

F.I.S.H. OF SANIBEL-CAPTIVA, INC.
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of F.I.S.H. of Sanibel-Captiva, Inc. (a not-for-profit organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 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 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 audits 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 auditor's 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 F.I.S.H. of Sanibel-Captiva, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Hughes, Snell, & Co., P.A.

HUGHES, SNELL & CO., P.A.

Fort Myers, Florida
August 9, 2021

F.I.S.H. OF SANIBEL-CAPTIVA, INC.

Consolidated Statement of Financial Position
December 31, 2020

<u>ASSETS</u>		<u>2020</u>
ASSETS		
Cash and cash equivalents	\$	1,529,002
Certificates of deposit		76,473
Investments		340,734
Receivables		14,868
Prepaid expenses		21,151
Property and equipment, net		<u>1,939,470</u>
Total Assets	\$	<u><u>3,921,698</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$	32,043
Deferred revenue		25,250
Refundable advance		83,605
Security deposit		2,000
Note payable		<u>834,563</u>
Total Liabilities		<u>977,461</u>
NET ASSETS		
Without donor restrictions		2,694,129
With donor restrictions		<u>250,108</u>
Total Net Assets		<u>2,944,237</u>
Total Liabilities and Net Assets	\$	<u><u>3,921,698</u></u>

The accompanying notes are an integral part of this financial statement.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.

Consolidated Statement of Activities
Year Ended December 31, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Special event revenue	\$ 540,105	\$ -	\$ 540,105
Less: Direct benefits to donors	(91,448)	-	(91,448)
	<u>448,657</u>	<u>-</u>	<u>448,657</u>
Community Fund Drive	671,395	-	671,395
Contributions, individuals	223,753	446,503	670,256
Contributions, organizations	9,440	182,082	191,522
Contributions, foundations	72,300	507,550	579,850
In-kind contributions	409,568	-	409,568
Rental income	51,996	-	51,996
Other income	6,223	-	6,223
Net investment return	5,195	-	5,195
Net assets released from restrictions	900,682	(900,682)	-
Total Support and Revenues	<u>2,799,209</u>	<u>235,453</u>	<u>3,034,662</u>
EXPENSES			
Program services	1,581,231	-	1,581,231
General and administrative	75,050	-	75,050
Fundraising	68,615	-	68,615
Total Expenses	<u>1,724,896</u>	<u>-</u>	<u>1,724,896</u>
CHANGE IN NET ASSETS	1,074,313	235,453	1,309,766
NET ASSETS, BEGINNING OF YEAR	<u>1,619,816</u>	<u>14,655</u>	<u>1,634,471</u>
NET ASSETS, END OF YEAR	<u>\$ 2,694,129</u>	<u>\$ 250,108</u>	<u>\$ 2,944,237</u>

The accompanying notes are an integral part of this financial statement.

F.I.S.H. SANIBEL-CAPTIVA, INC.

Consolidated Statement of Functional Expenses
Year Ended December 31, 2020

	2020				
	Program Services	General and Administrative	Fundraising	Direct Benefits to Donors	Total
EXPENSES					
Salaries	\$ 337,903	\$ 20,932	\$ 14,951	\$ -	\$ 373,786
Benefits	36,812	2,280	1,629	-	40,721
Payroll taxes	27,285	1,690	1,207	-	30,182
Total Salaries and Related Expenses	<u>402,000</u>	<u>24,902</u>	<u>17,787</u>	<u>-</u>	<u>444,689</u>
Food pantry distributions	440,301	-	-	-	440,301
Other food program expenses	65,005	-	-	-	65,005
Client support	265,991	-	-	-	265,991
Other program expenses	133,274	-	-	-	133,274
Special event expenses	-	-	-	91,448	91,448
Professional fees	22,266	20,584	7,951	-	50,801
Interest	38,272	1,862	1,241	-	41,375
Computer expenses	31,128	1,514	1,010	-	33,652
Repairs and maintenance	26,556	1,292	861	-	28,709
Insurance	18,684	6,228	-	-	24,912
Promotion	10,053	-	10,053	-	20,106
Bank and credit card fees	12,209	4,069	-	-	16,278
Volunteer and donor appreciation	-	-	15,276	-	15,276
Solicitation	-	-	10,364	-	10,364
Telephone and answering service	9,818	225	150	-	10,193
Office expense	8,854	431	287	-	9,572
Utilities	6,480	315	210	-	7,005
Printing	3,501	3,500	-	-	7,001
Miscellaneous	3,375	5,490	67	-	8,932
Postage	1,590	794	795	-	3,179
Van expenses	2,840	-	-	-	2,840
Security	2,228	108	72	-	2,408
	<u>1,504,425</u>	<u>71,314</u>	<u>66,124</u>	<u>91,448</u>	<u>1,733,311</u>
Depreciation	<u>76,806</u>	<u>3,736</u>	<u>2,491</u>	<u>-</u>	<u>83,033</u>
Total Expenses \$	<u><u>1,581,231</u></u>	<u><u>75,050</u></u>	<u><u>68,615</u></u>	<u><u>91,448</u></u>	<u><u>1,816,344</u></u>
				Direct benefits to donors	<u>(91,448)</u>
				Total Expenses - Statement of Activities \$	<u><u>1,724,896</u></u>

The accompanying notes are an integral part of this financial statement.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.

Consolidated Statement of Cash Flows
Year Ended December 31, 2020

	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from special events	\$ 528,337
Cash received from contributors	2,177,889
Cash received from rent and other income	58,219
Interest received	3,895
Cash paid to employees and vendors	(1,164,767)
Cash paid for direct benefits to donors	(73,880)
Interest paid	<u>(41,375)</u>
Net Cash Provided by Operating Activities	<u>1,488,318</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(107,490)
Proceeds from sale of investments	54,649
Purchases of investments	<u>(320,323)</u>
Net Cash Used in Investing Activities	<u>(373,164)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on note payable	<u>(429,573)</u>
Net Cash Provided by Financing Activities	<u>(429,573)</u>
Net change in cash and cash equivalents	685,581
Cash and cash equivalents, beginning of year	<u>843,421</u>
Cash and cash equivalents, end of year	<u>\$ 1,529,002</u>

The accompanying notes are an integral part of this financial statement.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.

Consolidated Statement of Cash Flows
Year Ended December 31, 2020

RECONCILIATION OF THE CHANGE IN NET ASSETS
TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	<u>2020</u>
Change in net assets	\$ 1,309,766
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	83,033
Accrued interest	(480)
Net realized and unrealized gain (loss) on investments	(820)
Stock contributions	(4,871)
(Increase) decrease in:	
Receivables	(13,868)
Prepaid expenses	(2,106)
Increase (decrease) in:	
Accounts payable	30,259
Deferred revenue	5,800
Refundable advance	83,605
Security deposit	(2,000)
Net Cash Provided by Operating Activities	<u>\$ 1,488,318</u>

The accompanying notes are an integral part of this financial statement.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.

Notes to Consolidated Financial Statements
December 31, 2020

NOTE A – THE ORGANIZATION

F.I.S.H. of Sanibel-Captiva, Inc. ("FISH") is a Florida not-for-profit corporation organized in 2007 with a vision to create communities where all people have the support they need to survive. FISH's mission is to enrich the lives of all people in Sanibel and Captiva Islands by neighbors helping neighbors with social services, education and assistance. FISH 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. FISH 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.

F.I.S.H. of Sanibel-Captiva Foundation, Inc. (the "Foundation") is a Florida not-for-profit corporation organized in 2015 to support the mission of F.I.S.H. of Sanibel-Captiva, Inc. The consolidated financial statements include the financial position and activities of FISH and the Foundation and are hereafter referred to as the "Organization".

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) and are presented on the basis of net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are created only by donor-imposed restrictions on their use. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Consolidation

The accompanying consolidated financial statements include the accounts of F.I.S.H. of Sanibel-Captiva, Inc. and its supporting organization F.I.S.H. of Sanibel-Captiva Foundation, Inc. All significant interorganizational transactions and balances have been eliminated in consolidation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents, except for money market funds included in a managed investment account.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.

Notes to Consolidated Financial Statements
December 31, 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk

The Organization maintains its cash balances in various bank accounts that, at times, may exceed federally insured limits. As of December 31, 2020, the uninsured balance was \$1,047,297. In addition, investments and cash held in investment brokerage accounts are insured up to \$500,000, including claims of cash up to \$250,000, for net equity of securities and cash positions but not protected against market fluctuations. The Organization has not experienced any loss in such accounts and believes it is not exposed to any significant credit risk on its cash and investment balances.

Receivables

Receivables primarily consists of unconditional promises to give owed by grantors and donors and are stated at the amount management expects to be collected from the outstanding balance. All receivables are considered fully collectible, therefore, no allowance for uncollectible accounts has been recorded. There was no bad debt expense for the year ended December 31, 2020. All receivables are expected to be received within one year.

Certificates of Deposit

Certificates of deposit are stated at cost plus accrued interest which approximates fair value.

Investments

Investments are stated at fair value in the statement of financial position. Donated investments are recorded at fair value at the time of donation. Changes in fair value along with realized gains and losses, interest and dividend income, and investment fees are reported as net investment return in the statement of activities.

Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair value at the time of donation. Additions and major renewals in excess of \$2,500 are capitalized. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets ranging from three to thirty-nine years. The cost of maintenance and repairs is expensed as incurred.

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized when the fair value of the asset is less than the carrying value. There were no impairment losses recognized in 2020.

Deferred Revenue

Income from sponsorships received in advance of future special events, which the resource provider is receiving commensurate value in return or a right of return exists if the event does not occur, is deferred and recognized over the periods to which the sponsorships relate.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.

Notes to Consolidated Financial Statements
December 31, 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

The Organization has revenue derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures would be reported as refundable advances in the statement of financial position. The Organization received a cost-reimbursable grant award of \$20,237, of which \$7,069 has not been recognized at December 31, 2020 because qualifying expenditures have not yet been incurred.

The Organization received a loan through the Paycheck Protection Program for \$83,605. The loan was provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and is pursuant to all regulations and guidance promulgated or provided by the Small Business Administration (SBA). The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization applied for loan forgiveness under the guidelines of the SBA and received approval of loan forgiveness of \$83,605 on February 10, 2021. The loan was recorded as a refundable advance in the financial statements in accordance with guidance for conditional contributions as the explicit waiver of loan repayment was not received as of December 31, 2020.

The Organization records special events revenue including sponsorships and ticket sales when the event takes place.

Rental income is recognized in the period to which the rent applies.

In-kind Contributions

Donated goods, marketable securities, property and equipment, and other noncash donations are recorded as contributions at their fair values at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. The Organization received donated food and other goods totaling \$385,131 during the year ended December 31, 2020.

Donations of services are recorded as estimated fair value and recognized as contributions only if services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by the individual possessing those skills, and would typically be purchased if not provided by donation. For the year ended December 31, 2020, the Organization recognized donated services in the amount of \$24,437.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.

Notes to Consolidated Financial Statements
December 31, 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-kind Contributions (continued)

The Organization receives significant contributions of time from volunteers in furtherance of the Organization's mission. During the year ended December 31, 2020, the Organization's volunteers donated 4,433 hours of service and drove 19,382 miles providing transportation and other program services, which collectively is valued at approximately \$49,000. These services were not reflected in the accompanying statement of activities as they do not meet the criteria for recognition under GAAP.

Advertising

Advertising expense to promote the Organization's programs is expensed when incurred. Total advertising expense as \$10,967 for the year ended December 31, 2020.

Functional Expenses

The statement of functional expenses reports certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: depreciation, interest, repairs and maintenance, security, insurance and utilities, which are allocated on a square footage basis; salaries, benefits and payroll taxes are allocated on the basis of estimated time and effort; computer expenses, office expense, telephone and other are allocated based on the average of the personnel allocation described above.

Income Taxes

FISH and the Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") as well as exempt from state income taxes as the organizations are not-for-profit Florida corporations. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. FISH has unrelated business income related to rental income from debt financed property for the year ended December 31, 2020. Income tax expense of \$3,246 and interest and penalties of \$535 were recorded in miscellaneous expenses for the year ended December 31, 2020. The organizations are not considered a private foundation within the meaning of Section 509(a) of the Code.

Management has evaluated its tax positions and believes all positions taken would be upheld under examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the year ended December 31, 2020.

Recent Accounting Pronouncements

In June 2018, FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This update provides to further improve the scope and accounting guidance on revenue recognition, assist entities in distinguishing between contributions and exchange transactions and to determine whether a contribution is conditional. The Organization adopted this standard on a modified prospective basis for the year ended December 31, 2020 and the adoption of this standard did not materially impact financial statements.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.

Notes to Consolidated Financial Statements
December 31, 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements (continued)

The Organization adopted FASB's Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* beginning January 1, 2020. This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization implemented ASU 2014-09 in 2020 using the modified retrospective method, and adoption did not have a material impact on the Organization's consolidated financial statements. Therefore, no adjustment was required to the opening balance of net assets at the date of initial application.

Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 9, 2021, the date that the financial statements were available to be issued.

NOTE C – LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets at December 31, 2020:

Financial assets at year-end:		2020
Cash and cash equivalents	\$	1,529,002
Certificates of deposit		76,473
Investments		340,734
Receivables		14,868
		<u>1,961,077</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions		(250,108)
Board-designated fund held in the Foundation		(60,794)
Financial assets available to meet cash needs for operating expenditures within one year	\$	<u>1,650,175</u>

The Organization strives to maintain liquid assets in the form of cash targeted to cover 12 months of normal expenditures. Liquid assets in excess of this 12-month level are maintained in an investment account which is managed and reviewed in accordance with board policy. A review of the investment policy and objectives is undertaken no less frequently than annually in conjunction with the review of the Organization's financial condition and circumstances.

The governing board has designated, from net assets without donor restrictions, net assets for operations or capital needs totaling \$60,794 as of December 31, 2020, that is held in the Foundation.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.

Notes to Consolidated Financial Statements
December 31, 2020

NOTE D – INVESTMENTS

Investments consisted of the following as of December 31, 2020:

	2020
Money market funds	\$ 46,842
Exchange traded funds - equities	43,926
Treasury bonds	249,966
	<u>\$ 340,734</u>

The composition of net investment return on the Organization's investment portfolio for the year ended December 31, 2020 is as follows:

	2020
Interest and dividend income, net of investment fees	\$ 4,375
Net realized and unrealized gains (losses)	820
	<u>\$ 5,195</u>

NOTE E – FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 – Valuations based on unadjusted quoted prices for identical assets in active markets;

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in valuation techniques and related inputs.

Money market funds – Valued at the closing price reported on an active market on which shares of the fund are traded.

Exchange traded funds - equities – Valued at the closing price reported on the active market on which the individual securities are traded.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.

Notes to Consolidated Financial Statements
December 31, 2020

NOTE E – FAIR VALUE MEASUREMENTS (continued)

Treasury bonds – Valued based on quoted market prices in an active market as the market for Treasury bonds is an actively traded market given the high level of daily trading volume.

The fair values of assets measured on a recurring basis are as follows:

	Fair Value Measurements as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 46,842	\$ -	\$ -	\$ 46,842
Exchange traded funds - equities	43,926	-	-	43,926
Treasury bonds	249,966	-	-	249,966
	<u>\$ 340,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 340,734</u>

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2020:

	2020
Land	\$ 265,000
Building and improvements	1,933,367
Computer equipment and software	105,876
Furniture and equipment	89,703
Vehicles	27,428
	<u>2,421,374</u>
Less: accumulated depreciation	<u>(481,904)</u>
	<u>\$ 1,939,470</u>

Depreciation expense for the year December 31, 2020 was \$83,033.

NOTE G –NOTES PAYABLE

The Organization has a mortgage and promissory note with a bank that matures on December 5, 2039 and is secured by the real estate property and assignment of rental income earned from the property. Monthly principal and interest payments of \$8,043, with an interest rate of 4.50%, are required through December 5, 2024. Beginning January 5, 2025, monthly principal and interest payments of \$8,457, with an interest rate of Prime plus .50%, are required through the maturity date. The outstanding balance of the note payable was \$834,563 as of December 31, 2020. Interest expense totaled \$41,375 for the year ended December 31, 2020.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.

Notes to Consolidated Financial Statements
December 31, 2020

NOTE G –NOTES PAYABLE (continued)

Future maturities of note payable is as follows:

Year Ending	
2021	\$ 62,913
2022	63,078
2023	65,976
2024	69,007
2025	77,248
Thereafter	<u>496,341</u>
	<u>\$ 834,563</u>

NOTE H –NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2020 are restricted for the following purposes:

	2020
Helping Hands program and other assistance	\$ 112,782
Food distribution programs	51,633
Education programs	8,400
AngelFish projects	<u>77,293</u>
Total net assets with donor restrictions	<u>\$ 250,108</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by donors as follows for the year ended December 31, 2020:

	2020
Mortgage paydown	\$ 400,000
Helping Hands program and other assistance	265,990
Food distribution programs	144,534
Building and occupancy	47,000
Promotion and other	20,830
Office systems	14,278
Education programs	<u>8,050</u>
	<u>\$ 900,682</u>

NOTE I – OPERATING LEASE ACTIVITY

The Organization leases building space to a local restaurant tenant under an operating lease that expired on May 31, 2020 and includes two three-year renewal options. The first renewal option was exercised during 2020 and the lease is extended is through May 31, 2023.

F.I.S.H. OF SANIBEL-CAPTIVA, INC.

Notes to Consolidated Financial Statements
December 31, 2020

NOTE I – OPERATING LEASE ACTIVITY (continued)

Future minimum lease payments expected to be received are as follows:

Year Ending	
2021	\$ 54,775
2022	56,650
2023	<u>58,016</u>
	\$ <u>169,441</u>

Subsequent to year-end, the Organization entered into a new lease for office space that commences on June 1, 2021 and expires on October 1, 2024, with one three-year renewal option. Monthly rent payments are approximately \$2,200 and the Organization is also responsible for taxes, insurance and common area maintenance expenses.

NOTE J – CONCENTRATIONS

The Organization received approximately 13% of its support and revenue from one major donor during the year ended December 31, 2020, which was restricted for a particular purpose. In addition, approximately 13% of support and revenue is raised from one special event that occurs annually.

NOTE K – CONTINGENCY

The Organization evaluated its 2020 financial statements for subsequent events through August 9, 2021, the date the financial statements were available to be issued. The extent of the impact of COVID-19 on operational and financial performance continues to depend on certain developments, including the duration and spread of the outbreak, impact on families, donors, employees and vendors all of which are uncertain and cannot be predicted. The Organization continues to implement risk mitigation tactics related to the risk of impact, if any, of COVID-19 as it relates to all aspects of the Organization's transactions with families, donors, vendors, and human interaction within and outside of the Organization. The extent to which COVID-19 may impact financial condition or results of operations of the Organization is unknown at this time.