

FLORIDA DREAM CENTER, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

FLORIDA DREAM CENTER, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Florida Dream Center, Inc.

Opinion

We have audited the accompanying financial statements of Florida Dream Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Dream Center, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Florida Dream Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Florida Dream Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Florida Dream Center, 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 Florida Dream Center, 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Marsocci, Appleby & Company P.A.

Marsocci, Appleby & Company, P.A.
Tampa, Florida
July 9, 2023

**FLORIDA DREAM CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021**

| | 2022 | 2021 |
|---|-------------------|-------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 105,867 | \$ 126,417 |
| Pledge and program receivables | 69,046 | 87,280 |
| Total current assets | 174,913 | 213,697 |
| PROPERTY AND EQUIPMENT, net | 104,738 | 118,545 |
| SECURITY DEPOSITS | 3,077 | 3,077 |
| TOTAL ASSETS | \$ 282,728 | \$ 335,319 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued expenses | \$ 10,510 | \$ 6,745 |
| Loan payable | 189,725 | - |
| Total current liabilities | 200,235 | 6,745 |
| NET ASSETS: | | |
| Without donor restrictions | 67,493 | 313,574 |
| With donor restrictions | 15,000 | 15,000 |
| Total net assets | 82,493 | 328,574 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 282,728 | \$ 335,319 |

See independent auditors' report and notes to the financial statements.

FLORIDA DREAM CENTER, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--------------------------------------|---------------------------------------|------------------------------------|------------------|
| REVENUES: | | | |
| Direct public support | \$ 464,008 | \$ - | \$ 464,008 |
| In-kind contributions | 3,743,122 | - | 3,743,122 |
| Grant income | 196,046 | - | 196,046 |
| Other income | 27,787 | - | 27,787 |
| Interest income | 45 | - | 45 |
| | <u>4,431,008</u> | <u>-</u> | <u>4,431,008</u> |
| Net assets released from restriction | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL REVENUES | <u>4,431,008</u> | <u>-</u> | <u>4,431,008</u> |
| EXPENSES: | | | |
| Program services | 4,493,747 | - | 4,493,747 |
| Supporting services | 183,342 | - | 183,342 |
| TOTAL EXPENSES | <u>4,677,089</u> | <u>-</u> | <u>4,677,089</u> |
| CHANGES IN NET ASSETS | (246,081) | - | (246,081) |
| NET ASSETS, beginning of year | <u>313,574</u> | <u>15,000</u> | <u>328,574</u> |
| NET ASSETS, end of year | <u>\$ 67,493</u> | <u>\$ 15,000</u> | <u>\$ 82,493</u> |

See independent auditors' report and notes to the financial statements.

FLORIDA DREAM CENTER, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--------------------------------------|-------------------------------|----------------------------|-------------------|
| REVENUES: | | | |
| Direct public support | \$ 412,466 | \$ - | \$ 412,466 |
| In-kind contributions | 3,299,813 | - | 3,299,813 |
| Grant income | 271,271 | 15,000 | 286,271 |
| Grant income - PPP | 54,900 | - | 54,900 |
| Other Income | 11,284 | - | 11,284 |
| | 4,049,734 | 15,000 | 4,064,734 |
| Net assets released from restriction | - | - | - |
| TOTAL REVENUES | 4,049,734 | 15,000 | 4,064,734 |
| EXPENSES: | | | |
| Program services | 3,919,493 | - | 3,919,493 |
| Supporting services | 192,685 | - | 192,685 |
| TOTAL EXPENSES | 4,112,178 | - | 4,112,178 |
| CHANGES IN NET ASSETS | (62,444) | 15,000 | (47,444) |
| NET ASSETS, beginning of year | 376,018 | - | 376,018 |
| NET ASSETS, end of year | \$ 313,574 | \$ 15,000 | \$ 328,574 |

See independent auditors' report and notes to the financial statements.

FLORIDA DREAM CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Program Services | Supporting Services | | | Total |
|--|---------------------|----------------------------|-------------|-------------------|---------------------|
| | | General and Administrative | Fundraising | Total | |
| In-kind expenses | \$ 3,649,266 | \$ 62,326 | \$ - | \$ 62,326 | \$ 3,711,592 |
| Salaries and payroll taxes | 347,642 | 30,406 | - | 30,406 | 378,048 |
| Supplies, housing, and service support | 241,658 | - | - | - | 241,658 |
| Insurance | 93,654 | 23,879 | - | 23,879 | 117,533 |
| Auto expense | 46,688 | 969 | - | 969 | 47,657 |
| Depreciation | 33,128 | 5,846 | - | 5,846 | 38,974 |
| Maintenance | 34,877 | 2,179 | - | 2,179 | 37,056 |
| Rent | 26,800 | 4,730 | - | 4,730 | 31,530 |
| Utilities | 14,783 | 14,698 | - | 14,698 | 29,481 |
| Legal and professional | - | 12,040 | - | 12,040 | 12,040 |
| Miscellaneous expenses | 3,685 | 6,549 | - | 6,549 | 10,234 |
| Office expenses | - | 6,054 | - | 6,054 | 6,054 |
| Telephone expense | 23 | 5,443 | - | 5,443 | 5,466 |
| Dues and subscriptions | - | 3,719 | - | 3,719 | 3,719 |
| Computer expense | - | 3,077 | - | 3,077 | 3,077 |
| Meals and entertainment | 1,543 | 1,331 | - | 1,331 | 2,874 |
| Bank and credit card fees | - | 82 | - | 82 | 82 |
| Interest expense | - | 14 | - | 14 | 14 |
| Total | \$ 4,493,747 | \$ 183,342 | \$ - | \$ 183,342 | \$ 4,677,089 |

See independent auditors' report and notes to the financial statements.

FLORIDA DREAM CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

| | Program Services | Supporting Services | | | Total |
|--|---------------------|----------------------------|-------------|-------------------|---------------------|
| | | General and Administrative | Fundraising | Total | |
| In-kind expenses | \$ 3,187,721 | \$ 80,562 | - | \$ 80,562 | \$ 3,268,283 |
| Salaries and payroll taxes | 283,518 | 23,463 | - | 23,463 | 306,981 |
| Supplies, housing, and service support | 215,776 | - | - | - | 215,776 |
| Insurance | 58,221 | 24,728 | - | 24,728 | 82,949 |
| Auto expense | 61,372 | 1,147 | - | 1,147 | 62,519 |
| Depreciation | 32,003 | 5,648 | - | 5,648 | 37,651 |
| Utilities | 24,530 | 7,722 | - | 7,722 | 32,252 |
| Rent | 26,800 | 4,730 | - | 4,730 | 31,530 |
| Maintenance | 27,913 | 3,138 | - | 3,138 | 31,051 |
| Legal and professional | - | 10,776 | - | 10,776 | 10,776 |
| Dues and subscriptions | - | 8,200 | - | 8,200 | 8,200 |
| Office expenses | - | 6,236 | - | 6,236 | 6,236 |
| Telephone expense | - | 5,034 | - | 5,034 | 5,034 |
| Meals and entertainment | 1,639 | 2,520 | - | 2,520 | 4,159 |
| Computer expense | - | 2,815 | - | 2,815 | 2,815 |
| Website | - | 2,800 | - | 2,800 | 2,800 |
| Interest expense | - | 1,555 | - | 1,555 | 1,555 |
| Miscellaneous expenses | - | 732 | - | 732 | 732 |
| Advertising and promotion | - | 690 | - | 690 | 690 |
| Bank and credit card fees | - | 189 | - | 189 | 189 |
| Total | \$ 3,919,493 | \$ 192,685 | \$ - | \$ 192,685 | \$ 4,112,178 |

See independent auditors' report and notes to the financial statements.

**FLORIDA DREAM CENTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

| | 2022 | 2021 |
|--|--------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Changes in net assets | \$ (246,081) | \$ (47,444) |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Depreciation | 38,974 | 37,651 |
| Changes in operating assets and liabilities: | | |
| Pledges receivable | 18,234 | 18,492 |
| Accounts payable and accrued expenses | 3,765 | (1,869) |
| Deferred revenue | 189,725 | - |
| Net cash provided by operating activities | 4,617 | 6,830 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of property and equipment, net | (25,167) | (50,208) |
| Net cash used in investing activities | (25,167) | (50,208) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (20,550) | (43,378) |
| CASH AND CASH EQUIVALENTS, beginning of year | 126,417 | 169,795 |
| CASH AND CASH EQUIVALENTS, end of year | \$ 105,867 | \$ 126,417 |

See independent auditors' report and notes to the financial statements.

**FLORIDA DREAM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations

Florida Dream Center, Inc. ('the Organization'), is a nonprofit corporation that is organized to provide services that address immediate and long-term needs in the areas of homelessness, human trafficking, hunger, poverty, addiction and community outreach.

Basis of Accounting

The Organization's financial statements have been prepared using the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization has presented its financial statements in accordance with U.S. generally accepted accounting principles for not-for-profit organizations. Under this guidance, the Organization is required to report 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.

- Net assets – without donor restrictions are those amounts currently available at the discretion of the Board of Directors for use in the Organization's operations. These assets are not subject to donor-imposed restrictions, or the donor-imposed restrictions have expired.
- Net assets – with donor restrictions are restricted amounts which are restricted by donors for specific purposes that may become unrestricted by actions taken by the Organization or the passage of time.

Functional Allocation of Expenses

The costs of providing various program and related supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated to the appropriate program and supporting services.

Use of Estimates

The preparation of financial statements, in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents for the purpose of determining cash flows.

**FLORIDA DREAM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Property and Equipment

Property and equipment is recorded at historical cost and includes expenditures which substantially increase the useful lives of existing property and equipment. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$500, or if donated, at fair market value at the date of acquisition. Maintenance and repairs are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the related asset account and related accumulated depreciation account are relieved, and any gain or loss is included in other income or expense.

Depreciation expense amounted to \$38,974 and \$37,651 for the years ended December 31, 2022 and 2021, respectively. Depreciation of property and equipment is computed using the straight-line method based on the estimated useful lives of the related assets.

| <u>Assets</u> | <u>Years</u> |
|----------------------|--------------|
| Vehicles and trailer | 5-7 |
| Office furniture | 7 |
| Equipment | 7 |

Donated Materials and Services

All non-cash contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donated materials are reflected at their estimated fair market values at date of receipt. Donated services are recorded at values consistent with those amounts which would be paid to salaried personnel for similar service and comply with FASB recognition criteria of enhancing a nonfinancial asset or require specialized skills.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state corporate income tax under applicable Florida Statutes. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The Organization has no unrelated business income; however, such status is subject to final determination upon examination of the related income tax returns by the appropriate taxing authorities.

The Organization has no uncertain tax positions that it has taken and believes that it can defend its tax return in any jurisdiction. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2019.

Concentration of Credit Risk

The Organization maintains deposits in a financial institution that at times may exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization believes that there is no significant risk with respect to these deposits. The Organization has not experienced any losses on its deposits with financial institutions.

Deferred Revenue

The Organization records grant awards accounted for as exchange transactions as deferred revenue until related services are performed, at which time they are recognized as revenue. There was no deferred revenue at December 31, 2022 and 2021.

**FLORIDA DREAM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE B - PROPERTY AND EQUIPMENT:

Property and equipment are summarized as follows:

| | 2022 | 2021 |
|--------------------------------|------------|------------|
| Vehicles and trailer | \$ 184,732 | \$ 184,732 |
| Office furniture | 48,474 | 46,836 |
| Equipment | 102,977 | 79,448 |
| | 336,183 | 311,016 |
| Less: accumulated depreciation | (231,445) | (192,471) |
| | \$ 104,738 | \$ 118,545 |

Depreciation expense amounted to \$38,974 and \$37,651 for the years ended December 31, 2022 and 2021, respectively.

NOTE C - LOAN PAYABLE:

In 2022, the Organization obtained a short term loan from a non-profit organization to assist with working capital needs. There are no interest changes under this loan. Repayment begins February 2023 at \$15,810 per month for twelve months or sooner if grant expenses funded with this loan are reimbursed

NOTE D - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Organization's financial assets as of the balance sheet dates, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet dates:

| | 2022 | 2021 |
|---|-------------|------------|
| Financial assets at year-end, net | \$ (25,322) | \$ 206,952 |
| Donor-restricted for program services | (15,000) | (15,000) |
| Financial assets available to meet cash needs for general expenditure within one year | \$ (40,322) | \$ 191,952 |

As part of the Organization's liquidity management, it maintains its available cash in a checking and savings accounts with financial institutions.

NOTE E - PPP GRANT INCOME:

The Organization received a grant through the Small Business Administration's Paycheck Protection Program. The Organization met the program spending requirements and received official notification from the Small Business Administration that the Organization will not be required to repay the amounts advanced under the program. There was no grant income for the year ended December 31, 2022. Total grant income recognized under this program amounted to \$54,900 for the year ended December 31, 2021, and is included in Grant income - PPP on the statement of activities.

**FLORIDA DREAM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE F - COVID RESPONSE:

During March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business and Organization continuity, including supply chains and consumer demand across a broad range of industries and countries, have been impacted as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic.

Because the Organization's business activities are considered "essential services," operations have not been suspended due to the pandemic. Management has made several significant adaptations to operations to keep the Organization functional while protecting their workforce and clients.

The Organization has encouraged those who are able to work from home to do so. The Organization is utilizing, when possible, video conferencing systems in order to ease the transition to a mixed physical and virtual work environment. The Organization has adapted its facilities to allow for physical distancing between employees working on site and has also updated sanitation policies. The Organization has implemented policies to plan for and respond to COVID related staff illnesses.

As a result of new policies and procedures and federal support programs, the Organization has not experienced significant staffing disruptions or unfunded payroll costs that are attributable to the pandemic.

NOTE G - FASB ASC 842 LEASE ACCOUNTING STANDARDS ADOPTION:

The Financial Accounting Standards Board (FASB) issued new guidance that created, Topic 842 Leases, in the Accounting Standards Codification (ASC). FASB ASC 842 supersedes the previous lease accounting requirements contained in FASB ASC 840. The Organization adopted the requirements of the new guidance using the modified retrospective transition approach and effective date method. The effective date of adoption is January 1, 2022.

The adoption of FASB ASC 842 did not have an impact on the Organization's financial statements as the Organization does not have any material long-term leases.

NOTE H - SUBSEQUENT EVENTS:

Management has assessed subsequent events through July 9, 2023, the date on which the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There were no material subsequent events that require recognition or additional disclosure.