

**THE EDUCATION FOUNDATION OF  
COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**INDEX TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

	<b><u>PAGE</u></b>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>PART I. <u>FINANCIAL STATEMENTS</u></b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



## INDEPENDENT AUDITORS' REPORT

Nathan A. Phillips, CPA  
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Keith S. Boyle, CPA

October 27, 2023

To the Board of Directors  
THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)  
Naples, Florida

### Opinion

We have audited the accompanying financial statements of THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC. D/B/A CHAMPIONS FOR LEARNING (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, 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 THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC. D/B/A CHAMPIONS FOR LEARNING as of June 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 THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC. D/B/A CHAMPIONS FOR LEARNING 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 THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC. D/B/A CHAMPIONS FOR LEARNING'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 THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC. D/B/A CHAMPIONS FOR LEARNING'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 THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC. D/B/A CHAMPIONS FOR LEARNING'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.



PHILLIPS FELDMAN GROUP, P.A.  
Certified Public Accountants  
Naples, Florida

## **FINANCIAL STATEMENTS**

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2023**

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**ASSETS**

Cash and cash equivalents (Note 2)	\$ 2,407,492
Contributions receivable (Note 3)	190,102
Prepaid expenses and other	24,504
Prepaid scholarships (Note 4)	3,659,547
Endowment fund (Notes 5 and 10)	1,082,887
Property and equipment, net (Note 7)	<u>1,989,583</u>
<b>Total Assets</b>	<b><u>\$ 9,354,115</u></b>

**LIABILITIES AND NET ASSETS**

Accounts payable	<u>\$ 27,454</u>
<b>Total Liabilities</b>	<b><u>27,454</u></b>
Net Assets:	
Without donor restrictions:	
Undesignated	1,478,494
Investment in property and equipment	1,989,583
Designated (Note 9)	<u>500,000</u>
	3,968,077
With donor restrictions (Note 8)	<u>5,358,584</u>
<b>Total Net Assets</b>	<b><u>9,326,661</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 9,354,115</u></b>

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

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2023**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>Support and Revenues:</b>			
Foundations	\$ 1,229,888	\$ 1,318,728	\$ 2,548,616
Individuals and family foundations	841,342	325,096	1,166,438
Corporate	147,603	88,340	235,943
Government	-	12,427	12,427
Florida prepaid scholarships change, net of usage	-	(297,188)	(297,188)
Special events - net of expenses of \$219,845	557,355	-	557,355
Contributions of nonfinancial assets (Note 12)	272,301	-	272,301
Investment income, net	143,759	-	143,759
	<u>3,192,248</u>	<u>1,447,403</u>	<u>4,639,651</u>
<b>Net assets released from restrictions:</b>			
Satisfaction of purpose and time restrictions (Note 8)	2,191,014	(2,191,014)	-
	<u>5,383,262</u>	<u>(743,611)</u>	<u>4,639,651</u>
<b>Total Support and Revenues</b>			
<b>Expenses:</b>			
<b>Program Services:</b>			
Student	1,627,263	-	1,627,263
Teacher and educator	1,980,765	-	1,980,765
Community engagement	575,685	-	575,685
<b>Total Program Services</b>	<u>4,183,713</u>	<u>-</u>	<u>4,183,713</u>
<b>Supporting Services:</b>			
General and administrative	202,682	-	202,682
Fundraising	519,847	-	519,847
<b>Total Supporting Services</b>	<u>722,529</u>	<u>-</u>	<u>722,529</u>
<b>Total Expenses</b>	<u>4,906,242</u>	<u>-</u>	<u>4,906,242</u>
<b>Increase (Decrease) in Net Assets</b>	477,020	(743,611)	(266,591)
<b>Net Assets, Beginning of Year</b>	<u>3,491,057</u>	<u>6,102,195</u>	<u>9,593,252</u>
<b>Net Assets, End of Year</b>	<u>\$ 3,968,077</u>	<u>\$ 5,358,584</u>	<u>\$ 9,326,661</u>

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

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services				Supporting Services			Grand Total
	Student	Teachers & Educator	Community Engagement	Total Program Services	General & Administrative	Fundraising	Total Supporting Services	
Personnel Expenses	\$ 1,005,943	\$ 268,585	\$ 377,901	\$ 1,652,429	\$ 117,210	\$ 372,503	\$ 489,713	\$ 2,142,142
Professional Services	134,691	125,860	79,284	339,835	31,440	23,531	54,971	394,806
Occupancy	48,017	13,701	19,083	80,801	5,744	18,660	24,404	105,205
Office Supplies & Equipment	32,566	7,060	8,504	48,130	4,321	8,336	12,657	60,787
Telecommunications & Website	9,549	2,907	8,543	20,999	1,047	5,845	6,892	27,891
Software Licenses	-	1,600	-	1,600	22,050	20,407	42,457	44,057
Financial Service Fees	2,526	1,393	81	4,000	1,890	5,001	6,891	10,891
Insurance	16,619	4,492	5,838	26,949	6,519	6,179	12,698	39,647
Payroll Processing Fees	12,567	3,655	4,441	20,663	1,396	4,237	5,633	26,296
Scholarships	47,919	-	-	47,919	-	-	-	47,919
Grants to Third Parties	6,177	1,471,143	12,965	1,490,285	-	-	-	1,490,285
Awards & Recognition to Individuals	1,524	18,730	500	20,754	-	-	-	20,754
General Program Materials	15,534	6,652	527	22,713	191	60	251	22,964
Meals & Entertainment	51,947	4,128	19,246	75,321	-	-	-	75,321
Transportation	11,379	-	3,070	14,449	-	-	-	14,449
School Services	500	2,250	-	2,750	-	-	-	2,750
Volunteer & Intern Expense	2,206	629	10,605	13,440	199	542	741	14,181
Outreach & Education	484	-	3,951	4,435	-	364	364	4,799
Marketing and Direct Donor Expenses	38,083	-	100	38,183	-	29,320	29,320	67,503
Dues, Publications & Subscriptions	2,842	74	1,389	4,305	402	1,812	2,214	6,519
Conferences, Conventions & Travel	8,380	698	771	9,849	4,844	4,083	8,927	18,776
Printing , Postage & Shipping	6,339	2,817	4,553	13,709	297	6,582	6,879	20,588
Advertising	38,410	25,605	1,015	65,030	-	-	-	65,030
Auction Expense	21,009	-	-	21,009	-	-	-	21,009
Depreciation	55,702	18,786	13,318	87,806	5,132	12,335	17,467	105,273
Bad Debt Expense	56,350	-	-	56,350	-	50	50	56,400
<b>Total Expenses</b>	<b>\$ 1,627,263</b>	<b>\$ 1,980,765</b>	<b>\$ 575,685</b>	<b>\$ 4,183,713</b>	<b>\$ 202,682</b>	<b>\$ 519,847</b>	<b>\$ 722,529</b>	<b>\$ 4,906,242</b>

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



**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Decrease in net assets	\$ (266,591)
Adjustments to reconcile the decrease in net assets to net cash provided by operating activities:	
Depreciation expense	105,273
Realized and unrealized gain on endowment fund	(126,389)
Bad debt expense	56,400
Changes in assets and liabilities:	
(Increase) decrease in operating assets:	
Contributions receivable	(8,967)
Other prepaid expenses	(3,471)
Florida Prepaid Scholarships	297,188
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	(1,674)
Net Cash Provided By Operating Activities	<u>51,769</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Investment in endowment fund, net	2,110
Purchase of property and equipment	<u>(76,955)</u>
Net Cash (Used In) Investing Activities	<u>(74,845)</u>

(Decrease) in cash and cash equivalents	(23,076)
Cash and cash equivalents, beginning of the year	<u>2,430,568</u>
Cash and cash equivalents, end of the year	<u><u>\$ 2,407,492</u></u>

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

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

The EDUCATION FOUNDATION OF COLLIER COUNTY, INC. D/B/A CHAMPIONS FOR LEARNING (the "Foundation") was incorporated on July 20, 1990 under the laws of Florida as a not-for-profit private foundation. The Foundation's mission is to serve as a catalyst for educational success by investing in Collier's students and educators. The primary sources of revenue are from foundations, individual and corporate donors, and special events held in Collier County, Florida.

**Program Services**

The Foundation provides three primary program services, the main activities of which are summarized as follows:

**Student Programs:**

Student Programs are divided into two distinct but complementary spheres: 'college and career access' and 'occupation-based learning and skill-building.' Student Programs are designed to equip and prepare students for their future learning and career goals. Student Programs empowers students from households with low- and mid-incomes gap who cannot afford the full cost of postsecondary education or technical training without help, many of whom are on track to be the first in their families to graduate from high school, to overcome the obstacles to higher education that they face. Student Programs integrate core elements of highly effective college and career access programming, including leadership and personal development through building foundational and employability skills, mentoring, coaching, service learning, career exploration, college visits, college access workshops, and financial literacy workshops.

**Teacher and Educator Programs:**

Teacher and Educator Programs are designed to value, empower, and support our teachers and educators to experience professional success. Classroom Grants and Golden Apple are our two Teacher and Educator Programs that work with over 400 educators in traditional public, charter, and private schools in Collier County. Classroom Grants aim to provide funding for supplies, classroom items, and enrichment activities not included in the school's budget. Golden Apple is a highly competitive program that identifies the best teaching practices, celebrates the profession, and provides continued professional development.

**Community Engagement:**

Engaging and energizing our community is critical to our mission to serve as a catalyst for educational success by investing in Collier's students and educators. Champions For Learning is the backbone organization for Future Ready Collier, a collective impact initiative, of more than 60 organizations, designed to build an educational pipeline for college, career, and life readiness. As a volunteer driven organization, we rely on more than 450 volunteers to support student and teacher success, equaling to more than 10,000 volunteer hours in support of the mission.

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**Method of Accounting**

The accounts of the Foundation are maintained, and the accompanying financial statements have been prepared on the accrual basis of accounting. Accordingly, assets are recorded when the Foundation obtains the rights of ownership or is entitled to claims for receipt and liabilities are recorded when the obligation is incurred.

**Financial Statement Presentation**

The Foundation presents information regarding its financial position and activities according to two classifications of net assets described as follows:

**Net Assets Without Donor Restrictions**

All resources over which the governing board has discretionary control. The governing board of the Foundation may elect to designate such resources for specific purposes (see Note 9). This designation may be removed at the Board's discretion.

**Net Assets With Donor Restrictions**

Resources accumulated through donations for specific operating or capital purposes. Such resources will become without donor restrictions when the requirements of the donor have been satisfied through expenditure for the specified purpose or program or through the passage of time. Some net assets with donor restrictions include endowment resources accumulated through donations that are subject to the restriction in perpetuity that the principal be invested. See Note 8 regarding the Foundation's net assets with donor restrictions at June 30, 2023.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Basis of Presentation**

As further described below, the Foundation, follows the Statement of Financial Accounting Standards for Not-for-Profit Entities. It requires not-for-profit organizations to distinguish between contributions received that increase net assets with donor restrictions and net assets without donor restrictions. It also requires recognition of the expiration of donor-imposed restrictions in the period in which the restrictions expired as mentioned earlier, and requires classification of net assets and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets – without donor restrictions and with donor restrictions - be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in the statement of activities.

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**Basis of Presentation (Continued)**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years, if any, are reported at the present value of the estimated cash flows, using risk-free interest rates applicable to the years in which the promises are to be received.

**Cash Flows**

For purposes of the statement of cash flows, the Foundation considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

**Contributions Receivable**

Contributions receivable are stated at the amount management expects to collect from outstanding balances. The Foundation records a contribution receivable when donors make promises to give money to the Foundation that are considered by management to be unconditional. Such receivables that are due to be paid within one year are recorded at their estimated net realizable values. Such receivables due to be paid after one year are recorded at their discounted net realizable values, using a risk-free interest rate for such purposes.

Generally accepted accounting principles ("GAAP") require management to provide for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Based on prior experience and on the aforementioned assessment of the current status of individual pledges, management elected not to provide for an allowance for doubtful accounts. Alternatively, it is the Foundation's policy to utilize the direct write-off method and charge uncollectible pledges receivable to expense when management determines the pledge receivable will not be collected. Such policy has not significantly differed from GAAP. The Foundation wrote off pledges of \$56,400 during the year ended June 30, 2023.

**Investments**

Investments are initially recorded at cost if purchased or, if donated, at fair market value on the date received. The Foundation carries investments at the fair value determined by the quoted market prices on the last day of the year. Investment income may be either without donor restrictions or with donor restrictions when earned, determined according to the donor's imposed restrictions. All investment income earned during the year end June 30, 2023 were classified as without donor restrictions.

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**Property and Equipment**

Property and equipment are recorded at cost when purchased or at fair market value at the time of contribution. Expenditures for routine maintenance and repairs are charged to expense as incurred. Depreciation is primarily computed on a straight-line basis over the estimated useful lives of property and equipment generally as follows:

	<u>YEARS</u>
Building (first floor only)	39
Equipment	3
Furniture and fixtures	7
Musical instruments	7
Program fixtures	5
Software	5

**Contributions**

All contributions are considered to be net assets without donor restrictions unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from satisfaction of purpose restriction. Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. The Foundation reports donations of cash contributions not given for a specific purpose by the donor as without donor restrictions. All such expirations for fiscal 2023 were related to purpose and time restrictions being accomplished. Contributions received that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

**Contributed Nonfinancial Assets**

Contributed nonfinancial assets represent the fair market values for goods and services provided for the Foundation. Contributions of services are recognized only if services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing these skills, and would typically be purchased if not provided by donations. These contributions are included in the statement of activities under the caption labeled "Contributions of nonfinancial assets", see Note 12.

**Allocation of Functional Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The costs of providing various programs and other activities have been summarized on the statement of functional expenses. Direct costs are charged directly to the programs benefited. Costs that related to both programs and supporting services were allocated based on an allocation of time spent by employees across programs and supporting services. The calculation of the employees' time was determined on a reasonable and consistent basis for each employee as determined by the Foundation's key management.

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**Income Taxes**

The Foundation is exempt from federal and state income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code, and similar state Code. As such, only unrelated business income, as defined by Section 512(a)(1) of the Code is subject to federal income tax. Management is not aware of any activities that could jeopardize the Foundation's tax-exempt status. The Foundation has evaluated its tax positions and concluded that the Foundation has taken no uncertain tax positions that require adjustments to the financial statements. The Foundation's Forms 990, Return of Organization Exempt from Income Tax, for the years 2020, 2021, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

**Date of Management's Review**

In preparing the audited financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 27, 2023, the date which the audited financial statements were available to be issued. No subsequent events were identified requiring disclosure.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

The Foundation maintains its cash at various financial institutions located in Naples, Florida. Accounts at the commercial banking institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The Foundation believes it is not exposed to any significant risk on bank deposit accounts. Cash and cash equivalents consisted of bank deposit, insured cash sweep, and money market accounts at June 30, 2023.

The following table provides a reconciliation of cash and cash equivalents without and with donor restrictions that is reported within the statement of financial position as of June 30, 2023 that sum to the amounts shown in the statement of cash flows:

Cash and cash equivalents (without donor restrictions)	\$ 1,485,689
Cash and cash equivalents (with donor restrictions)	<u>921,803</u>
Total cash and cash equivalents shown in the statement of cash flows	<u>\$ 2,407,492</u>

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - CONTRIBUTIONS RECEIVABLE**

Contributions receivable at June 30, 2023 is as follows:

Without Donor Restrictions:

Due within one year	\$ 190,102
Total contributions receivable – without donor restrictions	<u>190,102</u>

With Donor Restrictions:

Due within one year	<u>-</u>
Total contributions receivable – with donor restrictions	<u>-</u>
Total contributions receivable	<u>\$ 190,102</u>

**NOTE 4 - PREPAID SCHOLARSHIPS**

The Foundation has purchased college scholarship contracts from the Florida Prepaid College Foundation ("FPCF"), an agency of the State of Florida, for its use in paying for college or technical school tuition for deserving students. When the Foundation purchased these contracts in fiscal 2023, the FPCF matched 100% of the amount the Foundation paid for the scholarships. The cost of the contracts is initially recorded as prepaid scholarships and the Foundation has elected to increase that amount by the amount of the state match, with the corresponding credit being recorded as contribution income.

At the end of each fiscal year, the FPCF submits a report to the Foundation that show its valuation of the Foundation's unused and partially used contracts, which it values based on the current rate of tuition at state colleges. The Foundation has elected to record the effect of those increases/(decreases) as an increase/(decreases) in its prepaid scholarships.

The Foundation records its annual scholarship usage expense and the annual appreciation in the aggregate value of its scholarships used in that year and unused scholarship contracts at the end of the year as one net expense amount in its statement of activities. The total value of the Foundation's unused contracts as of June 30, 2023 totaled \$3,659,547.

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - PREPAID SCHOLARSHIPS (Continued)**

The changes in the prepaid scholarship account during 2023 were as follows:

Beginning balance, prepaid scholarships	\$ 3,956,735
Purchase of scholarship contracts (including credits applied)	121,612
FPCF match	121,612
Usage less appreciation of used and unused contracts	<u>(540,412)</u>
Net (decrease) in prepaid scholarships	<u>(297,188)</u>
Ending balance, prepaid scholarships	<u>\$ 3,659,547</u>

**NOTE 5 - ENDOWMENT FUND**

On July 23, 2013, the Foundation established an Endowment Fund, known as the "Champions for Learning Endowment Fund" ("Fund"), in the initial amount of \$183,463 with the Community Foundation of Collier County from monies received from donors. The Foundation is the beneficiary of this fund and the invested funds generate gains and/or losses. The Foundation may also receive distributions of income, subject to the Community Foundation of Collier County's spending policy. The endowment balance as of June 30, 2023 was \$1,082,887. The Fund is reported at fair value and consists of primarily equities, mutual funds, and fixed income investments which totals to approximately 87% of the total endowment fund investment allocation as of June 30, 2023. Currently, the investment policy is to invest with the Community Foundation of Collier County. The changes in endowment fund as of and for the year ended June 30, 2023 is as follows:

Endowment fund, beginning balance	\$ 958,608
Contributions	10,000
Realized gains	41,311
Unrealized gains	85,078
Interest and dividends	15,983
Funds distributed for expenses	(17,843)
Administrative fees	<u>(10,250)</u>
Endowment fund, ending balance	<u>\$ 1,082,887</u>

In addition, the net asset balances of the endowment fund at June 30, 2023 consisted of the following:

Endowment – without donor restrictions	\$ 296,311
Endowment – with donor restrictions	<u>786,576</u>
Total endowment net assets	<u>\$ 1,082,887</u>



**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - LUCIE JENNY MACCARTHY AND CHUCK MOHLKE FUND**

In 1999, the Community Foundation of Collier County received a gift from the Lucie Jenny MacCarthy Charitable Remainder Unitrust that is held and owned by Community Foundation of Collier County. It was the wish of the donor that the funds be used by the Foundation to support and enhance music education in the Collier County public school system. However, the ultimate authority over the distribution of the funds was left with the Board of Trustees of the Community Foundation of Collier County. The balance at the Community Foundation at June 30, 2023 is not reflected in the accompanying financial statements. During 2023, the Foundation received a grant totaling \$22,905, which was recorded as net assets with donor restrictions until the satisfaction of restriction is met. Total remaining funds received and unspent at June 30, 2023 was \$25,689.

In addition, the Community Foundation of Collier County holds the Chuck Mohlke fund in which its interest and dividend income are available for distribution to the Foundation.

**NOTE 7 - PROPERTY AND EQUIPMENT, NET**

Property and equipment, net, at June 30, 2023 consisted of the following:

Building (first floor only)	\$ 2,100,189
Furniture and fixtures	220,797
Equipment	172,838
Musical instruments	9,085
Program fixtures	63,000
Software	<u>25,833</u>
Property and equipment cost	2,591,742
Less: accumulated depreciation	<u>(602,159)</u>
Property and equipment, net	<u>\$ 1,989,583</u>

Depreciation expense for the year ended June 30, 2023 totaled \$105,273.

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at June 30, 2023 consisted of the following:

Florida Prepaid Scholarships (Note 4)	\$ 3,659,547
Scholarships	253,365
Lucie Jenny MacCarthy Fund (Note 6)	25,689
Women in Naples Giving Support (WINGS)	217,668
Building reserve for future repair/replacement	6,350
Endowment - Operating	655,826
Endowment - Scholarships	130,750
Teacher based grants	34,531
School based grants	77,134
Other scholarships and grants	<u>297,724</u>
Total net assets with donor restrictions	<u>\$ 5,358,584</u>

During 2023, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows:

Distribution of funds for Hurricane Ian relief	\$ 1,215,188
Distribution of funds for Teacher and Educator Programs	558,583
Distribution of funds due to expiration of time restriction	190,258
Distribution of funds for Florida Prepaid Scholarships	49,238
Distribution of funds for Grants, Scholarships and other	141,032
Distribution of funds for Building and other costs	<u>36,715</u>
Total satisfaction of purpose restrictions	<u>\$ 2,191,014</u>

**NOTE 9 - NET ASSETS WITHOUT DONOR RESTRICTIONS - DESIGNATED**

The Foundation's Board of Directors has designated \$125,000 as a liquidity reserve from net assets without donor restrictions. In fiscal 2020, the Foundation received approximately \$375,000 from a trust in which they were the 100% beneficiary. During the June 2020 meeting, the Board of Directors approved to designate \$300,000 for operating reserves and \$75,000 for building reserves for total accumulated designated net assets of \$500,000 as of June 30, 2023.

The Foundation has a designated bank account to hold these designated funds. These funds are held in a money market account and therefore are presented in cash and cash equivalents in the statement of financial position as of June 30, 2023.

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - FAIR VALUE MEASUREMENTS**

The accounting literature provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has ability to access and have the highest priority.

**Level 2** - Inputs that include quoted prices for similar (but not exact) assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement and have the lowest priority.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level of input that is significant to the fair value measurement in its entirety.

Investments for which fair value are measured at net asset value per share (or its equivalent) using the practical expedient should not be categorized in the fair value hierarchy. This was reflected by the Foundation since the Pooled Funds of the Community Foundation of Collier County included investments measured at net asset value. These investments have been reflected in the disclosures as noted in the reconciliation below.

Consequently, the following fair value disclosure is for those assets measured at fair value on a recurring basis at June 30, 2023:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Endowment Fund	\$ 462,068	\$ 399,152	\$ 62,916	\$ -

The total value of the endowment held in the Community Foundation at June 30, 2023 is as followed:

Total investments measured at fair value	\$ 462,068
Total investments measured at net asset value	<u>620,819</u>
Balance, June 30, 2023 (Note 5)	<u>\$ 1,082,887</u>

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Foundation is primarily funded by contributions from donors which are either with or without donor restrictions. Contributions with donor restrictions require that those resources be used in a certain manner or in a future period. Therefore, the Foundation must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, the Foundation has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

The table below presents the Foundation's financial assets as of June 30, 2023, reduced by amounts which are not available for general use due to contractual or donor-imposed restrictions. Amounts that are not available also include Board of Directors designated funds which could be utilized if the Board of Directors approved the use.

Financial assets, at June 30, 2023:	
Cash and cash equivalents	\$ 2,407,492
Contributions receivable	190,102
Prepaid scholarships	3,659,547
Endowment fund	1,082,887
Less those unavailable for general expenditures within one-year due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restriction	(5,358,584)
Accounts payable and accrued expenses	(27,454)
Board of Directors designations:	
Board designated funds for operating, designated, and building reserves	<u>(500,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,453,990</u>

**NOTE 12 - CONTRIBUTED NONFINANCIAL ASSETS**

For the year ended June 30, 2023, contributed nonfinancial assets recognized within the statement of activities include:

Services	\$ 186,613
Food	36,996
Household goods	364
Gifts to be auctioned	39,418
Equipment	<u>8,910</u>
	<u>\$ 272,301</u>

**THE EDUCATION FOUNDATION OF COLLIER COUNTY, INC.  
(D/B/A CHAMPIONS FOR LEARNING)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 - CONTRIBUTED NONFINANCIAL ASSETS (Continued)**

The Foundation recognized contributed nonfinancial assets within revenue, including services, food, household goods, gifts to be auctioned, and equipment. Contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services were utilized in the following programs: student, teacher and educator, community engagement, and were also utilized in fundraising. Contributed services primarily consisted of media and other discounts for various professional services.

Contributed food, household goods, gifts to be auctioned, and event space were utilized in the following programs: student and community engagement. These contributed items were primarily utilized in the Foundation's special events, such as, Golden Apple and Night of Champions.

Contributed equipment was utilized in the student program. The equipment received primarily consisted of various computer and electronic equipment needed for student programs.

In valuing services, food, household goods, gifts to be auctioned, and equipment, the Foundation estimated the fair value on the basis of estimates of wholesale values and current market rates that would be received for selling similar products and receiving similar services in the United States.