

**JOHN'S ISLAND COMMUNITY
SERVICE LEAGUE**

Financial Statements
with
Independent Auditors' Report

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 the John's Island Community Service League, which comprise the statement of financial position as of April 30, 2020, 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.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2020, 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.

Dean & Kolodziejczak PLLC

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

August 4, 2020



John's Island Community Service League
Statement of Financial Position
April 30, 2020

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Assets	
Cash and cash equivalents	\$ 2,055,941
Accounts receivable	35,000
Prepaid expenses	578
Deposits	790
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Total Assets	\$ 2,092,309
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Liabilities and Net Assets	
Liabilities	
Accounts payable	\$ 197
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Total Liabilities	197
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Net Assets	
Net assets without donor restrictions	1,848,112
Net assets with donor restrictions	244,000
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Total Net Assets	2,092,112
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Total Liabilities and Net Assets	\$ 2,092,309
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See accompanying notes to financial statements.



John's Island Community Service League
Statement of Activities and Changes in Net Assets
Year ended April 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support			
Membership	\$ 147,000	\$ -	\$ 147,000
Contributions	389,996	114,000	503,996
Special events, net of direct costs of \$98,221	762,254	-	762,254
Thrift shop sales	252,161	-	252,161
Net investment income	31,765	-	31,765
Net assets released	-	-	-
Total revenue and other support	1,583,176	114,000	1,697,176
Expenses			
Program Services:			
Philanthropy	1,108,629	-	1,108,629
Scholarship	75,900	-	75,900
Support Services:			
Tambourine Shop	164,857	-	164,857
Fundraising	35,595	-	35,595
Management and general	22,388	-	22,388
Total expenses	1,407,369	-	1,407,369
Increase (decrease) in net assets	175,807	114,000	289,807
Net assets, beginning of year	1,672,305	130,000	1,802,305
Net assets, end of year	\$ 1,848,112	\$ 244,000	\$ 2,092,112

See accompanying notes to financial statements.



John's Island Community Service League
Statement of Functional Expenses
Year ended April 30, 2020

	Program Services		Supporting Services			Total
	Philanthropy	Scholarship	Tambourine Shop	Fundraising	Management and General	
Grants	\$ 1,097,180	\$ 73,500	\$ -	\$ -	\$ -	\$ 1,170,680
Occupancy costs	3,502	-	69,019	3,502	3,502	79,525
Wages, taxes, and benefits	-	-	57,806	-	-	57,806
Contract labor	4,800	2,400	-	12,000	4,800	24,000
Hauling expenses	-	-	23,487	-	-	23,487
Printing and postage	-	-	-	16,731	1,333	18,064
Professional fees	-	-	-	-	8,185	8,185
Computer, programs and services	-	-	2,278	3,278	200	5,756
Insurance	-	-	3,043	-	2,295	5,338
Repairs and maintenance	-	-	4,710	-	90	4,800
Supplies	-	-	2,032	-	1,760	3,792
Philanthropic	2,763	-	-	-	-	2,763
Telephone	-	-	1,752	-	-	1,752
Depreciation expense	-	-	-	-	-	-
Promotional materials	384	-	213	84	-	681
Other expenses	-	-	420	-	65	485
Bank fees	-	-	97	-	158	255
Total expenses	\$ 1,108,629	\$ 75,900	\$ 164,857	\$ 35,595	\$ 22,388	\$ 1,407,369

See accompanying notes to financial statements.



John's Island Community Service League
Statement of Cash Flows
Year ended April 30, 2020

Cash flows from operating activities:	
Increase in net assets	\$ 289,807
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	-
Changes in assets and liabilities:	
Receivables	(35,000)
Prepaid expenses	1,453
Deposits	(290)
Accounts payable	197
Net cash provided by operating activities	256,167
Net increase in cash	256,167
Cash and cash equivalents, beginning of year	1,799,774
Cash and cash equivalents, end of year	\$2,055,941

See accompanying notes to financial statements.



John's Island Community Service League
Notes to Financial Statements
Year ended April 30, 2019

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 orchestral 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.

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, 2020 consists of the following:

Contributions	\$ 523,312
Sponsorships	199,632
Other event revenues	<u>137,531</u>
Total special events revenue	\$ 860,475
Direct costs	(98,221)
Special events, net of direct costs	<u>\$ 762,254</u>

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 \$1,553,000 at April 30, 2020.

Note 5 –Net Assets With Donor Restrictions

Net Assets with Donor Restrictions at April 30, 2020 relate to contributed assets which are restricted by the respective donors for a specified program or purpose. Net assets with donor restrictions as of April 30, 2020 consist of the following:

Marlynn Scully Strategic Fund	\$ 240,000
Contingency grants - general	4,000
Total net assets with temporary donor restrictions	\$ 244,000

Note 6 –Net Assets Without Donor Restrictions – Board Designations

Net Assets without Donor Restrictions include amounts designated by the board at April 30, 2020. Board Designations of net assets without donor restrictions as of April 30, 2020 consist of the following:

Grants and Scholarships	\$ 1,100,000
United Way Covid 19 matching grant	200,000
Contingency grants - general	194,000
Contingency grants - housing assistance	150,000
Marlynn Scully Strategic Fund	100,000
Operating expenses	70,000
Total board designated funds	\$ 1,814,000

Note 7 – Lease Commitments

JICSL leases its office space under an operating lease with term expiring January 15, 2021. Rent is paid monthly at \$790.

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 \$62,724 during fiscal year ended April 30, 2020. Rent is provided for at \$5,357 per month April 1, 2020 through March 31, 2021 with annual increase of 3% thereon through the end of term.

Note 8 – Liquidity and Availability of Financial Assets

JICSL has \$2,090,941 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 \$2,055,941 and current receivables of \$35,000. The JICSL will additionally fund operating needs through annual contributions, and special events.

Note 9 – 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 year 2020 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.

Management has evaluated subsequent events through August 4, 2020, 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.