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

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

(With Independent Auditor's Report Thereon)

**EL SOL, JUPITER’S NEIGHBORHOOD RESOURCE CENTER
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DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITOR'S REPORT

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

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, 2023 and 2022, 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, 2023 and 2022, 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.

Prior Period Financial Statements

The financial statements of El Sol, Jupiter's Neighborhood Resource Center, Inc. as of December 31, 2022 were audited by other auditors whose report dated August 23, 2023 expressed an unmodified opinion on those statements.

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 the Organization'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.

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 Organization'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 the Organization'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.

Divine, Blalock, Martin & Sellari, LLC

DIVINE, BLALOCK, MARTIN & SELLARI, LLC

**West Palm Beach, Florida
July 30, 2024**

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS	2023	2022
Current assets:		
Cash and cash equivalents	\$ 1,087,088	\$ 1,252,952
Grants receivable	132,124	29,624
Investments	705,054	577,819
Total current assets:	1,924,266	1,860,395
Property and equipment, net	54,009	43,183
Right-of-use lease assets - operating leases	9,521	12,341
Total Assets	\$ 1,987,796	\$ 1,915,919
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 20,595	\$ 13,491
Current portion of lease liability - operating lease	2,764	2,597
Total current liabilities:	23,359	16,088
Long-term liabilities:		
Lease liability - operating lease	6,886	9,744
Total Liabilities	30,245	25,832
Net Assets		
Without donor restrictions	1,598,153	1,416,386
With donor restrictions	359,398	473,701
Total Net Assets	1,957,551	1,890,087
Total Liabilities and Net Assets	\$ 1,987,796	\$ 1,915,919

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

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023

Changes in Unrestricted Net Assets:	Without Donor Restriction	With Donor Restriction	Total
Revenue and support:			
Grants	\$ 251,553	\$ 855,258	\$ 1,106,811
Contributions	377,489	-	377,489
Contributions of non-financial assets	127,173	-	127,173
Investment return	16,935	-	16,935
Other income	17,869	-	17,869
Net assets released from restrictions	969,561	(969,561)	-
Total Unrestricted Revenue and Support	1,760,580	(114,303)	1,646,277
Expenses			
Program:			
Program services	1,376,719	-	1,376,719
Support services	202,094	-	202,094
Total Expenses	1,578,813	-	1,578,813
Increase (decrease) in net assets	181,767	(114,303)	67,464
Net Assets at Beginning of the Year	1,416,386	473,701	1,890,087
Net Assets at End of Year	<u>\$ 1,598,153</u>	<u>\$ 359,398</u>	<u>\$ 1,957,551</u>

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

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022

Changes in Unrestricted Net Assets:	Without Donor Restriction	With Donor Restriction	Total
Revenue and support:			
Grants	\$ 209,194	\$ 831,597	\$ 1,040,791
Contributions	441,000	1,000	442,000
Contributions of non-financial assets	134,308	-	134,308
Investment return	1,936	-	1,936
Other income	5,669	-	5,669
Net assets released from restrictions	747,607	(747,607)	-
Total Unrestricted Revenue and Support	1,539,714	84,990	1,624,704
Expenses:			
Program services	1,227,406	-	1,227,406
Support services	109,650	-	109,650
Total Expenses	1,337,056	-	1,337,056
Increase (decrease) in net assets	202,658	84,990	287,648
Net Assets at Beginning of the Year	1,213,728	388,711	1,602,439
Net Assets at End of Year	<u>\$ 1,416,386</u>	<u>\$ 473,701</u>	<u>\$ 1,890,087</u>

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

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023			2022		
	Program Services	Support Services	Total	Program Services	Support Services	Total
Salaries and benefits	\$ 843,828	\$ 139,953	\$ 983,781	\$ 725,562	\$ 80,618	\$ 806,180
Food and supplies	231,716	-	231,716	164,105	-	164,105
Rent and utilities	69,850	14,670	84,520	76,068	8,452	84,520
Payroll taxes	57,185	9,757	66,942	50,089	5,565	55,654
Information technology	34,114	7,150	41,264	49,713	2,020	51,733
Program consultants	31,198	250	31,448	24,362	-	24,362
Insurance	21,755	4,569	26,324	23,703	2,634	26,337
Repairs and maintenance	18,253	3,672	21,925	19,243	2,138	21,381
Advertising & promotion	10,556	9,859	20,415	15,277	1,698	16,975
Professional fees	12,142	2,083	14,225	29,150	-	29,150
Depreciation	11,422	2,399	13,821	11,051	1,228	12,279
Office supplies	10,139	2,123	12,262	8,510	946	9,456
Education	9,951	1,793	11,744	7,295	-	7,295
Telephone	4,556	958	5,514	4,692	521	5,213
Legal aid	4,970	-	4,970	13,206	-	13,206
Equipment rental	2,972	625	3,597	2,860	318	3,178
Fundraising	301	1,879	2,180	-	3,413	3,413
Meetings and events	1,109	233	1,342	893	99	992
Travel	702	121	823	1,627	-	1,627
	<u>\$ 1,376,719</u>	<u>\$ 202,094</u>	<u>\$ 1,578,813</u>	<u>\$ 1,227,406</u>	<u>\$ 109,650</u>	<u>\$ 1,337,056</u>

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

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 67,464	\$ 287,648
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized gain	(16,935)	(1,954)
Depreciation expense	13,821	12,279
Change in operating assets/liabilities:		
(Increase) Decrease in operating assets:		
Grants receivable	(102,500)	14,715
Operating lease right-of-use asset	2,820	12,341
Increase (Decrease) in operating liabilities:		
Accounts payable and accrued expenses	7,104	(8,625)
Lease liability	(2,691)	(12,341)
Net cash provided by operating activities	<u>(30,917)</u>	<u>304,063</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(24,647)	(28,238)
Purchase of investments	(110,300)	(569,856)
Net cash used by investing activities	<u>(134,947)</u>	<u>(598,094)</u>
Decrease in Cash and Cash Equivalents	(165,864)	(294,031)
Cash and Cash Equivalents, Beginning of Year	<u>1,252,952</u>	<u>1,546,983</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,087,088</u></u>	<u><u>\$ 1,252,952</u></u>

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

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE A - 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 maintains a network system of support and referrals for services including legal aid, health, education, and other social services. The Organization also provides hot meals, youth services and volunteer opportunities.

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
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE A - 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 \$18,373 and \$16,975 for the years ended December 31, 2023 and 2022, 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 \$232,106 and \$721,378 at December 31, 2023 and 2022, 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
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Accounting Estimate

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.

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Company calculates its operating lease right-of-use asset and operating lease liability using its incremental borrowing rate and terms under the lease agreements. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. The Company amortizes the operating lease right-of-use asset over the lease term.

Contribution of Nonfinancial Assets (In-kind Contributions)

The Organization recognizes contributions of nonfinancial assets within revenue, including goods and services. Unless, otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services. Note E identifies the contributed goods and services received by the Organization.

Reclassifications

Certain reclassifications of 2022 financial information have been made to conform to the 2023 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 July 30, 2024.

NOTE B – GRANTS RECEIVABLE

As of December 31, 2023 and 2022, the Organization had donor restricted grants receivable totaling \$132,124 and \$29,624, respectively, in the accompanying statements of financial position, due from two agencies.

NOTE C – 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
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE C – 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, 2023 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Treasury notes*	\$ 705,054	\$ -	\$ -	\$ 705,054
Total	<u>\$ 705,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 705,054</u>

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*	\$ 577,819	\$ -	\$ -	\$ 577,819
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%.

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE D – PROPERTY AND EQUIPMENT

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

	2023	2022
Furniture and fixtures	\$ 72,796	\$ 72,796
Equipment	19,805	14,383
Vehicles	37,564	37,564
Leasehold improvements	110,109	90,884
 Total	 240,274	 215,627
Less: accumulated depreciation	(186,265)	(172,444)
 Total net property and equipment	 \$ 54,009	 \$ 43,183

Depreciation expense was \$13,821 and \$12,279 for the years ending December 31, 2023 and 2022, respectively.

NOTE E – CONTRIBUTED NON-FINANCIAL ASSETS

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

	2023	2022
Rent and utilities for facilities provided by the Town of Jupiter	\$ 84,520	\$ 84,520
Food	35,849	32,957
Legal services	1,650	6,900
Other professional services	3,320	5,963
Information technology services	418	1,734
Medical services	-	344
Teachers	1,416	1,890
	\$ 127,173	\$ 134,308

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.

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE F – 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 \$15,500 in 2023. 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 \$7,849 and \$9,831 for the years ended December 31, 2023 and 2022, respectively.

NOTE G – 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 noncurrent 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.

The following table summarizes other information related to the Company's leases in the year ending December 31, 2023:

Operating lease cost	\$	2,820
Cash paid for amounts included in measuring operating lease liability:	\$	2,820
Weighted-average remaining lease term (years)		3.60
Weighted-average discount rate - operating leases		2.00%

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE G – OPERATING LEASE (CONTINUED)

Future annual minimum lease payments under the operating leases for the years ending October 31, are as follows:

Year ending December 31,	Amount
2024	\$ 2,820
2025	2,820
2026	2,820
2027	<u>1,645</u>
Total lease payments	10,105
Less interest	<u>(455)</u>
Present value of lease liability	<u>\$ 9,650</u>

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31, 2023:

Operating lease right-of-use assets, net of amortization	<u>\$ 9,521</u>
Current portion of operating lease liabilities	2,764
Operating lease liabilities	<u>6,886</u>
Total operating lease liabilities	<u>\$ 9,650</u>

NOTE H – NET ASSETS WITHOUT DONOR RESTRICTION

The Organization's net assets without donor restrictions board designated balance is \$1,553,017 and \$1,365,855, respectively, at December 31, 2023 and 2022.

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

	<u>2023</u>	<u>2022</u>
Board designated for operating expenditures	\$ 1,553,017	\$ 1,365,855
Board designated for capital expenditures	<u>45,136</u>	<u>50,531</u>
Total net assets without donor restrictions	<u>\$ 1,598,153</u>	<u>\$ 1,416,386</u>

EL SOL, JUPITER'S NEIGHBORHOOD RESOURCE CENTER
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NOTE H – NET ASSETS WITHOUT DONOR RESTRICTION (CONTINUED)

Board designated for operating expenditures

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

NOTE I – NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction as of December 31, 2023 and 2022 are restricted for the following purposes:

	2023	2022
Labor programs	\$ 132,961	\$ 196,303
Education programs	39,175	70,069
Health services	74,666	67,257
Food and nutrition	30,139	47,137
Child development	70,231	45,201
Garden program	9,695	37,354
Volunteer program	293	8,141
Covid-19 crisis funds	2,238	2,239
	\$ 359,398	\$ 473,701

Net assets with donor restriction at December 31, 2023, consist of \$132,124 in grants receivable and \$227,274 of cash and cash equivalents. Net assets with donor restriction at December 31, 2022, consist of \$29,624 in grants receivable and \$444,077 of cash and cash equivalents. During 2023 and 2022, net assets were released from restriction for the following purposes:

	2023	2022
Education programs	\$ 179,360	\$ 114,833
Labor programs	434,816	385,260
Food and nutrition	129,269	63,721
Health services	99,244	95,570
Volunteer program	12,848	11,183
Child development	63,963	50,027
Garden program	50,061	27,013
	\$ 969,561	\$ 747,607

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NOTE J – 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.

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NOTE K – 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:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 1,087,088	\$ 1,252,952
Grants receivable	132,124	29,624
Investments	705,054	577,819
Total financial assets available within one year	1,924,266	1,860,395
Amounts unavailable for general expenditures		
Withing one year, due to:		
Restricted by donors with purpose restrictions	359,398	473,701
Board designated for capital expenditures	45,136	50,531
Total net financial assets available within one year after restrictions	\$ 1,519,732	\$ 1,336,163