

**JOHN'S ISLAND COMMUNITY
SERVICE LEAGUE**

Financial Statements
with
Independent Auditors' Report

April 30, 2022
(With Corresponding Totals for April 30, 2021)



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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, 2022, 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, 2022, 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 24, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2021, 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

October 27, 2022



John's Island Community Service League
Statement of Financial Position
April 30, 2022
(With Corresponding Totals for April 30, 2021)

	2022	2021
Assets		
Cash and cash equivalents	\$ 1,191,547	\$ 2,523,556
Investments	1,647,685	-
Receivables	308,331	10,000
Prepaid expenses	894	674
Deposits	790	790
Total Assets	\$ 3,149,247	\$ 2,535,020
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 156,349	\$ 14,350
Grants payable	94,357	212,500
Total Liabilities	250,706	226,850
Net Assets		
Net assets without donor restrictions	2,889,367	2,308,170
Net assets with donor restrictions	9,174	-
Total Net Assets	2,898,541	2,308,170
Total Liabilities and Net Assets	\$ 3,149,247	\$ 2,535,020

See accompanying notes to financial statements.



John's Island Community Service League
Statement of Activities and Changes in Net Assets
Year Ended April 30, 2022
(With Corresponding Totals for Year Ended April 30, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and other support				
Membership	\$ 146,400	\$ -	\$ 146,400	\$ 127,250
Contributions	813,442	10,174	823,616	1,566,499
Events and fundraising, net of direct costs of \$195,382	733,667	-	733,667	222,490
Thrift shop sales	422,679	-	422,679	336,860
Net investment income(loss)	(12,487)	-	(12,487)	1,113
Net assets released	1,000	(1,000)	-	-
Total revenue and other support	2,104,701	9,174	2,113,875	2,254,212
Expenses				
Program Services:				
Philanthropy	1,209,285	-	1,209,285	1,727,919
Scholarship	58,852	-	58,852	81,732
Support Services:				
Tambourine Shop	169,253	-	169,253	171,629
Fundraising	59,841	-	59,841	28,568
Management and general	26,273	-	26,273	28,306
Total expenses	1,523,504	-	1,523,504	2,038,154
Increase (decrease) in net assets	581,197	9,174	590,371	216,058
Net assets, beginning of year	2,308,170	-	2,308,170	2,092,112
Net assets, end of year	\$ 2,889,367	\$ 9,174	\$ 2,898,541	\$ 2,308,170

See accompanying notes to financial statements.



John's Island Community Service League
Statement of Functional Expenses
Year Ended April 30, 2022
(With Corresponding Totals for Year Ended April 30, 2021)

	2022					2021	
	Program Services		Supporting Services			Total	Total
	Philanthropy	Scholarship	Tambourine Shop	Fundraising	Management and General		
Grants	\$ 1,191,500	\$ 55,357	\$ -	\$ -	\$ -	\$ 1,246,857	\$ 1,790,832
Occupancy costs	4,064	-	71,912	4,064	4,064	84,104	85,131
Wages, taxes, and benefits	5,791	2,895	65,244	14,477	5,791	94,198	64,250
Contract labor	1,200	600	-	3,000	1,200	6,000	24,000
Hauling expenses	-	-	15,515	-	-	15,515	21,117
Printing and postage	-	-	-	20,020	-	20,020	9,434
Professional fees	-	-	-	-	10,600	10,600	14,333
Computer, programs and services	-	-	1,777	11,668	-	13,445	4,762
Insurance	-	-	3,446	-	2,277	5,723	5,245
Repairs and maintenance	-	-	3,420	-	-	3,420	4,587
Supplies	-	-	858	-	1,031	1,889	3,442
Philanthropic	6,730	-	-	-	-	6,730	7,002
Telephone	-	-	2,724	-	-	2,724	2,144
Promotional materials	-	-	-	6,612	-	6,612	190
Other expenses	-	-	4,357	-	1,101	5,458	1,608
Bank fees	-	-	-	-	209	209	77
Total expenses	\$ 1,209,285	\$ 58,852	\$ 169,253	\$ 59,841	\$ 26,273	\$ 1,523,504	\$ 2,038,154

See accompanying notes to financial statements.



John's Island Community Service League
Statement of Cash Flows
Year Ended April 30, 2022
(With Corresponding Totals for Year Ended April 30, 2021)

	2022	2021
Cash flows from operating activities:		
Increase in net assets	\$ 590,371	\$ 216,058
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net realized and unrealized loss on investments	13,075	-
Changes in assets and liabilities:		
Receivables	(298,331)	25,000
Prepaid expenses	(220)	(96)
Deposits	-	-
Accounts payable	141,999	14,153
Grants payable	(118,143)	212,500
Net cash provided by operating activities	328,751	467,615
Cash flows from investing activities:		
Purchase of investment securities	(2,867,658)	-
Proceeds from sale of investments	1,206,898	-
Net cash provided by investing activities	(1,660,760)	-
Net increase in cash	(1,332,009)	467,615
Cash and cash equivalents, beginning of year	2,523,556	2,055,941
Cash and cash equivalents, end of year	\$ 1,191,547	\$ 2,523,556

See accompanying notes to financial statements.



John's Island Community Service League
Notes to Financial Statements
Year ended April 30, 2022

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.

Basis of Presentation

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions received are recorded as unrestricted or restricted support, depending on the existence and/or nature of any donor imposed restrictions. 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.

Expenses are reported as decreases in net assets without donor imposed restrictions. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor imposed restrictions unless their use is restricted by explicit donor stipulation or by grantor agreement.

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.

Fair Value Measurements

ASC topic 820 "Fair Value Measurements and Disclosures", defines fair value, establishes guidelines for measuring fair value, and expands disclosure regarding fair value



measurements. ASC Topic 820 established a fair value hierarchy, which prioritized the inputs to valuation techniques used to measure fair value into three levels. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is available and significant to the fair value measurement. ASC Topic 820 established and prioritized three levels of inputs that may be used to measure fair value.

- Level 1 – Quoted prices in active markets for identical assets or liabilities
- Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities.
- Level 3 – Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

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.

Investments

Investments are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets as investment income. Investment income is reported as increases in net assets without donor restrictions unless the use of the income is limited by donor-imposed restriction or by law.

Receivables

The allowance method is used to determine uncollectible, unconditional receivables. The allowance is based on prior years' experience and management's analysis of specific circumstances. At April 30, 2022 no allowance for uncollectible accounts is established. Receivables are expected to be collected within a 12 month period. Therefore, no discount has been established.

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, 2021 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, 2022 consists of the following:

Sponsorships	\$ 180,999
Gala event ticket revenues	612,850
Other sales and event revenues	<u>135,200</u>
Total fundraising and special events revenue	\$ 929,049
Direct costs	<u>(195,382)</u>
Events and fundraising, net of direct costs	<u>\$ 733,667</u>

Note 4 – Uninsured Cash/Investment Balances

JICSL maintains cash and cash equivalents in financial institutions which are fully insured by the Federal Deposit Insurance Corporation ("FDIC"). The FDIC deposit insurance limit is \$250,000 per depositor, per insured bank. At April 30, 2022, JICSL held its deposit accounts at one financial institution and in excess of federally insured limits.

JICSL also maintains investments at a brokerage institution secured by the Securities Investor Protection Corporation up to \$500,000, including a maximum of \$250,000 for cash claims. This 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.

JICSL holds its accounts in reputable institutions. JICSL has not previously experienced any losses in its cash or investment accounts and believes the organization is not exposed to any significant credit risk related to its cash and investment balances.

Note 5 – Investments

The Organization's investments are carried at fair value measured on a recurring basis using quoted prices in active markets (all Level 1 Measurements). Investments consist of the following at April 30, 2022:

	Cost	Fair Market Value	Net Unrealized Gains (Losses)
Cash	\$ 139,308	\$ 139,308	\$ -
U.S Treasury Bills	\$ 748,512	\$ 745,726	(2,786)
U.S. Treasury Note	772,669	762,651	(10,018)
	\$ 1,660,489	\$ 1,647,685	\$ (12,804)

The components of total investment return from investments for the year ended April 30, 2022 are reflected below:

Interest and dividend earnings	\$ 588
Net realized loss on investments	(271)
Net unrealized loss on investments	(12,804)
	\$ (12,487)

Note 6 – Grants Payable

Grants payable at April 30, 2022 consists of the remaining balance on an award to fund \$150,000 toward a collaborative effort to develop an Intensive Outpatient Program with Cleveland Clinic. The original award committed \$50,000 per year for three years. \$50,000 was paid on the first year commitment in fiscal year 2021 and again in 2022 on the second year commitment.

A previous 2021 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 and in fiscal year 2022. The program was terminated in December 2021 and the remaining award balance of \$75,000 was retracted.

Note 7 – 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. Net assets with donor imposed restrictions as of April 30, 2022 consist of the following:

Time restrictions	\$	9,741
Total net assets with temporary donor restrictions	\$	9,741

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:

Time restriction released	\$	1,000
	\$	1,000

Note 8 – Lease Commitments

JICSL leases its office space under an operating lease with term expiring January 31, 2023. Rent is paid monthly at \$839.

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 \$66,213 during fiscal year ended April 30, 2022. Rent is provided for at \$5,683 per month April 1, 2022 through March 31, 2023 with annual increase of 3% thereon through the end of term.

Note 9 – Liquidity and Availability of Financial Assets

JICSL has \$3,147,563 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 \$1,191,547, investment balances of \$1,647,685, and current receivables of \$308,331. Of this amount, \$94,357 is committed to fund grant commitments made in fiscal year 2022. The JICSL will additionally fund operating needs through annual contributions, Thrift shop sales, and special events.

Note 10 – Subsequent Events

Management has evaluated subsequent events through October 27, 2022, 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.