

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021



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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Academy as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

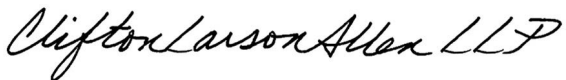
Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' 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 GAAS 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 GAAS, 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 Fun Time Early Childhood Academy, 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 Fun Time Early Childhood Academy, 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.



CliftonLarsonAllen LLP

Naples, Florida
October 4, 2022

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Cash and Cash Equivalents	\$ 677,774	\$ 403,811
Certificates of Deposit	42,933	127,240
Accounts Receivable	-	1,928
Grants Receivable	37,666	33,422
Prepaid Expenses	30,826	24,969
Beneficial Interests in Assets Held by Others	3,234,355	3,867,524
Donated Use of Land	446,913	452,145
Property and Equipment, Net	1,480,118	1,435,216
Total Assets	\$ 5,950,585	\$ 6,346,255
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 167,415	\$ 90,609
NET ASSETS		
Without Donor Restrictions:		
Invested in Capital Assets	1,480,118	1,435,216
Board-Designated	2,304,250	2,337,956
Undesignated	1,541,006	2,029,633
With Donor Restrictions	457,796	452,841
Total Net Assets	5,783,170	6,255,646
Total Liabilities and Net Assets	\$ 5,950,585	\$ 6,346,255

See accompanying Notes to Financial Statements.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Contributions	\$ 561,620	\$ 46,076	\$ 607,696	\$ 472,994	\$ -	\$ 472,994
Assisted Tuition Income	348,227	-	348,227	200,634	-	200,634
Grants	304,040	-	304,040	238,540	-	238,540
Special Events:						
Revenue, Net	406,126	-	406,126	258,673	-	258,673
Childcare Fees	211,180	-	211,180	163,422	-	163,422
Change in Value of Beneficial Interests in Assets Held by Others	(599,169)	-	(599,169)	985,783	-	985,783
Other Revenue	5,767	-	5,767	399,915	-	399,915
Total Support and Revenues	<u>1,237,791</u>	<u>46,076</u>	<u>1,283,867</u>	<u>2,719,961</u>	<u>-</u>	<u>2,719,961</u>
Net Assets Released from Restriction	<u>41,121</u>	<u>(41,121)</u>	<u>-</u>	<u>15,509</u>	<u>(15,509)</u>	<u>-</u>
Total Support, Revenues, and Releases from Restriction	1,278,912	4,955	1,283,867	2,735,470	(15,509)	2,719,961
EXPENSES						
Program Services	1,505,925	-	1,505,925	1,381,162	-	1,381,162
Management and General	189,178	-	189,178	213,454	-	213,454
Fundraising	61,240	-	61,240	65,312	-	65,312
Total Expenses	<u>1,756,343</u>	<u>-</u>	<u>1,756,343</u>	<u>1,659,927</u>	<u>-</u>	<u>1,659,927</u>
CHANGE IN NET ASSETS	(477,431)	4,955	(472,476)	1,075,543	(15,509)	1,060,034
Net Assets - Beginning of Year	<u>5,802,805</u>	<u>452,841</u>	<u>6,255,646</u>	<u>4,727,262</u>	<u>468,350</u>	<u>5,195,612</u>
NET ASSETS - END OF YEAR	<u>\$ 5,325,374</u>	<u>\$ 457,796</u>	<u>\$ 5,783,170</u>	<u>\$ 5,802,805</u>	<u>\$ 452,841</u>	<u>\$ 6,255,646</u>

See accompanying Notes to Financial Statements.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022				2021			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Bank Charges	\$ 8,019	\$ 422	\$ -	\$ 8,441	\$ 7,334	\$ 386	\$ -	\$ 7,720
Continuing Education	8,905	739	-	9,644	2,616	654	-	3,270
Depreciation	67,149	7,461	-	74,610	66,527	7,392	-	73,919
Loss on Disposition of Assets	1,815	95	-	1,910	-	-	-	-
Employee Benefits	133,260	17,045	4,649	154,954	123,748	15,828	4,317	143,893
Fundraising Expenses	-	-	28,658	28,658	-	-	32,086	32,086
Insurance	33,487	3,721	-	37,208	28,652	3,184	-	31,836
Occupancy	4,709	523	-	5,232	4,709	523	-	5,232
Office Expense	19,351	1,019	-	20,370	24,795	1,305	-	26,100
Professional Fees	3,091	30,764	687	34,542	3,257	72,765	724	76,745
Repairs and Maintenance	68,504	7,612	-	76,116	82,457	9,162	-	91,619
Salaries and Related Expenses	890,274	100,072	23,954	1,014,300	763,062	84,390	25,464	872,915
Special Event Expenses	-	-	91,490	91,490	-	-	51,941	51,941
Payroll Tax and Admin Fees	144,852	16,460	3,292	164,604	119,746	13,608	2,722	136,075
Supplies	96,454	350	-	96,804	130,172	1,582	-	131,754
Utilities	26,055	2,895	-	28,950	24,087	2,676	-	26,763
Total Expenses	1,505,925	189,178	152,730	1,847,833	1,381,162	213,454	117,253	1,711,868
Less: Special Event Expenses	-	-	(91,490)	(91,490)	-	-	(51,941)	(51,941)
Total Expenses	<u>\$ 1,505,925</u>	<u>\$ 189,178</u>	<u>\$ 61,240</u>	<u>\$ 1,756,343</u>	<u>\$ 1,381,162</u>	<u>\$ 213,454</u>	<u>\$ 65,312</u>	<u>\$ 1,659,927</u>

See accompanying Notes to Financial Statements.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (472,476)	\$ 1,060,034
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Paycheck Protection Program Loan Forgiveness	-	(393,729)
Depreciation	74,610	73,919
Change in Beneficial Interest in Assets Held by Others	633,169	(985,784)
Amortization of Donated Use of Land	5,232	5,232
(Increase) Decrease in:		
Accounts Receivable	1,928	1,210
Prepaid Expenses	(5,857)	7,951
Grants Receivable	(4,244)	(16,107)
Increase in:		
Accounts Payable and Accrued Expenses	76,806	3,322
Net Cash Provided (Used) by Operating Activities	311,078	(243,952)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Certificates of Deposit	-	(105,220)
Proceeds from Redemption of Certificates of Deposit	84,307	102,768
Purchases of Property and Equipment	(121,422)	(11,596)
Net Cash Used by Investing Activities	(37,115)	(14,048)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Debt Issuance	-	204,542
Net Cash Provided by Financing Activities	-	204,542
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	273,963	(53,458)
Cash and Cash Equivalents - Beginning of Year	403,811	457,269
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 677,774	\$ 403,811

See accompanying Notes to Financial Statements.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 and 2021.

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, 2022 AND 2021

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, 2022 and 2021.

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, 2022. 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, 2022 AND 2021

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 and Grants

The Academy recognizes contributions and grants as revenue when they are received or unconditionally pledged and records these revenues as with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions. Conditional contributions or promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

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

Childcare Fees

Revenue from childcare fees is recognized to the extent that it meets the requirements under the contracts and performance has been completed.

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.

Accounts receivable as of June 30, 2022, 2021, and 2020 were \$-0-, \$1,928, and \$3,138, respectively. During each of these years, management performed an analysis of its accounts receivable and determined no amounts were uncollectible.

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.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Reclassifications

Certain items from the prior year have been reclassified to conform with the current year presentation. The reclassifications did not affect net assets.

Evaluation of Subsequent Events

In preparing these financial statements, the Academy has evaluated events and transactions for potential recognition or disclosure through October 4, 2022, the date the financial statements were available to be issued.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 CERTIFICATES OF DEPOSIT

Certificates of deposit consisted of the following at June 30, 2022:

<u>Maturity Date</u>	<u>Value</u>	<u>Rate</u>
September 12, 2022	\$ 22,200	0.90 %
October 1, 2022	20,733	0.25
Total	<u>\$ 42,933</u>	

Certificates of deposit consisted of the following at June 30, 2021:

<u>Maturity Date</u>	<u>Value</u>	<u>Rate</u>
July 23, 2021	\$ 15,168	0.05 %
October 1, 2021	20,617	0.25
December 18, 2021	15,357	0.20
January 30, 2022	15,794	0.40
March 12, 2022	10,151	0.02
September 12, 2022	22,020	0.90
May 13, 2023	28,133	2.57
Total	<u>\$ 127,240</u>	

NOTE 3 GRANTS RECEIVABLE

Grants receivable consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Assisted Tuition Income	\$ 28,512	\$ 25,621
Food Program	9,154	7,801
Total	<u>\$ 37,666</u>	<u>\$ 33,422</u>

NOTE 4 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, 2022. The balances at June 30 were as follows:

	<u>2022</u>	<u>2021</u>
50 More Years Fund	\$ 3,106,139	\$ 3,681,961
Building Capital Reserve Fund	121,084	177,109
50 More Years Fund II	7,132	8,454
Total	<u>\$ 3,234,355</u>	<u>\$ 3,867,524</u>

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 5 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:

	2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Beneficial Interests in Assets Held by Others	\$ -	\$ -	\$ 3,234,355	\$ 3,234,355
	2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Beneficial Interests in Assets Held by Others	\$ -	\$ -	\$ 3,867,524	\$ 3,867,524

The following tables set forth a description of the valuation technique and summary of changes in the fair value of the Academy’s Level 3 assets for the years ended June 30:

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2022	2021		
Beneficial Interest in Assets	\$ 3,234,355	\$ 3,867,524	Market Price at Close of Business	Amount and Timing of Distributions from Community Foundation
			2022	2021
Balance - Beginning of Year			\$ 3,867,524	\$ 2,881,740
Interest Income and Gains (Losses)			(599,169)	985,784
Withdrawals			(34,000)	-
Balance - End of Year			\$ 3,234,355	\$ 3,867,524

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6 PROPERTY AND EQUIPMENT, NET

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

	<u>2022</u>	<u>2021</u>
Building	\$ 2,140,791	\$ 2,058,441
Furniture, Fixtures, and Equipment	500,322	496,874
Total	2,641,113	2,555,315
Less: Accumulated Depreciation	(1,160,995)	(1,120,099)
Total Property and Equipment, Net	<u>\$ 1,480,118</u>	<u>\$ 1,435,216</u>

Depreciation expense for the years ended June 30, 2022 and 2021 totaled \$74,610 and \$73,919, respectively.

NOTE 7 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>2022</u>	<u>2021</u>
Building Capital Reserve Fund	\$ 83,000	\$ 116,706
50 More Years Fund	2,216,250	2,216,250
50 More Years Fund II	5,000	5,000
Total	<u>\$ 2,304,250</u>	<u>\$ 2,337,956</u>

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending Balance</u>
Subject to Expenditure for Specified Purpose:				
Donated Use of Land	\$ 452,145	\$ -	\$ 5,232	\$ 446,913
PATCH and School Programs	-	8,000	5,948	2,052
Purchase of Specified Capital Assets	696	-	696	-
Workforce Initiative	-	38,076	29,245	8,831
Total	<u>\$ 452,841</u>	<u>\$ 46,076</u>	<u>\$ 41,121</u>	<u>\$ 457,796</u>

	<u>2021</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending Balance</u>
Subject to Expenditure for Specified Purpose:				
Donated Use of Land	\$ 457,377	\$ -	\$ 5,232	\$ 452,145
PATCH and School Programs	3,473	-	3,473	-
Purchase of Specified Capital Assets	7,500	-	6,804	696
Total	<u>\$ 468,350</u>	<u>\$ -</u>	<u>\$ 15,509</u>	<u>\$ 452,841</u>

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 9 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 amount of \$5,232 was reclassified to net assets without donor restrictions in each of the years ended June 30, 2022 and 2021.

NOTE 10 SPECIAL EVENTS REVENUE

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

	<u>2022</u>	<u>2021</u>
Special Event Revenue	\$ 497,616	\$ 310,614
Special Event Expenses	(91,490)	(51,941)
Total	<u>\$ 406,126</u>	<u>\$ 258,673</u>

NOTE 11 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, 2022 and 2021, the Academy recognized assisted tuition revenue totaling \$348,227 and 200,634, respectively, from early childhood education and tuition service contracts.

NOTE 12 CONCENTRATIONS

Approximately 46% and 66% of total grant revenues was received from one grantor at June 30, 2022 and 2021, 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.

FUN TIME EARLY CHILDHOOD ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 13 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 14 RELATED PARTY TRANSACTIONS

The Academy received contributions from board members totaling \$104,543 and \$97,315 during the years ended June 30, 2022 and 2021, respectively.

NOTE 15 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:

	2022	2021
Cash and Cash Equivalents	\$ 677,774	\$ 403,811
Certificates of Deposit	42,933	127,240
Accounts Receivable	-	1,928
Less: With Donor Restrictions	(457,796)	(452,841)
Total	\$ 262,911	\$ 80,138