

F.I.S.H. OF SANIBEL-CAPTIVA, INC.
FINANCIAL STATEMENTS,
TOGETHER WITH
REPORT OF INDEPENDENT AUDITOR
YEAR ENDED
DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
F.I.S.H. of Sanibel-Captiva, Inc.
Sanibel, Florida

We have audited the accompanying financial statements of F.I.S.H. of Sanibel-Captiva, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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 for 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.

F.I.S.H. of Sanibel-Captiva, Inc.

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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 financial statements referred to above present fairly, in all material respects, the financial position of F.I.S.H. of Sanibel-Captiva, Inc. as of December 31, 2019, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Spires Group P.A.

The Spires Group, Inc.

Fort Myers, Florida

March 31, 2019

F.I.S.H. OF SANIBEL-CAPTIVA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

Cash (including restricted cash of \$14,655)	\$	843,421
Certificates of deposit		75,993
Investment in Foundation		69,369
Pledges receivable, net		1,000
Prepaid expenses		19,045
Property , plant and equipment, net		<u>1,915,013</u>
Total assets	\$	<u><u>2,923,841</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$	1,784
Deferred revenues		19,450
Security deposit		4,000
Note payable		<u>1,264,136</u>
Total liabilities		1,289,370

NET ASSETS

Without donor restrictions		1,550,447
With donor restrictions		14,655
Foundation funds		<u>69,369</u>
Total net assets		<u><u>1,634,471</u></u>
Total liabilities and net assets	\$	<u><u>2,923,841</u></u>

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

F.I.S.H. OF SANIBEL-CAPTIVA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGES IN NET ASSETS			
SUPPORT AND REVENUES			
Event income	\$ 595,267	\$ -	595,267
Less: Event expenses	(114,189)		(114,189)
Net Event income	481,078		481,078
Gifts in kind	417,918	-	417,918
Community Fund Drive income	307,429	-	307,429
Contributions, individuals	112,034	56,445	168,479
Contributions, organizations	4,235	151,334	155,569
Foundation	15,400	40,000	55,400
Rental income	51,996	-	51,996
Contributions Special Assistance	-	46,838	46,838
Unrealized gain on investments	18,697		18,697
Interest income	4,931	476	5,407
Other income	2,764		2,764
Assets released from restriction	314,514	(314,514)	-
	1,730,996	(19,421)	1,711,575
EXPENSES			
Program services	1,433,191	-	1,433,191
Fundraising	69,535	-	69,535
Management and general	59,114	-	59,114
	1,561,840	-	1,561,840
CHANGE IN NET ASSETS	169,156	(19,421)	149,735
NET ASSETS, JANUARY 1, 2019	1,450,660	34,076	1,484,736
NET ASSETS, DECEMBER 31, 2019	\$ 1,619,816	\$ 14,655	\$ 1,634,471

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

F.I.S.H. OF SANIBEL-CAPTIVA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Support Services			Total Expenses
	Program Services	Management and General	Fundraising	
Food pantry distributions	\$ 445,192	\$ -	\$ -	\$ 445,192
Wages	336,824	20,865	14,904	372,593
Client support	308,662	-	-	308,662
Interest expense	54,492	2,651	1,767	58,910
Computer equipment and support	34,888	1,697	1,132	37,717
Employee benefits	31,268	1,937	1,384	34,589
Payroll taxes and insurance	26,780	1,659	1,185	29,624
Insurance	16,006	5,335	-	21,341
Business and professional fees	9,892	4,946	4,946	19,784
Maintenance service	13,508	657	438	14,603
Donor recognition	-	-	12,417	12,417
Solicitation	-	-	12,219	12,219
Promotion	-	-	11,535	11,535
Back pack program	10,961	-	-	10,961
Bookkeeping	-	10,064	-	10,064
Credit card fees	6,526	2,176	-	8,702
Payroll expenses	6,946	430	307	7,683
Telephone	7,554	-	-	7,554
Cleaning service	6,965	339	226	7,530
Electricity	5,560	270	180	6,010
Volunteer recognition	-	-	5,917	5,917
Answering service	5,753	-	-	5,753
Other office supplies	5,016	244	163	5,423
Copier lease and supplies	4,009	195	130	4,334
Other miscellaneous	2,076	2,076	-	4,152
Printing preparation services	1,800	1,800	-	3,600
Meals on wheels	3,439	-	-	3,439
Security service	1,926	94	62	2,082
Postage	1,041	520	520	2,081
Printing and stationary	1,006	1,006	-	2,012
Real estate taxes	1,650	80	54	1,784
Friendly faces luncheon (net)	1,326	-	-	1,326
Water & Sewer	925	45	30	1,000
Van expense	985	-	-	985
Office furniture & equipment	582	28	19	629
	<u>1,353,558</u>	<u>59,114</u>	<u>69,535</u>	<u>1,482,207</u>
Depreciation	79,633	-	-	79,633
TOTAL EXPENSES	\$ 1,433,191	\$ 59,114	\$ 69,535	\$ 1,561,840

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

F.I.S.H. OF SANIBEL-CAPTIVA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from events	\$ 544,920
Cash received from Community Fund Drive	307,429
Cash received from contributions - individuals	168,479
Cash received from contributions - organizations	155,569
Cash received from contributions - foundation	55,400
Cash received from rent	51,996
Cash received from special assistance	46,838
Interest income received	5,407
Cash received from contributions other income	2,764
Cash paid for operating expenses	(1,136,973)
Cash paid for interest	<u>(58,910)</u>
Net cash provided by operating activities	142,919
CASH FLOWS FROM INVESTING ACTIVITIES	
Reinvested interest	(695)
Investment in foundation	(475)
Purchase of property, plant and equipment	<u>(94,149)</u>
Net cash used in investing activities	(95,319)
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of notes payable	<u>(41,204)</u>
Net cash used in financing activities	<u>(41,204)</u>
Net increase in cash	6,396
Beginning cash, January 1, 2019	<u>837,025</u>
Ending cash, December 31, 2019	<u><u>\$ 843,421</u></u>
SUPPLEMENTAL DISCLOSURE OF NON CASH ACTIVITIES	
Food pantry contributions received	\$ 303,993
Food pantry expenditures	\$ (303,993)
Donated services received - professional	\$ 80,177
Donated services expenditures	\$ (80,177)
Other in-kind services received	\$ 33,748
Other in-kind services expenditures	\$ (33,748)

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

F.I.S.H OF SANIBEL-CAPTIVA, INC.
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

CHANGE IN NET ASSETS	\$ 149,735
ADJUSTMENT TO RECONCILE INCREASE IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES	
Depreciation	\$ 79,633
Unrealized gain on investments	(18,697)
CHANGES IN ASSETS AND LIABILITIES	
Increase in Prepaid expenses	\$ (6,893)
Decrease in Accounts payable	(4,874)
Decrease in Payroll taxes payable	(5,638)
Decrease in Unearned revenue	<u>(50,347)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 142,919</u></u>

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

**F.I.S.H. OF SANIBEL-CAPTIVA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

**NOTE A-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES**

Organization and nature of operations

F.I.S.H. of Sanibel-Captiva, Inc. (the “Organization”) is a nonprofit organization incorporated in 2007 to provide services to those in need who live, work, or visit Sanibel or Captiva. The Organization provides free services such as transportation, food pantry, meal delivery, health equipment, and emergency financial assistance. These services are performed by volunteers who care about prolonging the quality of life for all those who request help.

The Organization relies on volunteers to share their time, resources, and talents with residents and visitors who need a helping hand, a caring friendship, and needed services.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The accounting and reporting policies of the Organization are in accordance with the accounting standards issued by the Financial Accounting Standards Board (“FASB”) in the Accounting Standards Codification (“ASC”).

Financial statement presentation

The Organization prepares its financial statements in accordance with the Not-for-Profit Entities Topic of the FASB ASC. In accordance with this topic, the Organization is required to report 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.

Contributions

The Organization reports its contributions in accordance with the Not-For-Profit Entities Topic of the FASB ASC. In accordance with this topic, contributions received are recorded as unrestricted and donor restricted

F.I.S.H. OF SANIBEL-CAPTIVA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions-(Continued)

support depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as increases in donor restricted net assets depending on the nature of the restriction.

Recognition of contributions

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the statement of changes in net assets as net assets released from restrictions. Although restricted contributions typically are reported as support that increases restricted net assets, they may be reported as unrestricted support if the restrictions are met in the same reporting period, the policy is followed consistently, and it is disclosed.

Property and equipment

Property and equipment are stated at cost (fair market value as of date received for donated assets) and depreciated using the straight-line method over their estimated useful lives. The Organization's capitalization policy provides for all property and equipment that have a cost of \$500 or more and a useful life of greater than one year to be capitalized.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment-(Continued)

Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and any gain or loss is included and charged to the change in net assets.

Deferred revenue and restricted cash

Revenue collected for specific activities are deferred until such time as the activity occurs. Restricted cash represents the residual amount remaining from deferred revenue collected less amounts recorded as prepaid expenses against future events.

Income taxes

The Internal Revenue Service has determined that the Organization is exempt from federal income taxes under Section 501c (3) of the Internal Revenue Code. The Organization is a not-for-profit Florida corporation and therefore is not subject to state income taxes. The Organization is not classified as a private foundation within the meaning of Section 509(a) of the Code. However, the Organization is subject to federal income tax on any unrelated business taxable income, and it does not have any.

The Organization's tax filings are subject to audit by various taxing authorities. Certain income tax returns filed by the Organization remain open to examination by these government agencies. The Financial Accounting Standards Board has issued guidance on accounting for uncertainty in income taxes and the Organization adopted this guidance. The Organization has evaluated its tax positions and any estimates utilized in its tax returns, and concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statement to comply with the provisions of this guidance. Interest and penalties associated with uncertain tax positions will be recognized in income tax expense, if required.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

For the purpose of the statement of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Impairment of long-lived assets

The Organization adheres to the Property, Plant and Equipment Topic of the FASB ASC to account for the impairment of long-lived assets. This topic requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable.

There was no effect on the Organization's financial statements resulting from this topic for the year ended December 31, 2019.

Functional expenses

The Organization allocates its expenses on a functional basis among its various program and supporting services. Expenses that can be identified with a specific program service are allocated directly according to their natural expenditure classification. Non-direct expenses are allocated using a reasonable percentage method determined by management.

Donated goods and services

Noncash donations are recorded as contributions at their fair values at the date of donation.

For the year ended December 31, 2019, the Organization's volunteers donated 7,455 hours and drove 34,147 miles providing transportation and other program services, which together are valued at approximately \$67,800. The FASB ASC standard for donated services provides that services that do not require specialized skills or enhance nonfinancial assets should not be

F.I.S.H. OF SANIBEL-CAPTIVA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated goods and services-(Continued)

recognized. Accordingly, these amounts are not recorded in the financial statements. Donated services that were provided by individuals with specialized skills are reflected in the financial statements at estimated market value and totaled \$80,177. For the year ended December 31, 2019, donations of food and other services reflected in the financial statements have been valued at \$337,741.

Fair value of financial instruments

The Financial Instruments Topic of the FASB ASC clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

The Organization's financial instruments consist of cash, accounts receivable, and accounts payable. The Organization estimates that the fair value of all financial instruments at December 31, 2019 do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

Concentration of credit risk

The Organization maintains its cash balances in bank deposit accounts, which at times may exceed federally insured limits. The Organization believes it is not exposed to any significant credit risk on cash.

Management 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.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in foundation

Organization has recorded its interest in the net assets of the F.I.S.H. of Sanibel-Captiva Foundation, Inc. (the "Foundation") in an amount equal to 100% of the net assets of the Foundation. The Foundation's purpose is to support the Organization through fundraising. In April 2016, the Organization made an initial contribution of \$45,000. The balance at December 31, 2019 was \$69,369.

NOTE B-PLEDGES RECEIVABLE

During 2014, The Organization started a capital campaign to raise money for the purchase of capital improvements. The Organization received cash and pledges of \$653,329 of which \$1,000 remain uncollected as of December 31, 2019.

NOTE C-PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at December 31, 2019:

	<u>Amount</u>
Health equipment	\$ 950
Furniture, fixtures, and computers	75,556
Leasehold improvements	377,692
Computer hardware and software	65,314
Vehicle	27,428
Building	<u>1 766,944</u>
	2,313,884
Less accumulated depreciation	<u>(398,871)</u>
	<u>\$1,915,013</u>

Depreciation expense for the year ended December 31, 2019 was \$79,633.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE D-CONTINGENCIES

The Organization is currently receiving and has received in the past, grants that are subject to special compliance audits by the grantor. These audits may result in disallowed expense amounts. Disallowed amounts, if any, constitute a contingent liability of the organization. Accordingly, such liabilities are not reflected within the financial statements. The organization does not believe contingent liabilities, if any, are material.

NOTE E- NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

Helping Hand Program	\$100,125
Food Distribution Program	167,468
Fund Raising Events	17,500
Occupancy Cost	<u>10,000</u>
	<u>\$295,093</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

Helping Hand Program	\$100,125
Food Distribution Program	186,889
Fund Raising Cost	17,500
Occupancy Cost	<u>10,000</u>
	<u>\$314,514</u>

NOTE F-MORTGAGE PAYABLE

On December 5, 2014 The Organization signed a mortgage and promissory note with Sanibel-Captiva Community Bank. Secured by property located at 2430 Periwinkle Way, Sanibel, Florida and by assignment of rents associated with the same property. Beginning January 5, 2015, the principal and interest are payable on the note for 300 consecutive months at a variable interest rate. The first 60 months will be at 4.50% per annum and will adjust on January 5, 2020 to 3.250% over the highest prime as published in the "Money Rates" section of the Wall Street Journal. Final payment is due December 2039. Current monthly payments are \$8,323. The outstanding balance on the loan at December 31, 2019 was:

\$ 1,264,136

**F.I.S.H. OF SANIBEL-CAPTIVA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE F-MORTGAGE PAYABLE (Continued)

The maturity of mortgage payable is as follows:

2020	\$ 42,663
2021	44,623
2022	46,673
2023	48,823
2024	51,443
Thereafter	<u>1,029,911</u>
Total	<u>\$1,264,136</u>

NOTE G-SUBSEQUENT EVENTS

Management has assessed subsequent events through March 31, 2020, the date on which the financial statements were available to be issued.