

DELAWARE REGIONAL DREAM CENTER INC.

**FINANCIAL STATEMENTS AND
ACCOUNTANT'S COMPILATION REPORT**

DECEMBER 31, 2023

DELAWARE REGIONAL DREAM CENTER INC.
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BELFINT • LYONS • SHUMAN
Certified Public Accountants

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Accountant's Compilation Report

To the Board of Directors
Delaware Regional Dream Center Inc.

Management is responsible for the accompanying financial statements of Delaware Regional Dream Center Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Financial Accounting Standards Board Accounting Standards Codification (ASC) 842, *Leases*, requires a lessee to recognize, in its statement of financial position, right-of-use assets and lease liabilities that arise from substantially all leasing transactions. Delaware Regional Dream Center Inc. has not adopted ASC 842, and instead recognizes the periodic lease cost at the time a lease payment becomes due and does not recognize assets or liabilities associated with leasing activity. Management has not determined the effects of this departure from accounting principles generally accepted in the United States of America

Belfint, Lyons & Shuman, P.A.

May 7, 2024
Wilmington, Delaware

DELAWARE REGIONAL DREAM CENTER INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(See Accountant's Compilation Report)

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 123,762
Cash - Restricted for Capital Investment	78,153
Investments	1,943
Prepaid Expenses	<u>2,500</u>

TOTAL CURRENT ASSETS	<u>206,358</u>
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OTHER ASSETS

Property, Plant, and Equipment (Net)	305,837
Security Deposits	<u>16,833</u>

TOTAL OTHER ASSETS	<u>322,670</u>
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TOTAL ASSETS	<u><u>\$ 529,028</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 5,222
Advances	<u>117,945</u>

TOTAL LIABILITIES	<u>123,167</u>
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NET ASSETS

Without Donor Restrictions	322,771
With Donor Restrictions	<u>83,090</u>

TOTAL NET ASSETS	<u>405,861</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 529,028</u></u>
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The accompanying notes are an integral part of these financial statements.

DELAWARE REGIONAL DREAM CENTER INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(See Accountant's Compilation Report)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Grant Revenue	\$ 45,000	\$ 230,000	\$ 275,000
Contributions of Financial Assets	183,584	-	183,584
Contributions of Nonfinancial Assets	1,383,217	-	1,383,217
Investment Income	510	-	510
Other Income	1,395	-	1,395
	1,613,706	230,000	1,843,706
Net Assets Released from Restriction	218,594	(218,594)	-
TOTAL REVENUE AND OTHER SUPPORT	1,832,300	11,406	1,843,706
EXPENSES			
Program Services	1,649,892	-	1,649,892
Supporting Services			
Management and General	42,548	-	42,548
Fundraising	7,116	-	7,116
Total Supporting Services	49,664	-	49,664
TOTAL EXPENSES	1,699,556	-	1,699,556
CHANGE IN NET ASSETS	132,744	11,406	144,150
NET ASSETS - Beginning of Year	190,027	71,684	261,711
NET ASSETS - End of Year	\$ 322,771	\$ 83,090	\$ 405,861

The accompanying notes are an integral part of these financial statements.

DELAWARE REGIONAL DREAM CENTER INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023
(See Accountant's Compilation Report)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
EXPENSES				
Personnel Costs				
Salaries and Wages	\$ 80,646	\$ 28,802	\$ 5,760	\$ 115,208
Payroll Taxes	6,294	2,248	449	8,991
Total Personnel Costs	86,940	31,050	6,209	124,199
Advertising	-	-	907	907
Automobile	1,471	-	-	1,471
Charitable Contributions	27	-	-	27
Depreciation	44,597	-	-	44,597
Direct Assistance to Individuals	1,283	-	-	1,283
Direct Program Costs - Opioid Abatement	21,583	-	-	21,583
Direct Program Costs - Outreach	1,437,515	-	-	1,437,515
Information Technology	-	2,630	-	2,630
Insurance	-	742	-	742
Miscellaneous	557	-	-	557
Occupancy	53,862	-	-	53,862
Office Expenses	-	2,156	-	2,156
Professional Services	-	5,970	-	5,970
Volunteer Expense	2,057	-	-	2,057
TOTAL EXPENSES	<u>\$ 1,649,892</u>	<u>\$ 42,548</u>	<u>\$ 7,116</u>	<u>\$ 1,699,556</u>

The accompanying notes are an integral part of these financial statements.

DELAWARE REGIONAL DREAM CENTER INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
(See Accountant's Compilation Report)

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 144,150
Adjustments to Reconcile Change in Net Assets to Net Cash From Operating Activities	
Depreciation	44,597
Unrealized Gains	(494)
Contributions Received for Long-Term Purposes	(150,000)
Changes in Assets and Liabilities	
Security Deposits	(14,333)
Accounts Payable	<u>5,222</u>
NET CASH FROM OPERATING ACTIVITIES	<u>29,142</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	(143,642)
Reinvested Interest and Dividends	<u>(16)</u>
NET CASH FROM INVESTING ACTIVITIES	<u>(143,658)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Contributions Received for Long-Term Purposes	<u>150,000</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	35,484
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning of Year	<u>166,431</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - End of Year	<u><u>\$ 201,915</u></u>

The accompanying notes are an integral part of these financial statements.

DELAWARE REGIONAL DREAM CENTER INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Delaware Regional Dream Center Inc. (Organization) is a volunteer driven charitable organization that finds the forgotten and helps them build a firm foundation so they will flourish in life. The Organization provides community outreach to individuals by coordinating services and/or referrals that fulfill life's basic necessities. Thus, motivating those individuals to achieve a more fulfilled standard of living. The Organization creates, develops, and sustains programs to address the community's needs.

Basis of Accounting - The financial statements are presented on the accrual basis of accounting.

Financial Statement Presentation - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions, although their use may be limited by other factors, such as by contract or board designation. There were no board-designated net assets as of December 31, 2023.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restriction when the assets are placed in service.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Income Taxes - Delaware Regional Dream Center Inc. is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is not a private foundation.

Income not related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income. Accounting principles generally accepted in the United States of America impose a threshold for

DELAWARE REGIONAL DREAM CENTER INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes - Continued - determining when an income tax benefit can be recognized in regard to uncertain tax positions. The Organization has determined that no liability for uncertain tax positions is required to be accrued and included in the statement of financial position as of December 31, 2023.

The federal informational returns of the Organization for the years ended December 31, 2020, 2021, and 2022, are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with maturities of three months or less at the time acquired to be cash and cash equivalents.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation up to \$250,000. The Company has not experienced any losses in such accounts.

Cash - Restricted for Capital Investment - Cash restricted for capital investment consists of cash that is restricted for capital investment under certain contractual or donor-imposed restrictions.

Investments - Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment income is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Property, Plant, and Equipment - Property, plant, and equipment additions are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 40 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

DELAWARE REGIONAL DREAM CENTER INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property, Plant, and Equipment - Continued

The Organization reviews the carrying values of property, plant, and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2023.

As of December 31, 2023, property, plant, and equipment consisted of leasehold improvements and furniture, fixture and equipment. Property, plant, and equipment on the statement of financial position as of December 31, 2023, is net of accumulated depreciation of \$78,283.

Expense Allocation - The costs of program and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Those costs include personnel costs which have been allocated based on an estimate of time and costs where efforts are made.

Revenue Recognition for Contributions and Grants - Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Amounts received prior to fulfilling certain performance requirements or other conditions are reported as conditional grants in the statement of financial position.

Contributed Nonfinancial Assets - Contributed nonfinancial assets include donated food and items which are recorded at fair value at the date of donation. The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute time to program services and administrative activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Advertising - Advertising costs are expensed as incurred.

DELAWARE REGIONAL DREAM CENTER INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value - The Organization follows the provisions of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 820, *Fair Value Measurements and Disclosure*. Under FASB ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. FASB ASC 820 establishes a fair value 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.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted market prices that are readily and regularly available in an active market, it does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

As of December 31, 2023, the Organization's investments consisted of mutual funds categorized as a Level 1 investment.

Subsequent Events - The Organization's policy is to evaluate events and transactions subsequent to its year end for potential recognition in the financial statements or disclosure in the notes to the financial statements. Management has evaluated events and transactions through the date of the accountant's compilation report, which was the date the financial statements were available to be issued.

DELAWARE REGIONAL DREAM CENTER INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

NOTE 2: AVAILABILITY AND LIQUIDITY

The following reflects the Organization's financial assets as of the date of the statement of financial position, reduced by the amounts not available for general use because of contractual, board-designated, or donor-imposed restrictions within one year of the statement of financial position date:

Financial Assets	
Cash and Cash Equivalents	\$ 123,762
Cash Restricted for Capital	78,153
Investments	<u>1,943</u>
Total Financial Assets	203,858
Less: Amounts Not Available for General Expenditures Within One Year	
Cash Restricted for Capital	78,153
Amounts Restricted by Donors for Specific Purposes	<u>4,937</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 120,768</u></u>

The Organization will generally structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 3: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31, 2023:

Capital Expenditures	\$ 78,153
Opioid Abatement	<u>4,937</u>
	<u><u>\$ 83,090</u></u>

NOTE 4: INVESTMENT INCOME

Investment income consisted of the following for the year ended December 31, 2023:

Interest and Dividends	\$ 16
Unrealized Gains	<u>494</u>
Total Investment Income	<u><u>\$ 510</u></u>

DELAWARE REGIONAL DREAM CENTER INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

NOTE 4: INVESTMENT INCOME - CONTINUED

There were \$0 in investment fees during the year ended December 31, 2023.

NOTE 5: ADVANCES

The Organization received an advance from Parkview Assembly of God, Inc. prior to January 1, 2023, totaling approximately \$150,000. The advance is interest free and has no restated payment terms. The Organization is not recognizing implied interest. As of December 31, 2023, \$117,945 was due to Parkview Assembly of God, Inc.

NOTE 6: CONDITIONAL CONTRIBUTIONS

As of December 31, 2023, contributions totaling \$20,000 have not been recognized by the Organization in the accompanying statement of activities because the conditions on which they depend have not yet been met.

NOTE 7: LEASES

The Organization entered into a facility lease agreement during 2021. The lease agreement expires during 2026 and requires monthly rental payments of \$5,208 beginning October 2021. Monthly rental payments increase approximately 3% every 12 months. During 2023, the Organization subleased a portion of the leased facility to Parkview Assembly of God, Inc., and another tenant.

During 2023, Parkview Assembly of God, Inc. began subleasing its leased premises to the Organization. Under terms of the subleasing arrangement, the Organization disbursed \$14,333 as a security deposit and \$9,613 as rent expense during the year ended December 31, 2023.

Total rent expense recorded in the statement of activities during the year ended December 31, 2023, totaled \$41,376, and was net of all subleasing arrangements.

Minimum future lease payments under non-cancelable leases, excluding all subleasing activity, as of December 31, 2023, is as follows:

2024	\$	66,849
2025		68,865
2026		<u>52,803</u>
	\$	<u><u>188,517</u></u>

DELAWARE REGIONAL DREAM CENTER INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

NOTE 8: CONTRIBUTIONS OF NONFINANCIAL ASSETS

For the year ended December 31, 2023, contributed nonfinancial assets recognized within the statement of activities consisted of the following:

Description	Amount	Utilization in Program	Donor Restrictions	Valuation Technique and Inputs
Food	\$ 928,018	Direct Assistance	None	Estimates of retail value that would be received for selling similar products in the United States or based upon values provided by third parties.
Goods	<u>455,199</u>	Direct Assistance	None	Estimates of retail value that would be received for selling similar products in the United States or based upon values provided by third parties.
Total Contributed Nonfinancial Assets	<u>\$ 1,383,217</u>			

NOTE 9: RELATED PARTIES

The Organization's President also serves as the Pastor of Parkview Assembly of God, Inc. In addition to the activity described in Notes 5 and 7 to the financial statements, Parkview Assembly of God, Inc. directly contributes to the Organization and acts as an intermediary by facilitating donations between individuals and the Organization. During the year ended December 31, 2023, the Organization received approximately \$73,000 directly from Parkview Assembly of God, Inc.

NOTE 10: CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The following is a summary of cash, cash equivalents, and restricted cash reported within the statement of financial position reported on the statement of cash flows as of and for the year ended December 31, 2023:

Cash and Cash Equivalents	\$ 123,762
Cash - Restricted for Capital Investment	<u>78,153</u>
	<u>\$ 201,915</u>