

**F.I.S.H. OF SANIBEL-CAPTIVA, INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2021 and 2020**

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INDEPENDENT AUDITOR'S REPORT

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

**Opinion**

We have audited the accompanying consolidated financial statements of F.I.S.H. of Sanibel-Captiva, Inc. (a not-for-profit organization) and affiliate, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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. and affiliate as of December 31, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis of Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of F.I.S.H. of Sanibel-Captiva, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibility of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about F.I.S.H. of Sanibel-Captiva, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 F.I.S.H. of Sanibel-Captiva, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about F.I.S.H. of Sanibel-Captiva, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



HUGHES, SNELL & CO., P.A.

Fort Myers, Florida  
June 15, 2022

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

Consolidated Statements of Financial Position  
December 31, 2021 and 2020

<u>ASSETS</u>		
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,027,924	\$ 1,529,002
Certificates of deposit	-	76,473
Investments	2,093,038	340,734
Receivables	-	14,868
Prepaid expenses	35,210	21,151
Property and equipment, net	<u>1,871,491</u>	<u>1,939,470</u>
Total Assets	<u>\$ 5,027,663</u>	<u>\$ 3,921,698</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 48,509	\$ 32,043
Deferred revenue	27,300	25,250
Refundable advance	-	83,605
Security deposit	2,000	2,000
Note payable	<u>417,441</u>	<u>834,563</u>
Total Liabilities	<u>495,250</u>	<u>977,461</u>
NET ASSETS		
Without donor restrictions	4,333,249	2,694,129
With donor restrictions	<u>199,164</u>	<u>250,108</u>
Total Net Assets	<u>4,532,413</u>	<u>2,944,237</u>
Total Liabilities and Net Assets	<u>\$ 5,027,663</u>	<u>\$ 3,921,698</u>

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

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

Consolidated Statement of Activities  
Year Ended December 31, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
Special event revenue	\$ 562,037	\$ -	\$ 562,037
Less: Direct benefits to donors	(22,723)	-	(22,723)
	<u>539,314</u>	<u>-</u>	<u>539,314</u>
Community Fund Drive	455,313	-	455,313
Contributions, individuals	1,161,082	253,586	1,414,668
Contributions, organizations	12,650	133,997	146,647
Contributions, foundations	124,600	460,524	585,124
In-kind contributions	297,981	-	297,981
Rental income	51,996	-	51,996
Other income	100,892	-	100,892
Net investment return	28,582	-	28,582
Net assets released from restrictions	899,051	(899,051)	-
Total Support and Revenues	<u>3,671,461</u>	<u>(50,944)</u>	<u>3,620,517</u>
<b>EXPENSES</b>			
Program services	1,893,252	-	1,893,252
General and administrative	85,066	-	85,066
Fundraising	54,023	-	54,023
Total Expenses	<u>2,032,341</u>	<u>-</u>	<u>2,032,341</u>
CHANGE IN NET ASSETS	1,639,120	(50,944)	1,588,176
NET ASSETS, BEGINNING OF YEAR	<u>2,694,129</u>	<u>250,108</u>	<u>2,944,237</u>
NET ASSETS, END OF YEAR	<u>\$ 4,333,249</u>	<u>\$ 199,164</u>	<u>\$ 4,532,413</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
<b>SUPPORT AND REVENUES</b>			
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>
<b>EXPENSES</b>			
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, 2021 (with summarized comparative totals for 2020)

EXPENSES	2021					2020
	Program Services	General and Administrative	Fundraising	Direct Benefits to Donors	Total	
Salaries	\$ 447,619	\$ 27,729	\$ 19,806	\$ -	\$ 495,154	\$ 373,786
Benefits	42,404	2,627	1,876	-	46,907	40,721
Payroll taxes	36,799	2,280	1,628	-	40,707	30,182
Total Salaries and Related Expenses	<u>526,822</u>	<u>32,636</u>	<u>23,310</u>	<u>-</u>	<u>582,768</u>	<u>444,689</u>
Food pantry distributions	450,214	-	-	-	450,214	440,301
Other food program expenses	129,499	-	-	-	129,499	65,005
Client support	220,864	-	-	-	220,864	265,991
Other program expenses	207,129	-	-	-	207,129	133,274
Special event expenses	-	-	-	22,723	22,723	91,448
Business and professional fees	34,474	19,544	13,014	-	67,032	50,801
Interest	20,086	977	651	-	21,714	41,375
Computer expenses	41,214	1,817	1,211	-	44,242	33,652
Repairs and maintenance	27,863	1,355	904	-	30,122	28,709
Insurance	24,207	8,069	-	-	32,276	24,912
Promotion	34,347	-	2,464	-	36,811	20,106
Bank and credit card fees	-	7,106	-	-	7,106	16,278
Volunteer and donor appreciation	-	-	1,541	-	1,541	15,276
Solicitation	-	-	6,871	-	6,871	10,364
Telephone and answering service	7,490	106	71	-	7,667	10,193
Office expense	13,307	647	432	-	14,386	9,572
Utilities	5,994	292	194	-	6,480	7,005
Offsite facility expense	33,566	-	-	-	33,566	-
Printing	18,197	2,819	-	-	21,016	7,001
Miscellaneous	11,605	5,134	49	-	16,788	8,932
Postage	5,002	812	811	-	6,625	3,179
Van expenses	2,275	-	-	-	2,275	2,840
Security	2,569	125	83	-	2,777	2,408
	<u>1,816,724</u>	<u>81,439</u>	<u>51,606</u>	<u>22,723</u>	<u>1,972,492</u>	<u>1,733,311</u>
Depreciation	<u>76,528</u>	<u>3,627</u>	<u>2,417</u>	<u>-</u>	<u>82,572</u>	<u>83,033</u>
Total Expenses	<u>\$ 1,893,252</u>	<u>\$ 85,066</u>	<u>\$ 54,023</u>	<u>\$ 22,723</u>	<u>\$ 2,055,064</u>	<u>1,816,344</u>
				Direct benefits to donors	<u>(22,723)</u>	<u>(91,448)</u>
				Total Expenses - Statement of Activities	<u>\$ 2,032,341</u>	<u>\$ 1,724,896</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				
EXPENSES	Program Services	General and Administrative	Fundraising	Direct Benefits to Donors	Total
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>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
Business and 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	76,806	3,736	2,491	-	83,033
Total Expenses	<u>\$ 1,581,231</u>	<u>\$ 75,050</u>	<u>\$ 68,615</u>	<u>\$ 91,448</u>	<u>\$ 1,816,344</u>
				Direct benefits to donors	<u>(91,448)</u>
				Total Expenses - Statement of Activities	<u>\$ 1,724,896</u>

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

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

Consolidated Statements of Cash Flows  
Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from special events	\$ 556,007	\$ 528,337
Cash received from contributors	1,702,414	2,177,889
Cash received from rent and other income	69,283	58,219
Interest received	2,509	3,895
Cash paid to employees and vendors	(1,626,667)	(1,164,767)
Cash paid for direct benefits to donors	(14,643)	(73,880)
Interest paid	<u>(21,714)</u>	<u>(41,375)</u>
Net Cash Provided by Operating Activities	<u>667,189</u>	<u>\$ 1,488,318</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(14,593)	(107,490)
Proceeds from sale of investments	1,012,057	54,649
Purchases of investments	<u>(1,748,609)</u>	<u>(320,323)</u>
Net Cash Used in Investing Activities	<u>(751,145)</u>	<u>(373,164)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on note payable	<u>(417,122)</u>	<u>(429,573)</u>
Net Cash Used in Financing Activities	<u>(417,122)</u>	<u>(429,573)</u>
Net change in cash and cash equivalents	(501,078)	685,581
Cash and cash equivalents, beginning of year	<u>1,529,002</u>	<u>843,421</u>
Cash and cash equivalents, end of year	<u>\$ 1,027,924</u>	<u>\$ 1,529,002</u>

**The accompanying notes are an integral part of these financial statements.**

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

Consolidated Statements of Cash Flows  
Year Ended December 31, 2021 and 2020

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

	<u>2021</u>	<u>2020</u>
Change in net assets	\$ 1,588,176	\$ 1,309,766
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	82,572	83,033
Accrued interest	-	(480)
Net realized and unrealized gain (loss) on investments	(26,073)	(820)
Stock contributions	(913,206)	(4,871)
Loss on uncollectible receivable	1,000	
(Increase) decrease in:		
Receivables	13,868	(13,868)
Prepaid expenses	(14,059)	(2,106)
Increase (decrease) in:		
Accounts payable	16,466	30,259
Deferred revenue	2,050	5,800
Refundable advance	(83,605)	83,605
Security deposit	-	(2,000)
Net Cash Provided by Operating Activities	<u>\$ 667,189</u>	<u>\$ 1,488,318</u>

**The accompanying notes are an integral part of these financial statements.**

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

Notes to Consolidated Financial Statements  
December 31, 2021 and 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 statements 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, 2021 and 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, 2021 and 2020, the uninsured balance was \$495,880 and \$1,047,297, respectively. 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 consisted of unconditional promises to give owed by grantors and donors and were stated at the amount management expected to be collected from the outstanding balance. All receivables were considered fully collectible, therefore, no allowance for uncollectible accounts had been recorded. A loss on an uncollectible receivable of \$1,000 was recorded for the year ended December 31, 2021. There was no loss on uncollectible receivables for the year ended December 31, 2020.

Certificates of Deposit

Certificates of deposit were stated at cost plus accrued interest which approximated fair value.

Investments

Investments are stated at fair value in the statements 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 statements 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 2021 or 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, 2021 and 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 statements of financial position. During the year ended December 31, 2020, the Organization received a cost-reimbursable grant award of \$20,237, of which \$7,069 had not been recognized as of December 31, 2020 because qualifying expenditures had not yet been incurred. During the year ended December 31, 2021, \$7,069 of qualifying expenditures were incurred and the amount was recorded as revenue in the statement of activities.

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 was 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 2020 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 loan forgiveness of \$83,605 was recorded as other income in the statement of activities for the year ended December 31, 2021.

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 \$269,196 and \$385,131 during the years ended December 31, 2021 and 2020, respectively.

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 years ended December 31, 2021 and 2020, the Organization recognized donated services in the amount of \$28,785 and \$24,437, respectively.

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

Notes to Consolidated Financial Statements  
December 31, 2021 and 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, 2021, the Organization's volunteers donated 5,836 hours of service and drove 22,103 miles providing transportation and other program services, which collectively is valued at approximately \$64,800. 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 statements 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 was \$26,238 and \$10,967 for the years ended December 31, 2021 and 2020, respectively.

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 years ended December 31, 2021 and 2020, income tax expense of \$930 and \$3,246, respectively, and interest and penalties of \$675 and \$535, respectively, were recorded in miscellaneous expense. 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 years ended December 31, 2021 or 2020.

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Notes to Consolidated Financial Statements  
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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 15, 2022, 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:

Financial assets at year-end:		2021		2020
Cash and cash equivalents	\$	1,027,924	\$	1,529,002
Certificates of deposit		-		76,473
Investments		2,093,038		340,734
Receivables		-		14,868
		<u>3,120,962</u>		<u>1,961,077</u>
Less amounts not available to be used within one year:				
Net assets with donor restrictions		(199,164)		(250,108)
Board-designated building fund		(620,053)		-
Board-designated funds held in the Foundation		<u>(271,074)</u>		<u>(60,794)</u>
Financial assets available to meet cash needs for operating expenditures within one year	\$	<u>2,030,671</u>	\$	<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.

**NOTE D – INVESTMENTS**

Investments consisted of the following as of December 31:

		2021		2020
Money market funds	\$	169,861	\$	46,842
Exchange traded funds - equities		186,336		43,926
Treasury bonds		1,736,841		249,966
	\$	<u>2,093,038</u>	\$	<u>340,734</u>



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Notes to Consolidated Financial Statements  
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**NOTE D – INVESTMENTS (continued)**

The composition of net investment return on the Organization’s investment portfolio for the years ended December 31, 2021 or 2020 is as follows:

	2021	2020
Interest and dividend income, net of investment fees	\$ 2,509	\$ 4,375
Net realized and unrealized gains (losses)	26,073	820
	<u>\$ 28,582</u>	<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.

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.

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

Notes to Consolidated Financial Statements  
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**NOTE E – FAIR VALUE MEASUREMENTS (continued)**

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

<u>Fair Value Measurements as of December 31, 2021</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 169,861	\$ -	\$ -	\$ 169,861
Exchange traded funds - equities	186,336	-	-	186,336
Treasury bonds	1,736,841	-	-	1,736,841
	<u>\$ 2,093,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,093,038</u>

  

<u>Fair Value Measurements as of December 31, 2020</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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:

	<u>2021</u>	<u>2020</u>
Land	\$ 265,000	\$ 265,000
Building and improvements	1,941,942	1,933,367
Computer equipment and software	105,876	105,876
Furniture and equipment	95,721	89,703
Vehicles	27,428	27,428
	<u>2,435,967</u>	<u>2,421,374</u>
Less: accumulated depreciation	<u>(564,476)</u>	<u>(481,904)</u>
	<u>\$ 1,871,491</u>	<u>\$ 1,939,470</u>

Depreciation expense was \$82,572 and \$83,033 for the years ended December 31, 2021 and 2020, respectively.

**NOTE G –NOTE 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%, were required through February 5, 2020, and then \$5,484 through March 5, 2021. Beginning March 6, 2021, monthly principal and interest payments of \$2,781 are required through the maturity date, with an interest rate of 4.25% through December 31, 2024 and then Prime plus .50%, through the maturity date of December 5, 2039. The outstanding balance of the note payable as of December 31, 2021 and 2020 was \$417,441 and \$834,563, respectively. Interest expense totaled \$21,714 and \$41,375 for the year ended December 31, 2021 and 2020, respectively.

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

Notes to Consolidated Financial Statements  
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**NOTE G –NOTE PAYABLE (continued)**

Future maturities of note payable is as follows:

Year Ending	
2022	\$ 17,222
2023	16,684
2024	17,407
2025	18,162
2026	18,949
Thereafter	<u>329,017</u>
	\$ <u><u>417,441</u></u>

**NOTE H – BOARD DESIGNATED ENDOWMENT FUNDS**

The Organization has two board designated endowment funds held in the Foundation that are designated for operating purposes of the Organization. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation has variance power to modify any designation of the board designated endowment funds.

The Foundation has adopted investment and spending policies, approved by the Board of Directors, that provides operational funding to support the programs and mission of the Organization while seeking to maintain the purchasing power of the endowment assets. Distributions appropriated from the endowment funds are authorized based on review of total return of the endowment assets. The primary objective of the investment policy is to provide for adequate total investment return without undue exposure to market risk. The Foundation targets a diversified asset allocation with equity investments to achieve its long-term return objectives and fixed income investments to provide current income and balance market risk.

Board designated endowment funds and the changes in endowment net assets are classified as net assets without donor restrictions. Changes in board designated endowment funds are as follows for the years ended December 31, 2021 and 2020:

	2021	2020
Endowment net assets, beginning of year	\$ 60,794	\$ 69,369
Contributions	200,000	-
Net investment return	10,341	1,382
Distributions and releases	(61)	(9,957)
Total net assets with donor restrictions	<u>\$ 271,074</u>	<u>\$ 60,794</u>

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

Notes to Consolidated Financial Statements  
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**NOTE I – NET ASSETS**

Board designated net assets included in net assets without donor restricted are designated for the following purposes as of December 31:

	<u>2021</u>	<u>2020</u>
Building fund	\$ 620,053	\$ -
Foundation presidential endowment fund - leadership	205,178	-
Foundation endowment fund – operations	65,896	60,794
Total board designated net assets	<u>\$ 891,127</u>	<u>\$ 60,794</u>

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

	<u>2021</u>	<u>2020</u>
Helping Hands program and other assistance	\$ 70,515	\$ 112,782
Food distribution programs	-	51,633
Building fund	17,500	-
Senior services	11,919	-
Education programs	-	8,400
AngelFish projects	99,230	77,293
Total net assets with donor restrictions	<u>\$ 199,164</u>	<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 years ended December 31:

	<u>2021</u>	<u>2020</u>
Mortgage paydown	\$ 400,000	\$ 400,000
Helping Hands program and other assistance	226,487	265,990
Food distribution programs	95,595	144,534
Senior services	93,481	-
Education programs	44,155	8,050
AngelFish project grant	22,313	-
Building and occupancy	10,000	47,000
Promotion and other	7,020	20,830
Office systems	-	14,278
Total	<u>\$ 899,051</u>	<u>\$ 900,682</u>

**NOTE J – LEASES**

The Organization entered into a new lease for office, program, and storage space that commenced 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. Total rent expense was \$12,922 for the year ended December 31, 2021.

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Notes to Consolidated Financial Statements  
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**NOTE J – LEASES (continued)**

Future minimum lease payments are as follows:

Year Ending	
2022	\$ 26,462
2023	27,256
2024	<u>20,898</u>
	\$ <u><u>74,616</u></u>

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.

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

Year Ending	
2022	\$ 54,628
2023	<u>55,993</u>
	\$ <u><u>110,621</u></u>

**NOTE K – RETIREMENT PLAN**

Effective May 15, 2021, the Organization began providing retirement benefits to its employees through a defined contribution plan covering all employees who are at least 18 years old and have at least three months of eligible experience. The Organization provides a matching contribution of 50% of up to 6% of employee contributions. Total employer contributions to the plan for the year ended December 31, 2021 was \$1,159.

**NOTE L – CONCENTRATIONS**

The Organization received approximately 35% of its support and revenue from two major donors during the year ended December 31, 2021, and 13% of its support and revenue from one major donor during the year ended December 31, 2020. In addition, approximately 14% and 13% of support and revenue was raised from one special event during the years ended December 31, 2021 and 2020, respectively.

**NOTE M – RELATED PARTY TRANSACTIONS**

The Organization obtained marketing and design services from an advertising agency that is owned by a member of the Board of Directors. Total payments made to the agency were \$23,011 and \$6,500 for the years ended December 31, 2021 and 2020, respectively.

**NOTE N – SUBSEQUENT EVENT**

Purchase commitment. Need agreement.

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Notes to Consolidated Financial Statements  
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**NOTE O – CONTINGENCY**

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.