

**EL SOL, JUPITER'S
NEIGHBORHOOD RESOURCE
CENTER, INC.**

(a nonprofit organization)

Financial Statements

December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of El Sol, Jupiter's Neighborhood Resource Center, Inc.

Opinion

We have audited the accompanying financial statements of El Sol, Jupiter's Neighborhood Resource Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 El Sol, Jupiter's Neighborhood Resource Center, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of El Sol, Jupiter's Neighborhood Resource Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the 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 El Sol, Jupiter's Neighborhood Resource Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 El Sol, Jupiter's Neighborhood Resource Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies 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 El Sol, Jupiter's Neighborhood Resource Center, Inc.'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.

Moss, Krusick & Associates, LLC

Winter Park, Florida

August 23, 2023

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	ASSETS		
		2022	2021
CURRENT ASSETS			
Cash and cash equivalents		\$ 1,252,952	\$ 1,546,983
Contributions receivable		-	14,715
Grants receivable		29,624	29,624
Investments		577,819	6,009
Total current assets		1,860,395	1,597,331
Property and equipment, less accumulated depreciation of \$172,444 in 2022 and \$160,165 in 2021		43,183	27,224
Operating lease right-of-use asset		12,341	-
Total assets		\$ 1,915,919	\$ 1,624,555
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses		\$ 13,491	\$ 22,116
Operating lease liability		2,597	-
Total current liabilities		16,088	22,116
Non-current operating lease liability		9,744	-
Total liabilities		25,832	22,116
NET ASSETS			
Without donor restrictions		1,416,386	1,213,728
With donor restrictions		473,701	388,711
Total net assets		1,890,087	1,602,439
Total liabilities and net assets		\$ 1,915,919	\$ 1,624,555

The accompanying notes are an integral part of these financial statements.

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER, INC.

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND SUPPORT						
Grants	\$ 209,194	\$ 831,597	\$ 1,040,791	\$ -	\$ 1,075,457	\$ 1,075,457
Contributions	441,000	1,000	442,000	315,608	-	315,608
Payroll Protection Program grant	-	-	-	-	-	-
Contributions of non-financial assets	134,308	-	134,308	240,210	-	240,210
Investment return	1,936	-	1,936	-	-	-
Other income	5,669	-	5,669	7,291	-	7,291
Net assets released from restrictions	747,607	(747,607)	-	1,685,592	(1,685,592)	-
Total revenue and support	<u>1,539,714</u>	<u>84,990</u>	<u>1,624,704</u>	<u>2,248,701</u>	<u>(610,135)</u>	<u>1,638,566</u>
EXPENSES						
Program services	1,227,406	-	1,227,406	1,295,148	-	1,295,148
Support services	109,650	-	109,650	107,612	-	107,612
Total expenses	<u>1,337,056</u>	<u>-</u>	<u>1,337,056</u>	<u>1,402,760</u>	<u>-</u>	<u>1,402,760</u>
Increase (decrease) in net assets	202,658	84,990	287,648	845,941	(610,135)	235,806
Net assets at beginning of year	<u>1,213,728</u>	<u>388,711</u>	<u>1,602,439</u>	<u>367,787</u>	<u>998,846</u>	<u>1,366,633</u>
Net assets at end of year	<u>\$ 1,416,386</u>	<u>\$ 473,701</u>	<u>\$ 1,890,087</u>	<u>\$ 1,213,728</u>	<u>\$ 388,711</u>	<u>\$ 1,602,439</u>

The accompanying notes are an integral part of these financial statements.

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER, INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 287,648	\$ 235,806
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Unrealized gain	(1,954)	-
Depreciation expense	12,279	18,611
Increase in operating assets		
Contribution receivable	14,715	1,042
Operating lease right-of-use asset	12,341	-
(Decrease) increase in operating liabilities		
Accounts payable and accrued expenses	(8,625)	13,092
Lease liability	(12,341)	-
	<u>304,063</u>	<u>268,551</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(28,238)	-
Purchase of investments	(569,856)	-
	<u>(598,094)</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(294,031)	268,551
Cash and cash equivalents, beginning of year	<u>1,546,983</u>	<u>1,278,432</u>
Cash and cash equivalents, end of year	<u>\$ 1,252,952</u>	<u>\$ 1,546,983</u>
SIGNIFICANT NON-CASH TRANSACTIONS - OPERATING LEASE		
Operating lease right-of-use asset	\$ 13,408	\$ -
Operating lease liability	(13,408)	-
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	<u>\$ 584</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2022 and 2021

	2022			2021		
	Program Services	Support Services	Total	Program Services	Support Services	Total
Salaries and benefits	\$ 725,562	\$ 80,618	\$ 806,180	609,526	67,725	677,251
Food and supplies	164,105	-	164,105	151,999	-	151,999
Rent and utilities	76,068	8,452	84,520	76,068	8,452	84,520
Payroll taxes	50,089	5,565	55,654	40,891	4,543	45,434
Information technology	49,713	2,020	51,733	18,371	2,020	20,391
Professional fees	29,150	-	29,150	13,750	-	13,750
Insurance	23,703	2,634	26,337	20,074	2,231	22,305
Program consultants	24,362	-	24,362	60,819	-	60,819
Repairs and maintenance	19,243	2,138	21,381	24,735	2,748	27,483
Promotion	15,277	1,698	16,975	8,106	901	9,007
Legal aid	13,206	-	13,206	2,550	-	2,550
Depreciation	11,051	1,228	12,279	16,750	1,861	18,611
Office supplies	8,510	946	9,456	26,264	2,918	29,182
Education	7,295	-	7,295	6,508	-	6,508
Telephone	4,692	521	5,213	53,710	5,968	59,678
Fundraising	-	3,413	3,413	-	6,666	6,666
Equipment rental	2,860	318	3,178	2,700	300	3,000
Travel	1,627	-	1,627	328	-	328
Meetings and events	893	99	992	11,506	1,279	12,785
Crisis fund	-	-	-	75,878	-	75,878
Health services	-	-	-	52,752	-	52,752
Vocational training	-	-	-	21,863	-	21,863
Total expenses	\$ 1,227,406	\$ 109,650	\$ 1,337,056	\$ 1,295,148	\$ 107,612	\$ 1,402,760

The accompanying notes are an integral part of these financial statements.

El Sol, Jupiter's Neighborhood Resource Center, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

El Sol, Jupiter's Neighborhood Resource Center, Inc. (the "Organization") is a tax-exempt, not-for-profit corporation formed in 2006 to provide a day labor center in and for the residents of the Town of Jupiter, Florida. The Organization promotes a strong, diverse community by providing language and literacy classes, job training and life skills education, meals, and community service opportunities. The Organization also maintains a network system of support and referrals for services including legal aid, health, education, and other social services.

The Organization's core service is the Labor Center which helps to match local contractors and homeowners needs with available skilled workers. Educational services provide literacy classes in both English and Spanish, basic computer skill courses, and vocational training. The Organization also provides free health screenings and services, as well as legal referrals.

Basis of Presentation

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board may designate a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the Organization's long-term financial viability. See Note 8 for more information on the composition of net assets without donor restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed restrictions, time and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Some net assets with donor restrictions may include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. See Note 9 for more information on the composition of net assets with donor restrictions.

El Sol, Jupiter's Neighborhood Resource Center, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Revenue Recognition

The Organization follows Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied and ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

The Organization receives its revenue from grants and contributions from donors, who are located primarily in Florida, with participants from other states. Contributions are generally recognized as revenue when received or designated at a point in time, and when any barriers to recognition have been overcome. Contributions received generally do not have a right of return.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in investment return which results in a current year change in net assets.

Advertising

Advertising is expensed as incurred and amounted to \$16,975 and \$9,007 for the years ended December 31, 2022 and 2021, respectively.

Contributed Services

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received as in-kind contributions.

Many other individuals volunteer their time and perform a variety of tasks to assist with the programs and other activities of the Organization. The value of these services has not been recorded because the criteria for recognition have not been satisfied.

Cash and Concentration of Credit Risk

The Organization maintains its cash and cash equivalents in banks that participates in the Federal Deposit Insurance Corporation (FDIC) Program. Balances are insured up to \$250,000. The Organization had deposits in excess of federally insured limits of \$721,378 and \$581,015 at December 31, 2022 and 2021, respectively. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

El Sol, Jupiter's Neighborhood Resource Center, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting 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 the 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 and the differences could be material.

Property and Equipment

Property and equipment acquisitions valued at greater than \$1,000 with a useful life of greater than one year are capitalized and stated at cost or, if donated, at the fair value on the date of donation. Routine maintenance and repair costs are charged to expense as incurred, while major replacements and improvements are capitalized as additions to the related assets. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Furniture, Fixtures and Equipment	7 years
Equipment	5 years
Vehicles	5 years
Leasehold improvements	5 years

The Organization reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Maintenance and repairs are charged to expense as incurred.

Income Taxes

The Organization was granted tax-exempt status under Internal Revenue Code Section (IRC) 501(c)(3). Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. The Organization is required to operate in conformity with the provisions of the IRC to maintain its exempt status.

The Organization follows accounting standards relating to accounting for uncertainty in income taxes. Management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying financial statements. The Organization files income tax returns in the U.S. federal jurisdiction. The Organization is no longer subject to IRS examinations for years prior to 2020.

Functional Expenses

The Organization allocates its expenses on a functional basis between program and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated as determined by management.

See Note 10 for more information on functional expenses.

EI Sol, Jupiter's Neighborhood Resource Center, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Recently Implemented Accounting Pronouncements

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-financial Assets, which requires the monitoring and tracking of gifts in kind by asset category, while also noting any donor-imposed restrictions. The Organization adopted ASU No. 2020-07 effective January 1, 2022. The adoption has no significant impact on the Organization's financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases, that requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The new guidance is effective for fiscal years beginning after December 15, 2021. The adoption has no significant impact on the Organization's financial statements.

Reclassifications

Certain reclassifications of 2021 financial information have been made to conform to the 2022 presentation. Such reclassifications have no effect on change in net assets for that fiscal year.

Subsequent Events

Management has evaluated the effect subsequent events would have on the financial statements through the date these financial statements were available to be issued on August 23, 2023.

NOTE 2 – GRANTS RECEIVABLE

As of December 31, 2022 and 2021, the Organization had donor restricted grants receivable totaling \$29,624 in the accompanying statements of financial position, due from two agencies.

NOTE 3 – FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America (GAAP) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

El Sol, Jupiter's Neighborhood Resource Center, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable Level 1 or 2 inputs are not available.

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The Organization's significant financial instruments are cash, accounts receivable, accounts payable, and other short term assets and liabilities. For these financial instruments (Level 1), carrying values approximate fair value because of the short maturity of these instruments.

Estimated fair value of certain assets measured on a recurring basis at December 31, 2022 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Treasury notes*	<u>\$ 577,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 577,819</u>
Total	<u>\$ 577,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 577,819</u>

* Treasury notes maturing through 2023 have interest rates from .25% to 1.375%.

Estimated fair value of certain assets measured on a recurring basis at December 31, 2021 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Insured deposit	<u>\$ 6,009</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,009</u>
Total	<u>\$ 6,009</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,009</u>

El Sol, Jupiter's Neighborhood Resource Center, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Furniture and fixtures	\$ 72,796	\$ 72,796
Equipment	14,383	4,495
Vehicles	37,564	37,564
Leasehold improvements	<u>90,884</u>	<u>72,534</u>
 Total	 215,627	 187,389
Less: accumulated depreciation	<u>(172,444)</u>	<u>(160,165)</u>
 Total net property and equipment	 <u>\$ 43,183</u>	 <u>\$ 27,224</u>

Depreciation expense was \$12,279 and \$18,611 for 2022 and 2021, respectively.

NOTE 5 – CONTRIBUTED NON-FINANCIAL ASSETS

For the years ended December 31, contributed non-financial assets recognized within the statements of activities included:

	<u>2022</u>	<u>2021</u>
Rent and utilities for facilities provided by the Town of Jupiter (see Note 7)	\$ 84,520	\$ 84,520
Food	32,957	88,389
Legal services	6,900	2,400
Other professional services	5,963	-
Information technology services	1,734	14,974
Medical services	344	49,670
Teachers	<u>1,890</u>	<u>257</u>
 Total contributed non-financial assets	 <u>\$ 134,308</u>	 <u>\$ 240,210</u>

The value for contributed non-financial assets are recorded when provided to the Organization for direct use of its clients. The value of goods and services provided directly to its clients by partner agencies is not included in the financial statements.

NOTE 6 – RETIREMENT PLAN

The Organization has a simple IRA plan for its employees. Participation is voluntary, with no minimum age or service requirement to participate. The maximum contribution permitted is \$14,000 in 2022. Additional catch-up contributions up to \$3,000 are available to individuals who reach age 50 by the end of the year. Employees are eligible to receive employer matching contributions if they have attained age 21 and have completed two years of service with a minimum of 1,000 hours of service each year. The Organization may match 100% of the employee's contribution up to a maximum of 3% of their compensation. The Organization's contributions to the plan were \$9,831 and \$9,829 for the years ended December 31, 2022 and 2021, respectively.

EI Sol, Jupiter’s Neighborhood Resource Center, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 7 – OPERATING LEASE

The Organization leases its operating facilities from the Town of Jupiter at an annual rent of \$1. The lease term is for five years effective January 1, 2019. The lease states that the cost of utilities, outside repairs, maintenance, and taxes are provided by the town, the value of which is included in the amount recognized as contributed non-financial assets included rent and utilities.

The Organization entered into an agreement as lessee on an operating lease for a copier for approximately \$235 per month, commencing July 13, 2022, and expiring July 13, 2027. This is a fixed rate lease.

As disclosed in Note 1, the Organization adopted FASB ASC 842, Leases, effective January 1, 2022, using the transition method. The copier lease is the only lease required to be included on the balance sheet under ASC 842. The adoption of ASC 842 resulted in the recording of a lease asset and corresponding lease liability of \$13,408 as of July 13, 2022, and because the lease is an operating lease, it had only minimal impact on the results of operations for 2022.

The Organization applied the short-term lease exception to all leases with a term of one year or less. The right-of-use (ROU) asset had a balance of \$12,341 as of December 31, 2022, as shown in non-current assets on the balance sheet and the lease liability in other current liabilities of \$2,597 as of December 31, 2022, and in other long-term liabilities of \$9,744 at December 31, 2022. The lease asset and liability were calculated utilizing the risk-free discount rate (2.00%), as determined by the Internal Revenue Service.

Additional information about the Organization’s lease is as follows:

<u>Lease Costs:</u>		
Operating lease cost		\$ 1,175
Total lease cost		<u>\$ 1,175</u>
<u>Other Information:</u>		
Cash paid for amounts included in measuring operating lease liability:		
Operating cash flows from operating lease		\$ 1,175
Total cash paid for amounts included in measuring operating lease liability		<u>\$ 1,175</u>
Future minimum lease payments at year end are as follows:		
Year ending December 31:		
2023		\$ 2,820
2024		2,820
2025		2,820
2026		2,820
2027		<u>1,645</u>
Total lease payments		12,925
Less: interest		<u>(584)</u>
Present value of lease liability		<u>\$ 12,341</u>

EI Sol, Jupiter’s Neighborhood Resource Center, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 8 – NET ASSETS WITHOUT DONOR RESTRICTIONS BOARD DESIGNATED

The Organization’s net assets without donor restrictions board designated balance is \$1,365,855 and \$1,163,197, respectively, at December 31, 2022 and 2021.

The Organization’s net assets without donor restrictions are comprised of the following Board designated amounts:

	<u>2022</u>	<u>2021</u>
Board designated for operating expenditures	\$ 1,365,855	\$ 1,163,197
Board designated for capital expenditures	<u>50,531</u>	<u>50,531</u>
 Total net assets without donor restrictions	 <u>\$ 1,416,386</u>	 <u>\$ 1,213,728</u>

Board designated for operating expenditures

The Board has designated funds to be set aside for operating expenditures for the purpose of the Organization’s mission for day labor center and for the residents of the Town of Jupiter.

Board designated for capital expenditures

The Board has designated funds to be set aside for capital expenditures for the purpose of the Organization’s mission for day labor center and for the residents of the Town of Jupiter. The amount set for the year is \$50,531 and no additional amounts were set aside during 2022 and 2021.

The Organization has funds set aside related to the acquisition of capital assets in prior years which help Organization’s mission for day labor center and for the residents of the Town of Jupiter.

NOTE 9 – NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction as of December 31, 2022 and 2021 are restricted for the following purposes:

	<u>2022</u>	<u>2021</u>
Labor programs	\$ 196,303	\$ 114,463
Education programs	70,069	57,733
Health services	67,257	67,440
Food and nutrition	47,137	47,024
Child development	45,201	43,560
Garden program	37,354	39,428
Volunteer program	8,141	14,324
Covid-19 crisis funds	2,239	2,239
Organizational capacity	-	2,500
	<u>\$ 473,701</u>	<u>\$ 388,711</u>

Net assets with donor restriction at December 31, 2022, consist of \$29,624 in grants receivable, \$444,077 of cash and cash equivalents. Net assets with donor restriction at December 31, 2021, consist of \$29,624 in grants receivable, \$6,009 of investments and \$353,077 of cash and cash equivalents.

El Sol, Jupiter's Neighborhood Resource Center, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 9 – NET ASSETS WITH DONOR RESTRICTION (continued)

During 2022 and 2021, net assets were released from restriction for the following purposes:

	2022	2021
Education programs	\$ 114,833	\$ 120,823
Labor programs	385,260	317,404
Food and nutrition	63,721	89,804
Health services	95,570	63,807
Organizational capacity*	-	991,233
Volunteer program	11,183	7,290
Child development	50,027	44,238
Garden program	27,013	41,362
Legal services	-	6,547
Covid-19 crisis funds	-	3,084
	<u>\$ 747,607</u>	<u>\$ 1,685,592</u>

* Funds for use in mission fulfillment

NOTE 10 – FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent and utilities and depreciation, which are allocated on a square footage basis, as well as salaries, benefits, payroll taxes, office supplies, and insurance which are allocated on the basis of estimates of time and effort.

EI Sol, Jupiter’s Neighborhood Resource Center, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 11 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2022	2021
Cash and cash equivalents	\$ 1,252,952	\$ 1,546,983
Contributions receivable	-	14,715
Grants receivable	29,624	29,624
Investments	577,819	6,009
 Total financial assets available within one year	 1,860,395	 1,597,331
 Accounts payable and accrued expenses	 13,491	 22,116
Lease liability, current	2,597	-
 Total current liabilities	 16,088	 22,116
 Amounts unavailable for general expenditures Within one year, due to:		
Restricted by donors with purpose restrictions	473,701	388,711
 Amounts unavailable to management without Board’s approval:		
Board designated for operating expenditures	1,365,855	1,163,197
Board designated for capital expenditures	50,531	50,531
 Total Board designated amounts	 1,416,386	 1,213,728
 Total net financial assets available within one year after restrictions	 \$ (45,780)	 \$ (27,224)