

**THE IMMOKALEE FOUNDATION, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

**THE IMMOKALEE FOUNDATION, INC.  
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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
The Immokalee Foundation, Inc.  
Naples, Florida

We have audited the accompanying financial statements of The Immokalee Foundation, Inc. (the Foundation), a nonprofit organization, which comprises the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and changes in net assets, 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 Trustees  
The Immokalee Foundation, Inc.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Immokalee Foundation, Inc., as of June 30, 2018 and 2017, 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  
April 16, 2019

**THE IMMOKALEE FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018 AND 2017**

<b>ASSETS</b>	<u>2018</u>	<u>2017</u>
Cash and Cash Equivalents	\$ 263,748	\$ 908,510
Grant Receivable	124,018	125,563
Bequest Receivable	382,450	1,500,000
Prepaid Expenses and Other Assets	86,728	62,726
Take Stock in Children and Florida Prepaid Scholarships	1,871,312	1,833,967
Unconditional Promises to Give, Net	401,094	997,700
Beneficial Interest in Assets Held by Others	7,785,255	5,509,071
Property and Equipment, Net	<u>1,371,481</u>	<u>1,379,333</u>
Total Assets	<u><u>\$ 12,286,086</u></u>	<u><u>\$ 12,316,870</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 44,931	\$ 6,670
Scholarships Payable	32,474	44,558
Deferred Revenue	<u>22,250</u>	<u>10,000</u>
Total Liabilities	99,655	61,228
<b>NET ASSETS</b>		
Unrestricted	9,165,806	8,523,587
Temporarily Restricted	486,797	1,198,227
Permanently Restricted	<u>2,533,828</u>	<u>2,533,828</u>
Total Net Assets	<u>12,186,431</u>	<u>12,255,642</u>
Total Liabilities and Net Assets	<u><u>\$ 12,286,086</u></u>	<u><u>\$ 12,316,870</u></u>

See accompanying Notes to Financial Statements.

**THE IMMOKALEE FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2018**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUES</b>				
Contributions	\$ 2,140,530	\$ -	\$ -	\$ 2,140,530
Grant Revenues	706,682	-	-	706,682
Event Revenues	465,019	-	-	465,019
Other Revenues	12,598	-	-	12,598
Contributed Goods and Services	92,886	-	-	92,886
Increase in Beneficial Interest in Assets Held by Others	395,507	-	-	395,507
<b>Total Support and Revenues</b>	<u>3,813,222</u>	<u>-</u>	<u>-</u>	<u>3,813,222</u>
 Net Assets Released from Restrictions	 <u>711,430</u>	 <u>(711,430)</u>	 <u>-</u>	 <u>-</u>
 <b>Total Support, Revenues,     and Transfers</b>	 <u>4,524,652</u>	 <u>(711,430)</u>	 <u>-</u>	 <u>3,813,222</u>
 <b>EXPENSES</b>				
Program Services, Grants, and Distributions	2,724,745	-	-	2,724,745
General and Administrative	329,879	-	-	329,879
Fundraising	537,463	-	-	537,463
Costs of Direct Benefit to Donors	290,346	-	-	290,346
<b>Total Expenses</b>	<u>3,882,433</u>	<u>-</u>	<u>-</u>	<u>3,882,433</u>
 <b>CHANGES IN NET ASSETS</b>	 642,219	 (711,430)	 -	 (69,211)
 Net Assets - Beginning of Year	 <u>8,523,587</u>	 <u>1,198,227</u>	 <u>2,533,828</u>	 <u>12,255,642</u>
 <b>NET ASSETS - END OF YEAR</b>	 <u><u>\$ 9,165,806</u></u>	 <u><u>\$ 486,797</u></u>	 <u><u>\$ 2,533,828</u></u>	 <u><u>\$ 12,186,431</u></u>

See accompanying Notes to Financial Statements.

**THE IMMOKALEE FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2017**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUES</b>				
Contributions	\$ 3,754,110	\$ 977,606	\$ -	\$ 4,731,716
Grant Revenues	675,738	-	-	675,738
Event Revenues	869,534	-	-	869,534
Other Revenues	12,545	-	-	12,545
Contributed Goods and Services	130,886	-	-	130,886
Increase in Beneficial Interest in Assets Held by Others	587,909	-	-	587,909
Investment Return	120	-	-	120
<b>Total Support and Revenues</b>	<b>6,030,842</b>	<b>977,606</b>	<b>-</b>	<b>7,008,448</b>
 Net Assets Released from Restrictions	 396,440	 (396,440)	 -	 -
 <b>Total Support, Revenues, and     Transfers</b>	 <b>6,427,282</b>	 <b>581,166</b>	 <b>-</b>	 <b>7,008,448</b>
 <b>EXPENSES</b>				
Program Services, Grants, and Distributions	2,398,906	-	-	2,398,906
General and Administrative	275,276	-	-	275,276
Fundraising	533,013	-	-	533,013
Costs of Direct Benefit to Donors	452,821	-	-	452,821
<b>Total Expenses</b>	<b>3,660,015</b>	<b>-</b>	<b>-</b>	<b>3,660,015</b>
 <b>CHANGES IN NET ASSETS</b>	 2,767,267	 581,166	 -	 3,348,433
 Net Assets - Beginning of Year	 5,756,320	 617,061	 2,533,828	 8,907,209
 <b>NET ASSETS - END OF YEAR</b>	 <b>\$ 8,523,587</b>	 <b>\$ 1,198,227</b>	 <b>\$ 2,533,828</b>	 <b>\$ 12,255,642</b>

See accompanying Notes to Financial Statements.

**THE IMMOKALEE FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2018**

	Program Services and Distributions	General and Administrative	Fundraising	Costs of Direct Benefit to Donors	Total Expenses
Bad Debt	\$ -	\$ 31,605	\$ -	\$ -	\$ 31,605
Communication	55,748	4,401	23,397	-	83,546
Contracted Services	75,774	15,975	12,029	-	103,778
Depreciation	50,054	7,790	7,790	-	65,634
Scholarships	239,183	-	-	-	239,183
Insurance	20,828	1,927	5,122	-	27,877
Bank and Merchant Fees	3,518	994	4,117	-	8,629
Facility Costs	38,425	23,421	32,797	-	94,642
Other Expenses	11,509	1,457	84,468	90,000	187,434
Field Trips	69,086	-	-	-	69,086
Marketing	62,531	-	4,751	-	67,282
Payroll Processing Fees	15,985	1,493	4,052	-	21,530
Professional Services	132,574	3,534	5,834	200,346	342,288
Rental Equipment	21,006	1,461	2,941	-	25,408
Salaries and Benefits	1,471,106	131,563	310,649	-	1,913,318
Supplies	327,744	8,570	27,473	-	363,787
Transportation/Meals	129,674	2,803	12,043	-	144,520
Gifts In Kind	-	92,886	-	-	92,886
	<u>\$ 2,724,745</u>	<u>\$ 329,879</u>	<u>\$ 537,463</u>	<u>\$ 290,346</u>	<u>\$ 3,882,433</u>
Total Functional Expenses					

See accompanying Notes to Financial Statements.



**THE IMMOKALEE FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2017**

	Program Services and Distributions	General and Administrative	Fund Raising	Costs of Direct Benefit to Donors	Total Expenses
Bad Debt	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000
Communication	75,229	7,062	25,551	-	107,842
Contracted Services	83,254	-	3,635	-	86,889
Depreciation	54,592	8,496	8,496	-	71,584
Scholarships	254,789	-	-	-	254,789
Insurance	16,984	3,760	3,760	-	24,504
Bank and Merchant Fees	1,471	345	11,478	-	13,294
Facility Costs	37,404	8,934	20,827	-	67,165
Other Expenses	20,338	7,375	33,219	157,125	218,057
Field Trips	50,222	-	-	-	50,222
Marketing	70,613	-	7,278	-	77,891
Payroll Processing Fees	12,249	2,950	2,599	-	17,798
Professional Services	46,387	3,820	-	295,696	345,903
Rental Equipment	17,031	2,086	3,863	-	22,980
Salaries and Benefits	1,414,686	131,321	276,910	-	1,822,917
Supplies	104,496	4,395	75,303	-	184,193
Transportation/Meals	139,161	846	22,094	-	162,101
Gifts In Kind	-	92,886	38,000	-	130,886
	<u>-</u>	<u>92,886</u>	<u>38,000</u>	<u>-</u>	<u>130,886</u>
Total Functional Expenses	<u>\$ 2,398,906</u>	<u>\$ 275,276</u>	<u>\$ 533,013</u>	<u>\$ 452,821</u>	<u>\$ 3,660,015</u>

See accompanying Notes to Financial Statements.

**THE IMMOKALEE FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (69,211)	\$ 3,348,433
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	65,634	71,584
Discount on Unconditional Promises to Give	-	(9,906)
Realized (Gains) Loss on Investments	-	(12,902)
Change in Beneficial Interest in Assets Held by Others	(395,507)	(587,909)
(Increase) Decrease in:		
Grant Receivable	1,545	76,180
Bequest Receivable	1,117,550	(1,500,000)
Prepaid Expenses and Other Assets	(24,002)	51,269
Take Stock in Children and Florida Prepaid Scholarships	(37,345)	(20,959)
Unconditional Promises to Give	(97,500)	(1,261,456)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	38,261	3,887
Scholarships Payable	(12,084)	(17,192)
Deferred Revenue	12,250	(53,916)
Net Cash Provided by Operating Activities	599,591	87,113
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(57,782)	(347)
Proceeds from Sale of Investments	-	629,320
Additional Contributions to Beneficial Interest in Assets Held by Others, Net	(1,880,677)	(263,246)
Net Cash Provided (Used) by Investing Activities	(1,938,459)	365,727
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Lines of Credit	-	120,000
Payments on Line of Credit	-	(120,000)
Pledge Collections	694,106	397,262
Net Cash Provided by Financing Activities	694,106	397,262
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(644,762)	850,102
Cash and Cash Equivalents - Beginning of Year	908,510	58,408
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 263,748	\$ 908,510

See accompanying Notes to Financial Statements.

**THE IMMOKALEE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Immokalee Foundation, Inc. (the Foundation) was incorporated and commenced operations on September 4, 1991, as a Florida nonprofit corporation. The mission of the Foundation is to build pathways to success for the children of Immokalee through programs focused on education, career, and life skills. The Foundation offers students the tools, opportunities, support, and encouragement they need to succeed at each level of their education which will lead to career readiness and economic independence.

**Basis of Accounting**

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

**Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The accompanying financial statements have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Unrestricted – Net assets not subject to donor-imposed restrictions. Such assets are available for any purpose consistent with the Foundation's mission.

Temporarily Restricted – Net assets subject to specific, donor-imposed restrictions that must be met by actions of the Foundation and/or passage of time. Such assets normally fund specific expenditures of an operating or capital nature.

Permanently Restricted – Net assets subject to donor-imposed restriction requiring they be maintained permanently by the Foundation. Such assets are normally restricted to long-term investment with income earned and appreciation available for specific or general Foundation purposes.

**THE IMMOKALEE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions and are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. However, contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. Bequests are recognized as revenue upon the donor's death and the Foundation is notified of the gift.

**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.

**Contributed Services and Goods**

Contributed services meeting the requirements for recognition in the financial statements are recorded at the fair market value at the date of contribution. However, individuals that volunteer their time and perform a variety of tasks that assist the Foundation with specific assistance that do not meet the requirements for recognition are not reflected in these statements. For the years ended June 30, 2018 and 2017, the Foundation recognized \$92,886 and \$130,886, respectively, in contributed goods and services.

**Cash and Cash Equivalents**

For purpose of the statements of cash flows, the Foundation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank may exceed FDIC insurable limits.

**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 Foundation's statements of activities and changes in net assets.

**THE IMMOKALEE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

The Foundation records property and equipment at cost, when purchased, or at fair market value, when donated, on items more than \$500 with a life greater than one year. Property and equipment are depreciated over their estimated useful lives of 3 to 39 years using the straight-line method of depreciation. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charges to expenses as incurred.

**Deferred Revenues**

Deferred revenues are revenues that the Foundation has received for special events to be held in the subsequent year. The Foundation's policy is to return any amounts received if the event does not occur, and as such, amounts received are deferred revenue.

**Functional Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis on the statements of functional expenses. The costs of special events are included in the category of costs of direct benefits to donors. The remaining costs have been allocated indirectly to either program or supporting services based on management's best estimates.

**Income Taxes**

The Internal Revenue Service (IRS) has determined that the Foundation is exempt from income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3). In addition, the Foundation has been determined by the IRS to be 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.

The Foundation's income tax returns are subject to review and examination by federal and state authorities. The Foundation is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

The Foundation follows the provisions of accounting for uncertainty in income taxes recognized in their financial statements. This prescribes recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The Foundation has determined that it has no uncertain tax positions.

**Unconditional Promises to Give, Net**

Unconditional promises to give due in the next year are recorded at their net realizable value. Those due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. Additionally, the Foundation uses the allowance method to determine uncollectible promises to give. The allowance is based upon prior years' experience and management's analysis of specific promises made.

**THE IMMOKALEE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Take Stock in Children and Florida Prepaid Scholarships**

The Foundation purchases scholarships from the Florida Prepaid College Foundation (FPCF) as financial resources and student needs allow utilizing a 50/50 match of state appropriations and TIF funds. Prices of the scholarships are established by the Florida Prepaid College Board annually and are based on actuarial assumptions pursuant to Florida state statutes.

Scholarships are tracked by certificate number and are recorded as assets on the statement of financial position until utilized. Qualified students are matched to a scholarship and the Foundation monitors their progress and usage of the scholarship as they progress through their studies. Unassigned scholarships remain in open inventory. The Foundation estimates a monthly expense of scholarship utilization which is adjusted to actual usage at the end of each fiscal year.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Fair Value Measurements**

The Foundation measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Foundation may use valuation techniques consistent with the market, income and cost approaches to measure fair value.

**THE IMMOKALEE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements (Continued)**

Financial assets and liabilities recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

*Level 2* – Financial assets and liabilities are valued using inputs quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes private equity, venture capital, hedge funds, and real estate.

The Foundation has the option to elect to measure financial instruments at fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Foundation has not elected to measure any existing financial instruments at fair value at June 30, 2018; however, the Foundation may elect to measure newly acquired financial instruments at fair value in the future.

**Subsequent Events**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through April 16, 2019, the date the financial statements were available to be issued.

**NOTE 2 BENEFICIAL INTEREST IN ASSETS HELD BY OTHER**

During the years ended June 30, 2018 and 2017, the Foundation transferred funds to the Community Foundation of Collier County for investment purposes. The Community Foundation of Collier County is holding the funds for the benefit of the Foundation. Future benefits of these funds remain on the books of the Foundation as the funds originally belonged to the Foundation. The Foundation can take back the funds at any time. The amounts are recorded at fair value at June 30, 2018 and 2017. The balance at June 30, 2018 and 2017 was \$7,785,255 and \$5,509,071, respectively.

**THE IMMOKALEE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 3 FAIR VALUE MEASUREMENTS**

The Foundation uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Foundation values all other assets and liabilities refer to Note 1 – Summary of Significant Accounting Policies.

The following table presents the fair value hierarchy for the balances of the assets of the Foundation measured at fair value on a recurring basis as of June 30:

	2018			
	Level 1	Level 2	Level 3	Total
Assets:				
Beneficial Interests in				
Assets Held by Others	\$ -	\$ -	\$ 7,785,255	\$ 7,785,255
	2017			
	Level 1	Level 2	Level 3	Total
Investments:				
Beneficial Interests in				
Assets Held by Others	\$ -	\$ -	\$ 5,509,071	\$ 5,509,071

The following represents a fair value roll forward of all assets and liabilities measured at Level 3, refer to Note 1 – Summary of Significant Accounting Policies:

Level 3 Beneficial Interest in Assets Held by Others:	
Balance at June 30, 2016	\$ 4,657,916
Purchases	694,362
Interest, Dividends, and Gains (Losses)	582,722
Withdrawals	(425,929)
Balance at June 30, 2017	5,509,071
Purchases	2,104,131
Interest, Dividends, and Gains (Losses)	395,507
Withdrawals	(223,454)
Balance at June 30, 2018	\$ 7,785,255

Beneficial interests in assets held by others is categorized at Level 3 and 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, Inc.



**THE IMMOKALEE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 4 PROPERTY AND EQUIPMENT, NET**

Property and equipment at June 30 consists of the following:

	<u>2018</u>	<u>2017</u>
Building and Land	\$ 1,573,111	\$ 1,573,111
Office Furniture	241,245	241,245
Vehicles	<u>57,782</u>	<u>-</u>
Total	1,872,138	1,814,356
Less: Accumulated Depreciation	<u>(500,657)</u>	<u>(435,023)</u>
Property and Equipment, Net	<u>\$ 1,371,481</u>	<u>\$ 1,379,333</u>

**NOTE 5 UNCONDITIONAL PROMISES TO GIVE, NET**

The Foundation routinely receives promises to give for funding of various activities of the Foundation. These promises to give are restricted for the payment of expenses for the projects restricted by each of the donors. As of June 30, unconditional promises to give are as follows:

	<u>2018</u>	<u>2017</u>
Unconditional Promises to Give	\$ 411,000	\$ 1,007,606
Less: Discount to Net Present Value	<u>(9,906)</u>	<u>(9,906)</u>
Total	<u>\$ 401,094</u>	<u>\$ 997,700</u>

Payments of the promise to give are expected to be as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 131,000
2020	110,000
2021	110,000
2022	60,000
2023 and After	<u>-</u>
Total	<u>\$ 411,000</u>

**NOTE 6 SCHOLARSHIPS**

During the years ended June 30, 2018 and 2017, the Foundation incurred expenses of \$239,183 and \$254,789, respectively, for its scholarship programs which are reflected in the accompanying statements of functional expenses.

**THE IMMOKALEE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 LINE OF CREDIT**

The Foundation had one line of credit with a financial institution as of June 30, 2018 and 2017. The amount available under the line of credit was \$300,000 and \$300,000 as of June 30, 2018 and 2017, respectively. The line of credit expires May 31, 2019 and is collateralized by the Foundation's beneficial interest in assets held by others. The interest rate for the line of credit was LIBOR plus 1.50%, which was 1.78% and 1.74% as of June 30, 2018 and 2017, respectively, and interest is due monthly. As of June 30, 2018 and 2017, the balance was \$-0-.

**NOTE 8 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following at June 30:

	2018	2017
Scholarship Bequest	\$ -	\$ 36,050
Take Stock in Children and Florida Prepaid Scholarships	-	76,432
Restricted Donations	71,775	74,116
Unconditional Promises to Give, Net	401,094	997,700
Fund-A-Dream	13,928	13,929
Total	\$ 486,797	\$ 1,198,227

**NOTE 9 ENDOWMENT**

The Foundation has a donor-restricted endowment fund established for the purposes of providing income to support general operations. As required by accounting principles generally accepted in the United States of America, net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The board of directors of the Foundation has interpreted relevant state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted net assets. The Foundation considers all earning on endowment funds to be appropriated and available for current year operations.

**Funds with Deficiencies**

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, as of June 30, 2018 and 2017, no such deficiencies were noted.

**THE IMMOKALEE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 ENDOWMENT (CONTINUED)**

**Spending Policy**

The spending policy of endowment assets is determined based on the overall needs of the Foundation balanced with the long-term investment return objectives for a fund to be held in perpetuity. Investment return is recorded as unrestricted when the restrictions are met in the same year as it is earned.

Changes in endowment net assets as of June 30 are as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets as of June 30, 2016	\$ (87,054)	\$ 2,533,828	\$ 2,446,774
Investment Return:			
Investment Income	-	-	-
Change in Beneficial Interest	300,612	-	300,612
Total Investment Return	300,612	-	300,612
Appropriations	(213,558)	-	(213,558)
Endowment Net Assets as of June 30, 2017	-	2,533,828	2,533,828
Investment Return:			
Change in Beneficial Interest	203,999	-	203,999
Total Investment Return	203,999	-	203,999
Appropriations	(203,999)	-	(203,999)
Endowment Net Assets as of June 30, 2018	<u>\$ -</u>	<u>\$ 2,533,828</u>	<u>\$ 2,533,828</u>

As of June 30, 2018 and 2017, there were no board-designated endowments.

**Investment Policies**

The Foundation has established an investment policy to determine investment or reinvestment of the assets in accordance with such guidelines, policies, and procedures that are authorized by the board of directors. These guidelines, policies, and procedures shall attempt to generate a long-term investment return that will contribute to meeting the spending needs of the Foundation while maintaining the purchasing power of the investment assets. The Foundation's spending and investment policies works together to achieve this objective. The investment policy establishes a long-term investment objective through diversification of asset classes. To achieve its investment objectives over long periods of time, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The investment strategy targets a diversified asset allocation that includes domestic equities, non-U.S. equities, fixed income, and alternative investments. The majority of assets are invested in equity or equity like securities. Diversification by asset class, investment style, investment manager, etc. is employed to avoid undue risk concentration and enhance total return.

**THE IMMOKALEE FOUNDATION, INC.**  
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**NOTE 9 ENDOWMENT (CONTINUED)**

**Investment Policies (Continued)**

The primary performance objective is to achieve an annualized total rate of return, net of investment fees, that is equal to or greater than 4% plus inflation over long periods of time. Actual returns in any given year may vary from this amount.

**NOTE 10 COMMITMENTS**

In December 2017, the Foundation entered into a lease agreement for office space. The lease is for a period of 36 months and allows a renewal option for an additional two years. The monthly payment is \$3,800 with increases of 3% per annum.

The Foundation has a single lease agreement for two copiers. The lease expires in August 2019, and includes monthly payments of \$548.

The future minimum lease payments under these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 52,860
2020	48,769
2021	<u>24,189</u>
Total	<u>\$ 125,818</u>

Rental expense for the years ended June 30, 2018 and 2017 was \$25,408 and \$22,980, respectively.

**NOTE 11 BEQUEST RECEIVABLE**

In 2017, the Foundation was named a beneficiary of an estate. The Foundation recorded \$1,500,000 of contributions related to the bequest during the year ended June 30, 2017. This amount was received by the Foundation in December 2017. During the year ended June 30, 2018, the Foundation was notified that an additional \$300,000 would be distributed to the Foundation. This amount is included in Contributions and Bequests Receivables as of June 30, 2018..

During the year ended June 30, 2018, the Foundation was named as beneficiary of a \$500,000 cash bequest of an estate. This amount is included in Contributions and \$80,000 is included in Bequests Receivables as of June 30, 2018.

**THE IMMOKALEE FOUNDATION, INC.  
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**NOTE 12 RELATED PARTY TRANSACTIONS AND CONCENTRATIONS**

As of the June 30, 2018 and 2017, 50% and 60% of promises to give were due from board members, respectively. Promises to give due from board members totaled \$205,000 and \$589,000 at June 30, 2018 and 2017, respectively.

As of the June 30, 2018 and 2017, 35% and 27% of contributions revenues were from board members, respectively. Contributions from board members totaled \$1,181,139 and \$1,730,807 at June 30, 2018 and 2017, respectively.