total value of all the cash and securities in the fund's portfolio, less any liabilities, by the number of shares outstanding. The fair value of the mutual funds is generally based on quoted prices in active markets.

There have been no changes in the methodologies used as of December 31, 2023.

The following table set forth by level within the fair value hierarchy a summary of the Organization's investments measured at fair value on a recurring basis as of December 31, 2023:

Fair Value Measurements as of December 31, 2023

	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Registered investment companies - mutual funds	\$ 1,551,107	\$ -	\$ -	\$ 1,551,107
Total	<u>\$ 1,551,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,551,107</u>

The Organization's policy is to recognize all transfers between levels at the beginning of the reporting period. For the year ended December 31, 2023, there were no significant transfers in or out of Level 1, 2 or 3.

NOTE 6 – EMPLOYEE BENEFITS – RETIREMENT PLAN

The Organization offers a retirement plan for all employees. The Organization will match up to 3% of the employee's contribution to the plan. For the year ended December 31, 2023 and 2022, the Organization contributed \$10,206 and \$9,930 to the retirement plan, respectively.

DEBBIE'S DREAM FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

With summarized comparative totals for the year ended December 31, 2022

NOTE 7 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

Concentration of Credit and Market 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, 2023 and 2022, the Organization's cash balances exceeded the FDIC insured limits by \$838,007 and \$2,666,485, respectively. Investment balances are protected by the Securities Investor Protection Corporation up to \$500,000, which includes a \$250,000 limit for cash balances. As of December 31, 2023 and 2022, the uninsured investments balances totaled \$1,301,107 and \$0, 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.

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 changes in the economic environment for these individuals and corporations.

NOTE 8 – SUBSEQUENT EVENTS

As of May 1, 2024, the Organization entered an agreement with Kibounokai, a Japan-based nonprofit organization, to license the use of Debbie's Dream Foundation's trademark and trade name. Additionally, the Organization, at their sole discretion, agrees to provide financial support to Kibounokai during the term of the agreement. Any significant transactions will be appropriately disclosed in the financial statements when occurred.