

Shadow Wood Charitable Foundation, Inc.
Financial Statements
Years Ended March 31, 2023 and 2022

Table of Contents

Independent Accountant's Review 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
Notes to the Financial Statements.....	9 - 14



INTEGRITY...KNOWLEDGE...SERVICE...COMMITMENT®

Independent Accountant's Review Report

To the Board of Directors of
Shadow Wood Charitable Foundation, Inc.
Bonita Springs, Florida

We have reviewed the accompanying financial statements of Shadow Wood Charitable Foundation, Inc. (a non-profit corporation) (the "Foundation"), which comprise the statements of financial position as of March 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Foundation's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Shadow Wood Charitable Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Affiliations

American Institute of Certified Public Accountants ♦ Florida Institute of Certified Public Accountants

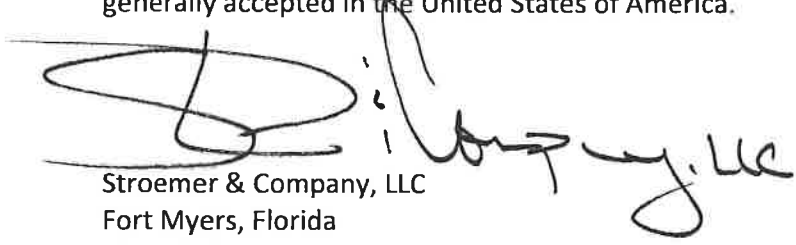
239-433-1002 ♦ www.stroemercpa.com
14030 Metropolis Avenue, Suite 200, Fort Myers, FL 33912

Fort Myers ♦ Jacksonville* ♦ Miami ♦ Naples* ♦ Orlando* ♦ Sanibel ♦ Tampa* ♦ West Palm Beach*

**By Appointment Only*

Accountant's Conclusion on the Financial Statements

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Stroemer & Company, LLC". The signature is written in a cursive style with a large, stylized initial "S" and "C".

Stroemer & Company, LLC
Fort Myers, Florida
May 22, 2023

Shadow Wood Charitable Foundation, Inc.
Statements of Financial Position
March 31, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	\$ 496,019	\$ 425,669
Accounts receivable	500	725
Prepaid expenses	6,838	4,350
Total assets	\$ 503,357	\$ 430,744
Liabilities and net assets		
Accounts payable	\$ 16,650	\$ -
Deferred revenue	11,900	28,232
Total liabilities	28,550	28,232
Net assets		
Net assets without donor restrictions:		
General operating	274,807	231,512
Board designated:		
Scholarship program	150,000	121,000
Emergency relief program	50,000	50,000
Net assets with donor restrictions	-	-
Total net assets	474,807	402,512
Total liabilities and net assets	\$ 503,357	\$ 430,744

The accompanying notes are an integral part of this statement.

Shadow Wood Charitable Foundation, Inc.
Statement of Activities
For the Year Ended March 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Change in net assets			
Support and revenue			
Contributions of cash and marketable securities	\$ 960,994	\$ 135,763	\$ 1,096,757
Special event revenue, net of costs of direct donor benefit	535,894	-	535,894
Other income	3,162	-	3,162
Total support and revenue	<u>1,500,050</u>	<u>135,763</u>	<u>1,635,813</u>
Net assets released from restrictions	135,763	(135,763)	-
Total support, revenue and reclassifications	<u>1,635,813</u>	<u>-</u>	<u>1,635,813</u>
Expenses			
Program services	1,535,351	-	1,535,351
Management and general	28,167	-	28,167
Total expenses	<u>1,563,518</u>	<u>-</u>	<u>1,563,518</u>
Change in net assets	72,295	-	72,295
Net assets, April 1, 2022	<u>402,512</u>	<u>-</u>	<u>402,512</u>
Net assets at March 31, 2023	<u><u>\$ 474,807</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 474,807</u></u>

The accompanying notes are an integral part of this statement.

Shadow Wood Charitable Foundation, Inc.
Statement of Activities
For the Year Ended March 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Change in net assets			
Support and revenue			
Contributions of cash and marketable securities	\$ 797,550	\$ 62,973	\$ 860,523
Special event revenue, net of costs of direct donor benefit	358,524	-	358,524
Other income	806	-	806
	<u>1,156,880</u>	<u>62,973</u>	<u>1,219,853</u>
Net assets released from restrictions	80,248	(80,248)	-
	<u>1,237,128</u>	<u>(17,275)</u>	<u>1,219,853</u>
Expenses			
Program services	1,100,606	-	1,100,606
Management and general	20,334	-	20,334
Fundraising	6,443	-	6,443
	<u>1,127,383</u>	<u>-</u>	<u>1,127,383</u>
Change in net assets	109,745	(17,275)	92,470
Net assets, April 1, 2021	<u>292,767</u>	<u>17,275</u>	<u>310,042</u>
Net assets at March 31, 2022	<u><u>\$ 402,512</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 402,512</u></u>

The accompanying notes are an integral part of this statement.

Shadow Wood Charitable Foundation, Inc.
Statement of Functional Expenses
For the Year Ended March 31, 2023

	<u>Support Services</u>			Total
	Program services	Management and general	Fundraising	
Grants	\$ 1,535,351	\$ -	\$ -	\$ 1,535,351
Operations	-	13,495	-	13,495
Bank charges and fees	-	6,228	-	6,228
Professional services	-	6,125	-	6,125
Insurance	-	1,700	-	1,700
Miscellaneous	-	619	-	619
Total expenses	<u>\$ 1,535,351</u>	<u>\$ 28,167</u>	<u>\$ -</u>	<u>\$ 1,563,518</u>

The accompanying notes are an integral part of this statement.

Shadow Wood Charitable Foundation, Inc.
Statement of Functional Expenses
For the Year Ended March 31, 2022

	Support Services			Total
	Program services	Management and general	Fundraising	
Grants	\$ 1,100,606	\$ -	\$ -	\$ 1,100,606
Bank charges and fees	-	8,199	-	8,199
Fundraising	-	-	6,443	6,443
Professional services	-	5,536	-	5,536
Printing and supplies	-	4,173	-	4,173
Insurance	-	1,689	-	1,689
Miscellaneous	-	737	-	737
Total expenses	\$ 1,100,606	\$ 20,334	\$ 6,443	\$ 1,127,383

The accompanying notes are an integral part of this statement.

Shadow Wood Charitable Foundation, Inc.
Statements of Cash Flows
For the Years Ended March 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Cash received from revenues and support	\$ 1,619,706	\$ 1,267,792
Cash paid to vendors	(1,549,356)	(1,134,154)
Net cash provided by operating activities	70,350	133,638
Net increase in cash and cash equivalents	70,350	133,638
Cash and cash equivalents at beginning of year	425,669	292,031
Cash and cash equivalents at end of year	\$ 496,019	\$ 425,669
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	\$ 72,295	\$ 92,470
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
(Increase)/decrease in assets:		
Accounts receivable	225	19,707
Prepaid expenses	(2,488)	(4,350)
Increase/(decrease) in liabilities:		
Accounts payable	16,650	(2,421)
Deferred revenue	(16,332)	28,232
Net cash provided by operating activities	\$ 70,350	\$ 133,638

The accompanying notes are an integral part of this statement.

Shadow Wood Charitable Foundation, Inc.
Notes to the Financial Statements
For the Years Ended March 31, 2023 and 2022

Note A - Summary of Significant Accounting Policies

1. Organization and nature of activities

Shadow Wood Charitable Foundation, Inc. (the "Foundation") was incorporated in June 2012 under the laws of the State of Florida as a nonprofit corporation to provide funds for charitable and educational purposes to residents of southwest Florida.

2. 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. The accounting and reporting policies of the Foundation are in accordance with the accounting standards issued by the Financial Accounting Standards Board ("FASB") in the Accounting Standards Codification ("ASC").

3. Financial statement presentation

The Foundation prepares its financial statements in accordance with the "Not-For-Profit Entities" topic of the FASB ASC. In accordance with this topic, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

4. Concentration of credit risk

The Foundation maintains its cash and cash equivalents balances at various financial institutions in deposit accounts, which at times may exceed federally-insured limits. The Foundation has not experienced any economic losses on such account balances and believes it is not exposed to any significant credit risk on its cash and cash equivalent balances.

5. Accounts receivable

Accounts receivable is stated at the amounts management expects to be collected from donors and others. Management assesses the current status of the accounts receivable and determines if any amounts are uncollectible. As of March 31, 2023 and 2022 management believes all accounts receivable are fully collectible.

6. Impairment of long-lived assets

The Foundation adheres to the "Property, Plant and Equipment" topic of the FASB ASC to account for the impairment of long-lived assets. This topic requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable.

There was no effect on the Foundation's financial statements resulting from this topic for the years ended March 31, 2023 and 2022.

Shadow Wood Charitable Foundation, Inc.
Notes to the Financial Statements
For the Years Ended March 31, 2023 and 2022

Note A - Summary of Significant Accounting Policies (continued)

7. Statement of cash flows

For purpose of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

8. Fair value of financial instruments

The "Financial Instruments" topic of the FASB ASC clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

The Foundation's financial instruments consist of cash and cash equivalents, receivables, prepaid's, beneficial interest in assets held by others, and payables. The Foundation estimates that the fair value of all financial instruments as of March 31, 2023 and 2022 do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

9. Recognition of donor restrictions

Support that is restricted by the donor is reported as increase in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with restrictions. When a restriction expires, or when the purpose restriction is met, net assets with restrictions are reclassified to net assets without restrictions.

10. Donated services

Donated services that do not require specialized skills or enhance the nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. The Board of Directors has donated significant amounts of their time and expertise to the Foundation, which is also not recorded in the accompanying financial statements.

11. Revenue recognition

The Foundation receives its support primarily from contributions by residents of the Shadow Wood at The Brooks and Shadow Wood Preserve communities and by local business; a raffle; a golf event and dinner with a live auction; concerts; and tennis and bocce events. Contributions are recorded as revenue when pledged if the contribution is unconditional and without any donor contingencies.

Contributions of marketable securities are recorded at the average of the high and low quoted market prices of the securities on the date they are received.

Revenue from Exchange Transactions:

The Foundation recognizes revenue from these types of transactions in accordance with FASB

Shadow Wood Charitable Foundation, Inc.
Notes to the Financial Statements
For the Years Ended March 31, 2023 and 2022

Note A - Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Foundation recorded the following exchange transaction revenue in its statements of activities for the years ended March 31, 2023 and 2022.

Special Event Revenue

The Foundation conducts special events in which a portion of the proceeds paid by a donor represents payment for the direct cost of the benefits received by the donor at the event - the exchange component, and a portion represents a contribution to the Foundation. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of the benefit is measured at cost to the Foundation. The contribution component is the excess of the gross proceeds over the fair value of the benefit received by the donor. The direct costs of the special event are recorded as direct donor benefits in the statement of activities. The performance obligation is the delivery of the event. The event fee is set by the Foundation. FASB ASU 2014-09 requires the Foundation allocate the transaction price to the performance obligations. As such, the Foundation presents in the notes to the financial statements the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Foundation in advance of its delivery are initially recognized as deferred revenue and recognized as special event revenue after the delivery of the event. For special event fees received before year-end for an event that will occur after year-end, the Foundation follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as deferred revenue along with the exchange component.

Revenue from Non-Exchange Transactions:

The Foundation recognizes revenue from these types of transactions in accordance with FASB ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 applies to non-exchange transactions. The Foundation recorded the following non-exchange transaction revenue in its statements of activities for the years ended March 31, 2023 and 2022:

Contributions

Revenue from contributions is recognized at the time the support or contribution is made.

12. Functional expenses

The Foundation allocates its expenses on a functional basis among its various program and supporting services. Expenses that can be identified with a specific program service are allocated directly according to their natural expenditure classification. Other expenses common to several functions are allocated by various statistical basis.

Shadow Wood Charitable Foundation, Inc.
Notes to the Financial Statements
For the Years Ended March 31, 2023 and 2022

Note A - Summary of Significant Accounting Policies (continued)

13. Income taxes

The Internal Revenue Service has determined that the Foundation is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Foundation is a not-for-profit Florida corporation and therefore is not subject to state income taxes. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The Foundation reports no unrelated business taxable income; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities.

The Foundation's tax filings are subject to audit by various taxing authorities. Certain income tax returns filed by the Foundation remain open to examination by these government agencies. The Financial Accounting Standards Board has issued guidance on accounting for uncertainty in income taxes and the Foundation adopted this guidance. The Foundation has evaluated its tax positions and any estimates utilized in its tax returns, and concluded that the Foundation has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Interest and penalties associated with uncertain tax positions will be recognized in income tax expense, if required.

14. Management estimates

The preparation 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 the reported amount of assets, 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.

Note B - Liquidity and Availability of Financial Assets

The Foundation's financial assets available within one year of March 31, 2023 for general expenditures are as follows:

Cash and cash equivalents	\$ 496,019
Accounts receivable	500
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 496,519</u>

The Foundation manages its financial assets in accordance with the "Not-For-Profit Entities" topic of the FASB ASC. This topic requires that the Foundation maintains sufficient resources to meet the responsibilities of its donors. Therefore financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Shadow Wood Charitable Foundation, Inc.
Notes to the Financial Statements
For the Years Ended March 31, 2023 and 2022

Note C - Net Assets

Net assets consisted of the following as of March 31, 2023 and 2022:

	2023	2022
<u>Without donor restrictions:</u>		
Unrestricted	\$ 274,807	\$ 231,512
Board designated	200,000	171,000
	\$ 474,807	\$ 402,512
 <u>With donor restrictions:</u>		
	\$ -	\$ -

Board designated:

Board designated net assets are voluntary designations of net assets by the Board of Trustees, restricted for use in the Foundation's scholarship and emergency relief programs. The amounts so designated totaled \$200,000 and \$171,000 for the years ended March 31, 2023 and 2022, respectively.

Note D - Net Assets Released From Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

Net assets released from donor restrictions for the years ended March 31, 2023 and 2022 were:

	2023	2022
<u>Expenditure for specific purpose accomplished:</u>		
Contributions	\$ 135,763	\$ 80,248

Note E - Economic Dependence

During the years ended March 31, 2023 and 2022, approximately 67% and 71%, respectively of the Foundation's total net operating support and revenue was attributable to contributions received from donors.

Shadow Wood Charitable Foundation, Inc.
Notes to the Financial Statements
For the Years Ended March 31, 2023 and 2022

Note F - Special Event Revenue

Gross receipts from special events recorded by the Foundation consisted of exchange transaction revenue and contribution revenue. As a result of adopting FASB ASU 2014-09, the Foundation is required to separately present the components of this revenue.

Fundraising event revenue and related expenses for the year ended March 31, 2023 consisted of the following:

	<u>Revenue Recognized</u>	<u>Expenses</u>	<u>Net Revenue</u>
Auctions	\$ 289,755	\$ 42,985	\$ 246,770
Raffle	196,220	34,704	161,516
Concerts	88,694	34,879	53,815
Golf event and dinner	73,925	37,768	36,157
Bocce events	28,536	6,097	22,439
Tennis events	36,939	21,742	15,197
	<u>\$ 714,069</u>	<u>\$ 178,175</u>	<u>\$ 535,894</u>

Fundraising event revenue and related expenses for the year ended March 31, 2022 consisted of the following:

	<u>Revenue Recognized</u>	<u>Expenses</u>	<u>Net Revenue</u>
Raffle	\$ 178,301	\$ 31,495	\$ 146,806
Auctions	137,700	8,671	129,029
Golf event and dinner	74,475	30,829	43,646
Tennis events	42,185	21,422	20,763
Concerts	28,392	11,960	16,432
Bocce events	2,650	802	1,848
	<u>\$ 463,703</u>	<u>\$ 105,179</u>	<u>\$ 358,524</u>

Note G - Subsequent Events

Management has assessed subsequent events through May 22, 2023, the date on which the financial statements were available to be issued.