

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Fun Time Early Childhood Academy, Inc.
Naples, Florida

We have audited the accompanying financial statements of Fun Time Early Childhood Academy, Inc. (the Academy), a nonprofit corporation, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Fun Time Early Childhood Academy, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Academy as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
September 25, 2020

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 457,269	\$ 513,523
Certificates of Deposit	124,788	124,725
Accounts Receivable	3,138	479
Grants Receivable	17,315	50,940
Prepaid Expenses	32,920	25,888
Beneficial Interests in Assets Held by Others	2,881,740	2,659,492
Donated Use of Land	457,377	462,609
Property and Equipment, Net	1,497,539	1,565,835
Total Assets	\$ 5,472,086	\$ 5,403,491
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 87,287	\$ 74,925
Long Term Debt	189,187	-
Total Liabilities	276,474	74,925
NET ASSETS		
Without Donor Restrictions:		
Invested in Capital Assets	1,497,539	1,565,835
Board-Designated	2,324,630	2,074,677
Undesignated	905,093	1,193,460
With Donor Restrictions	468,350	494,594
Total Net Assets	5,195,612	5,328,566
Total Liabilities and Net Assets	\$ 5,472,086	\$ 5,403,491

See accompanying Notes to Financial Statements.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Contributions	\$ 382,840	\$ 10,973	\$ 393,813	\$ 381,108	\$ -	\$ 381,108
Assisted Tuition Income	287,238	-	287,238	354,929	-	354,929
Grants	260,529	-	260,529	328,909	-	328,909
Special Events:						
Revenue, Net	300,332	-	300,332	287,109	-	287,109
Childcare Fees	161,181	-	161,181	227,298	-	227,298
Other Revenue	35,076	-	35,076	92,118	-	92,118
Total Support and Revenues	<u>1,427,196</u>	<u>10,973</u>	<u>1,438,169</u>	<u>1,671,471</u>	<u>-</u>	<u>1,671,471</u>
Net Assets Released from Restriction	<u>37,217</u>	<u>(37,217)</u>	<u>-</u>	<u>25,169</u>	<u>(25,169)</u>	<u>-</u>
Total Support, Revenues, and Reclassifications	1,464,413	(26,244)	1,438,169	1,696,640	(25,169)	1,671,471
EXPENSES						
Program Services	1,285,834	-	1,285,834	1,289,318	-	1,289,318
Management and General	227,469	-	227,469	226,797	-	226,797
Fundraising	57,820	-	57,820	59,252	-	59,252
Total Expenses	<u>1,571,123</u>	<u>-</u>	<u>1,571,123</u>	<u>1,575,367</u>	<u>-</u>	<u>1,575,367</u>
CHANGE IN NET ASSETS	(106,710)	(26,244)	(132,954)	121,273	(25,169)	96,104
Net Assets - Beginning of Year	<u>4,833,972</u>	<u>494,594</u>	<u>5,328,566</u>	<u>4,712,699</u>	<u>519,763</u>	<u>5,232,462</u>
NET ASSETS - END OF YEAR	<u>\$ 4,727,262</u>	<u>\$ 468,350</u>	<u>\$ 5,195,612</u>	<u>\$ 4,833,972</u>	<u>\$ 494,594</u>	<u>\$ 5,328,566</u>

See accompanying Notes to Financial Statements.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020				2019			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Bank Charges	\$ 3,629	\$ 191	\$ -	\$ 3,820	\$ 4,380	\$ 231	\$ -	\$ 4,611
Continuing Education	8,955	1,531	-	10,486	12,246	266	-	12,512
Depreciation	70,445	7,827	-	78,272	77,260	8,584	-	85,844
Employee Benefits	112,748	12,812	2,562	128,122	115,445	13,119	2,624	131,188
Fundraising Expenses	-	-	36,389	36,389	-	-	37,288	37,288
Gala Expenses	-	-	67,889	67,889	-	-	66,705	66,705
Insurance	19,932	2,215	-	22,147	19,269	2,141	-	21,410
Occupancy	4,709	523	-	5,232	4,709	523	-	5,232
Office Expense	16,133	849	-	16,982	10,780	77,194	-	87,974
Professional Fees	4,689	104,065	1,029	109,783	2,294	21,212	477	23,983
Repairs and Maintenance	53,056	5,895	-	58,951	60,615	6,735	-	67,350
Salaries and Related Expenses	732,209	77,249	15,450	824,908	746,761	81,468	16,294	844,523
Payroll Tax and Admin Fees	105,174	11,952	2,390	119,516	113,018	12,843	2,569	128,430
Supplies	132,915	-	-	132,915	100,210	-	-	100,210
Utilities	21,240	2,360	-	23,600	22,331	2,481	-	24,812
Total Expenses	1,285,834	227,469	125,709	1,639,012	1,289,318	226,797	125,957	1,642,072
Less: Special Event Expenses	-	-	(67,889)	(67,889)	-	-	(66,705)	(66,705)
Total Expenses	<u>\$ 1,285,834</u>	<u>\$ 227,469</u>	<u>\$ 57,820</u>	<u>\$ 1,571,123</u>	<u>\$ 1,289,318</u>	<u>\$ 226,797</u>	<u>\$ 59,252</u>	<u>\$ 1,575,367</u>

See accompanying Notes to Financial Statements.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (132,954)	\$ 96,104
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	78,272	85,844
Loss from Disposal of Asset	-	1,105
Change in Beneficial Interest in Assets Held by Others	27,752	(90,407)
Amortization of Donated Use of Land	5,232	5,232
(Increase) Decrease in:		
Accounts Receivable	(2,659)	405
Prepaid Expenses	(7,032)	(502)
Grants Receivable	33,625	(27,536)
Increase in:		
Accounts Payable and Accrued Expenses	12,362	6,728
Net Cash Provided by Operating Activities	14,598	76,973
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Certificates of Deposit	(61,217)	(103,436)
Proceeds from Redemption of Certificates of Deposit	61,154	87,297
Purchases of Property and Equipment	(9,976)	(52,897)
Beneficial Interests in Assets Held by Others	(250,000)	-
Net Cash Used by Investing Activities	(260,039)	(69,036)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Debt Issuance	189,187	-
Net Cash Provided by Financing Activities	189,187	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(56,254)	7,937
Cash and Cash Equivalents - Beginning of Year	513,523	505,586
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 457,269	\$ 513,523

See accompanying Notes to Financial Statements.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Fun Time Early Childhood Academy, Inc. (the Academy) is a nonprofit corporation organized in the state of Florida in May 1962 as Fun Time Nursery, Inc. The Academy changed its name during 2004 to more appropriately reflect the degree of services the Academy provides to its youth. Its purpose is to provide safe affordable day care and to promote an early learning experience to prepare children for their entrance into the school system. The Academy is accredited under the National Accreditation Commission for Early Care and Education Programs. It has adopted an additional Early Learning Literacy Model program to challenge its students to achieve standards exceeding the basic requirements of the school system.

Basis of Accounting

The Academy's financial statements have been prepared on the accrual basis of accounting, which recognizes revenues when earned and expenses as incurred.

Financial Statement Presentation

Net assets and revenues, gains and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Academy and changes therein are classified and reported as follows:

Without Donor Restrictions – Resources over which the board of directors (board) has discretionary control. Designated amounts represent those revenues, which the board has set aside for a particular purpose.

Net Assets with Donor Restriction – Time Restricted for Future Periods or Purpose – Those resources subject to donor-imposed restrictions, which will be satisfied by actions of the Academy or passage of time.

Net Assets with Donor Restriction into Perpetuity – Those resources subject to donor-imposed restrictions or law to be maintained by the Academy in perpetuity. There were no net assets with donor restriction into perpetuity at June 30, 2020 and 2019.

Liquidity

Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Academy considers all unrestricted demand deposits, money market funds, and short-term investments with an original maturity of three months or less to be cash equivalents. The Academy maintains bank accounts with balances, which, at times, may exceed federally insured limits.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Academy categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the valuation methodologies used at June 30, 2020 and 2019.

The Academy also follows the fair value option for newly acquired financial assets and liabilities standard. This standard allows entities the irrevocable option to elect fair value for certain newly acquired financial assets and liabilities on a contract-by-contract basis. The Academy has not elected to measure any newly acquired financial instruments at fair value at June 30, 2020 as permitted. However, the Academy may elect to measure newly acquired financial instruments at fair value in the future.

Property and Equipment

The Academy records equipment at cost when purchased or at fair market value when donated. Donated assets are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Academy reports expirations of donor use restrictions when the funds are expended. 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.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

The Academy capitalizes expenditures for personal property and betterments over \$1,000 and uses the straight-line method of depreciation calculated over the estimated useful life of the asset, ranging from five to seven years for furniture and equipment, and forty years for buildings and improvements.

Contributions

Contributions are recognized when the donor makes the donation to the Academy. All donor-restricted contributions are reported as increases in with or without donor restricted net assets depending on the nature of the restrictions. Contributions with donor restrictions are reported as net assets with donor restrictions and are then reclassified to net assets without donor restrictions upon expiration of the time or use restriction. However, contributions with donor restrictions whose restrictions are met in the same reporting period are shown as net assets without donor restrictions.

Contributed services and facilities meeting the requirement for recognition in the financial statements are recorded at the fair market value of professional services and facilities rendered. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Academy in membership services, committee assignments, and fundraising which do not meet the requirements for recognition in the financial statements.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. During the years ended June 30, 2020 and 2019, management performed an analysis of its accounts receivable and determined no amounts were uncollectible at June 30, 2020 and 2019.

Beneficial Interests in Assets Held by Others

Beneficial interests in assets held by others are recorded at fair value. Interest income and market value change earned on the beneficial interest is recorded in the Academy's statements of activities.

Income Taxes

The Internal Revenue Service has determined the Academy to be exempt from income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3) and the Academy is classified as other than a private foundation within the meaning of Section 509(a) of the IRC. Accordingly, no provision for income taxes has been made in these financial statements.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Academy follows the income tax standard regarding the recognition and measurement of uncertain tax positions. This guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. The implementation of this standard had no impact on the Academy's financial statements.

Functional Expenses

The costs of providing program and support services have been summarized on a functional basis in the statement of activities. The expenses are charged directly to program or support services based on management's estimate of resources expended. Salary expenses are allocated based on estimated time spent for each function. Occupancy costs are allocated based on space usage.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain 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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Evaluation of Subsequent Events

In preparing these financial statements, the Academy has evaluated events and transactions for potential recognition or disclosure through September 25, 2020, the date the financial statements were available to be issued.

New Accounting Pronouncements – ASU 2018-08

The Academy adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. There was no material impact on the Academy's financial position or change in net assets upon adoption of the new standard.

New Accounting Pronouncements – ASU 2014-09

The FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which affects contracts with customers to transfer goods or services and contracts for the transfer of nonfinancial assets. The core principle of this Update is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the good or services. This Update requires entities to make new judgments and estimates and provide expanded disclosures about revenue. This Update is effective for the Academy's coming fiscal year. The Academy is currently evaluating the impact of the adoption of the new standard on the financial statements.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Program Fees	\$ 3,138	\$ 479
Less: Allowance for Uncollectible Amounts	-	-
Total	<u>\$ 3,138</u>	<u>\$ 479</u>

NOTE 3 CERTIFICATES OF DEPOSIT

Certificates of deposit consisted of the following at June 30, 2020:

<u>Maturity Date</u>	<u>Value</u>	<u>Rate</u>
07/28/2020	\$ 15,162	0.10 %
11/01/2020	20,598	0.10
11/30/2020	15,000	2.45
12/18/2020	15,326	0.20
02/13/2021	26,551	2.57
03/12/2021	10,131	0.20
09/12/2022	22,020	0.90
Total	<u>\$ 124,788</u>	

Certificates of deposit consisted of the following at June 30, 2019:

<u>Maturity Date</u>	<u>Value</u>	<u>Rate</u>
08/03/2019	\$ 15,146	0.01 %
12/01/2019	20,580	1.39
12/18/2019	15,318	0.20
03/12/2020	10,110	0.20
11/30/2020	15,000	0.20
02/13/2021	26,551	0.15
09/12/2022	22,020	1.54
Total	<u>\$ 124,725</u>	

NOTE 4 GRANTS RECEIVABLE

Grants receivable consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Assisted Tuition Income	\$ 17,315	\$ 35,027
Food Program	-	15,913
Total	<u>\$ 17,315</u>	<u>\$ 50,940</u>

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

For investment purposes, the Academy holds funds at the Community Foundation of Collier County. The Community Foundation of Collier County holds variance power over the funds and is holding the funds for the benefit of the Academy. Future benefits of these funds remain on the books of the Academy as the funds were originally donated by the Academy. The amounts are recorded at fair value at June 30, 2020. The balances at June 30 were as follows:

	<u>2020</u>	<u>2019</u>
50 More Years Fund	\$ 2,743,592	\$ 2,519,780
Building Capital Reserve Fund	131,854	133,347
50 More Years Fund II	6,294	6,365
Total	<u>\$ 2,881,740</u>	<u>\$ 2,659,492</u>

NOTE 6 FAIR VALUE

The Academy uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. For additional information on how the Academy measures fair value refer to Note 1 – Summary of Significant Accounting Policies. The following tables set forth by level, within the fair value hierarchy, the Academy's assets at fair value as of June 30:

	<u>2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Beneficial Interests in				
Assets Held by Others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,881,740</u>	<u>\$ 2,881,740</u>
	<u>2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Beneficial Interests in				
Assets Held by Others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,659,492</u>	<u>\$ 2,659,492</u>

The following table sets forth a summary of changes in the fair value of the Academy's Level 3 assets for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Balance - Beginning of Year	\$ 2,659,492	\$ 2,569,085
Interest Income and Gains (Losses)	(27,752)	90,407
Purchases	250,000	-
Balance - End of Year	<u>\$ 2,881,740</u>	<u>\$ 2,659,492</u>

Beneficial interest in assets held by others is measured at fair value with a valuation technique utilizing market prices at the close of the last business day for the statement period, provided by the Community Foundation of Collier County.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 7 PROPERTY AND EQUIPMENT, NET

Property and equipment, net at June 30 consisted of the following:

	<u>2020</u>	<u>2019</u>
Building	\$ 2,058,441	\$ 2,048,465
Furniture, Fixtures, and Equipment	487,470	487,470
Total	<u>2,545,911</u>	<u>2,535,935</u>
Less: Accumulated Depreciation	<u>(1,048,372)</u>	<u>(970,100)</u>
Total Property and Equipment, Net	<u>\$ 1,497,539</u>	<u>\$ 1,565,835</u>

Depreciation expense for the years ended June 30, 2020 and 2019 totaled \$78,272 and \$85,844, respectively.

NOTE 8 BOARD-DESIGNATED NET ASSETS

The board has designated the following funds for future building maintenance expenses and for the establishment of the 50 More Years Fund and 50 More Years Fund II:

	<u>2020</u>	<u>2019</u>
Building Capital Reserve Fund	\$ 103,380	\$ 103,427
50 More Years Fund	2,216,250	1,966,250
50 More Years Fund II	5,000	5,000
Total	<u>\$ 2,324,630</u>	<u>\$ 2,074,677</u>

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are comprised of the following at June 30:

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specified Purpose:		
Donated Use of Land	\$ 457,377	\$ 462,609
PATCH and School Programs	3,473	31,985
Purchase of Specified Capital Assets	7,500	-
Total	<u>\$ 468,350</u>	<u>\$ 494,594</u>

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 10 DONATED FUTURE USE OF PROPERTY

The Academy is located on land owned by the Collier County School Board, the use of which has been granted to the Academy for the term of the 99-year lease at the expense of \$1 per year. As is required by U.S. GAAP, the Academy has recognized the fair market value of the donated land, totaling \$517,518 as a time restricted contribution during the year ended June 30, 2009. This contribution will be recognized as an increase in net assets without donor restrictions evenly on an annual basis over the 99-year life of the lease. The amounts reclassified to net assets without donor restrictions for the years ended June 30, 2020 and 2019 was \$5,232 and \$5,232, respectively.

NOTE 11 SPECIAL EVENTS REVENUE

Special events revenue is comprised of the following at June 30:

	2020	2019
Special Event Revenue	\$ 368,221	\$ 353,814
Special Event Expenses	(67,889)	(66,705)
Total	\$ 300,332	\$ 287,109

NOTE 12 ASSISTED TUITION REVENUE – EARLY CHILDHOOD EDUCATION SERVICES

The Academy receives funding from several local charitable organizations for the purpose of subsidizing early childhood education and tuition services for qualifying children. The funds are in the form of subsidies to the normal tuition fees charged. The Academy recognizes assisted tuition revenue to the extent that it meets the requirements under the contracts and performance has been completed. The revenue received under assisted tuition contracts for which expenses have already been incurred are reported as increases in net assets without donor restrictions. During the years ended June 30, 2020 and 2019, the Academy recognized assisted tuition revenue totaling \$287,238 and \$354,929, respectively, from early childhood education and tuition service contracts.

NOTE 13 CONCENTRATIONS

The Academy has been the beneficiary of contributions from one grantor totaling \$157,000 and two grantors \$181,590 for the years ended June 30, 2020 and 2019, respectively. It is at least reasonably possible, in the near term, that the Academy may lose funding under these contracts, and that this may have a material effect on the financial statements. The funding from the grantors represented approximately 15% and 17% at June 30, 2020 and 2019, respectively, of the Academy's total revenue for the fiscal years.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 14 DEFERRED IMPACT FEES

During September 2007, the Academy entered into an agreement with Collier County for the deferral of impact fees totaling \$79,304. The impact fees will be deferred so long as the Academy utilizes the subject property in the manner set forth in the agreement. Should the stated use end or the Academy lose its eligibility under the Charitable Academy Impact Fee Deferral Program, the deferral period will end and the full impact fees will be due and owed. These deferred impact fees will not be reflected in the Academy's financial statements unless they become due and payable.

NOTE 15 RELATED PARTY TRANSACTIONS

The Academy received contributions from board members totaling \$74,771 and \$53,127 during the years ended June 30, 2020 and 2019, respectively.

NOTE 16 LIQUIDITY AND AVAILABILITY

The Academy regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Academy considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

	2020	2019
Cash and Cash Equivalents	\$ 457,269	\$ 513,523
Certificates of Deposit	124,788	124,725
Accounts Receivable	3,138	479
Less: With Donor Restrictions	(10,973)	(31,985)
Total	\$ 574,222	\$ 606,742

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 17 LONG-TERM DEBT

Paycheck Protection Program Loan

In April 2020 the Academy received a loan granted by the U.S. Small Business Administration (SBA) in the amount of \$189,187 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Academy fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the Academy will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in November 2020 principal and interest payments will be required through the maturity date in April 2022.

NOTE 18 RISK AND UNCERTAINTY

Prior to year-end, a pandemic of the Corona Virus (COVID-19) was declared by the World Health Organization. As a result of the pandemic, both domestic and international equity markets have experienced significant volatility since June 30, 2020. As of September 25, 2020, the amount and likelihood of loss relating to these events is not determined. In preparing these financial statements, the Academy has evaluated events and transactions for potential recognition or disclosure, the date the financial statements were available to be issued.