

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

Financial Statements

Years Ended December 31, 2022 and 2021



THE PROFESSIONAL
ASSOCIATES, P.C.

Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Tiny Miracles Foundation, Inc.
Darien, Connecticut

Opinion

We have audited the accompanying financial statements of The Tiny Miracles Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 The Tiny Miracles Foundation, Inc. as of December 31, 2022, and the changes in its 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 The Tiny Miracles 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 The Tiny Miracles 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.

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 The Tiny Miracles 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 The Tiny Miracles 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 The Tiny Miracles Foundation, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 25, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The Professional Associates, P.C.

Stamford, Connecticut

April 17, 2023

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

Statements of Financial Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 543,193	\$ 630,381
Investments at fair market value	88,620	103,667
Pledge receivable	1,582	14,730
Prepaid expenses	26,621	13,967
TOTAL CURRENT ASSETS	<u>660,016</u>	<u>762,745</u>
PROPERTY AND EQUIPMENT - NET	<u>7,579</u>	<u>5,983</u>
TOTAL ASSETS	<u><u>\$ 667,595</u></u>	<u><u>\$ 768,728</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,032	\$ 5,447
Payroll taxes payable	8,011	8,301
TOTAL CURRENT LIABILITIES	<u>9,043</u>	<u>13,748</u>
NET ASSETS		
Without donor restrictions	622,992	754,980
With donor restrictions	35,560	-
TOTAL NET ASSETS	<u>658,552</u>	<u>754,980</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 667,595</u></u>	<u><u>\$ 768,728</u></u>

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, 2022 with
Comparative Totals for the Year Ended December 31, 2021**

	2022		2021	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES				
Direct public support	\$ 196,267	\$ 86,650	\$ 282,917	265,487
Government grant	-	-	-	44,400
Donated services	2,956	-	2,956	8,320
Interest and dividend income	8,586	-	8,586	9,791
Unrealized (loss) gain on investments	(21,601)	-	(21,601)	8,191
Special events revenue	354,222	-	354,222	229,107
Less: Cost of direct donor benefit	(78,439)	-	(78,439)	(20,565)
TOTAL REVENUES	461,991	86,650	548,641	544,731
NET ASSETS RELEASED FROM RESTRICTIONS	51,090	(51,090)	-	-
TOTAL REVENUES AND NET ASSETS RELEASED FROM RESTRICTIONS	513,081	35,560	548,641	544,731
FUNCTIONAL EXPENSES				
Program service	429,824	-	429,824	380,472
Management and general	77,023	-	77,023	68,423
Fundraising	138,222	-	138,222	112,104
TOTAL FUNCTIONAL EXPENSES	645,069	-	645,069	560,999
NET CHANGE IN NET ASSETS	(131,988)	35,560	(96,428)	(16,268)
NET ASSETS - BEGINNING OF YEAR	754,980	-	754,980	771,248
NET ASSETS - END OF YEAR	\$ 622,992	\$ 35,560	\$ 658,552	\$ 754,980

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, 2022

	Program Services				Supporting Services				
	Parent Network	Resource Room	Family Aid Program	Tiny Treasures	Total Program Services	Management and General	Fundraising	Total Support Services	Total Expenses
Salaries and related expenses:									
Salaries	\$ 113,543	\$ 22,782	\$ 40,971	\$ 27,029	\$ 204,325	\$ 48,462	\$ 69,121	\$ 117,583	\$ 321,908
Payroll taxes and benefits	9,902	1,974	3,560	2,337	17,773	4,184	5,981	10,165	27,938
Total salaries and related expenses	<u>123,445</u>	<u>24,756</u>	<u>44,531</u>	<u>29,366</u>	<u>222,098</u>	<u>52,646</u>	<u>75,102</u>	<u>127,748</u>	<u>349,846</u>
Other expenses:									
Contract services	605	605	605	605	2,420	605	605	1,210	3,630
Professional services	153	153	153	153	612	5,450	23,424	28,874	29,486
Program materials	11,009	5,713	82,786	44,603	144,111	-	-	-	144,111
Website design	679	679	679	679	2,716	679	9,233	9,912	12,628
Office expense	216	67	67	80	430	2,448	2,239	4,687	5,117
Postage	1,216	301	692	301	2,510	301	2,170	2,471	4,981
Printing	1,134	435	436	435	2,440	436	8,573	9,009	11,449
Telephone	567	567	567	566	2,267	567	567	1,134	3,401
Conference and training	80	-	-	-	80	-	-	-	80
Corporate insurance	1,356	-	-	-	1,356	3,404	-	3,404	4,760
Travel	3,214	-	-	-	3,214	-	-	-	3,214
Rent	5,136	5,136	5,136	9,966	25,374	6,848	5,136	11,984	37,358
Public relations	412	412	412	412	1,648	-	8,520	8,520	10,168
Service charges	-	-	-	-	-	136	15	151	151
Dues and subscriptions	1,240	650	650	650	3,190	2,992	2,244	5,236	8,426
Food	11,071	-	-	155	11,226	217	100	317	11,543
Donated expense	2,956	-	-	-	2,956	-	-	-	2,956
Total expenses before depreciation	<u>164,489</u>	<u>39,474</u>	<u>136,714</u>	<u>87,971</u>	<u>428,648</u>	<u>76,729</u>	<u>137,928</u>	<u>214,657</u>	<u>643,305</u>
Depreciation	294	294	294	294	1,176	294	294	588	1,764
TOTAL EXPENSES	<u><u>\$ 164,783</u></u>	<u><u>\$ 39,768</u></u>	<u><u>\$ 137,008</u></u>	<u><u>\$ 88,265</u></u>	<u><u>\$ 429,824</u></u>	<u><u>\$ 77,023</u></u>	<u><u>\$ 138,222</u></u>	<u><u>\$ 215,245</u></u>	<u><u>\$ 645,069</u></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

	<u>Program Services</u>				<u>Supporting Services</u>				Total Expenses
	Parent Network	Resource Room	Family Aid Program	Tiny Treasures	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and related expenses:									
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	<u>94,081</u>	<u>18,609</u>	<u>37,276</u>	<u>23,165</u>	<u>173,131</u>	<u>37,307</u>	<u>53,637</u>	<u>90,944</u>	<u>264,075</u>
Other expenses:									
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	1,781	104,527	-	-	-	104,527
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	-	-	7,349	7,619	68	-	68	7,687
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	0	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	<u>150,278</u>	<u>40,368</u>	<u>137,457</u>	<u>51,757</u>	<u>379,860</u>	<u>68,270</u>	<u>111,951</u>	<u>180,221</u>	<u>560,081</u>
Depreciation	153	153	153	153	612	153	153	306	918
TOTAL	<u><u>\$ 150,431</u></u>	<u><u>\$ 40,521</u></u>	<u><u>\$ 137,610</u></u>	<u><u>\$ 51,910</u></u>	<u><u>\$ 380,472</u></u>	<u><u>\$ 68,423</u></u>	<u><u>\$ 112,104</u></u>	<u><u>\$ 180,527</u></u>	<u><u>\$ 560,999</u></u>

See accompanying notes and independent auditor's report.

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

Statements of Cash Flows

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (96,428)	\$ (16,268)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,764	918
Unrealized loss (gain) on investments	21,601	(8,191)
(Increase) decrease in operating assets:		
Pledge receivable	13,148	(3,230)
Prepaid expenses	(12,654)	330
Increase (decrease) in operating liabilities:		
Accounts payable	(4,415)	433
Payroll taxes payable	(290)	4,089
Refundable advance	-	(44,400)
Total adjustments	<u>19,154</u>	<u>(50,051)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(77,274)</u>	<u>(66,319)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchase of investments	(6,554)	(8,694)
Cash paid for purchase of equipment	<u>(3,360)</u>	<u>(5,363)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(9,914)</u>	<u>(14,057)</u>
NET CHANGE IN CASH	(87,188)	(80,376)
CASH - BEGINNING OF YEAR	<u>630,381</u>	<u>710,757</u>
CASH - END OF YEAR	<u>\$ 543,193</u>	<u>\$ 630,381</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, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021

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. During the years ended December 31, 2022 and 2021, The Organization recognized in-kind donations with a fair value, on the date of donation, of \$2,956 and \$8,320, 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, 2022 and 2021

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

11. Accounts Receivable.

Accounts receivables 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, 2021, from which the summarized information was derived.

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

Notes to Financial Statements

December 31, 2022 and 2021

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, 2022 through April 17, 2023 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash	\$ 487,068	540,289
Board designated endowment	31,401	30,565
Money market funds	24,724	59,527
	<u>\$ 543,193</u>	<u>\$ 630,381</u>

Note D - Property and Equipment

The following is a summary of property and equipment, at cost, less accumulated depreciation, at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 9,835	\$ 9,835
Furniture and fixtures	4,212	4,212
Leasehold Improvements	6,146	2,786
	<u>20,193</u>	<u>16,833</u>
Less accumulated depreciation	<u>12,614</u>	<u>10,850</u>
Property and equipment - net	<u>\$ 7,579</u>	<u>\$ 5,983</u>

Depreciation expense amounted to \$1,764 and \$918 for the years ended December 31, 2022 and 2021, 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, 2022 and 2021

Note F - Investments at Fair Value

Investments at December 31, 2022 at fair value are summarized below:

	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds	\$ 94,786	\$ 88,620

The fair value of the investments detailed above is determined by reference to market quotations at December 31, 2022.

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, 2022 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 Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual Funds	\$ 88,620	\$ 88,620	\$ -	\$ -

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 of \$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.

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

Notes to Financial Statements

December 31, 2022 and 2021

Note H - Net Assets

Net assets without donor restrictions at December 31, 2022 and 2021, is comprised of the following:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 502,971	\$ 620,748
Board-designated for operations	120,021	134,232
	<u>\$ 622,992</u>	<u>\$ 754,980</u>

Net assets with donor restrictions at December 31, 2022 and 2021, is comprised of the following:

	<u>2022</u>	<u>2021</u>
Purpose-restricted net assets	\$ 35,560	\$ -
	<u>\$ 35,560</u>	<u>\$ -</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, 2022 and 2021, reduced by amounts not available for general expenditures within one year.

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 543,193	\$ 630,381
Investments at fair market value	88,620	103,667
Pledge receivable	1,582	14,730
Financial assets, at year-end	<u>633,395</u>	<u>748,778</u>
Less those unavailable for general expenditure within one year, due to:		
Board-designated endowment	<u>(120,021)</u>	<u>(134,232)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 513,374</u>	<u>\$ 614,546</u>

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

Notes to Financial Statements

December 31, 2022 and 2021

Note J - Board-designated Endowment

As of December 31, 2022, 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, 2022 were as follows:

Board-designated endowment net assets, beginning of year	\$ 134,232
Investment income	2,410
Net appreciation	<u>(16,621)</u>
Board-designated endowment net assets, end of year	<u><u>\$ 120,021</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 \$31,120 and \$30,220 for the years ended December 31, 2022 and 2021, respectively. Future minimum annual rental commitments under the non-cancelable operating leases at December 31, 2022 are as follows:

<u>Year Ending</u>	<u>Amount</u>
2023	<u>\$ 18,158</u>
Total	<u><u>\$ 18,158</u></u>