

**THE TINY MIRACLES FOUNDATION, INC.  
(A NOT-FOR-PROFIT ORGANIZATION)**

**Financial Statements**

**Years Ended December 31, 2021 and 2020**

**THE TINY MIRACLES FOUNDATION, INC.  
(A NOT-FOR-PROFIT ORGANIZATION)**

**Statements of Financial Position**

**December 31, 2021 and 2020**

| <b>ASSETS</b>                           | <b>2021</b>       | <b>2020</b>       |
|---|-------------------|-------------------|
| <b>CURRENT ASSETS</b>                   |                   |                   |
| Cash and cash equivalents               | \$ 630,381        | \$ 710,757        |
| Investments at fair market value        | 103,667           | 86,782            |
| Pledge receivable                       | 14,730            | 11,500            |
| Prepaid expenses                        | 13,967            | 14,297            |
| <b>TOTAL CURRENT ASSETS</b>             | <b>762,745</b>    | <b>823,336</b>    |
| <b>PROPERTY AND EQUIPMENT - NET</b>     | <b>5,983</b>      | <b>1,538</b>      |
| <b>TOTAL ASSETS</b>                     | <b>\$ 768,728</b> | <b>\$ 824,874</b> |
| <b>LIABILITIES AND NET ASSETS</b>       |                   |                   |
| <b>CURRENT LIABILITIES</b>              |                   |                   |
| Accounts payable and accrued expenses   | \$ 5,447          | \$ 5,014          |
| Payroll taxes payable                   | 8,301             | 4,212             |
| Refundable advance                      | -                 | 44,400            |
| <b>TOTAL CURRENT LIABILITIES</b>        | <b>13,748</b>     | <b>53,626</b>     |
| <b>NET ASSETS</b>                       |                   |                   |
| Without donor restrictions              | 754,980           | 740,338           |
| With donor restrictions                 | -                 | 30,910            |
| <b>TOTAL NET ASSETS</b>                 | <b>754,980</b>    | <b>771,248</b>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$ 768,728</b> | <b>\$ 824,874</b> |

*See accompanying notes and independent auditor's report.*

**THE TINY MIRACLES FOUNDATION, INC.**  
**(A NOT-FOR-PROFIT ORGANIZATION)**

**Statements of Activities**

**Year Ended December 31, 2021 with  
Comparative Totals for the Year Ended December 31, 2020**

|   | <b>2021</b>                           |                                    |                   | <b>2020</b>       |
|---|---------------------------------------|------------------------------------|-------------------|-------------------|
|   | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>      | <b>Total</b>      |
| <b>REVENUES</b>   |                                       |                                    |                   |                   |
| Direct public support   | \$ 171,987                            | \$ 93,500                          | \$ 265,487        | 298,691           |
| Government grant  | 44,400                                |                                    | 44,400            | 3,000             |
| Donated services  | 8,320                                 | -                                  | 8,320             | 900               |
| Interest and dividend income  | 9,791                                 | -                                  | 9,791             | 10,073            |
| Unrealized gains on investments                                     | 8,191                                 |                                    | 8,191             | 1,988             |
| Special events revenue  | 229,107                               | -                                  | 229,107           | 201,938           |
| Less: Cost of direct donor benefit                                  | (20,565)                              | -                                  | (20,565)          | -                 |
| <b>TOTAL REVENUES</b>   | <u>451,231</u>                        | <u>93,500</u>                      | <u>544,731</u>    | <u>516,590</u>    |
| <b>NET ASSETS RELEASED FROM RESTRICTIONS</b>                        | <u>124,410</u>                        | <u>(124,410)</u>                   | <u>-</u>          | <u>-</u>          |
| <b>TOTAL REVENUES AND NET ASSETS<br/>RELEASED FROM RESTRICTIONS</b> | <u>575,641</u>                        | <u>(30,910)</u>                    | <u>544,731</u>    | <u>516,590</u>    |
| <b>FUNCTIONAL EXPENSES</b>  |                                       |                                    |                   |                   |
| Program service   | 380,472                               | -                                  | 380,472           | 336,894           |
| Management and general  | 68,423                                | -                                  | 68,423            | 62,446            |
| Fundraising   | 112,104                               | -                                  | 112,104           | 92,924            |
| <b>TOTAL FUNCTIONAL EXPENSES</b>                                    | <u>560,999</u>                        | <u>-</u>                           | <u>560,999</u>    | <u>492,264</u>    |
| <b>NET CHANGE IN NET ASSETS</b>                                     | 14,642                                | (30,910)                           | (16,268)          | 24,326            |
| <b>NET ASSETS - BEGINNING OF YEAR</b>                               | <u>740,338</u>                        | <u>30,910</u>                      | <u>771,248</u>    | <u>746,922</u>    |
| <b>NET ASSETS - END OF YEAR</b>                                     | <u>\$ 754,980</u>                     | <u>\$ -</u>                        | <u>\$ 754,980</u> | <u>\$ 771,248</u> |

*See accompanying notes and independent auditor's report.*

**THE TINY MIRACLES FOUNDATION, INC.**  
**(A NOT-FOR-PROFIT ORGANIZATION)**

**Statement of Functional Expenses**

**Year Ended December 31, 2021**

|                                       | Program Services  |                  |                    |                  |                        | Supporting Services    |                   |                        | Total Expenses    |
|---------------------------------------|-------------------|------------------|--------------------|------------------|------------------------|------------------------|-------------------|------------------------|-------------------|
|                                       | Parent Network    | Resource Room    | Family Aid Program | Tiny Treasures   | Total Program Services | Management and General | Fundraising       | Total Support Services |                   |
| <b>Salaries and related expenses:</b> |                   |                  |                    |                  |                        |                        |                   |                        |                   |
| Salaries                              | \$ 85,377         | \$ 16,976        | \$ 33,634          | \$ 21,053        | \$ 157,040             | \$ 34,284              | \$ 49,221         | \$ 83,505              | \$ 240,545        |
| Payroll taxes and benefits            | 8,704             | 1,633            | 3,642              | 2,112            | 16,091                 | 3,023                  | 4,416             | 7,439                  | 23,530            |
| Total salaries and related expenses   | 94,081            | 18,609           | 37,276             | 23,165           | 173,131                | 37,307                 | 53,637            | 90,944                 | 264,075           |
| <b>Other expenses:</b>                |                   |                  |                    |                  |                        |                        |                   |                        |                   |
| Contract services                     | 660               | 660              | 660                | 660              | 2,640                  | 660                    | 660               | 1,320                  | 3,960             |
| Professional services                 | 9,850             | 593              | 593                | 723              | 11,759                 | 5,747                  | 5,018             | 10,765                 | 22,524            |
| Program materials                     | 12,230            | 6,285            | 84,231             | 9,130            | 111,876                | -                      | -                 | -                      | 111,876           |
| Website design                        | 702               | 673              | 732                | 702              | 2,809                  | 702                    | 10,425            | 11,127                 | 13,936            |
| Office expense                        | 95                | 46               | 48                 | 47               | 236                    | 3,945                  | 520               | 4,465                  | 4,701             |
| Postage                               | 825               | 314              | 729                | 314              | 2,182                  | 372                    | 1,512             | 1,884                  | 4,066             |
| Printing                              | 1,128             | 488              | 488                | 488              | 2,592                  | 920                    | 5,323             | 6,243                  | 8,835             |
| Telephone                             | 563               | 563              | 563                | 563              | 2,252                  | 563                    | 563               | 1,126                  | 3,378             |
| Conference and training               | 270               | -                | -                  | -                | 270                    | 68                     | -                 | 68                     | 338               |
| Corporate insurance                   | 1,199             | -                | -                  | -                | 1,199                  | 3,225                  | -                 | 3,225                  | 4,424             |
| Travel                                | 2,258             | -                | -                  | 39               | 2,297                  | -                      | -                 | -                      | 2,297             |
| Rent                                  | 5,001             | 5,001            | 5,001              | 8,708            | 23,711                 | 6,668                  | 5,001             | 11,669                 | 35,380            |
| Public relations                      | 7,829             | 6,467            | 6,467              | 6,467            | 27,230                 | -                      | 23,494            | 23,494                 | 50,724            |
| Service charges                       | -                 | -                | -                  | -                | -                      | 558                    | -                 | 558                    | 558               |
| Dues and subscriptions                | 1,785             | 669              | 669                | 669              | 3,792                  | 2,007                  | 2,498             | 4,505                  | 8,297             |
| Food                                  | 11,802            | -                | -                  | 82               | 11,884                 | 508                    | -                 | 508                    | 12,392            |
| Donated expense                       | -                 | -                | -                  | -                | -                      | 5,020                  | 3,300             | 8,320                  | 8,320             |
| Total expenses before depreciation    | 150,278           | 40,368           | 137,457            | 51,757           | 379,860                | 68,270                 | 111,951           | 180,221                | 560,081           |
| Depreciation                          | 153               | 153              | 153                | 153              | 612                    | 153                    | 153               | 306                    | 918               |
| <b>TOTAL EXPENSES</b>                 | <b>\$ 150,431</b> | <b>\$ 40,521</b> | <b>\$ 137,610</b>  | <b>\$ 51,910</b> | <b>\$ 380,472</b>      | <b>\$ 68,423</b>       | <b>\$ 112,104</b> | <b>\$ 180,527</b>      | <b>\$ 560,999</b> |

See accompanying notes and independent auditor's report.

THE PROFESSIONAL ASSOCIATES, P.C., CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**THE TINY MIRACLES FOUNDATION, INC.**  
**(A NOT-FOR-PROFIT ORGANIZATION)**

**Statement of Functional Expenses**

**Year Ended December 31, 2020**

|                                       | Program Services  |                  |                    |                  |                        | Supporting Services    |                  |                   |                   | Total Expenses |
|---------------------------------------|-------------------|------------------|--------------------|------------------|------------------------|------------------------|------------------|-------------------|-------------------|----------------|
|                                       | Parent Network    | Resource Room    | Family Aid Program | Tiny Treasures   | Total Program Services | Management and General | Fundraising      | Support Services  | Total             |                |
| <b>Salaries and related expenses:</b> |                   |                  |                    |                  |                        |                        |                  |                   |                   |                |
| Salaries                              | \$ 44,048         | \$ 16,489        | \$ 29,984          | \$ 20,554        | \$ 111,075             | \$ 33,093              | \$ 47,550        | \$ 80,643         | \$ 191,718        |                |
| Payroll taxes and benefits            | 5,121             | 1,624            | 3,237              | 2,024            | 12,006                 | 2,874                  | 4,137            | 7,011             | 19,017            |                |
| Total salaries and related expenses   | 49,169            | 18,113           | 33,221             | 22,578           | 123,081                | 35,967                 | 51,687           | 87,654            | 210,735           |                |
| <b>Other expenses:</b>                |                   |                  |                    |                  |                        |                        |                  |                   |                   |                |
| Contract services                     | 863               | 863              | 863                | 863              | 3,452                  | 863                    | 863              | 1,726             | 5,178             |                |
| Professional services                 | 27,896            | 167              | 167                | 167              | 28,397                 | 6,167                  | 167              | 6,334             | 34,731            |                |
| Program materials                     | 13,039            | 8,873            | 78,703             | 20,542           | 121,157                | -                      | -                | -                 | 121,157           |                |
| Website design                        | 728               | 728              | 728                | 728              | 2,912                  | 728                    | 9,101            | 9,829             | 12,741            |                |
| Office expense                        | 71                | 54               | 56                 | 95               | 276                    | 2,083                  | 82               | 2,165             | 2,441             |                |
| Postage                               | 603               | 297              | 540                | 297              | 1,737                  | 473                    | 986              | 1,459             | 3,196             |                |
| Printing                              | 879               | 534              | 534                | 648              | 2,595                  | 661                    | 3,756            | 4,417             | 7,012             |                |
| Telephone                             | 552               | 552              | 552                | 552              | 2,208                  | 552                    | 552              | 1,104             | 3,312             |                |
| Conference and training               | 150               | -                | -                  | -                | 150                    | 50                     | -                | 50                | 200               |                |
| Corporate insurance                   | 1,165             | -                | -                  | -                | 1,165                  | 3,172                  | -                | 3,172             | 4,337             |                |
| Travel                                | 1,334             | -                | -                  | -                | 1,334                  | 41                     | -                | 41                | 1,375             |                |
| Rent                                  | 4,905             | 4,905            | 4,905              | 9,108            | 23,823                 | 6,540                  | 4,905            | 11,445            | 35,268            |                |
| Public relations                      | 3,426             | 3,403            | 3,403              | 3,403            | 13,635                 | 122                    | 18,009           | 18,131            | 31,766            |                |
| Service charges                       | -                 | -                | -                  | -                | -                      | 582                    | 45,00            | 627               | 627               |                |
| Dues and subscriptions                | 1,236             | 656              | 656                | 656              | 3,204                  | 2,034                  | 2,354            | 4,388             | 7,592             |                |
| Food                                  | 3,305             | 3,265            | 235                | 235              | 7,040                  | 1,329                  | 235              | 1,564             | 8,604             |                |
| Donated expense                       | -                 | -                | -                  | -                | -                      | 900                    | -                | 900               | 900               |                |
| Total expenses before depreciation    | 109,321           | 42,410           | 124,563            | 59,872           | 336,166                | 62,264                 | 92,742           | 155,006           | 491,172           |                |
| Depreciation                          | 182               | 182              | 182                | 182              | 728                    | 182                    | 182              | 364               | 1,092             |                |
| <b>TOTAL</b>                          | <b>\$ 109,503</b> | <b>\$ 42,592</b> | <b>\$ 124,745</b>  | <b>\$ 60,054</b> | <b>\$ 336,894</b>      | <b>\$ 62,446</b>       | <b>\$ 92,924</b> | <b>\$ 155,370</b> | <b>\$ 492,264</b> |                |

See accompanying notes and independent auditor's report.

THE PROFESSIONAL ASSOCIATES, P.C., CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**THE TINY MIRACLES FOUNDATION, INC.**  
**(A NOT-FOR-PROFIT ORGANIZATION)**

**Statements of Cash Flows**

**Years Ended December 31, 2021 and 2020**

|   | <u>2021</u>       | <u>2020</u>       |
|---|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                   |                   |
| Change in net assets  | \$ (16,268)       | \$ 24,326         |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                   |                   |
| Depreciation  | 918               | 1,092             |
| Unrealized gain on investments  | (8,191)           | (1,988)           |
| (Increase) decrease in operating assets:  |                   |                   |
| Accounts receivable   | -                 | 19,693            |
| Pledge receivable   | (3,230)           | (10,250)          |
| Prepaid expenses  | 330               | (5,881)           |
| Increase (decrease) in operating liabilities:   |                   |                   |
| Accounts payable  | 433               | 1,961             |
| Payroll taxes payable   | 4,089             | (2,319)           |
| Refundable advance  | (44,400)          | 44,400            |
| Total adjustments   | <u>(50,051)</u>   | <u>46,708</u>     |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>  | <u>(66,319)</u>   | <u>71,034</u>     |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                   |                   |
| Cash paid for purchase of investments   | (8,694)           | (6,396)           |
| Cash paid for purchase of equipment   | <u>(5,363)</u>    | <u>-</u>          |
| <b>NET CASH USED BY INVESTING ACTIVITIES</b>  | <u>(14,057)</u>   | <u>(6,396)</u>    |
| <br><b>NET CHANGE IN CASH</b>   | (80,376)          | 64,638            |
| <br><b>CASH - BEGINNING OF YEAR</b>   | <u>710,757</u>    | <u>646,119</u>    |
| <br><b>CASH - END OF YEAR</b>   | <u>\$ 630,381</u> | <u>\$ 710,757</u> |

*See accompanying notes and independent auditor's report.*

**THE TINY MIRACLES FOUNDATION, INC.**  
**(A NOT-FOR-PROFIT ORGANIZATION)**

**Notes to Financial Statements**

**December 31, 2021 and 2020**

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**Note A - Organization**

The Tiny Miracles Foundation, Inc. (“TTMF”) was incorporated on January 24, 2004 as a not-for-profit organization in the State of Connecticut. TTMF purpose is to (a) operate a network within Fairfield County and New Haven County, Connecticut of mentors to provide support, inspiration and encouragement to parents enduring the premature birth of a child, (b) provide educational, informational and inspirational materials to parents of premature infants through their website and in-hospital resource rooms, (c) present families preparing for their child’s homecoming with welcome and home care supplies useful for caring for their premature infants at home, (d) give financial assistance to needy families to defray the costs of caring for their premature infants, and (e) donate funds to help local hospitals obtain the best equipment, staff and educational services to improve the lives of premature infants and their families.

**Note B - Summary of Significant Accounting Policies**

1. Basis of Accounting.

The financial statements of TTMF have been prepared under the accrual method of accounting and accordingly reflect all significant receivables, prepaid expenses, payables and other accrued expenses. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

2. Financial Statement Presentation.

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction—Net assets that are not subject to or are no longer subject to donor-imposed stipulations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restriction—Net assets whose use is limited by donor-imposed time and/or purpose 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. 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.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

**THE TINY MIRACLES FOUNDATION, INC.**  
**(A NOT-FOR-PROFIT ORGANIZATION)**

**Notes to Financial Statements**

**December 31, 2021 and 2020**

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**Note B - Summary of Significant Accounting Policies – (continued)**

3. Cash and Cash Equivalents.

Cash and cash equivalents consist of cash in interest and non-interest bearing depository accounts and money market funds. TTMF considers all short-term investments with an original maturity of three months or less to be a cash equivalent.

4. Investments at fair value.

Investments consist of mutual funds which are adjusted to their fair market value at the Statement of Financial Position date, resulting in either an unrealized gain or loss. Investment income is recognized when earned and consists of interest and dividends. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

5. Fair value measurements and disclosures.

Accounts Standards Codification (ASC) 820, Fair Value Measurement, clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. ASC 820 defines fair value as the price to sell an asset or transfer a liability (i.e., the exit price) in an orderly transaction between market participants. Additionally, ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset developed based on market data obtained from sources independent of TTMF. Unobservable inputs are inputs that reflect TTMF's assumptions about the assumptions market participants would use in pricing the asset based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 -Observable inputs are unadjusted, quoted prices for identical assets or liabilities in active market at the measurement date. Level 1 securities include highly liquid U.S. Treasury securities, certain commons stocks and mutual funds.

Level 2 -Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date. Most debt securities, preferred stocks, certain equity securities, short-term investments and derivatives are model priced using observable inputs and are classified as Level 2.

Level 3 -Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Examples of Level 3 assets include investments in limited partnerships.

There are no financial assets or liabilities classified as Level 2 or 3.

**THE TINY MIRACLES FOUNDATION, INC.**  
**(A NOT-FOR-PROFIT ORGANIZATION)**

**Notes to Financial Statements**

**December 31, 2021 and 2020**

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**Note B - Summary of Significant Accounting Policies - (continued)**

6. Prepaid Expenses.

Prepaid expenses are shown net of amortization incurred during the fiscal year.

7. Contributions.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as new assets released from restrictions.

8. Donated services and In-Kind Support.

The Organization records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization received contributed professional services for legal fees and hosting meetings during the year ended December 31, 2021 and 2020, with a fair value on the date of donation of \$8,320 and \$900, respectively.

9. Income Taxes.

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

10. Uncertain Tax Position.

Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits or liabilities that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Organization's tax returns remain open for three years for federal income tax examination.

**THE TINY MIRACLES FOUNDATION, INC.**  
**(A NOT-FOR-PROFIT ORGANIZATION)**

**Notes to Financial Statements**

**December 31, 2021 and 2020**

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**Note B - Summary of Significant Accounting Policies - (continued)**

11. Accounts Receivable.

Accounts receivable are stated at the amount management expects to be collected. Management considers its receivables to be fully collectible; accordingly, no allowance for uncollectible accounts is required. If amounts become uncollectible, the related receivable will be charged to operations when that determination is made.

12. Capitalization and Depreciation.

Furniture and equipment are recorded at cost. Furniture and equipment are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate accounts are reduced by the related costs and accumulated depreciation.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives of 5-7 years under the straight-line method. The estimated service life of the assets for depreciation purposes may be different than their actual economic useful lives.

13. Functional Allocation of Expenses.

The Statements of Activities reports expenses by both natural and functional classification. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program or supporting service category when identifiable and possible. General operating costs across nearly all natural categories are allocated on the basis of estimates of time and effort.

14. Estimates.

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

15. Comparative Financial Information.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. 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.

**THE TINY MIRACLES FOUNDATION, INC.**  
**(A NOT-FOR-PROFIT ORGANIZATION)**

**Notes to Financial Statements**

**December 31, 2021 and 2020**

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**Note B - Summary of Significant Accounting Policies - (continued)**

*16. Subsequent Events Measurement Date*

The Organization monitored and evaluated subsequent events for footnote disclosures or adjustments required in its financial statements for the year ended December 31, 2021 through May 25, 2022 the date on which financial statements were available to be issued.

**Note C - Cash and Cash Equivalents**

The Organization's cash and cash equivalents are as follows at December 31, 2021 and 2020:

|                            | <u>2021</u>       | <u>2020</u>       |
|----------------------------|-------------------|-------------------|
| Cash                       | \$ 540,289        | 524,034           |
| Board designated endowment | 30,565            | 30,562            |
| Money market funds         | 59,527            | 156,161           |
|                            | <u>\$ 630,381</u> | <u>\$ 710,757</u> |

**Note D - Property and Equipment**

The following is a summary of property and equipment, at cost, less accumulated depreciation, at December 31, 2021 and 2020:

|                               | <u>2021</u>     | <u>2020</u>     |
|-------------------------------|-----------------|-----------------|
| Equipment                     | \$ 9,835        | \$ 12,668       |
| Furniture and fixtures        | 4,212           | 4,212           |
| Leasehold Improvements        | 2,786           | 2,786           |
|                               | <u>16,833</u>   | <u>19,666</u>   |
| Less accumulated depreciation | 10,850          | 18,128          |
| Property and equipment - net  | <u>\$ 5,983</u> | <u>\$ 1,538</u> |

Depreciation expense amounted to \$918 and \$1,092 for the years ended December 31, 2021 and 2020, respectively.

**Note E - Concentration of Credit Risk**

Financial instruments, which potentially subject TTMF to concentration of credit risk, consist primarily of cash and cash equivalents. At times, TTMF has cash deposits at financial institutions which exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits.

**THE TINY MIRACLES FOUNDATION, INC.**  
**(A NOT-FOR-PROFIT ORGANIZATION)**

**Notes to Financial Statements**

**December 31, 2021 and 2020**

**Note F - Investments at Fair Value**

Investments at December 31, 2021 at fair value are summarized below:

|              | <u>Cost</u> |    | <u>Fair Value</u> |  |
|--------------|-------------|----|-------------------|--|
| Mutual Funds | \$ 87,926   | \$ | 103,667           |  |

The fair value of the investments detailed above is determined by reference to market quotations at December 31, 2021.

TTMF's holdings in equities consist entirely of mutual funds which are carried at their aggregate market values as determined by the quoted market prices at the end of each business day. TTMF includes these prices in the amounts disclosed in Level 1 of the hierarchy. The following tables present TTMF's assets at December 31, 2021 that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

|              | <u>Total</u> | <u>Quoted Prices in<br/>Active Markets<br/>for Identical<br/>Assets (Level 1)</u> | <u>Significant<br/>Other<br/>Observable<br/>Inputs (Level<br/>2)</u> | <u>Significant<br/>Unobservable<br/>Inputs (Level<br/>3)</u> |
|--------------|--------------|---|--|--|
| Mutual Funds | \$ 103,667   | \$ 103,667  | \$ -   | \$ -   |

**Note G - Paycheck Protection Program Loan**

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. In May 2020, the Organization was granted a loan for \$44,400 and bears interest at a fixed annual rate of 1%, with the first six months of interest deferred. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization initially recorded the loan as a refundable advance and subsequently recognize grant revenue in accordance with the guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer exists. The Organization has recognized \$44,400 as grant revenue for the year ended December 31, 2021.

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**Notes to Financial Statements**

**December 31, 2021 and 2020**

**Note H - Net Assets**

Net assets without donor restrictions at December 31, 2021 and 2020, is comprised of the following:

|                                 | <u>2021</u>       | <u>2020</u>       |
|---------------------------------|-------------------|-------------------|
| Undesignated                    | \$ 620,748        | \$ 622,994        |
| Board-designated for operations | 134,232           | 117,344           |
|                                 | <u>\$ 754,980</u> | <u>\$ 740,338</u> |

Net assets with donor restrictions at December 31, 2021 and 2020, is comprised of the following:

|                               | <u>2021</u> | <u>2020</u>      |
|-------------------------------|-------------|------------------|
| Purpose-restricted net assets | \$ -        | \$ 30,910        |
|                               | <u>\$ -</u> | <u>\$ 30,910</u> |

**Note I - Liquidity and Availability of Financial Assets**

The Organization's primary sources of support are contributions and fundraising events. Some of that support is required to be used in accordance with the purpose restrictions imposed by the donors. The Organization's objective is to maintain liquid financial assets without donor restrictions to provide reasonable assurance that long-term obligations will be discharged. The following table reflects the Organization's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general expenditures within one year.

|  | <u>2021</u>       | <u>2020</u>       |
|--|-------------------|-------------------|
| Financial assets:  |                   |                   |
| Cash and cash equivalents  | \$ 630,381        | \$ 646,119        |
| Investments at fair market value   | 103,667           | 86,782            |
| Pledge receivable  | 14,730            | 11,500            |
| Financial assets, at year-end  | <u>748,778</u>    | <u>744,401</u>    |
| Less those unavailable for general expenditure within one year, due to:                |                   |                   |
| Board-designated endowment   | <u>(134,232)</u>  | <u>(117,344)</u>  |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 614,546</u> | <u>\$ 627,057</u> |

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**Note J - Board-designated Endowment**

As of December 31, 2021, the Board of Directors had designated \$134,232 of unrestricted net assets as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets. The Organization has a holding policy for an initial period of three years, neither the principal nor the interest of the Fund may be used. Subsequent to the three-year period, interest may be withdrawn based upon a majority vote of a quorum of the Board. In the event of extraordinary circumstances, the capital may be used based upon a super majority vote of 75% of a quorum of the Board.

Composition of and changes in endowment net assets for the year ended December 31, 2021 were as follows:

|   |                          |
|---|--------------------------|
| Board-designated endowment net assets,<br>beginning of year | \$ 117,344               |
| Investment income   | 8,697                    |
| Net appreciation  | <u>8,191</u>             |
| Board-designated endowment net assets,<br>end of year       | <u><u>\$ 134,232</u></u> |

**Note K - Lease Commitments**

In July 2021, the Organization renewed its lease for office space, extending its current lease term for two years through July 31, 2023 at a rate of \$2,594 per month. Total expense for rental of space, under operating leases, was \$30,220 and \$29,580 for the years ended December 31, 2021 and 2020, respectively. Future minimum annual rental commitments under the non-cancelable operating leases at December 31, 2021 are as follows:

| <u>Year Ending</u> | <u>Amount</u>           |
|--------------------|-------------------------|
| 2022               | \$ 31,128               |
| 2023               | <u>18,158</u>           |
| Total              | <u><u>\$ 49,286</u></u> |