

**THE IMMOKALEE FOUNDATION, INC. AND AFFILIATE  
CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 AND 2020**



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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. and Affiliate (the Foundation), a nonprofit organization, which comprises the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

**Opinion**

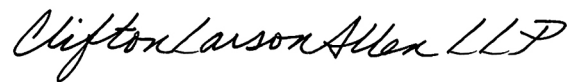
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Immokalee Foundation, Inc. and Affiliate, as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

**Emphasis-of-Matter Regarding a Correction of an Error**

As discussed in Note 16 to the consolidated financial statements, certain errors regarding classification of expenses as of June 30, 2020 were discovered by management of the Organization during the current fiscal year. Accordingly, amounts reported for accounts payable and accrued expenses, deferred revenue, net assets without donor restrictions, and changes in net assets have been restated in the comparative 2021 consolidated financial statements now presented, and an adjustment has been made to consolidated net asset balances, as of June 30, 2020, to correct the error. Our opinion is not modified with respect to this matter.

**Change in Accounting Principle**

As discussed in Note 1 to the financial statements, management adopted Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. Our opinion is not modified with respect to that matter.



**CliftonLarsonAllen LLP**

Naples, Florida  
February 11, 2022

**THE IMMOKALEE FOUNDATION, INC. AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020**

	2021	As Restated 2020
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,996,290	\$ 1,150,234
Grant Receivable	176,688	139,587
Accounts Receivable	-	599
Bequest Receivable	300,000	300,000
Prepaid Expenses and Other Assets	95,242	74,442
Take Stock in Children and Florida Prepaid Scholarships	1,730,997	1,753,506
Unconditional Promises to Give, Net	1,051,250	380,000
Other Assets	4,382	4,238
Beneficial Interest in Assets Held by Others	9,244,868	7,575,892
Inventory - Land and Construction in Progress	1,321,944	570,323
Property and Equipment, Net	1,076,690	1,128,696
	<b>\$ 16,998,351</b>	<b>\$ 13,077,517</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 64,748	\$ 57,575
Scholarships Payable	6,288	14,026
Deferred Revenue	2,000	-
Notes Payable	495,935	389,489
Total Liabilities	568,971	461,090
<b>NET ASSETS</b>		
Without Donor Restrictions	11,622,005	8,798,854
With Donor Restrictions		
Subject to Purpose or Time Restrictions	2,273,547	1,283,745
Held in Perpetuity	2,533,828	2,533,828
Total Net Assets	16,429,380	12,616,427
Total Liabilities and Net Assets	<b>\$ 16,998,351</b>	<b>\$ 13,077,517</b>

See accompanying Notes to Consolidated Financial Statements.

**THE IMMOKALEE FOUNDATION, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Contributions	\$ 2,076,978	\$ 2,247,383	\$ 4,324,361
Grant Revenues	-	1,257,282	1,257,282
Event Revenues	-	-	-
Other Revenues	410,779	-	410,779
Contributed Goods and Services	296,259	-	296,259
Increase in Beneficial Interest in Assets Held by Others	1,979,199	-	1,979,199
Total Support and Revenues	<u>4,763,215</u>	<u>3,504,665</u>	<u>8,267,880</u>
Net Assets Released from Restrictions	<u>2,514,863</u>	<u>(2,514,863)</u>	<u>-</u>
Total Support, Revenues, and Transfers	7,278,078	989,802	8,267,880
<b>EXPENSES</b>			
Program Services, Grants, and Distributions	3,385,099	-	3,385,099
General and Administrative Fundraising	315,878	-	315,878
	753,950	-	753,950
Costs of Direct Benefit to Donors	-	-	-
Total Expenses	<u>4,454,927</u>	<u>-</u>	<u>4,454,927</u>
<b>CHANGES IN NET ASSETS</b>	2,823,151	989,802	3,812,953
Net Assets - Beginning of Year As Restated	<u>8,798,854</u>	<u>3,817,573</u>	<u>12,616,427</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 11,622,005</u>	<u>\$ 4,807,375</u>	<u>\$ 16,429,380</u>

See accompanying Notes to Consolidated Financial Statements.

**THE IMMOKALEE FOUNDATION, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>As Restated Total</u>
<b>SUPPORT AND REVENUES</b>			
Contributions	\$ 1,161,631	\$ 2,114,325	\$ 3,275,956
Grant Revenues	947,130	-	947,130
Event Revenues	1,064,407	-	1,064,407
Other Losses	15,274	-	15,274
Contributed Goods and Services	167,089	-	167,089
Increase in Beneficial Interest in Assets Held by Others	<u>231,610</u>	<u>-</u>	<u>231,610</u>
Total Support and Revenues	<u>3,587,141</u>	<u>2,114,325</u>	<u>5,701,466</u>
Net Assets Released from Restrictions	<u>1,549,582</u>	<u>(1,549,582)</u>	<u>-</u>
Total Support, Revenues, and Transfers	5,136,723	564,743	5,701,466
<b>EXPENSES</b>			
Program Services, Grants, and Distributions	3,341,855	-	3,341,855
General and Administrative	340,187	-	340,187
Fundraising	991,641	-	991,641
Costs of Direct Benefit to Donors	<u>297,860</u>	<u>-</u>	<u>297,860</u>
Total Expenses	<u>4,971,543</u>	<u>-</u>	<u>4,971,543</u>
<b>CHANGES IN NET ASSETS</b>	165,180	564,743	729,923
Net Assets - Beginning of Year	<u>8,633,674</u>	<u>3,252,830</u>	<u>11,886,504</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 8,798,854</u>	<u>\$ 3,817,573</u>	<u>\$ 12,616,427</u>

See accompanying Notes to Consolidated Financial Statements.

**THE IMMOKALEE FOUNDATION, INC. AND AFFILIATE\**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	<u>Program Services and Distributions</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Costs of Direct Benefit to Donors</u>	<u>Total Expenses</u>
Bank and Merchant Fees	\$ 5,845	\$ 5,188	\$ -	\$ -	\$ 11,033
Communication	90,174	11,792	53,998	-	155,964
Contracted Services	343,108	77,350	141,378	-	561,836
Depreciation	49,990	1,938	1,938	-	53,866
Facility Costs	66,691	25,976	26,680	-	119,347
Facility Costs, Gifts In Kind	-	-	12,457	-	12,457
Field Trips	39,364	-	-	-	39,364
Gifts In Kind	16,612	-	16,612	-	33,224
Insurance	28,399	2,557	6,940	-	37,896
Marketing	92,075	-	1,760	-	93,835
Other Expenses	183,068	1,586	5,331	-	189,985
Payroll Processing Fees	18,620	770	2,420	-	21,810
Professional Services	105,981	3,956	10,383	-	120,320
Rental Equipment	7,128	668	1,746	-	9,542
Salaries and Benefits	1,781,094	173,285	440,603	-	2,394,982
Scholarships	340,030	-	-	-	340,030
Supplies	133,014	8,866	22,953	-	164,833
Transportation/Meals	83,906	1,946	8,751	-	94,603
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Functional Expenses	<u>\$ 3,385,099</u>	<u>\$ 315,878</u>	<u>\$ 753,950</u>	<u>\$ -</u>	<u>\$ 4,454,927</u>

See accompanying Notes to Consolidated Financial Statements.



**THE IMMOKALEE FOUNDATION, INC. AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2020**

	Program Services and Distributions	General and Administrative	Fund Raising	Costs of Direct Benefit to Donors	As Restated Total Expenses
Bad Debt	\$ -	\$ 44,980	\$ -	\$ -	\$ 44,980
Bank and Merchant Fees	8,185	2,179	13,152	-	23,516
Communication	72,962	8,405	42,672	-	124,039
Contracted Services	240,910	37,380	59,028	-	337,318
Depreciation	47,833	2,485	2,485	-	52,803
Facility Costs	43,984	32,677	33,155	-	109,816
Facility Costs, Gifts In Kind	-	-	75,785	-	75,785
Field Trips	50,169	-	-	-	50,169
Gifts In Kind	-	-	91,304	-	91,304
Insurance	25,331	2,356	6,345	-	34,032
Marketing	66,813	-	88,562	-	155,375
Other Expenses	136,801	2,294	68,503	150,023	357,621
Payroll Processing Fees	18,939	463	1,258	-	20,660
Professional Services	86,138	10,220	38,044	147,837	282,239
Rental Equipment	8,199	1,724	10,075	-	19,998
Salaries and Benefits	1,762,981	180,479	383,091	-	2,326,551
Scholarships	470,111	-	-	-	470,111
Supplies	196,349	9,274	58,547	-	264,170
Transportation/Meals	106,150	5,271	19,635	-	131,056
	<u>106,150</u>	<u>5,271</u>	<u>19,635</u>	<u>-</u>	<u>131,056</u>
Total Functional Expenses	<u>\$ 3,341,855</u>	<u>\$ 340,187</u>	<u>\$ 991,641</u>	<u>\$ 297,860</u>	<u>\$ 4,971,543</u>

See accompanying Notes to Consolidated Financial Statements.

**THE IMMOKALEE FOUNDATION, INC. AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	As Restated 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 3,812,953	\$ 729,923
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	53,866	52,803
Change in Allowance for Doubtful Accounts	-	30,000
Change in Beneficial Interest in Assets Held by Others	(1,359,735)	231,610
(Increase) Decrease in:		
Grant Receivable	(37,101)	(9,761)
Accounts Receivable	599	(599)
Bequest Receivable	-	80,000
Prepaid Expenses and Other Assets	(20,800)	24,746
Take Stock in Children and Florida Prepaid Scholarships	22,509	157,041
Unconditional Promises to Give	(671,250)	(236,820)
Projects Under Development	(751,621)	(278,483)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	7,173	(8,068)
Scholarships Payable	(7,738)	(13,698)
Deferred Revenue	2,000	(65,500)
Net Cash Provided by Operating Activities	1,050,855	693,194
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(1,860)	(299,611)
Purchases of Investments	(144)	(4,238)
Additional Contributions (Withdrawals) to Beneficial Interest in Assets Held by Others, Net	(309,241)	(214,203)
Net Cash Used by Investing Activities	(311,245)	(518,052)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Lines of Credit	495,935	389,489
Payments on Line of Credit	(389,489)	-
Pledge Collections	-	100,000
Net Cash Provided by Financing Activities	106,446	489,489
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	846,056	664,631
Cash and Cash Equivalents - Beginning of Year	1,150,234	485,603
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,996,290	\$ 1,150,234
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH OPERATING AND INVESTING ACTIVITIES</b>		
Donation of Land at Fair Value	\$ -	\$ 290,000

See accompanying Notes to Financial Statements.

**THE IMMOKALEE FOUNDATION, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**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.

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.

**Principles of Consolidation**

The consolidated financial statements include the accounts of The Immokalee Foundation, Inc. and its affiliate CPL Lab, LLC (hereafter collectively, the "Foundation"). All significant intercompany balances and transactions have been eliminated.

**Basis of Accounting**

The accompanying consolidated 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.

**THE IMMOKALEE FOUNDATION, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

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

**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 consolidated 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 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 consolidated statements of financial position.

Contributed services and facilities meeting the requirement for recognition in the consolidated 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 consolidated financial statements. For the years ended June 30, 2021 and 2020, the Foundation recognized \$45,681 and \$167,089, 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 consolidated 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.

**THE IMMOKALEE FOUNDATION, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

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

**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 consolidated 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.

**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 consolidated financial statements.

As a limited liability company with only one member, CPL Lab, LLC is a disregarded entity for income tax purposes.

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 consolidated 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. 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. 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. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Inventory – Land and Construction in Progress**

Inventory consists of land and houses under construction. Inventories are valued at cost based upon the specific identification method. In-kind inventory is recorded at its estimated market value when received. Inventory for homeownership is expensed to cost of production sold at time of sale to homeowners.

**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. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**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, 2021; 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 February 11, 2022, the date the financial statements were available to be issued.

**Change in Accounting Principle**

The Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurements*. The ASU removes and modifies disclosure requirements retrospectively for nonpublic entities. The ASU is effective for fiscal years beginning after December 31, 2019. The Organization adopted ASU 2018-13 using the retrospective method. The adoption of 2018-13 has no impact on the Foundation's fair value measurements.

**THE IMMOKALEE FOUNDATION, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**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>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 1,996,290	\$ 1,150,234
Grant Receivable	176,688	139,587
Accounts Receivable	-	599
Bequest Receivable	300,000	300,000
Unconditional Promises to Give, Net	1,051,250	380,000
Beneficial Interest in Assets Held by Others	9,244,868	7,575,892
Less With Donor Restriction Subject to Purpose or Time Restrictions	(2,273,547)	(1,283,745)
Less With Donor Restrictions in Perpetuity	<u>(2,533,828)</u>	<u>(2,533,828)</u>
Total	<u>\$ 7,961,721</u>	<u>\$ 5,728,739</u>

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

**NOTE 3 BENEFICIAL INTEREST IN ASSETS HELD BY OTHER**

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, 2021 and 2020. The balance at June 30, 2021 and 2020 was \$9,244,868 and \$7,575,892, 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.



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**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

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:

	2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Beneficial Interests in Assets Held by Others	\$ -	\$ -	\$ 9,244,868	\$ 9,244,868

	2020			
	Level 1	Level 2	Level 3	Total
Investments:				
Beneficial Interests in Assets Held by Others	\$ -	\$ -	\$ 7,575,892	\$ 7,575,892

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2021	2020		
Beneficial Interest in Assets Held by Others	\$ 7,575,892	\$ 9,244,868	Market Price at Close of Business	Amounts and Timing of Distributions from Community Foundation
			2021	2020
Purchases			\$ -	\$ -
Interest, Dividends, and Gains (Losses)			1,978,217	232,593
Transfers In			-	-
Transfers Out			(309,241)	(250,000)
Total			\$ 1,668,976	\$ (17,407)

**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:

	2021	2020
Unconditional Promises to Give	\$ 1,051,250	\$ 380,000
Less: Discount to Net Present Value	-	-
Total	\$ 1,051,250	\$ 380,000

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**NOTE 5 UNCONDITIONAL PROMISES TO GIVE, NET (CONTINUED)**

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 275,000
2023	225,000
2024	175,000
2025	175,000
2026 and After	201,250
Total	<u>\$ 1,051,250</u>

**NOTE 6 PROPERTY AND EQUIPMENT, NET**

Property and equipment at June 30 consists of the following:

	<u>2021</u>	<u>2020</u>
Building and Land	\$ 1,325,321	\$ 1,325,321
Office and Computer Equipment	-	-
Office Furniture	239,735	237,875
Vehicles	57,781	57,781
Total	<u>1,622,837</u>	<u>1,620,977</u>
Less: Accumulated Depreciation	<u>(546,147)</u>	<u>(492,281)</u>
Property and Equipment, Net	<u>\$ 1,076,690</u>	<u>\$ 1,128,696</u>

**NOTE 7 SCHOLARSHIPS**

During the years ended June 30, 2021 and 2020, the Foundation incurred expenses of \$340,030 and \$470,111, respectively, for its scholarship programs which are reflected in the accompanying consolidated statements of functional expenses.

**NOTE 8 LINE OF CREDIT**

The Foundation had one line of credit with a financial institution as of June 30, 2021 and 2020. The amount available under the line of credit was \$1,000,000 as of June 30, 2021 and 2020, respectively. The line of credit expires August 30, 2021 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 3.93% and 1.67% as of June 30, 2021 and 2020, respectively, and interest is due monthly. As of June 30, 2021 and 2020, the balance was \$-0- and \$-0-, respectively.

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**NOTE 9 NOTES PAYABLE**

**Paycheck Protection Program Loan**

In April 2020 the Foundation received a Paycheck Protection Program (PPP) Loan granted by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in the amount of \$389,489. The loan bears interest at 1% per annum and is unsecured. Monthly payments of principal and interest are due beginning in November 2020 through maturity in April 2022. On January 15, 2021, the SBA processed the Foundations' PPP Loan forgiveness application and notified the bank the PPP Loan qualified for full forgiveness. Loan proceeds were received by the bank from the SBA on this date. Therefore, the Foundation was legally released from the debt and the loan forgiveness has been recorded as other revenues during the year ended June 30, 2021.

In February 2021 the Foundation received a Paycheck Protection Program (PPP) Loan granted by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in the amount of \$245,935. The loan bears interest at 1% per annum and is unsecured. Principal and interest payments are deferred, with interest accruing until either (a) the date of the Loan Forgiveness or (b) 10 months after the last day of the Maximum Covered Period. All remaining unpaid principal and accrued interest is due and payable sixty months from the date of the note. This loan may be forgiven, in part or in full, if the Foundation maintains compensation levels, maintains employee headcount, and spends the proceeds on certain qualifying expenses. As of February 11, 2022, the SBA has not forgiven any portion of the loan. Any amount that may ultimately be forgiven will be recognized as revenue when the Foundation receives notification from the SBA that the loan has been formally forgiven.

**Promissory Note**

On October 22 2020, CPL Lab executed a \$250,000 note payable to be used for the CPL Lab house building program. The note matures on the earlier of (a) the closing of the date of the house or (b) October 22, 2022. The loan accrues interest at a rate of .14% per annum, however, the accrued interest on the loan will be waived if CPL Lab repays the loan on or before the maturity date. The outstanding balance of the loan at June 30, 2021 was \$250,000.

**NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS FOR PURPOSE OR TIME**

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

	2021	2020
Subject to Expenditure for Specified Purpose:		
Programs	\$ 1,182,223	\$ -
Restricted Donations	41,324	41,322
Fund-A-Dream	-	862,423
Subject to Passage of Time:		
Unconditional Promises to Give, Net	1,050,000	380,000
Total	\$ 2,273,547	\$ 1,283,745

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**NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS FOR PURPOSE OR TIME (CONTINUED)**

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.

**NOTE 11 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, 2021 and 2020, no such deficiencies were noted.

**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.

**THE IMMOKALEE FOUNDATION, INC. AND AFFILIATE  
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**NOTE 11 ENDOWMENT (CONTINUED)**

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, 2019	\$ -	\$ 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, 2020	-	2,533,828	2,533,828
Investment Return:			
Change in Beneficial Interest	877,814	-	877,814
Total Investment Return	877,814	-	877,814
Appropriations	(877,814)	-	(877,814)
Endowment Net Assets as of June 30, 2021	<u>\$ -</u>	<u>\$ 2,533,828</u>	<u>\$ 2,533,828</u>

As of June 30, 2021 and 2020, 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 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.

**THE IMMOKALEE FOUNDATION, INC. AND AFFILIATE  
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**NOTE 12 COMMITMENTS**

In July 2021 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 \$4,000 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>
2022	\$ 56,640
2023	58,080
2024	59,563
2025	8,640
Total	<u>\$ 182,923</u>

Rental expense for the years ended June 30, 2021 and 2020 was \$54,240.

**NOTE 13 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, 2021 and June 30, 2020.

**NOTE 14 RELATED PARTY TRANSACTIONS AND CONCENTRATIONS**

As of the June 30, 2021 and 2020, 52% and 0% of promises to give were due from board members, respectively. Promises to give due from board members totaled \$550,000 and \$-0- at June 30, 2021 and 2020, respectively.

As of the June 30, 2021 and 2020, 22% and 13% of contributions revenues were from board members, respectively. Contributions from board members totaled \$1,420,280 and \$677,998 at June 30, 2021 and 2020, respectively.

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**NOTE 15 RISKS AND UNCERTAINTIES**

In 2020, World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Foundation, COVID-19 may impact various parts of its 2022 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, idle workforce, or loss of revenue due to reductions in certain revenue streams. Management believes the Foundation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of February 11, 2022.

**NOTE 16 PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2021, the Organization's management determined that amounts previously expensed should have been reflected as increases to jobs in progress. As a result, the consolidated statement of financial position, consolidated statement of activities and changes in net assets, consolidated statement of cash flows and consolidated statement of functional expenses, for the year ended June 30, 2020, were restated to reflect the activity in jobs in progress. The restatement resulted in changes to the following:

	As Originally Reported	Prior Period Adjustment	As Restated
Account Payable and Accrued Expenses	\$ 222,669	(165,094)	\$ 57,575
Deferred Revenue	20,000	(20,000)	-
Without Donor Restrictions	8,613,760	185,094	8,798,854
With Donor Restrictions			
Subject to Purpose or Time Restrictions	1,283,745	-	1,283,745
Held in Perpetuity	<u>2,533,828</u>	<u>-</u>	<u>2,533,828</u>
Total Net Assets	12,431,333	185,094	12,616,427
Changes in Net Assets	544,829	185,094	729,923