

THE IMMOKALEE FOUNDATION, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018



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**THE IMMOKALEE FOUNDATION, INC.
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YEARS ENDED JUNE 30, 2019 AND 2018**

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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, 2019 and 2018, 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, 2019 and 2018, 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.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, management has adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.



CliftonLarsonAllen LLP

Naples, Florida
January 14, 2020

THE IMMOKALEE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	\$ 485,603	\$ 263,748
Grant Receivable	129,826	124,018
Bequest Receivable	380,000	382,450
Prepaid Expenses and Other Assets	99,188	86,728
Take Stock in Children and Florida Prepaid Scholarships	1,910,547	1,871,312
Unconditional Promises to Give, Net	273,180	401,094
Beneficial Interest in Assets Held by Others	7,593,299	7,785,255
Property and Equipment, Net	1,173,728	1,371,481
Total Assets	\$ 12,045,371	\$ 12,286,086
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 65,643	\$ 44,931
Scholarships Payable	27,724	32,474
Deferred Revenue	65,500	22,250
Total Liabilities	158,867	99,655
NET ASSETS		
Without Donor Restrictions	8,633,674	9,165,806
With Donor Restrictions		
Subject to Purpose or Time Restrictions	719,002	486,797
Held in Perpetuity	2,533,828	2,533,828
Total Net Assets	11,886,504	12,186,431
Total Liabilities and Net Assets	\$ 12,045,371	\$ 12,286,086

See accompanying Notes to Financial Statements.

THE IMMOKALEE FOUNDATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2019

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUES			
Contributions	\$ 1,001,601	\$ 452,680	\$ 1,454,281
Grant Revenues	852,432	-	852,432
Event Revenues	1,351,616	-	1,351,616
Other Revenues (Losses)	(8,806)	-	(8,806)
Contributed Goods and Services	152,428	-	152,428
Increase in Beneficial Interest in Assets Held by Others	385,246	-	385,246
Total Support and Revenues	3,734,517	452,680	4,187,197
 Net Assets Released from Restrictions	 220,475	 (220,475)	 -
Total Support, Revenues, and Transfers	3,954,992	232,205	4,187,197
 EXPENSES			
Program Services, Grants, and Distributions	3,075,368	-	3,075,368
General and Administrative	363,307	-	363,307
Fundraising	766,564	-	766,564
Costs of Direct Benefit to Donors	281,885	-	281,885
Total Expenses	4,487,124	-	4,487,124
 CHANGES IN NET ASSETS	 (532,132)	 232,205	 (299,927)
 Net Assets - Beginning of Year	 9,165,806	 3,020,625	 12,186,431
 NET ASSETS - END OF YEAR	 \$ 8,633,674	 \$ 3,252,830	 \$ 11,886,504

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
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
Investment Return	395,507	-	395,507
Total Support and Revenues	3,813,222	-	3,813,222
 Net Assets Released from Restrictions	 711,430	 (711,430)	 -
Total Support, Revenues, and Transfers	4,524,652	(711,430)	3,813,222
 EXPENSES			
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
Total Expenses	3,882,433	-	3,882,433
 CHANGES IN NET ASSETS	 642,219	 (711,430)	 (69,211)
 Net Assets - Beginning of Year	 8,523,587	 3,732,055	 12,255,642
 NET ASSETS - END OF YEAR	 \$ 9,165,806	 \$ 3,020,625	 \$ 12,186,431

See accompanying Notes to Financial Statements.

THE IMMOKALEE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services and Distributions	General and Administrative	Fundraising	Costs of Direct Benefit to Donors	Total Expenses
Bad Debt	\$ 10,450	\$ -	\$ -	\$ -	\$ 10,450
Communication	76,631	6,828	41,030	-	124,489
Contracted Services	88,626	26,455	32,732	-	147,813
Depreciation	54,432	7,060	7,060	-	68,552
Scholarships	251,052	-	-	-	251,052
Insurance	25,063	2,269	6,158	-	33,490
Bank and Merchant Fees	9,083	1,243	8,216	-	18,542
Facility Costs	43,684	32,160	34,954	-	110,798
Other Expenses	79,671	4,478	160,374	83,867	328,390
Field Trips	98,364	-	-	-	98,364
Marketing	92,418	-	62,307	-	154,725
Payroll Processing Fees	9,380	1,283	8,484	-	19,147
Professional Services	284,017	14,582	59,286	198,018	555,903
Rental Equipment	16,984	691	1,673	-	19,348
Salaries and Benefits	1,719,558	156,050	223,077	-	2,098,685
Supplies	78,297	12,930	37,759	-	128,986
Transportation/Meals	137,658	4,392	23,912	-	165,962
Gifts In Kind	-	92,886	59,542	-	152,428
	<u>-</u>	<u>92,886</u>	<u>59,542</u>	<u>-</u>	<u>152,428</u>
 Total Functional Expenses	 <u>\$ 3,075,368</u>	 <u>\$ 363,307</u>	 <u>\$ 766,564</u>	 <u>\$ 281,885</u>	 <u>\$ 4,487,124</u>

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	Fund Raising	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>-</u>	<u>92,886</u>	<u>-</u>	<u>-</u>	<u>92,886</u>
 Total Functional Expenses	 <u>\$ 2,724,745</u>	 <u>\$ 329,879</u>	 <u>\$ 537,463</u>	 <u>\$ 290,346</u>	 <u>\$ 3,882,433</u>

See accompanying Notes to Financial Statements.

THE IMMOKALEE FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (299,927)	\$ (69,211)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	68,552	65,634
Discount on Unconditional Promises to Give	(9,906)	-
Change in Beneficial Interest in Assets Held by Others	(385,246)	(395,507)
Loss on Disposal of Equipment	16,954	-
(Increase) Decrease in:		
Grant Receivable	(5,808)	1,545
Bequest Receivable	2,450	1,117,550
Prepaid Expenses and Other Assets	(12,460)	(24,002)
Take Stock in Children and Florida Prepaid Scholarships	(39,235)	(37,345)
Unconditional Promises to Give	(42,180)	(97,500)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	20,712	38,261
Scholarships Payable	(4,750)	(12,084)
Deferred Revenue	43,250	12,250
Net Cash Provided (Used) by Operating Activities	(647,594)	599,591
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Property and Equipment	151,237	-
Purchase of Property and Equipment	(38,990)	(57,782)
Additional Contributions (Withdrawals) to Beneficial Interest in Assets Held by Others, Net	577,202	(1,880,677)
Net Cash Provided (Used) by Investing Activities	689,449	(1,938,459)
CASH FLOWS FROM FINANCING ACTIVITIES		
Pledge Collections	180,000	694,106
Net Cash Provided by Financing Activities	180,000	694,106
NET CHANGE IN CASH AND CASH EQUIVALENTS	221,855	(644,762)
Cash and Cash Equivalents - Beginning of Year	263,748	908,510
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 485,603	\$ 263,748

See accompanying Notes to Financial Statements.

**THE IMMOKALEE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

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

Without Donor Restrictions – Net assets not subject to donor-imposed restrictions. Such assets are available for any purpose consistent with the Foundation’s mission.

Net Assets with Donor Restriction – Time and/or Purpose Restricted for Future Periods – 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.

Net Assets with Donor Restriction into Perpetuity – 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.

Contributions

Contributions are recognized when the donor makes the donation to the Foundation. 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. 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.

THE IMMOKALEE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services and Goods

Contributed assets are reflected as in-kind contributions at their estimated values at the date of receipt. The value of the donated assets in excess of in-kind distributions is reflected as Inventory in the statements of financial position.

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 Foundation in membership services, committee assignments, and fundraising which do not meet the requirements for recognition in the financial statements. For the years ended June 30, 2019 and 2018, the Foundation recognized \$152,428 and \$92,886, respectively, in contributed goods and services.

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.

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 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. The costs of special events are included in the category of costs of direct benefits to donors.

THE IMMOKALEE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

THE IMMOKALEE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2019; however, the Foundation may elect to measure newly acquired financial instruments at fair value in the future.

**THE IMMOKALEE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year's presentation. The reclassifications have no effect on the overall net assets.

Change in Accounting Principle

The Organization adopted FASB 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* in 2019. These changes were applied retrospectively, to ensure comparability with the prior year.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through January 14, 2020, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY

The Foundation 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 Foundation 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:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 485,603	\$ 263,748
Grant Receivable	129,826	124,018
Bequest Receivable	380,000	382,450
Unconditional Promises to Give, Net	273,180	401,094
Beneficial Interest in Assets Held by Others	7,593,299	7,785,255
Less With Donor Retriction Subject to Purpose or Time Restrictions	(719,002)	(486,797)
Less With Donor Retriction in Perpetuity	<u>(2,533,828)</u>	<u>(2,533,828)</u>
Total	<u>\$ 5,609,078</u>	<u>\$ 5,935,940</u>

Additionally, the Foundation has a line of credit with a financial institution. Refer to Note 8 for additional details.

THE IMMOKALEE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 3 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, 2019 and 2018. The balance at June 30, 2019 and 2018 was \$7,593,299 and \$7,785,255, respectively.

NOTE 4 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:

	2019			Total
	Level 1	Level 2	Level 3	
Assets:				
Beneficial Interests in				
Assets Held by Others	\$ -	\$ -	\$ 7,593,299	\$ 7,593,299
	2018			Total
	Level 1	Level 2	Level 3	
Investments:				
Beneficial Interests in				
Assets Held by Others	\$ -	\$ -	\$ 7,785,255	\$ 7,785,255

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:

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
Purchases	-
Interest, Dividends, and Gains (Losses)	385,246
Withdrawals	(577,202)
Balance at June 30, 2019	\$ 7,593,299

THE IMMOKALEE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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.

NOTE 5 PROPERTY AND EQUIPMENT, NET

Property and equipment at June 30 consists of the following:

	2019	2018
Building and Land	\$ 1,325,321	\$ 1,573,111
Office Furniture	230,104	241,245
Vehicles	57,782	57,781
Total	<u>1,613,207</u>	<u>1,872,137</u>
Less: Accumulated Depreciation	<u>(439,479)</u>	<u>(500,656)</u>
Property and Equipment, Net	<u>\$ 1,173,728</u>	<u>\$ 1,371,481</u>

NOTE 6 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:

	2019	2018
Unconditional Promises to Give	\$ 231,000	\$ 411,000
Less: Discount to Net Present Value	-	(9,906)
Total	<u>\$ 231,000</u>	<u>\$ 401,094</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 111,000
2021	60,000
2022	60,000
Total	<u>\$ 231,000</u>

NOTE 7 SCHOLARSHIPS

During the years ended June 30, 2019 and 2018, the Foundation incurred expenses of \$251,052 and \$239,183, respectively, for its scholarship programs which are reflected in the accompanying statements of functional expenses.

THE IMMOKALEE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 8 LINE OF CREDIT

The Foundation had one line of credit with a financial institution as of June 30, 2019 and 2018. The amount available under the line of credit was \$300,000 and \$300,000 as of June 30, 2019 and 2018, respectively. The line of credit expires August 30, 2020 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 3.78% and 1.78% as of June 30, 2019 and 2018, respectively, and interest is due monthly. As of June 30, 2019 and 2018, the balance was \$-0-.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS FOR PURPOSE OR TIME

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

	2019	2018
Subject to Expenditure for Specified Purpose:		
Restricted Donations	\$ 35,322	\$ 71,775
Fund-A-Dream	452,680	13,928
Subject to Passage of Time:		
Unconditional Promises to Give, Net	231,000	401,094
Total	\$ 719,002	\$ 486,797

NOTE 10 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, 2019 and 2018, no such deficiencies were noted.

THE IMMOKALEE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 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:

	Without Donor Restrictions	With Donor Restrictions	Total
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	-	2,533,828	2,533,828
Investment Return:			
Change in Beneficial Interest	157,019	-	157,019
Total Investment Return	157,019	-	157,019
Appropriations	(157,019)	-	(157,019)
Endowment Net Assets as of June 30, 2019	\$ -	\$ 2,533,828	\$ 2,533,828

As of June 30, 2019 and 2018, 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.

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NOTE 10 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 11 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 three copiers. The lease expires in July 2024, and includes monthly payments of \$720.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 56,048
2021	31,748
2022	7,850
2023	8,152
2024	8,466
Total	<u>\$ 112,264</u>

Rental expense for the years ended June 30, 2019 and 2018 was \$52,176 and \$37,176, respectively.

NOTE 12 BEQUEST RECEIVABLE

In 2018, the Foundation was named a beneficiary of an estate. The Foundation recorded \$300,000 of contributions related to the bequest during the year ended June 30, 2018. This amount is included in Contributions and Bequests Receivables as of June 30, 2018. This amount is included in Bequests Receivables as of June 30, 2019.

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. This amount is included in Bequests Receivables as of June 30, 2019. In August of 2019, the Foundation collected \$80,000 related to this bequest.

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NOTE 13 RELATED PARTY TRANSACTIONS AND CONCENTRATIONS

As of the June 30, 2019 and 2018, 65% and 50% of promises to give were due from board members, respectively. Promises to give due from board members totaled \$151,000 and \$205,000 at June 30, 2019 and 2018, respectively.

As of the June 30, 2019 and 2018, 22% and 35% of contributions revenues were from board members, respectively. Contributions from board members totaled \$850,453 and \$1,181,139 at June 30, 2019 and 2018, respectively.

NOTE 14 SUBSEQUENT EVENT

In December 2019, the Foundation entered a “Real Property and Cash Donation Agreement” whereby, the Foundation received (i) approximately 7.76 acres of vacant land located in Collier County Florida (ii) cash in the amount of \$100,000 for permitting and platting expenses and services with respect to the donated property and (iii) an additional amount of cash of up to \$500,000 in matching funds. All cash and real property donated by the Donor under the agreement shall be used to further aims of the Foundation’s Career Pathways Learning Lab program.

In December 2019, the Foundation established CPL Lab, LLC, of which it is the sole member. CPL Lab, LLC was created to assist with the development and implementation of the Foundation’s Career Pathways Learning Lab program. The Foundation is providing the LLC donated land and monetary funds referenced above.