

**JOHN'S ISLAND COMMUNITY  
SERVICE LEAGUE**

Financial Statements  
with  
Independent Auditors' Report

April 30, 2023  
(With Corresponding Totals for April 30, 2022)



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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, 2023, 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, 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 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 27, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2022, 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

November 1, 2023



**John's Island Community Service League**  
Statement of Financial Position  
April 30, 2023  
(With Corresponding Totals for April 30, 2022)

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 510,459	\$ 1,191,547
Investments	2,535,354	1,647,685
Receivables, net	118,641	308,331
Prepaid expenses	2,462	894
Deposits	790	790
Right of use assets	64,103	-
<b>Total Assets</b>	<b>\$ 3,231,809</b>	<b>\$ 3,149,247</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 45,582	\$ 156,349
Grants payable	82,000	94,357
Operating lease obligations	64,103	-
<b>Total Liabilities</b>	<b>191,685</b>	<b>250,706</b>
<b>Net Assets</b>		
Net assets without donor restrictions	3,031,950	2,889,367
Net assets with donor restrictions	8,174	9,174
<b>Total Net Assets</b>	<b>3,040,124</b>	<b>2,898,541</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,231,809</b>	<b>\$ 3,149,247</b>

See accompanying notes to financial statements.



**John's Island Community Service League**  
Statement of Activities and Changes in Net Assets  
Year Ended April 30, 2023  
(With Corresponding Totals for Year Ended April 30, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenue and other support</b>				
Membership	\$ 112,950	\$ -	\$ 112,950	\$ 146,400
Contributions	697,741	-	697,741	823,616
Events and fundraising, net of direct costs of \$228,091	634,582	-	634,582	733,667
In-kind contributions	27,000	-	27,000	-
Thrift shop sales	355,906	-	355,906	422,679
Net investment income(loss)	61,125	-	61,125	(12,487)
Net assets released	1,000	(1,000)	-	-
<b>Total revenue and other support</b>	<b>1,890,304</b>	<b>(1,000)</b>	<b>1,889,304</b>	<b>2,113,875</b>
<b>Expenses</b>				
Program Services:				
Philanthropy	1,413,821	-	1,413,821	1,209,285
Scholarship	88,211	-	88,211	58,852
Support Services:				
Tambourine Shop	164,019	-	164,019	169,253
Fundraising	52,678	-	52,678	59,841
Management and general	28,992	-	28,992	26,273
<b>Total expenses</b>	<b>1,747,721</b>	<b>-</b>	<b>1,747,721</b>	<b>1,523,504</b>
<b>Increase (decrease) in net assets</b>	<b>142,583</b>	<b>(1,000)</b>	<b>141,583</b>	<b>590,371</b>
<b>Net assets, beginning of year</b>	<b>2,889,367</b>	<b>9,174</b>	<b>2,898,541</b>	<b>2,308,170</b>
<b>Net assets, end of year</b>	<b>\$3,031,950</b>	<b>\$ 8,174</b>	<b>\$3,040,124</b>	<b>\$2,898,541</b>

See accompanying notes to financial statements.



**John's Island Community Service League**

Statement of Functional Expenses

Year Ended April 30, 2023

(With Corresponding Totals for Year Ended April 30, 2022)

	Program Services		Supporting Services			2023	2022
	Philanthropy	Scholarship	Tambourine Shop	Fundraising	Management and General	Total	Total
Grants	\$ 1,397,500	\$ 84,709	\$ -	\$ -	\$ -	\$ 1,482,209	\$ 1,246,857
Occupancy costs	4,227	-	75,242	4,227	4,227	87,923	84,104
Wages, taxes, and benefits	7,004	3,502	63,388	17,510	7,004	98,408	94,198
Contract labor	-	-	-	-	-	-	6,000
Hauling expenses	-	-	10,858	-	-	10,858	15,515
Printing and postage	-	-	-	23,815	-	23,815	20,020
Professional fees	-	-	-	-	12,675	12,675	10,600
Computer, programs and services	-	-	1,549	5,055	-	6,604	13,445
Insurance	-	-	3,085	-	2,846	5,931	5,723
Repairs and maintenance	-	-	4,359	-	-	4,359	3,420
Supplies	-	-	1,391	-	1,413	2,804	1,889
Philanthropic	5,090	-	-	-	-	5,090	6,730
Telephone	-	-	2,805	-	-	2,805	2,724
Promotional materials	-	-	-	2,071	-	2,071	6,612
Other expenses	-	-	1,342	-	717	2,059	5,458
Bank fees	-	-	-	-	110	110	209
<b>Total expenses</b>	<b>\$ 1,413,821</b>	<b>\$ 88,211</b>	<b>\$ 164,019</b>	<b>\$ 52,678</b>	<b>\$ 28,992</b>	<b>\$ 1,747,721</b>	<b>\$ 1,523,504</b>

See accompanying notes to financial statements.



**John's Island Community Service League**  
Statement of Cash Flows  
Year Ended April 30, 2023  
(With Corresponding Totals for Year Ended April 30, 2021)

	2023	2022
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 141,583	\$ 590,371
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net realized and unrealized (gain)loss on investments	(44,798)	13,075
Changes in assets and liabilities:		
Receivables	189,690	(298,331)
Prepaid expenses	(1,568)	(220)
Deposits	-	-
Accounts payable	(110,767)	141,999
Grants payable	(12,357)	(118,143)
<b>Net cash provided by operating activities</b>	<b>161,783</b>	<b>328,751</b>
<b>Cash flows from investing activities:</b>		
Purchase of investment securities	(3,432,957)	(2,867,658)
Proceeds from sale of investments	2,590,086	1,206,898
<b>Net cash used in investing activities</b>	<b>(842,871)</b>	<b>(1,660,760)</b>
<b>Net change in cash</b>	<b>(681,088)</b>	<b>(1,332,009)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,191,547</b>	<b>2,523,556</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 510,459</b>	<b>\$ 1,191,547</b>

See accompanying notes to financial statements.





**John's Island Community Service League**  
Notes to Financial Statements  
Year ended April 30, 2023

**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.

***New Accounting Standard***

A new accounting standard for leases (ASC 842) has been adopted for fiscal year 2023. The standard required lessees to recognize on the statement of financial position as right-of-use (ROU) assets and lease liabilities based on the value of the discounted future lease payments. In adopting ASC 842, JICSL elected to use practical expedients, including but not limited to, not reassessing past lease accounting and not recording assets or liabilities for leases with terms of one year or less. JICSL elected not to restate the comparative period (2022). See Leases, within Note 2 below, and also Note 7 for full details pertaining to lease accounting in these 2023 financial statements.

Upon adoption at May 1, 2022, JICSL recognized initial operating ROU assets and lease liabilities of \$131,566. ASC 842 did not have a significant effect on the accounting for lessee contracts classified as finance leases. There was no cumulative effect to net assets at implementation.

### ***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, 2023 no allowance for uncollectible accounts is established. No discount has been applied as receivables are expected to be collected within 12 months.

***Leases***

JICSL determines if an arrangement is a lease at inception. All leases are recorded on the statement of financial position except for leases with an initial term less than 12 months for which JICSL has made the short term lease election. Lease and non-lease components of lease arrangements are accounted for separately. Lease terms may include options to extend or terminate the lease when it is reasonably certain that JICSL will exercise that option.

Operating lease right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future minimum lease payments over the lease term, discounted using a risk-free rate of return. ROU assets and the related liabilities resulting from operating leases are included as operating assets and liabilities in the statement of financial position. Operating lease cost is recognized on a straight-line basis over the lease term as rent expense within the statement of activities.

Finance lease ROU assets, if any, are included as property, plant, and equipment, net and the related liabilities are included in finance lease obligation in the statement of financial position. At lease commencement, lease liabilities are recognized based on the present value of the remaining lease payments, discounted using the rate implicit in the corresponding lease.

***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 at the time of donation.

***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, 2022 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 – Events and Fundraising, net**

Events and fundraising revenue includes event ticket, auction, and other sales, as well as, sponsorships. Special events revenue, net of direct costs for the fiscal year ended April 30, 2023 consists of the following:

Sponsorships	\$ 199,150
Gala event ticket revenues	478,800
Other Gala revenues	37,600
Golf tournament	48,770
Luncheons	41,835
Other sales and event revenues	56,518
Total fundraising and special events revenue	<u>\$ 862,673</u>
Direct costs	(228,091)
Events and fundraising, net of direct costs	<u>\$ 634,582</u>

**Note 4 – In-kind Contributions**

It is JICSL’s policy to monetize contributed nonfinancial assets for fundraising purposes. During fiscal year 2023, JICSL received contributions of non-financial assets as outlined below:

	2023	Usage in Programs	Donor Restrictions	Valuation Technique
Thrift store items	\$ 355,906	Tambourine Shop	none	Value received at resale
Vehicle	8,000	Fundraising	none	Sale proceeds
Auction items	12,500	Fundraising	none	Sale proceeds
Raffle items	6,500	Fundraising	none	Estimated retail value
	<u>\$ 382,906</u>			

In-kind thrift contributions are shown together with the applicable related exchange transactions as Thrift shop sales. Proceeds from sale or exchange of auction and raffle items

are included in Events and fundraising revenues.

**Note 5 – 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, 2023, 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 6 – 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, 2023:

	Cost	Fair Market Value	Net Unrealized Gains (Losses)
Cash	\$ 1,206,971	\$ 1,206,971	\$ -
Certificates of Deposit	\$ 488,000	\$ 494,894	6,894
U.S. Treasury Note	825,506	833,489	7,983
	\$ 2,520,477	\$ 2,535,354	\$ 14,877

The components of total investment return from investments for the year ended April 30, 2023 are reflected below:

Interest and dividend earnings	\$ 16,327
Net realized gain on investments	5,949
Net unrealized gain on investments	38,849
	\$ 61,125

**Note 7 – Grants Payable**

Grants payable at April 30, 2023 includes the remaining balance on an award to fund \$50,000 toward the Healthy Families Program of Indian River County Healthy Start Coalition. The original award committed \$50,000 over three years. \$16,000 was paid on the first year commitment in fiscal year 2023. Two more payments in the amount of \$17,000 each are committed for July 1, 2023 and July 1, 2024.

Grants payable at April 30, 2023 also includes \$48,000 awarded to the Scholarship Foundation of IRC to fund two students tuition for four years at \$6,000 per year.

**Note 8 – Lease Commitments**

JICSL leases its office space under a short-term annual operating lease with term expiring January 31, 2024. Rent is paid monthly at \$881.

JICSL leases retail space for the Tambourine Shop under a 5 year operating lease with term expiring March 31, 2024. Rent expense under the lease amounted to \$68,370 during fiscal year ended April 30, 2023. Right of use asset and Operating lease liability were calculated based on the present value of future lease payments over the lease term. JICSL discounts future operating lease payments at a risk free rate. Future maturities of lease liabilities are presented in the following table for fiscal years ending April 30:

2024	\$ 64,391
Total future operating lease payments	64,391
Less present value discount	(288)
Operating lease obligation	\$ 64,103

**Note 9 – 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, 2023 consist of the following:

Time restrictions	\$ 8,174
Total net assets with temporary donor restrictions	\$ 8,174

During the fiscal year ended April 30, 2023, net assets were released from donor restrictions by incurring expenses satisfying restricted purposes, or due to passage of time as follows:

John's Island Community Service League  
Notes to Financial Statements (continued)

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

**Note 10 – Liquidity and Availability of Financial Assets**

JICSL has \$3,164,454 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 \$510,459, investment balances of \$2,535,354, and current receivables of \$118,641. Of this amount, \$82,000 is committed to fund grant commitments made in fiscal year 2023. The JICSL will additionally fund operating needs through annual contributions, Thrift shop sales, and special events.

**Note 11 – Subsequent Events**

Management has evaluated subsequent events through November 1, 2023, 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.

