

FUNDACIÓN ATENCIÓN ATENCIÓN, INC.
COMPILED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Fundación Atención Atención, Inc.
San Juan, Puerto Rico

Management is responsible for the accompanying financial statements of **Fundación Atención Atención, Inc.** (a nonprofit organization) which comprise the statement of financial position as of December 31, 2020, and the related statements of changes in net assets, statement of cash flows and statement of functional expenses 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.

Jun 23, 2021
San Juan, Puerto Rico



LRPSC

FUNDACIÓN ATENCIÓN ATENCIÓN, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020
(See accountant's compilation report)

ASSETS

Cash	\$	20,942
Restricted cash		74,732
Pledge receivable		11,000
Prepaid expenses		1,629
		108,303
Total assets	\$	108,303

LIABILITIES AND NET ASSETS

Accrued expenses	\$	6,599
Total liabilities		6,599

Net Assets:

Without donor restrictions		
Undesignated		15,972
With donor restrictions		85,732
Total net assets		101,704
Total liabilities and net assets	\$	108,303

FUNDACIÓN ATENCIÓN ATENCIÓN, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020
(See accountant's compilation report)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenues and other support:			
Contributions	\$ 15,067	\$ 162,000	\$ 177,067
Fundraising	17,615		17,615
Donations (in kind and non cash)	20,881		20,881
Other income	1,306		1,306
Net Assets released from restrictions			
Satisfaction of purpose restrictions	76,268	(76,268)	-
	<u>131,137</u>	<u>85,732</u>	<u>216,869</u>
Expenses:			
Program Expenses			
Play = Learning	4,534		4,534
Play Time	38,100		38,100
AA Academy	33,634		33,634
Total program expenses	<u>76,268</u>		<u>76,268</u>
Support expenses:			
Management and general	99,132		99,132
Total expense:	<u>175,400</u>		<u>175,400</u>
Other Income:			
Payroll protection loan forgiveness	18,100		18,100
COVID incentives	6,000		6,000
Total other income	<u>24,100</u>		<u>24,100</u>
Changes in net assets	<u>(20,163)</u>	<u>85,732</u>	<u>65,569</u>
Net assets, beginning of the year	36,135		36,135
Net assets, end of year	<u>\$ 15,972</u>	<u>\$ 85,732</u>	<u>\$ 101,704</u>

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

FUNDACIÓN ATENCIÓN ATENCIÓN, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020
(See accountant's compilation report)

Cash flows from operating activities:	
Cash received from contributions	\$ 204,563
Cash received from payroll protection program and COVID incentives	24,100
Interest received	1,306
Cash paid to suppliers and employees	<u>(176,792)</u>
Net cash provided by operating activities	53,177
Cash and restricted cash at beginning of year	<u>42,497</u>
Cash and restricted cash at end of year	<u><u>\$ 95,674</u></u>

Reconciliation of change in net assets to net cash provided by operating activities:

Change in net assets	\$ 65,569
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Adjustments to reconcile change in net assets to net cash provided by operating activities:

Change in current assets and liabilities:

Increase in pledge receivable	(11,000)
Increase prepaid expenses	(1,629)
Decrease in accrued expenses	<u>237</u>

Total adjustments	<u>(12,392)</u>
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Net cash provided by operating activities	<u><u>\$ 53,177</u></u>
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FUNDACIÓN ATENCIÓN ATENCIÓN, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020
 (See accountant's compilation report)

Reconciliation of Cash and Restricted Cash:

Cash at beginning of year	\$ 42,497
Restricted cash at beginning of year	-
Cash and restricted cash at beginning of year	<u>\$ 42,497</u>
Cash at end of year	\$ 20,942
Restricted cash at end of year	74,732
Cash and restricted cash at end of year	<u>\$ 95,674</u>

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

FUNDACIÓN ATENCIÓN ATENCIÓN, INC.
STATEMENT OF FUNTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020
(See accountant's compilation report)

	<u>Play =</u>		<u>AA</u>	<u>Management</u>	
	<u>Learning</u>	<u>Play Time</u>	<u>Academy</u>	<u>and General</u>	<u>Total</u>
Accounting fees	\$ -	\$ 360	\$ -	\$ 3,940	\$ 4,300
Bank charges				1,626	1,626
Contracted services	655	28,378	3,612	117	32,762
Equipment purchase				1,528	1,528
Activities expense		500		12,765	13,265
Insurance				2,520	2,520
Sales and use tax				260	260
Materials		72		2,551	2,623
Occupancy				1,091	1,091
Office supplies				118	118
Operational expense				419	419
Miscellaneous		467		-	467
Other federal taxes notification				359	359
Payroll tax				6,192	6,192
Postage and shipping				66	66
Printing				179	179
Production			26,650	-	26,650
Fundraising fees				892	892
Publications				639	639
Purchase disc items				755	755
Rent, in kind				7,616	7,616
Social security				572	572
Travel		300		137	437
Wages	3,879	8,023	3,372	54,790	70,064
Total Expenses	\$ 4,534	\$ 38,100	\$ 33,634	\$ 99,132	\$ 175,400

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

FUNDACIÓN ATENCIÓN ATENCIÓN, INC.
NOTES TO THE FINANCIAL STATEMENTS
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1. Description of the Organization

Fundación Atención Atención, inc. (hereinafter "FAA" or the Entity), a non-profit organization, was organized on February 19, 2013, under the laws of the Commonwealth of Puerto Rico with the mission of providing training to teachers, therapists, and parents of children with special needs. This was accomplished through workshops and other innovative strategies that facilitate the acquisition of these skills and training tools.

The three major programs of FAA are:

- Jugar=Aprender ("Playing=Learning", English translation) – program primarily seeks to provide training to teachers, therapists, and parents of children with special needs through workshops and other innovative strategies.
- La Hora del Juego ("Play Time", English translation) – program came to be as a result of the aftermaths caused by Hurricane María in September 2017. This program was created to prevent the potential negative effects that disasters may have caused in children as FAA considers playing is the best tool for psycho-emotional recovery in children while allowing them to develop their imaginations, process difficult events, and strengthen resilience.
- Atención Atención Academy (AA Academy) is a fun and educational virtual environment that offers supplemental content in important developmental areas, topics, and skills for children of ages one through six. Users find lessons, exercises and activities to complete on and offline with access from any device at any time. The subjects include Mathematics, Science, Literacy, Art and Social Studies. These categories integrate addition and subtraction, counting, geometric figures, patterns, colors, alphabet, vowels, body parts and senses, among others. The platform offers real-time reports showing children's progress.

2. Summary of Significant Accounting Policies

Following is a description of the more significant accounting policies followed by FAA:

Basis of Presentation – The financial statements of FAA have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"),

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which require FAA to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of FAA. These net assets may be used at the discretion of FAA's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of FAA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations – The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to FAA's ongoing programs. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Cash – FAA's cash consists of cash on deposit with banks.

Concentrations of Credit Risk – Financial instruments that potentially subject FAA to concentrations of credit risk consist principally of cash. FAA maintains its cash in various bank accounts that, at times, may exceed federally insured limits. FAA's cash accounts have been placed with high credit quality financial institutions. As of December 31, 2020, FAA's cash deposits did not exceed the limit insured by the Federal Deposit Insurance Corporation. FAA has not experienced, nor does it anticipate, any losses with respect to the accounts.

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. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if

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the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of 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 net assets released from restrictions.

In-Kind and other non-cash donations – FAA received a contribution in the form of the use of property (i.e., free rent) amounting to \$7,616 for the first semester of the year ended December 31, 2020. The Entity also received gifts and beverages to be used in a fundraising event. Such amounts are recorded following the rules of recognizing a cash contribution, as well as recording the related expense.

Functional expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. The expenses that are allocated are based on (i) time and effort; and (ii) full time equivalents.

Use of Estimates – The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income Taxes – FAA is exempt from income tax under Section 1101.01 of the Puerto Rico Internal Revenue Code of 2011, as amended, and under Section 501(c)(3) of the United States Internal Revenue Code. Accordingly, no income tax provision for the year ended December 31, 2020, was recorded.

FAA follows the guidance contained in ASC Topic 740-10-25, Accounting for Uncertainty in Income Taxes. ASC Topic 740-10-25 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken. Based upon its evaluation, FAA concluded that there are no uncertain tax positions requiring recognition in its financial statements.

Commitments and Contingencies – Liabilities for loss contingencies, arising from claims, assessments, litigation, fines, and penalties and other sources are

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recorded when it is probable that a liability will be incurred, and the amount of the assessment and/or remediation can be reasonably estimated. At the report date, FAA had no material unrecorded contingencies.

Subsequent events – The Entity performed an assessment of subsequent events through June 23, 2021, the date the financial statements were available to be issued.

3. Availability and Liquidity

FAA's goal and liquidity plan are to maintain financial assets to meet 90 days of operating expenses. FAA's financial assets on December 31, 2020, amount to \$95,674 related to cash. Certain restriction of use in these financial assets have been imposed by management; as such, \$20,942 are available to meet general expenditures over the next twelve months, the remaining \$74,732 are available once those restrictions are satisfied.

4. Debt Forgiveness

On May 9, 2020, the Company received a \$18,100 loan under the Payroll Protection Program (PPP), created by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The money received from the loan was used during 2020 for certain eligible expenses such as payroll costs, group health care benefits, rent, and utilities, among others. The loan was forgiven by the Small Business Administration on December 10, 2020.

5. Net Assets

During the year ended December 31, 2020, FAA entered into contribution agreements that contained donor-imposed restrictions amounting to \$162,000. As of December 31, 2020, certain restrictions were satisfied; as such, \$97,732 net assets with donor restrictions remained.

6. Contingency

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related

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restrictive measures have had a significant adverse impact upon many sectors of the economy.

During the COVID-19 pandemic, our services were severely impacted because of the presential element of such, however we were able to implement virtual modality of such services through the AA Academy program thus the services have not been materially interrupted. As the situation continues to evolve, we are closely monitoring the impact of the COVID-19 pandemic on all aspects of our services, including how it impacts our participants, suppliers, vendors and employees, in addition to how the COVID-19 pandemic impacts our ability to provide services to our participants.

We considered the impact of the COVID-19 pandemic on the assumptions and estimates used and determined that there were no material adverse impacts on the financial statements for the year ended December 31, 2020.