

Girls Incorporated of Sarasota County

Financial Statements

For the Years Ended September 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Girls Incorporated of Sarasota County

Opinion

We have audited the accompanying financial statements of Girls Incorporated of Sarasota County (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and September 30, 2022 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girls Incorporated of Sarasota County as of September 30, 2023, 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.

Basis for Opinion

We conducted our audit 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 Girls Incorporated of Sarasota County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Girls Incorporated of Sarasota County's ability to continue as a going concern within one year after the date that the 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 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 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 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 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 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 Girls Incorporated of Sarasota County'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Girls Incorporated of Sarasota County'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.

Report on Summarized Comparative Information

We have previously audited Girls Incorporated of Sarasota County's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mercino & Maxwell, CPAs, LLC

Sarasota, Florida
January 11, 2024

STATEMENTS OF FINANCIAL POSITION

September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 70,729	\$ 798,942
Cash and cash equivalents with donor restrictions	334,877	427,817
Pledge receivable	50,000	-
Grants receivable, net	454,425	442,944
Investments	409,210	-
Investments held with the Community Foundation of Sarasota County, Inc.	88,093	80,954
Prepaid expenses and other current assets	8,637	13,314
Right of use asset, net	24,064	31,952
Property and equipment, net of accumulated depreciation	1,380,095	1,445,152
Land lease commitment	773,862	834,752
Beneficial interest in the net assets of the Community Foundation of Sarasota County, Inc.	646,006	499,517
TOTAL ASSETS	<u>\$ 4,239,998</u>	<u>\$ 4,575,344</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities		
Accounts payable	\$ 93,438	\$ 101,459
Lease liability	24,064	31,952
Deferred revenue	18,250	9,600
Total liabilities	<u>135,752</u>	<u>143,011</u>
Net assets		
Without donor restrictions		
Undesignated	414,981	662,151
Board designated	100,000	120,000
Invested in property and equipment, net	1,380,095	1,445,152
	<u>1,895,076</u>	<u>2,227,303</u>
With donor restrictions		
Purpose restrictions	789,302	870,761
Beneficial interest in the net assets of the Community Foundation of Sarasota County, Inc.	646,006	499,517
Land lease commitment	773,862	834,752
	<u>2,209,170</u>	<u>2,205,030</u>
Total net assets	<u>4,104,246</u>	<u>4,432,333</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,239,998</u>	<u>\$ 4,575,344</u>

See accompanying notes to financial statements.

STATEMENTS OF ACTIVITIES
Years Ended September 30, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions	2023	2022
Revenue, Support and Gains				
Contributions	\$ 654,830	\$ -	\$ 654,830	\$ 1,149,220
Gifts and grants	-	467,197	467,197	1,028,861
Grants, government	-	148,126	148,126	155,003
(Discount) of grant receivable	-	11,481	11,481	(11,481)
Special events (net of direct expenses of \$103,581 and \$99,198, respectively)	299,153	-	299,153	294,691
Program service fees	105,457	-	105,457	53,627
Employee retention credit, net	-	-	-	200,500
Interest and dividend income	8,950	-	8,950	2,900
Realized/unrealized gains on investments	13,786	-	13,786	(19,095)
Change in fair value of net assets of the Community Foundation of Sarasota County, Inc with beneficial interest.	-	146,489	146,489	(13,175)
In-kind contributions	-	27,537	27,537	29,482
	<u>1,082,176</u>	<u>800,830</u>	<u>1,883,006</u>	<u>2,870,533</u>
Net assets released from restrictions	<u>796,690</u>	<u>(796,690)</u>	<u>-</u>	<u>-</u>
Total revenue, support and gains	<u>1,878,866</u>	<u>4,140</u>	<u>1,883,006</u>	<u>2,870,533</u>
Expenses				
Program services	1,763,200	-	1,763,200	1,564,614
Supporting services expense				
General and administrative	252,421	-	252,421	230,243
Fundraising	195,472	-	195,472	178,779
Total expenses	<u>2,211,093</u>	<u>-</u>	<u>2,211,093</u>	<u>1,973,636</u>
Change in net assets	(332,227)	4,140	(328,087)	896,897
Net assets, beginning of year	<u>2,227,303</u>	<u>2,205,030</u>	<u>4,432,333</u>	<u>3,535,436</u>
Net assets, end of year	<u>\$ 1,895,076</u>	<u>\$ 2,209,170</u>	<u>\$ 4,104,246</u>	<u>\$ 4,432,333</u>

See accompanying notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2023

	Program Services	General and Administrative	Fundraising	Total Expenses
Salaries	\$ 848,390	\$ 158,366	\$ 124,430	\$ 1,131,186
Payroll taxes	63,890	11,926	9,371	85,187
Employee insurance and benefits	64,530	12,047	9,463	86,040
Advertising	498	-	-	498
Building repair and maintenance	61,679	7,432	5,199	74,310
Charges and fees	27,445	3,136	2,220	32,801
Computer maintenance	8,803	2,516	1,256	12,575
Consumables, client supplies and services	189,935	-	4,379	194,314
Cost of special events	-	-	103,581	103,581
Depreciation	132,847	16,006	11,204	160,057
Dues and donation	9,180	651	609	10,440
Electric	8,724	1,051	736	10,511
Equipment lease and rental	10,467	1,261	883	12,611
Fees and rentals	2,475	-	-	2,475
General insurance	58,995	7,108	4,975	71,078
In-kind rent expense	73,394	8,843	6,190	88,427
Legal and accounting	50,442	6,078	4,254	60,774
Minor equipment	5,235	-	-	5,235
Miscellaneous	7,273	876	613	8,762
Office supplies	3,645	439	307	4,391
Postage and delivery	3,384	408	285	4,077
Printing and reproduction	10,406	1,254	877	12,537
Professional development	2,366	286	198	2,850
Scholarships	1,481	-	-	1,481
Taxes and licenses	482	58	41	581
Telephone	6,804	1,944	973	9,721
Temporary contract staff	39,699	7,411	5,823	52,933
Travel	33,376	-	-	33,376
Vehicle expense	23,282	1,628	-	24,910
Water and waste disposal	14,073	1,696	1,186	16,955
Total expenses by function	<u>1,763,200</u>	<u>252,421</u>	<u>299,053</u>	<u>2,314,674</u>
Less expenses included with revenues on the statement of activities				
Cost of special events	<u>-</u>	<u>-</u>	<u>103,581</u>	<u>103,581</u>
Total functional expenses	<u>\$ 1,763,200</u>	<u>\$ 252,421</u>	<u>\$ 195,472</u>	<u>\$ 2,211,093</u>

See accompanying notes to financial statements

STATEMENT OF FUNCTIONAL EXPENSES

For the Year ended September 30, 2022

	Program Services	General and Administrative	Fundraising	Total Expenses
Salaries	\$ 776,756	\$ 144,994	\$ 113,924	\$ 1,035,674
Payroll taxes	56,754	10,594	8,324	75,672
Employee insurance and benefits	52,823	9,861	7,746	70,430
Advertising	1,303	-	-	1,303
Building repair and maintenance	43,454	5,235	3,665	52,354
Charges and fees	25,248	2,934	2,213	30,395
Computer maintenance	11,375	3,248	1,625	16,248
Consumables, client supplies and services	134,535	-	3,711	138,246
Cost of special events	-	-	99,198	99,198
Depreciation	121,697	14,662	10,264	146,623
Dues and donation	11,504	732	703	12,939
Electric	7,200	868	607	8,675
Equipment lease and rental	11,965	1,442	1,009	14,416
Fees and rentals	3,737	-	-	3,737
General insurance	60,977	7,347	5,143	73,466
In-kind rent expense	73,394	8,843	6,190	88,427
Legal and accounting	43,029	5,184	3,629	51,842
Minor equipment	2,762	-	-	2,762
Miscellaneous	2,729	329	230	3,288
Office supplies	2,556	308	216	3,080
Postage and delivery	3,139	378	265	3,782
Printing and reproduction	8,038	969	678	9,685
Professional development	4,735	571	399	5,705
Scholarships	8,882	-	-	8,882
Taxes and licenses	7,820	942	659	9,421
Telephone	6,478	1,851	925	9,254
Temporary contract staff	38,942	7,269	5,712	51,923
Travel	10,762	-	-	10,762
Vehicle expense	20,853	336	-	21,189
Water and waste disposal	11,167	1,346	943	13,456
Total expenses by function	<u>1,564,614</u>	<u>230,243</u>	<u>277,977</u>	<u>2,072,834</u>
Less expenses included with revenues on the statement of activities				
Cost of special events	<u>-</u>	<u>-</u>	<u>99,198</u>	<u>99,198</u>
Total functional expenses	<u>\$ 1,564,614</u>	<u>\$ 230,243</u>	<u>\$ 178,779</u>	<u>\$ 1,973,636</u>

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOW
Years ended September 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (328,087)	\$ 896,897
Adjustments to reconcile operating activities:		
Depreciation expense	160,057	146,623
Change in fair value of beneficial interest in the net assets of Community Foundation of Sarasota County, Inc.	(146,489)	13,175
Realized and unrealized (gains) losses on investments	(13,786)	19,095
Land lease commitment	60,890	58,945
Change in operating assets and liabilities:		
Grants receivable	(50,000)	(442,944)
Prepaid expenses and other current assets	4,677	1,253
Right of use asset	7,888	2,763
Accounts payable	(8,021)	(43,873)
Lease liability	(7,888)	(2,763)
Deferred income	8,650	1,550
Net cash provided by operating activities	(312,109)	650,721
Cash flows from investing activities:		
Purchase of investments held at the Community Foundation of Sarasota County, Inc.	(2,280)	(2,425)
Purchase and sale of investments	(415,867)	
Distribution for scholarships	4,102	4,148
Purchases of property and equipment	(94,999)	(279,092)
Net cash used by investing activities	(509,044)	(277,369)
Net increase (decrease) in cash and cash equivalents	(821,153)	373,352
Cash and cash equivalents - beginning	1,226,759	853,407
Cash and cash equivalents - ending	\$ 405,606	\$ 1,226,759
Detail of cash and cash equivalents, end of year		
Cash and cash equivalents	70,729	798,942
Cash and cash equivalents with donor restrictions	334,877	427,817
Cash and cash equivalents - ending	\$ 405,606	\$ 1,226,759
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	\$ 197	\$ 318
Supplemental disclosure of non-cash investing and financial activity		
Accounts payable for property and equipment	\$ -	\$ -
Equipment financed through capital lease arrangement	\$ -	\$ -

See accompanying notes to financial statements.

Notes to Financial Statements
September 30, 2023

Note 1 – Principal Activity and Significant Accounting Policies:

Organization

Girls Incorporated of Sarasota County is a non-profit Florida corporation founded in 1973 through the initiative of community leaders and backed by the creation of Coquille, an auxiliary, volunteer-based fundraising branch that attracted significant attention and participation from the community. We work to meet the specific environmental challenges facing girls and young women, always working in partnership with schools and communities, and guided by the founders' fundamental belief in the inherent potential of each girl. Our core values and mission are to create a safe gathering place for girls to learn and to share in a sisterhood, and a strong premise that each girl can develop her own capacities, self-confidence, and grow up healthy, educated and independent. A combination of long-lasting mentoring relationships, a pro-girl environment, and research-based programming equips girls to lead fulfilling and productive lives, break the cycle of poverty, and become role models in their community.

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Promises to Give

We record unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At September 30, 2023 and 2022, the allowance was \$0.

Property and Equipment

We record property and equipment additions over \$1,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Notes to Financial Statements
September 30, 2023

Note 1 – Principal Activity and Significant Accounting Policies – (continued):

Property and Equipment (continued)

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended September 30, 2023 and 2022, respectively.

Beneficial Interest in Net Assets of the Community Foundation of Sarasota County, Inc:

During 2011, \$100,000 of donor received pledges was directed to the Community Foundation of Sarasota County, Inc. (the “Community Foundation”) to set up the Donna Brace Ogilvie Endowment Fund (the “Fund”). The Fund was created through an agreement between us, the Community Foundation, and the donor which holds the funds in perpetuity for our sole and exclusive benefit. Upon receipt of these funds, the Community Foundation contributed an additional \$20,000 towards the Fund. Contributions to the fund were \$100,000 and \$100,000 as of September 30, 2023 and 2022, respectively. Based on the agreement signed with the donor, the Community Foundation does not have the ability to redirect the earnings to any other entity other than us, unless we are dissolved. Since the Fund held by the Community Foundation is held in perpetuity for us, the fair value of the beneficial interest in the net assets of the Fund is recognized as a net asset with donor restrictions. In relation to this Fund, we have recognized in the statement of financial position, a beneficial interest in the net assets of the Community Foundation in the amount of \$646,006 and \$499,517 as of September 30, 2023 and 2022, respectively. The change in fair value of this beneficial interest is included as a change in fair value in the beneficial interest in the net assets of the Community Foundation in the statement of activities.

Investments Held with the Community Foundation of Sarasota County, Inc.

The Foundation of Girls Incorporated of Sarasota County (the “Foundation”) held investments with the Community Foundation of Sarasota County, Inc. which were transferred to us during the year ended September 30, 2013. During fiscal year 2013 the Foundation was dissolved and a new agreement was established. As part of the new agreement investments are held by the Community Foundation of Sarasota County. In relation to these investments we have recognized in the statement of financial position, at fair value, Investments held with the Community Foundation of Sarasota County, Inc. in the amount of \$88,093 and \$80,954 as of September 30, 2023 and 2022, respectively. The change in fair value of this investment is included as a change in the net assets Without Donor Restrictions interest and dividend income and in realized and unrealized gains/(losses) on investments in the statement of activities.

Notes to Financial Statements
September 30, 2023

Note 1 – Principal Activity and Significant Accounting Policies – (continued):

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

We report revenue for the fair value of contributed services received where the services require specialized skills, are provided by individuals possessing these skills, and represent services that would have been purchased had they not been donated. During the year ended September 30, 2023 in-kind contributions consisted of in-kind rent of \$27,537. During the year ended September 30, 2022, in-kind contributions consisted of in-kind rent of \$29,482.

Notes to Financial Statements
September 30, 2023

Note 1 – Principal Activity and Significant Accounting Policies – (continued):

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Our sole purpose is promoting health, social, cultural, vocational and character development of girls.

Income Taxes

Girls Incorporated of Sarasota County, Inc. is organized as a Florida nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under Sections 509(a)(1) and (3), respectively. We are required to annually file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, we are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that we are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

We have been determined to be generally exempt from income tax under section 501 (c)(3) of the Internal Revenue Code. We are required to pay income taxes on the excess of revenue derived from activities unrelated to the tax-exempt purpose over the related expenses.

Estimates

The presentation 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 reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, and foundations supportive of our mission. Investments are made by diversified investment managers whose performance is monitored by us. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Notes to Financial Statements
September 30, 2023

Note 2 - Liquidity and Availability:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments, CDs, and money market funds.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 70,729	\$ 798,942
Pledge receivable	50,000	-
Prepaid expenses	8,637	13,314
Investments	<u>409,210</u>	<u>-</u>
Total cash deposits	<u>\$ 538,576</u>	<u>\$ 812,256</u>

Note 3 – Risk:

Financial instruments which subject the company to concentrations of credit risk consist principally of assessments receivable and cash deposits in excess of federally insured limits. Uninsured deposits are backed by the financial strength of the financial institution, and management considers the risk of loss to be remote. Cash deposits are maintained in high quality banking institutions and management considers risk to excess deposits over insured limits to be negligible. Insured deposits consist of interest bearing accounts up to \$250,000 per banking institution and all noninterest bearing accounts.

Total insured and uninsured cash deposits are as follows:

	<u>2023</u>	<u>2022</u>
Insured	\$ 353,424	\$ 351,449
Uninsured	<u>52,182</u>	<u>875,310</u>
Total cash deposits	<u>\$ 405,606</u>	<u>\$ 1,226,759</u>

Note 4 – Grants receivable:

Grants receivable are estimated to be collected as follows:

	<u>2023</u>	<u>2022</u>
Less than one year	\$ 454,425	\$ 213,325
One to five years	-	241,100
More than five years	-	-
Less discount to net present		
Net book value	<u>-</u>	<u>(11,481)</u>
	<u>\$ 454,425</u>	<u>\$ 442,944</u>

Notes to Financial Statements
September 30, 2023

Note 5- Fair Value Measurements and Disclosures:

We report certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

The fair value of our investment and beneficial interest in the Community Foundation is determined based on fair value information provided by the Community Foundation which is based on our ownership interest in underlying pools. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Notes to Financial Statements
September 30, 2023

Note 5 - Fair Value Measurements and Disclosures – (continued):

The following table presents assets and liabilities measured at fair value at September 30, 2023:

	Total	Quoted Market Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments held with Merrill a bank of America Company Fixed Income	\$ 409,210	\$ 409,210	\$ -	\$ -
	<u>\$ 409,210</u>	<u>\$ 409,210</u>	<u>\$ -</u>	<u>\$ -</u>
Investments held with the Community Foundation of Sarasota County, Inc.				
Cash and cash equivalents	\$ 1,527	\$ -	\$ -	\$ 1,527
Common and preferred stock	50,530	-	-	50,530
Debt	24,828	-	-	24,828
Commodities	3,370	-	-	3,370
Absolute return	-	-	-	-
Real estate funds	4,018	-	-	4,018
Private equity funds	-	-	-	-
Investment measured at net asset value	820	-	-	820
	<u>\$ 88,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,093</u>
Beneficial interest in the net assets of the Community Foundation of Sarasota County				
Cash and cash equivalents	\$ 11,196	\$ -	\$ -	\$ 11,196
Common and preferred stock	392,548	-	-	392,548
Debt	182,077	-	-	182,077
Commodities	24,712	-	-	24,712
Absolute return	-	-	-	-
Real estate funds	29,462	-	-	29,462
Private equity funds	-	-	-	-
Other alternative investments	6,011	-	-	6,011
	<u>\$ 646,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 646,006</u>
Total	<u>\$ 1,143,309</u>	<u>\$ 409,210</u>	<u>\$ -</u>	<u>\$ 734,099</u>

Notes to Financial Statements
September 30, 2023

Note 5 – Fair Value Measurements and Disclosures – (continued):

The following table presents assets and liabilities measured at fair value at September 30, 2022:

	Total	Quoted Market Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments held with the Community Foundation of Sarasota County, Inc.				
Cash and cash equivalents	\$ 1,389	\$ -	\$ -	\$ 1,389
Common and preferred stock	48,378	-	-	48,378
Debt	23,579	-	-	23,579
Commodities	1,942	-	-	1,942
Absolute return	-	-	-	-
Real estate funds	4,733	-	-	4,733
Private equity funds	-	-	-	-
Investment measured at net asset value	<u>933</u>	<u>-</u>	<u>-</u>	<u>933</u>
	<u>\$ 80,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,954</u>
Beneficial interest in the net assets of the Community Foundation of Sarasota County				
Cash and cash equivalents	\$ 8,572	\$ -	\$ -	\$ 8,572
Common and preferred stock	298,513	-	-	298,513
Debt	145,494	-	-	145,494
Commodities	11,982	-	-	11,982
Absolute return	-	-	-	-
Real estate funds	29,202	-	-	29,202
Private equity funds	-	-	-	-
Other alternative investments	<u>5,754</u>	<u>-</u>	<u>-</u>	<u>5,754</u>
	<u>\$ 499,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499,517</u>
Total	<u>\$ 580,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 580,471</u>

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended September 30 2023 and 2022.

	Fair Value Measurements At Report Date using Significant Unobservable Inputs – (Level 3)
Balance at September 30, 2021	\$ 614,464
Purchases/contributions of investments	100,000
Distributions	(14,966)
Investment return, net	(119,027)
Balance at September 30, 2022	\$ 580,471
Purchases/contributions of investments	100,000
Distributions	(20,440)
Investment return, net	74,068
Balance at September 30, 2023	<u>\$ 734,099</u>

Notes to Financial Statements
September 30, 2023

Note 6 – Property and Equipment:

Property and equipment consist of the following as of September 30:

	<u>2023</u>	<u>2022</u>
Building	\$ 2,194,162	\$ 2,194,162
Leasehold improvements	1,530,859	1,449,831
Furniture and equipment	272,986	259,014
Vehicles	<u>142,550</u>	<u>142,550</u>
Total	4,140,557	4,045,557
Less – accumulated depreciation	<u>(2,760,462)</u>	<u>(2,600,405)</u>
Net book value	<u>\$ 1,380,095</u>	<u>\$ 1,445,152</u>

Depreciation expense was \$160,057 and \$146,623 for the twelve months ended September 30, 2023 and 2022, respectively.

The majority of the property and equipment disclosed above, including the building and leasehold improvements, reside on land that is not owned by the Organization. The use and disposition of these assets are subject to the land lease contract with Sarasota County and may ultimately be reverted to Sarasota County upon termination of the lease.

Note 7 – Land Lease Commitment:

On June 28, 1993, we executed an initial land lease agreement with Sarasota County for lease of land at 201 South Tuttle Avenue, Sarasota, Florida. On March 24, 2009, a new land lease for the same land was executed. The estimated fair value of the lease payments related to the land lease agreement executed on March 24, 2009 was used to estimate the net present value of the expected underlying benefit. During 2009, the net present value of the expected underlying benefit of this land lease was recorded as a temporarily restricted contribution in the statements of activities in the amount of \$1,489,747 and as a land lease commitment in the statement of financial position. Annually, as the benefits are derived from this land lease, the asset is reduced by the difference between estimated in-kind rent contribution and estimated in-kind rent expense.

The statements of activities include the in-kind rent contribution as in-kind contributions in the amounts of \$27,537 and \$29,482 for the years ending September 30, 2023 and 2022, respectively. Additionally, the statements of functional expenses reflect the in-kind rent expense of \$88,427 for the years ending September 30, 2023 and 2022.

Notes to Financial Statements
September 30, 2023

Note 8 – Leases:

We lease office equipment under operating leases expiring in 2027. Future minimum lease payments are as follow:

<u>Year Ended September 30,</u>	<u>Amount</u>
2024	\$ 7,888
2025	7,888
2026	7,312
2027	976
2028, and thereafter	<u> -</u>
Total future minimum lease payments	\$ <u>24,064</u>

Note 9 – Line of Credit:

The \$100,000 revolving line of credit with a bank, secured by accounts receivable and other business assets matured July 17, 2023 and was not renewed. Borrowings under the line bore interest at the bank's prime rate plus 1.00%, 7.25% at September 30, 2022 computed on a 365/360 basis. The balance outstanding was \$0 at September 30, 2023 and 2022, respectively.

Note 10 – Advertising Costs:

Advertising costs are expensed as incurred and approximated \$498 and \$1,303 during the years ended September 30, 2023 and 2022, respectively.

Note 11 – Functionalized Expenses:

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other which are allocated on the basis of estimates of time and effort.

Note 12 – Defined Contribution Plan:

We have a 401(k) plan to which all eligible employees can participate. The plan provides for the matching of amounts contributed by employees up to 2% of gross wages after completing 1 year of qualified service. The Organization's contribution to this plan as of September 30, 2023 and 2022 was \$10,611 and \$10,552, respectively.

Notes to Financial Statements
September 30, 2023

Note 13 – Net Assets with Donor Restrictions:

At September 30, Net Assets with Donor restrictions consisted of the following:

	<u>2023</u>	<u>2022</u>
Contributions	\$ 789,302	\$ 870,761
Time restriction, land lease	773,862	834,752
Beneficial interest in the net assets of the Community Foundation of Sarasota Co.	<u>646,006</u>	<u>499,517</u>
Total	<u>\$ 2,209,170</u>	<u>\$ 2,205,030</u>

Net assets were released from donor restrictions during fiscal years 2023 and 2022, by incurring expenses satisfying the restricted purpose specified by donees.

Note 14 – Special Events Revenue:

For the years ended September 30, special events revenue consisted of the following:

	<u>2023</u>	<u>2022</u>
Gross special events revenue	\$ 402,734	\$ 393,889
Less direct expenses	<u>(103,581)</u>	<u>(99,198)</u>
Total	<u>\$ 299,153</u>	<u>\$ 294,691</u>

Note 15 – Evaluation of Subsequent Events:

We have evaluated subsequent events through January 11, 2024, the date which the financial statements were available to be issued. Except as noted above, we are not aware of any subsequent events that would require recognition or disclosure in the financial statements.