

**Chi Chi Rodriguez
Youth Foundation, Inc.
Financial Statements
June 30, 2021 and 2020**

Chi Chi Rodriguez Youth Foundation, Inc.
Table of Contents
June 30, 2021 and 2020

| | Page(s) |
|---|----------------|
| Independent Auditor’s Report | 1 - 2 |
| Financial Statements | |
| Statements of Financial Position | 3 |
| Statements of Activities..... | 4 - 5 |
| Statements of Functional Expenses | 6 - 7 |
| Statements of Cash Flows | 8 - 9 |
| Notes to Financial Statements | 10 - 18 |



Independent Auditor's Report

To the Board of Directors of the
Chi Chi Rodriguez Youth Foundation, Inc.

We have audited the accompanying financial statements of Chi Chi Rodriguez Youth Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditor's Report (continued)

Opinion

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

A handwritten signature in blue ink that reads "Spoor Bunch Franz". The signature is written in a cursive, flowing style.

Spoor Bunch Franz
Certified Public Accountants

November 29, 2021

Chi Chi Rodriguez Youth Foundation, Inc.
Statements of Financial Position
June 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 1,349,222 | \$ 1,133,284 |
| Current portion of contributions receivable | 69,368 | 65,992 |
| Inventories | 65,300 | 74,003 |
| Prepaid expenses and other current assets | <u>29,272</u> | <u>16,996</u> |
| Total current assets | 1,513,162 | 1,290,275 |
| Endowment fund - Raymond James | 1,639,875 | 1,188,987 |
| Endowment fund - Community Foundation | 398,148 | 305,148 |
| Contributions receivable | 1,358,439 | 1,427,807 |
| Property and equipment, net | 1,599,347 | 1,522,665 |
| Other | <u>45,452</u> | <u>39,027</u> |
| Total assets | <u>\$ 6,554,423</u> | <u>\$ 5,773,909</u> |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | 104,181 | 90,610 |
| Deferred revenue | 36,383 | 27,966 |
| Capital lease obligation - current portion | <u>45,506</u> | <u>43,291</u> |
| Total current liabilities | 186,070 | 161,867 |
| Capital lease obligation - net of current portion | <u>72,662</u> | <u>118,168</u> |
| Total liabilities | 258,732 | 280,035 |
| Net assets | | |
| Without donor restrictions | 3,173,009 | 2,756,088 |
| With donor restrictions | <u>3,122,682</u> | <u>2,737,786</u> |
| Total net assets | <u>6,295,691</u> | <u>5,493,874</u> |
| Total liabilities and net assets | <u>\$ 6,554,423</u> | <u>\$ 5,773,909</u> |

See accompanying notes to financial statements

Chi Chi Rodriguez Youth Foundation, Inc.
Statements of Activities
Years Ended June 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|---|------------------|------------------|
| Operating Support and Revenue | | |
| Public support | | |
| Special event revenue | \$ 418,251 | \$ 558,105 |
| Special event revenue - in-kind | 42,004 | 24,399 |
| Less: Special event costs | (89,130) | (124,579) |
| Special event costs - in-kind | <u>(42,005)</u> | <u>(24,399)</u> |
| Net revenue from special events | 329,120 | 433,526 |
| Grants | 30,000 | 43,750 |
| Contributions without donor restrictions | 245,700 | 405,851 |
| Contributions - in-kind | <u>108,114</u> | <u>57,515</u> |
| Total public support | <u>712,934</u> | <u>940,642</u> |
| Revenue | | |
| Golf club merchandise and snack bar sales | 152,604 | 133,397 |
| Less: Cost of sales | <u>(88,073)</u> | <u>(71,153)</u> |
| Net golf club sales | <u>64,531</u> | <u>62,244</u> |
| Driving range merchandise and snack bar sales | 156,768 | 115,679 |
| Less: Cost of sales | <u>(102,914)</u> | <u>(82,130)</u> |
| Net driving range sales | <u>53,854</u> | <u>33,549</u> |
| Net revenue from golf club and driving range merchandise and snack bar sales | 118,385 | 95,793 |
| Green fees | 1,427,680 | 1,153,188 |
| Driving range income | 599,609 | 423,136 |
| Rental income | 63,362 | 62,150 |
| COVID-19 relief income | - | 235,500 |
| Investment and other income | <u>92,830</u> | <u>20,175</u> |
| Total sales, green fees and other income | <u>2,301,866</u> | <u>1,989,942</u> |
| Net Assets Released from Restrictions | | |
| Satisfaction of donor restrictions - land lease | <u>139,183</u> | <u>139,183</u> |
| Total support and revenue | <u>3,153,983</u> | <u>3,069,767</u> |

See accompanying notes to financial statements

Chi Chi Rodriguez Youth Foundation, Inc.
Statements of Activities (continued)
Years Ended June 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Operating Expenses | | |
| Program services | \$ 2,140,555 | \$ 2,166,400 |
| Program services - in-kind | 120,119 | 57,515 |
| Supporting services | 476,388 | 417,020 |
| Total expenses | <u>2,737,062</u> | <u>2,640,935</u> |
| Increase in net assets without donor restrictions | <u>416,921</u> | <u>428,832</u> |
| Net Assets With Donor Restrictions | | |
| Contributions with donor restrictions | 55,131 | 80,000 |
| Contributed land use | 73,191 | 76,403 |
| Investment income | 395,757 | 26,204 |
| Net assets released from restrictions | <u>(139,183)</u> | <u>(139,183)</u> |
| Increase in net assets with donor restrictions | <u>384,896</u> | <u>43,424</u> |
| Increase in net assets | 801,817 | 472,256 |
| Net assets, beginning of year | <u>5,493,874</u> | <u>5,021,618</u> |
| Net assets, end of year | <u>\$ 6,295,691</u> | <u>\$ 5,493,874</u> |

See accompanying notes to financial statements

Chi Chi Rodriguez Youth Foundation, Inc.
Statement of Functional Expenses
Year Ended June 30, 2021

| | <u>Program Services</u> | | | | <u>Supporting Services</u> | | | <u>Total Expenses</u> |
|---|--------------------------------|--------------------|---------------------------------|---------------------|-------------------------------|--------------------|-------------------|-----------------------|
| | <u>Academic and Vocational</u> | <u>Junior Golf</u> | <u>Personal Life Management</u> | <u>Total</u> | <u>Management and General</u> | <u>Development</u> | <u>Total</u> | <u>2021</u> |
| Salaries and payroll related expenses: | | | | | | | | |
| Salaries and wages | \$ 415,985 | \$ 159,560 | \$ 268,964 | \$ 844,509 | \$ 56,635 | \$ 143,782 | \$ 200,417 | \$ 1,044,926 |
| Payroll taxes | 31,233 | 11,980 | 20,194 | 63,407 | 4,252 | 10,795 | 15,047 | 78,454 |
| Employee benefits | 32,086 | 12,307 | 20,746 | 65,139 | 4,368 | 11,090 | 15,458 | 80,597 |
| Total salaries and payroll related expenses | 479,304 | 183,847 | 309,904 | 973,055 | 65,255 | 165,667 | 230,922 | 1,203,977 |
| Professional fees | - | - | - | - | 41,420 | - | 41,420 | 41,420 |
| Building and equipment maintenance | 57,199 | 8,171 | 4,086 | 69,456 | 8,171 | 4,086 | 12,257 | 81,713 |
| Golf course maintenance | 248,787 | 36,408 | 18,204 | 303,399 | - | - | - | 303,399 |
| Equipment rent | 52,002 | 7,429 | 3,714 | 63,145 | 7,429 | 3,714 | 11,143 | 74,288 |
| Utilities and telephone | 149,821 | 21,403 | 10,702 | 181,926 | 21,403 | 10,702 | 32,105 | 214,031 |
| Insurance | 65,124 | 9,303 | 4,652 | 79,079 | 9,303 | 4,652 | 13,955 | 93,034 |
| Program supplies | 82,373 | 9,691 | 4,845 | 96,909 | - | - | - | 96,909 |
| Office expense | 27,936 | 3,991 | 1,995 | 33,922 | 3,991 | 1,995 | 5,986 | 39,908 |
| Advertising and promotion | 44,720 | 4,472 | 4,472 | 53,664 | 17,888 | 17,888 | 35,776 | 89,440 |
| Interest expense | 5,204 | 743 | 372 | 6,319 | 743 | 372 | 1,115 | 7,434 |
| Rent expense under land lease | 97,428 | 13,918 | 6,959 | 118,305 | 13,918 | 6,959 | 20,877 | 139,182 |
| Merchant service and bank fees | 37,511 | 5,359 | 2,679 | 45,549 | 5,359 | 2,679 | 8,038 | 53,587 |
| Fundraising expenses | - | - | - | - | - | 21,157 | 21,157 | 21,157 |
| Other | 58,571 | 8,367 | 4,185 | 71,123 | 8,366 | 4,185 | 12,551 | 83,674 |
| Total expenses before depreciation | 1,405,980 | 313,102 | 376,769 | 2,095,851 | 203,246 | 244,056 | 447,302 | 2,543,153 |
| Depreciation | 135,737 | 19,391 | 9,695 | 164,823 | 19,391 | 9,695 | 29,086 | 193,909 |
| Total expenses | <u>\$ 1,541,717</u> | <u>\$ 332,493</u> | <u>\$ 386,464</u> | <u>\$ 2,260,674</u> | <u>\$ 222,637</u> | <u>\$ 253,751</u> | <u>\$ 476,388</u> | <u>\$ 2,737,062</u> |

See accompanying notes to financial statements

Chi Chi Rodriguez Youth Foundation, Inc.
Statement of Functional Expenses
Year Ended June 30, 2020

| | Program Services | | | | Supporting Services | | | Total Expenses |
|---|--------------------------------|--------------------|---------------------------------|---------------------|-------------------------------|--------------------|-------------------|-----------------------|
| | Academic and Vocational | Junior Golf | Personal Life Management | Total | Management and General | Development | Total | 2020 |
| Salaries and payroll related expenses: | | | | | | | | |
| Salaries and wages | \$ 402,467 | \$ 173,972 | \$ 278,716 | \$ 855,155 | \$ 54,323 | \$ 90,938 | \$ 145,261 | \$ 1,000,416 |
| Payroll taxes | 29,892 | 12,921 | 20,701 | 63,514 | 4,035 | 6,754 | 10,789 | 74,303 |
| Employee benefits | 35,763 | 15,459 | 24,767 | 75,989 | 4,827 | 8,081 | 12,908 | 88,897 |
| Total salaries and payroll related expenses | 468,122 | 202,352 | 324,184 | 994,658 | 63,185 | 105,773 | 168,958 | 1,163,616 |
| Professional fees | - | - | - | - | 37,300 | - | 37,300 | 37,300 |
| Building and equipment maintenance | 55,372 | 7,910 | 3,955 | 67,237 | 7,910 | 3,955 | 11,865 | 79,102 |
| Golf course maintenance | 226,712 | 33,177 | 16,589 | 276,478 | - | - | - | 276,478 |
| Equipment rent | 56,104 | 8,015 | 4,007 | 68,126 | 8,015 | 4,007 | 12,022 | 80,148 |
| Utilities and telephone | 155,640 | 22,234 | 11,117 | 188,991 | 22,234 | 11,117 | 33,351 | 222,342 |
| Insurance | 58,137 | 8,305 | 4,153 | 70,595 | 8,305 | 4,153 | 12,458 | 83,053 |
| Program supplies | 55,740 | 6,558 | 3,279 | 65,577 | - | - | - | 65,577 |
| Office expense | 30,337 | 4,334 | 2,167 | 36,838 | 4,334 | 2,167 | 6,501 | 43,339 |
| Advertising and promotion | 42,561 | 4,256 | 4,256 | 51,073 | 17,024 | 17,024 | 34,048 | 85,121 |
| Interest expense | 5,847 | 835 | 418 | 7,100 | 835 | 418 | 1,253 | 8,353 |
| Rent expense under land lease | 97,428 | 13,918 | 6,959 | 118,305 | 13,918 | 6,959 | 20,877 | 139,182 |
| Merchant service and bank fees | 31,114 | 4,445 | 2,222 | 37,781 | 4,445 | 2,222 | 6,667 | 44,448 |
| Fundraising expenses | - | - | - | - | - | 29,163 | 29,163 | 29,163 |
| Other | 67,598 | 9,656 | 4,830 | 82,084 | 9,655 | 4,831 | 14,486 | 96,570 |
| Total expenses before depreciation | 1,350,712 | 325,995 | 388,136 | 2,064,843 | 197,160 | 191,789 | 388,949 | 2,453,792 |
| Depreciation | 131,001 | 18,714 | 9,357 | 159,072 | 18,714 | 9,357 | 28,071 | 187,143 |
| Total expenses | <u>\$ 1,481,713</u> | <u>\$ 344,709</u> | <u>\$ 397,493</u> | <u>\$ 2,223,915</u> | <u>\$ 215,874</u> | <u>\$ 201,146</u> | <u>\$ 417,020</u> | <u>\$ 2,640,935</u> |

See accompanying notes to financial statements

Chi Chi Rodriguez Youth Foundation, Inc.
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Cash flows from operating activities: | | |
| Increase in net assets | \$ 801,817 | \$ 472,256 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | | |
| Depreciation | 193,909 | 187,143 |
| Gain on disposals of equipment | (418) | (13,368) |
| In-kind donation of leasehold improvements | (30,000) | - |
| Endowment contributions and investment income | (543,889) | (76,907) |
| (Increase) decrease in operating assets: | | |
| Contributions receivable | 65,992 | 62,780 |
| Inventories | 8,703 | 27,338 |
| Prepaid expenses and other current assets | (12,276) | 2,402 |
| Other assets | (6,425) | (6,125) |
| Increase in operating liabilities: | | |
| Accounts payable and accrued expenses | 13,571 | 29,864 |
| Deferred revenue | 8,417 | 1,006 |
| Total adjustments | <u>(302,416)</u> | <u>214,133</u> |
| Net cash provided by operating activities | <u>499,401</u> | <u>686,389</u> |
| Cash flows from investing activities: | | |
| Proceeds from sales of equipment | 500 | 45,000 |
| Purchases of equipment and leasehold improvements | (240,672) | (50,184) |
| Sales (purchases) of endowment investments | (6,497) | 13,142 |
| Net cash provided by (used in) investing activities | <u>(246,669)</u> | <u>7,958</u> |
| Cash flows from financing activities: | | |
| Principal payments on capital lease obligation | (43,291) | (37,831) |
| Net cash used in investing activities | <u>(43,291)</u> | <u>(37,831)</u> |
| Net increase in cash and cash equivalents | 209,441 | 656,516 |
| Cash, cash equivalents and restricted cash, beginning of year | <u>1,167,992</u> | <u>511,476</u> |
| Cash, cash equivalents and restricted cash, end of year | <u>\$ 1,377,433</u> | <u>\$ 1,167,992</u> |

See accompanying notes to financial statements

Chi Chi Rodriguez Youth Foundation, Inc.
Statements of Cash Flows (continued)
Years Ended June 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--|----------------------------|----------------------------|
| Reconciliation to the Balance Sheets: | | |
| Cash, cash equivalents and restricted cash: | | |
| Cash and cash equivalents | \$ 1,349,222 | \$ 1,133,284 |
| Restricted cash - endowment | <u>28,211</u> | <u>34,708</u> |
| Total cash, cash equivalents and restricted cash | <u><u>\$ 1,377,433</u></u> | <u><u>\$ 1,167,992</u></u> |
| Supplemental disclosure of cash flow information: | | |
| Cash paid for interest | <u><u>\$ 7,434</u></u> | <u><u>\$ 8,353</u></u> |

Supplemental disclosure of noncash financing activity:

In May 2021, a leasehold improvement of \$30,000 was acquired through an in-kind donation.

See accompanying notes to financial statements

Chi Chi Rodriguez Youth Foundation, Inc.

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

1. Significant Accounting Policies

Organization

Chi Chi Rodriguez Youth Foundation, Inc. (the Organization) is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, located in Clearwater, Florida. The Organization provides academic and vocational junior golf and personal life management programs for disadvantaged children through its golf course and classroom facilities. The Organization is supported by public contributions and net revenues generated from the operation of its golf course and driving range.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Financial statement presentation follows GAAP for not-for-profit organizations. Accordingly, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Contributions received are recorded as with or without donor restrictions depending on the absence or existence and nature of any donor restrictions. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions. When a donor restriction expires, net assets are reclassified to without donor restrictions and reported in the statements of activities as net assets released from restrictions. If donor-imposed conditions are met in the same reporting period as received, they are reported as contributions without donor restrictions.

Cash, Cash Equivalents and Restricted Cash

For purposes of the statements of cash flows, cash and cash equivalents include cash on hand, cash in banks and money market investment funds. The Raymond James Bank deposit program accounts in the Raymond James Endowment Fund are included in the statements of cash flows as restricted cash.

Investments

In accordance with GAAP, investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment income in the statements of activities.

Investment securities are exposed to various risks such as interest rate, market and credit. Due to the risk associated with investment securities and the uncertainty related to changes in the value of such securities, it is at least reasonably possible that changes in risks in the near term could materially affect the fair value of investments and the amounts reported in the statements of financial position and the statements of activities.

Fair Value Measurements

GAAP establishes a fair value hierarchy that prioritizes the valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 consists of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 consists of other than quoted prices included in Level 1 that are observable, either directly or indirectly, and Level 3 consists of unobservable inputs and has the lowest priority. The Organization uses appropriate valuation techniques based on the available data to measure the fair value of its investments.

Chi Chi Rodriguez Youth Foundation, Inc.
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1. Significant Accounting Policies (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting dates.

Inventories

Inventories consist of golf club and driving range merchandise and snack bar items and are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method. There was no reserve required as of June 30, 2021 or 2020.

Property and Equipment

Purchased property and equipment are stated at cost. Donated property and equipment are recorded at fair market value as of the date received. Depreciation is computed primarily on a straight-line basis over the estimated useful lives of the assets ranging from 5 to 40 years. The Organization capitalizes all purchases and donations of property and equipment with a cost or fair market value of at least \$2,500.

Revenue Recognition

Public support revenues include special fundraising events, contributions and grants.

Revenues from special events are recognized when the payments are received if the event is held in the same fiscal year as the receipt of the payment. All revenues from special events held during the years ended June 30, 2021 and 2020 were collected in the same fiscal year as the events, so there were no deferred revenues at the end of either fiscal year.

Revenues from unconditional contributions and grants are recognized when received. Revenues from conditional contributions and grants, that is those with a measurable performance obligation or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Revenues from golf, driving range, pro shops, and snack bars are recognized when the goods or services are provided. Revenues from the sales of gift cards and range cards are deferred until used, and the revenue is recognized when the goods or services are delivered.

Rental income from the lease of the paintball facility is recognized on a monthly basis over the term of the lease.

Donated Materials and Services

Donations of materials are recorded as support at their estimated fair value at the date of donation. Donations of services are recorded as support at their estimated fair value if they require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation. During 2021 and 2020, donated materials and services totaled \$150,119 and \$81,914, respectively.

Chi Chi Rodriguez Youth Foundation, Inc.

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

1. Significant Accounting Policies (continued)

The Organization also receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort under GAAP have not been satisfied. The volunteers provided approximately 7,609 and 11,126 hours in volunteer services during the years ended June 30, 2021 and 2020, respectively.

Functional Expenses

Direct expenses are recorded to the functional category to which they relate. Salaries and related expenses have been allocated to functional categories based on management's estimate of time spent for each function. Depreciation, insurance, maintenance, rent and utilities have been allocated based on management's estimate of square footages and usage of buildings and land. Other expenses are allocated based on management's estimate of the relative functional activity.

Income Taxes

The Organization is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under Chapter 220.13, Florida Statutes. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

Estimates in Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases or decreases in net assets during the period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncement - Revenue

During the year ended June 30, 2021, the Organization adopted Financial Accounting Standards Board Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). As part of the adoption, the Organization has evaluated each of the five steps of Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, which are as follows: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to the performance obligations; and (5) Recognize revenue when (or as) performance obligations are satisfied. The adoption of this standard did not impact revenue recognition on the Organization's financial statements, therefore, no changes to the previously issued financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Chi Chi Rodriguez Youth Foundation, Inc.
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

2. Contributions Receivable

Contributions receivable consist of the following at June 30, 2021 and 2020, respectively:

| | <u>2021</u> | <u>2020</u> |
|---|----------------------------|----------------------------|
| Land use contribution receivable based on total remaining imputed rents | \$ 2,006,556 | \$ 2,145,739 |
| Less: discount | <u>(578,749)</u> | <u>(651,940)</u> |
| Land use contribution receivable, net | 1,427,807 | 1,493,799 |
| Less: current portion of contributions receivable | <u>(69,368)</u> | <u>(65,992)</u> |
| Contributions receivable, net of current portion | <u><u>\$ 1,358,439</u></u> | <u><u>\$ 1,427,807</u></u> |

In November 1985, the Organization entered into a lease agreement with the City of Clearwater (the “City”) for approximately 164 acres of land to be developed as a golf course. The lease was amended in November 2000, extending the lease term through November 2025. The lease was amended again in August 2018, extending the lease term through November 2035. The lease requires annual lease payments of \$1. As part of the lease, the Organization constructed educational and rehabilitative facilities that include an 18-hole, regulation size golf course and driving range. GAAP requires that the City’s lease commitment be recorded as a contribution with donor restrictions. As a result of the long-term nature of the lease, the City’s original contribution was recorded at the appraised value of the land which was \$2,905,000. The receivable is amortized and imputed rent expense of approximately \$139,000 is recognized annually using a 5% interest factor based on interest rates at the date of the latest lease extension.

3. Endowment fund – Raymond James

In September 2018 the Organization received a \$1 million donation from the Jim Moran Foundation. The Declaration of Gift stipulates that it be designated towards the Chi Chi Rodriguez Foundation Endowment and proceeds derived from the endowment shall be used in fulfillment of the stated mission of the Organization. The Organization deposited the cash restricted for long-term purposes and the donation to a Freedom Investment account at Raymond James & Associates (Raymond James).

In October 2018 the Board of Directors adopted an Investment Management Policy Statement for this endowment. This policy statement governs the investment management responsibilities, investment objectives, asset allocation guidelines, permitted assets, prohibited transactions and distribution policy. The principal objective is to provide supplemental operating funds to the Organization on an annual basis while maintaining the principal value of the funds.

Chi Chi Rodriguez Youth Foundation, Inc.
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

3. Endowment fund – Raymond James (continued)

The Raymond James endowment fund June 30, 2021 and 2020 consisted of the following:

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Raymond James Bank deposit program accounts | \$ 28,211 | \$ 34,708 |
| Mutual funds at fair value | <u>1,611,664</u> | <u>1,154,279</u> |
| | <u>\$ 1,639,875</u> | <u>\$ 1,188,987</u> |

The following summarizes the Raymond James endowment fund activity included in the statements of activities with donor restrictions for the years ended June 30, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|---------------------------|---------------------|---------------------|
| Beginning balance | \$ 1,188,987 | \$ 1,112,783 |
| Donations | 55,131 | 50,000 |
| Interest and dividends | 51,418 | 54,561 |
| Realized gains (losses) | 12,901 | (23,302) |
| Unrealized gains (losses) | <u>331,438</u> | <u>(5,055)</u> |
| Ending balance | <u>\$ 1,639,875</u> | <u>\$ 1,188,987</u> |

The mutual fund investments are reported at fair value in the accompanying statements of financial position as of June 30, 2021 and 2020 as follows:

| | <u>2021</u> | | <u>2020</u> | |
|--------------|--------------------------------|---------------------|--------------------------------|---------------------|
| | <u>Fair Value, Level 1</u> | <u>Cost</u> | <u>Fair Value, Level 1</u> | <u>Cost</u> |
| Mutual funds | <u>\$ 1,611,664</u> | <u>\$ 1,315,071</u> | <u>\$ 1,154,279</u> | <u>\$ 1,181,527</u> |

4. Endowment Fund – Community Foundation

In August 2013 the Organization entered into an agreement with the Community Foundation of Tampa Bay, Inc. (Community Foundation) to establish the Chi Chi Rodriguez Youth Foundation Endowment Fund within the Community Foundation. The purpose of the endowment fund is to provide a greater income stream for the growth and stability of the Organization.

The money is invested in an investment pool managed by the Community Foundation. The Community Foundation invests the assets and receives compensation for their managing services. This fund is board designated and contains no donor imposed restrictions, therefore the funds are classified as net assets without donor restrictions.

Chi Chi Rodriguez Youth Foundation, Inc.
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

4. Endowment Fund – Community Foundation (continued)

The Community Foundation endowment fund activity for the years ended June 30, 2021 and 2020 was as follows:

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| Beginning balance | \$ 305,148 | \$ 304,444 |
| Interest and dividends | 5,331 | 5,073 |
| Realized and unrealized gains (losses) | 90,275 | (1,858) |
| Administrative and investment fees | <u>(2,606)</u> | <u>(2,511)</u> |
| Endowment fund ending balance | <u>\$ 398,148</u> | <u>\$ 305,148</u> |

The fair value of the Community Foundation endowment fund is based on the quoted net asset value of the shares held by the Organization in the Community Foundation investment pool at year-end. The net asset value of the investment pool is based on quoted market prices at the close of business.

5. Property and Equipment

Property and equipment consist of the following at June 30, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| Buildings and leasehold improvements | \$ 5,804,635 | \$ 5,547,084 |
| Machinery and equipment | 795,204 | 801,867 |
| Furniture, fixtures and office equipment | <u>83,828</u> | <u>83,828</u> |
| | 6,683,667 | 6,432,779 |
| Less: accumulated depreciation | <u>(5,084,320)</u> | <u>(4,910,114)</u> |
| Total property and equipment | <u>\$ 1,599,347</u> | <u>\$ 1,522,665</u> |

6. Capital Lease

The Organization entered into a lease agreement for financing the acquisition of maintenance equipment. This lease agreement qualifies as a capital lease under GAAP and, therefore, has been recorded at the present value of the future minimum lease payments. The lease has an imputed interest rate of 5% and the maintenance equipment totaling \$199,289 was placed in service in June 2019 with amortization beginning in July 2019.

Chi Chi Rodriguez Youth Foundation, Inc.
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

6. Capital Lease (continued)

The future minimum annual lease payments under the capital lease and the present value as of June 30, 2021 are as follows:

| | |
|---|-------------------------|
| Years Ending June 30, | |
| 2022 | \$ 50,381 |
| 2023 | 50,381 |
| 2024 | <u>25,191</u> |
| Total minimum lease payments | 125,953 |
| Less: amount representing interest | <u>(7,785)</u> |
| Present value of minimum lease payments | 118,168 |
| Less: current portion | <u>(45,506)</u> |
| Capital lease obligation - net of current portion | <u><u>\$ 72,662</u></u> |

7. Operating Lease

The Organization leases golf cars under operating leases. Rent expense for operating leases for the years ended June 30, 2021 and 2020 was \$75,953 and \$68,400, respectively. The monthly lease payments are \$6,202 and the leases expire in October 2023. The future minimum annual lease payments total \$74,421 for each of the years ended June 30, 2022 and 2023 and \$24,807 for the year ended June 30, 2024.

8. COVID-19 Relief

The Coronavirus Aid, Relief and Economic Security (CARES) Act provided fast and direct economic assistance during the COVID-19 pandemic in 2020. The Paycheck Protection Program (PPP) was designed to provide an incentive for small businesses to keep workers on the payroll. The Economic Injury Disaster Loan (EIDL) program was designed to provide working capital to meet financial obligations and operating expenses that could have been met had the disaster not occurred.

The Organization applied for and received a PPP loan in the amount of \$225,500 and an EIDL advance in the amount of \$10,000 in April 2020.

Under GAAP, the PPP loan was treated as a conditional contribution because it contained measurable performance obligations, and the revenue was recognized during the year ended June 30, 2020, when the conditions were met. The loan was fully forgiven in July, 2021.

The EIDL advance was treated as an unconditional contribution under GAAP because it did not contain performance obligations and the proceeds were recorded as income when received.

Chi Chi Rodriguez Youth Foundation, Inc.
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

9. Line of Credit

The Organization entered into a loan agreement with Valley National Bank in June 2019 for a \$250,000 unsecured revolving line of credit. The interest rate is variable, based on the Wall Street Journal Prime Rate, and the line of credit is subject to annual review by the lender. There were no draws taken on the line of credit since inception and no outstanding balance as of June 30, 2021 or 2020.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2021 and 2020 relate to the following:

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| Contributed land use | \$ 1,427,807 | \$ 1,493,799 |
| Endowment fund - Raymond James | 1,639,875 | 1,188,987 |
| Donation restricted for driving range lighting | <u>55,000</u> | <u>55,000</u> |
| Total net assets with donor restrictions | <u>\$ 3,122,682</u> | <u>\$ 2,737,786</u> |

11. Retirement Plan

The Organization sponsors a defined contribution retirement savings plan for its employees. Eligible employees may defer the maximum allowed by the Internal Revenue Code. Employees are eligible to participate once they attain the age of twenty-one and complete one year of service. The Organization may elect to make matching contributions not to exceed 6% of the participants' compensation. For the years ended June 30, 2021 and 2020, the Organization's matching contributions totaled \$8,454 and \$9,090, respectively.

12. Concentrations and Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of cash and money market accounts held in financial institutions, which at times may exceed federally insured limits. The accounts have been spread among five banks to minimize the risk and the Organization has not experienced and does not expect to experience any losses in such accounts.

Chi Chi Rodriguez Youth Foundation, Inc.
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

13. Liquidity and Availability

Financial assets available for general expenditure, that is without donor restrictions, within one year of the statements of financial position dates of June 30, 2021 and 2020 include:

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------|---------------------|---------------------|
| Financial assets at year end: | | |
| Cash and cash equivalents | \$ 1,349,222 | \$ 1,133,284 |
| Community Foundation endowment fund | <u>398,148</u> | <u>305,148</u> |
| Total | <u>\$ 1,747,370</u> | <u>\$ 1,438,432</u> |

The Organization maintains adequate cash balances to meet operating expenses and obligations and the ongoing public support, golf course and driving range operations are adequately funding the annual programs. If needed, additional funds would be available through the line of credit.

14. Subsequent Events

Management has evaluated events occurring subsequent to year end through November 29, 2021, the date the financial statements were available to be issued, for financial reporting and disclosure purposes. Management identified no subsequent events that require adjustment to or disclosure in these financial statements.