

**JOHN'S ISLAND COMMUNITY
SERVICE LEAGUE**

Financial Statements
with
Independent Auditors' Report

April 30, 2021
(With Corresponding Totals for April 30, 2020)



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
John's Island Community Service League
Vero Beach, Florida

We have audited the accompanying financial statements of John's Island Community Service League, which comprise the statement of financial position as of April 30, 2021, and the related statements of activities and changes in net assets, 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 John's Island Community Service League as of April 30, 2021, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of John's Island Community Service League 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 these 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 John's Island Community Service League's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting principles 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 entity's ability to continue as a going concern for a reasonable period of time.

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

Report on Comparative Information

We have previously audited John's Island Community Service League's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 4, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Dean & Kolodziejczak PLLC

Dean & Kolodziejczak, PLLC
Certified Public Accountants
Vero Beach, FL

August 24, 2021



John's Island Community Service League
Statement of Financial Position
April 30, 2021
(With Corresponding Totals for April 30, 2020)

	2021	2020
Assets		
Cash and cash equivalents	\$ 2,523,556	\$ 2,055,941
Accounts receivable	-	35,000
Contributions receivable	10,000	-
Prepaid expenses	674	578
Deposits	790	790
Total Assets	\$ 2,535,020	\$ 2,092,309
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 14,350	\$ 197
Grants payable	212,500	-
Total Liabilities	226,850	197
Net Assets		
Net assets without donor restrictions	2,308,170	1,848,112
Net assets with donor restrictions	-	244,000
Total Net Assets	2,308,170	2,092,112
Total Liabilities and Net Assets	\$ 2,535,020	\$ 2,092,309

See accompanying notes to financial statements.



John's Island Community Service League
Statement of Activities and Changes in Net Assets
Year Ended April 30, 2021
(With Corresponding Totals for Year Ended April 30, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and other support				
Membership	\$ 127,250	\$ -	\$ 127,250	\$ 147,000
Contributions	1,414,899	151,600	1,566,499	503,996
Events and fundraising, net of direct costs of \$66,872	222,490	-	222,490	762,254
Thrift shop sales	336,860	-	336,860	252,161
Net investment income	1,113	-	1,113	31,765
Net assets released	395,600	(395,600)	-	-
Total revenue and other support	2,498,212	(244,000)	2,254,212	1,697,176
Expenses				
Program Services:				
Philanthropy	1,727,919	-	1,727,919	1,108,629
Scholarship	81,732	-	81,732	75,900
Support Services:				
Tambourine Shop	171,629	-	171,629	164,857
Fundraising	28,568	-	28,568	35,595
Management and general	28,306	-	28,306	22,388
Total expenses	2,038,154	-	2,038,154	1,407,369
Increase (decrease) in net assets	460,058	(244,000)	216,058	289,807
Net assets, beginning of year	1,848,112	244,000	2,092,112	1,802,305
Net assets, end of year	\$ 2,308,170	\$ -	\$ 2,308,170	\$ 2,092,112

See accompanying notes to financial statements.



John's Island Community Service League

Statement of Functional Expenses

Year Ended April 30, 2021

(With Corresponding Totals for Year Ended April 30, 2020)

	2021					2020	
	Program Services		Supporting Services			Total	Total
	Philanthropy	Scholarship	Tambourine Shop	Fundraising	Management and General		
Grants	\$ 1,711,500	\$ 79,332	\$ -	\$ -	\$ -	\$ 1,790,832	\$ 1,170,680
Occupancy costs	3,942	-	73,305	3,942	3,942	85,131	79,525
Wages, taxes, and benefits	-	-	64,250	-	-	64,250	57,806
Contract labor	4,800	2,400	-	12,000	4,800	24,000	24,000
Hauling expenses	-	-	21,117	-	-	21,117	23,487
Printing and postage	-	-	-	9,434	-	9,434	18,064
Professional fees	-	-	-	-	14,333	14,333	8,185
Computer, programs and services	-	-	1,570	3,192	-	4,762	5,756
Insurance	-	-	2,987	-	2,258	5,245	5,338
Repairs and maintenance	-	-	4,587	-	-	4,587	4,800
Supplies	-	-	1,013	-	2,429	3,442	3,792
Philanthropic	7,002	-	-	-	-	7,002	2,763
Telephone	-	-	2,144	-	-	2,144	1,752
Promotional materials	-	-	190	-	-	190	681
Other expenses	675	-	461	-	472	1,608	485
Bank fees	-	-	5	-	72	77	255
Total expenses	\$ 1,727,919	\$ 81,732	\$ 171,629	\$ 28,568	\$ 28,306	\$ 2,038,154	\$ 1,407,369

See accompanying notes to financial statements.



John's Island Community Service League
Statement of Cash Flows
Year Ended April 30, 2021
(With Corresponding Totals for Year Ended April 30, 2020)

	2021	2020
Cash flows from operating activities:		
Increase in net assets	\$ 216,058	\$ 289,807
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Changes in assets and liabilities:		
Receivables	25,000	(35,000)
Prepaid expenses	(96)	1,453
Deposits	-	(290)
Accounts payable	14,153	197
Grants payable	212,500	-
Net cash provided by operating activities	467,615	256,167
Net increase in cash	467,615	256,167
Cash and cash equivalents, beginning of year	2,055,941	1,799,774
Cash and cash equivalents, end of year	\$ 2,523,556	\$ 2,055,941

See accompanying notes to financial statements.



John's Island Community Service League
Notes to Financial Statements
Year ended April 30, 2021

Note 1 – Nature of Organization

John's Island Community Service League (JICSL) was formed in February 1980 to bring attention to John's Island residents, the needs of the community in which they lived, either full or part time. The League started with a thrift shop, now known as the Tambourine Shop. Since that time, the League has flourished and grown to become an important part of the lives of many residents of John's Island, as well as the lives of countless Indian River County women, children, and families. The League's vision is to transform lives in Indian River County through leadership, collaboration, and dedicated philanthropy.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of JICSL have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks, cash on hand, and deposits in money market funds and other deposit instruments with original maturities of less than three months.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions 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. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Tambourine Shop

Thrift store sales of the Tambourine Shop consist entirely of donated merchandise. Revenue is recognized when the merchandise is sold. Goods donated to the thrift store are not recorded as inventory in these financial statements because fair value cannot be reasonably determined.

Donated Services

JICSL receives services from a large number of volunteers who give significant amounts of their time to programs and fund-raising campaigns. These donated services are of a nonprofessional capacity and as such do not meet the criteria for financial statement recognition.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expense classification.

Income Taxes

The John’s Island Community Service League is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. In addition, JICSL is not classified as a private foundation under Section 509(a)(2) of the Internal Revenue Code.

Prior Period Information

The financial statements include certain prior year corresponding totals intended to be read only in relation to the current period figures. The corresponding information was derived from JICSL’s financial statements for the year ended April 30, 2020 and does not herein include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

Note 3 – Special Events, net

Special events revenue includes event ticket, auction, and other sales, as well as, sponsorships and contributions. Special events revenue, net of direct costs for the fiscal year ended April 30, 2021 consists of the following:

Contributions	\$ 1,000
Sponsorships	170,500
Other sales and event revenues	117,862
Total special events revenue	\$ 289,362
Direct costs	(66,872)
Special events, net of direct costs	\$ 222,490

Note 4 – Uninsured Cash/Investment Balances

JICSL cash balances in banks are fully insured with the Federal Deposit Insurance Corporation (“FDIC”). JICSL also maintains accounts secured by the Securities Investor Protection Corporation up to \$500,000, including a maximum of \$250,000 for cash claims. This excess SIPC protection would be triggered only in the event of the financial failure and

liquidation of a participating securities affiliate and if the JICSL’s securities were not returned. This protection does not cover investment losses in customer accounts due to market fluctuation or other claims for losses incurred. There are uninsured cash/investment balances of approximately \$2,018,000 at April 30, 2021.

Note 5 –Grants Payable

Grants payable at April 30, 2021 consists of two strategic grant awards to be paid in multiple installments over time. An award to Florida Rural Legal Services, Inc. to fund a Housing Advocate for Indian River County residents was made for \$150,000, of which \$37,500 was paid in fiscal year 2021. The program time frame was extended and the remaining \$112,500 is expected be paid in quarterly payments of \$37,500 beginning in September 2021. An award to fund \$150,000 toward a collaborative effort to develop an Intensive Outpatient Program with Cleveland Clinic commits \$50,000 per year for three years. \$50,000 was paid on the first year commitment in fiscal year 2021.

Note 6 –Net Assets With Donor Restrictions

Net Assets with Donor Restrictions relate to contributed assets which are restricted by the respective donors for a specified program or purpose. JICSL did not hold any net assets with donor imposed restrictions as of April 30, 2021.

During the fiscal year ended April 30, 2021, net assets were released from donor restrictions by incurring expenses satisfying restricted purposes, or due to passage of time as follows:

Contingency grants - Covid 19	\$ 155,600
Strategic grants	240,000
	\$ 395,600

Note 7 –Net Assets Without Donor Restrictions – Board Designations

On June 24, 2021, the Board designated April 30, 2021 net assets without donor restrictions as a guide to fiscal year 2022 operations. Board Designations of net assets without donor restrictions at April 30, 2021 are thus presented as follows:

Grants and Scholarships	\$ 1,200,000
Contingency grants	500,000
Marlynn Scully Strategic Fund	500,000
Operating expenses	100,000
	\$ 2,300,000



Note 8 – Lease Commitments

JICSL leases its office space under an operating lease with term expiring January 31, 2022. Rent is paid monthly at \$806.

JICSL leases retail space for the Tambourine Shop under an operating lease with term expiring March 31, 2024. Rent paid under the lease amounted to \$64,606 during fiscal year ended April 30, 2021. Rent is provided for at \$5,518 per month April 1, 2021 through March 31, 2022 with annual increase of 3% thereon through the end of term.

Note 9 – Liquidity and Availability of Financial Assets

JICSL has \$2,533,556 of financial assets available within one year of the statement of financial position date to meet the cash needs for general operating expenditures and grant awards. Available current assets include cash of \$2,523,556 and current receivables of \$10,000. Of this amount, \$212,500 is committed to fund grant commitments made in fiscal year 2021. The JICSL will additionally fund operating needs through annual contributions, and special events.

Note 10 – Subsequent Events

Beginning in March 2020, a pandemic of coronavirus affected the community, shutting down businesses and affecting equity markets globally. The Tambourine Shop experienced some closures and certain fundraising events were cancelled during fiscal years 2020 and 2021 to comply with government restrictions and prudent safety measures. While at the time of issuance, the Tambourine Shop is open, management is unable to predict future closures or restrictions and the effect to sales related to the progress of the pandemic through the community. As the pandemic continues into 2021 with unknown duration and variants, JICSL will continue to monitor and comply with state and local regulatory requirements and will suspend, limit, or alter its events and operations as necessary.

As presented in Note 6, the Board approved designations of net asset balances on June 24, 2021, subsequent to fiscal year end. Such designations were made as a budgeting tool for fiscal 2022 operations and are based on April 30, 2021 balances. Designated net assets are disclosed accordingly.

Management has evaluated subsequent events through August 24, 2021, the date the financial statements were available to be issued. Management is not aware of any events subsequent to the statement of financial position date which would require additional adjustments to, or disclosure in, the accompanying financial statements.