

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

(a nonprofit organization)

Financial Statements

December 31, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

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

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, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 auditors consider 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 El Sol, Jupiter's Neighborhood Resource Center, Inc. as of December 31, 2019 and 2018, 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.

Smyth & Hauck P.A.
A Division of MKA, LLC

North Palm Beach, Florida
June 26, 2020

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

STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 519,384	\$ 446,746
Contributions receivable	37,885	48,049
Grants receivable	40,453	39,273
Investments	10,440	-
Total current assets	<u>608,162</u>	<u>534,068</u>
PROPERTY & EQUIPMENT		
Property and equipment, less accumulated depreciation of \$118,115 in 2019 and \$91,677 in 2018	<u>69,274</u>	<u>90,287</u>
Total assets	<u>\$ 677,436</u>	<u>\$ 624,355</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	<u>\$ 22,183</u>	<u>\$ 25,198</u>
Total current liabilities	<u>22,183</u>	<u>25,198</u>
NET ASSETS		
Without donor restrictions	271,193	165,890
With donor restrictions	<u>384,060</u>	<u>433,267</u>
Total net assets	<u>655,253</u>	<u>599,157</u>
Total liabilities and net assets	<u>\$ 677,436</u>	<u>\$ 624,355</u>

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

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

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2019 and 2018

	Year Ended December 31, 2019			Year Ended December 31, 2018		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND SUPPORT						
Grants	\$ -	\$ 570,330	\$ 570,330	\$ -	\$ 636,662	\$ 636,662
Contributions	373,678	40,883	414,561	319,740	-	319,740
In-kind contributions	282,347	-	282,347	298,606	-	298,606
Other income	39,421	-	39,421	41,010	-	41,010
Net assets released from restrictions	660,420	(660,420)	-	603,113	(603,113)	-
 Total revenue and support	 1,355,866	 (49,207)	 1,306,659	 1,262,469	 33,549	 1,296,018
EXPENSES						
Program services	1,143,156	-	1,143,156	1,186,934	-	1,186,934
Support services	107,407	-	107,407	103,567	-	103,567
 Total expenses	 1,250,563	 -	 1,250,563	 1,290,501	 -	 1,290,501
 Increase (decrease) in net assets	 105,303	 (49,207)	 56,096	 (28,032)	 33,549	 5,517
 Net assets at beginning of year	 165,890	 433,267	 599,157	 193,922	 399,718	 593,640
 Net assets at end of year	 \$ 271,193	 \$ 384,060	 \$ 655,253	 \$ 165,890	 \$ 433,267	 \$ 599,157

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 Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 56,096	\$ 5,517
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	25,988	26,109
Contributed investments	(10,440)	-
(Increase) decrease in operating assets		
Contribution receivable	10,164	(48,049)
Grants receivable	(1,180)	30,509
Increase (decrease) in operating liabilities		
Accounts payable	<u>(3,015)</u>	<u>6,236</u>
Net cash provided by operating activities	<u>77,613</u>	<u>20,322</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(4,975)</u>	<u>(13,045)</u>
Net increase in cash and cash equivalents	<u>72,638</u>	<u>7,277</u>
Cash and cash equivalents, beginning of year	<u>446,746</u>	<u>439,469</u>
Cash and cash equivalents, end of year	<u>\$ 519,384</u>	<u>\$ 446,746</u>

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

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

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2019 and 2018

	Year Ended December 31, 2019			Year Ended December 31, 2018		
	Program Services	Support Services	Total	Program Services	Support Services	Total
Salaries and benefits	\$ 522,913	\$ 58,068	\$ 580,981	\$ 521,737	\$ 57,971	\$ 579,708
Food and supplies	100,028	-	100,028	79,316	-	79,316
Rent and utilities	76,068	8,452	84,520	76,068	8,452	84,520
Insurance	60,334	6,704	67,038	55,474	6,164	61,638
Health services	60,327	-	60,327	59,759	-	59,759
Program consultants	47,805	-	47,805	119,004	-	119,004
Legal aid	50,693	-	50,693	50,054	-	50,054
Payroll taxes	39,820	4,425	44,245	39,787	4,421	44,208
Repairs and maintenance	39,302	4,367	43,669	27,132	3,015	30,147
Office supplies	37,117	4,125	41,242	19,101	2,123	21,224
Meetings and events	33,431	3,715	37,146	30,247	3,361	33,608
Depreciation	23,389	2,599	25,988	23,498	2,611	26,109
Professional fees	8,667	4,333	13,000	8,778	4,389	13,167
Promotion	8,623	958	9,581	4,826	536	5,362
Vocational training	9,557	-	9,557	48,007	-	48,007
Information technology	6,057	2,019	8,076	11,529	3,843	15,372
Education	7,312	-	7,312	5,525	-	5,525
Fundraising	-	6,631	6,631	-	5,970	5,970
Equipment rental	5,706	634	6,340	3,124	347	3,471
Telephone	3,390	377	3,767	3,277	364	3,641
Travel	2,617	-	2,617	691	-	691
Total expenses	\$ 1,143,156	\$ 107,407	\$ 1,250,563	\$ 1,186,934	\$ 103,567	\$ 1,290,501

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, 2019

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 designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board has designated 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 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, 2019

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

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which prescribes a single, common revenue standard to replace most existing revenue recognition guidance, including most industry-specific requirements. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The Organization adopted ASC 606 and all related amendments effective January 1, 2019.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958), 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. Grants and contributions of cash and other assets are reported as net assets 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, 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. 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.

The adoption of ASC 606 and ASC 958 had no significant impact on the Organization's financial statements.

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 \$9,581 and \$5,362 for the years ended December 31, 2019 and 2018, 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.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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

Contributed Services (continued)

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 a bank 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 \$56,858 and \$0 at December 31, 2019 and 2018, 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.

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.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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

Income taxes (continued)

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 2016.

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.

Recent Accounting Pronouncements

In August 2016, FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The new guidance was effective beginning in 2018 and the Organization changed its presentation of net assets classes, included a statement of functional expenses, and expanded the footnote disclosures in these financial statements as required by ASU 2016-14.

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, 2019. Early adoption is permitted. The Organization is evaluating the potential effects ASU 2016-02 will have on its financial statements.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 2 – GRANTS RECEIVABLE

As of December 31, 2019 and 2018, the Organization had donor restricted grants receivable totaling \$40,453 and \$39,273 in the accompanying statements of financial position. Of those balances, approximately 56% and 51% was due from one agency as of December 31, 2019 and 2018, respectively.

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).

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 June 30, 2019 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	<u>\$ 10,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,440</u>
Total	<u><u>\$ 10,440</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,440</u></u>

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Furniture and fixtures	\$ 72,796	\$ 72,796
Equipment	4,495	4,495
Vehicles	37,564	37,564
Leasehold improvements	<u>72,534</u>	<u>67,559</u>
Total	187,389	182,414
Less: accumulated depreciation	<u>(118,115)</u>	<u>(91,677)</u>
Total net property and equipment	<u>\$ 69,274</u>	<u>\$ 90,287</u>

Depreciation expense was \$25,988 and \$26,109 for 2019 and 2018, respectively.

NOTE 5 – IN-KIND CONTRIBUTIONS

In-kind contributions for the years ended December 31, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Rent and utilities for facilities provided by the Town of Jupiter (see Note 7)	\$ 84,520	\$ 84,520
Food	82,542	59,567
Information technology services	8,076	15,372
Legal services	50,040	49,020
Other professional services	-	40,403
Medical services	55,545	49,045
Teachers	<u>1,624</u>	<u>679</u>
Total in-kind contributions	<u>\$ 282,347</u>	<u>\$ 298,606</u>

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 6 – RETIREMENT PLAN

The Organization has a 403(b) retirement plan for its employees. Participation is voluntary, with no minimum age or service requirement to participate. The maximum contribution permitted by the Internal Revenue Code is \$19,000 in 2019. Additional catch up contributions up to \$6,500 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 \$7,138 and \$6,708 for the years ended December 31, 2019 and 2018, respectively.

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 in-kind contributions of rent and utilities (see Note 5).

The Organization has entered into a non-cancelable operating leases for office equipment through the fiscal year ending December 31, 2023. Future minimum lease payments under the operating leases are as follows:

Fiscal years ending in December 31, 2020	\$ 2,973
2021	2,973
2022	2,973
2023	<u>1,735</u>
	<u>\$ 10,654</u>

For the years ended December 31, 2019 and 2018, the Organization recorded lease expenses of \$6,340 and \$3,471 for program equipment and \$84,520 and \$84,520 for occupancy costs in the statement of functional expenses, respectively.

NOTE 8 – NET ASSETS WITHOUT DONOR RESTRICTIONS BOARD DESIGNATED

The Organization’s net assets without donor restrictions board designated balance is \$271,193 and \$165,890, respectively, at December 31, 2019 and 2018.

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

	<u>2019</u>	<u>2018</u>
Board designated for operating expenditures	\$ 220,662	\$ 115,359
Board designated for capital expenditures	<u>50,531</u>	<u>50,531</u>
Total net assets without donor restrictions	<u>\$ 271,193</u>	<u>\$ 165,890</u>

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 8 – NET ASSETS WITHOUT DONOR RESTRICTIONS BOARD DESIGNATED (continued)

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.

The Organization has funds set aside related to operating expenses in prior years which help 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 2019 and 2018.

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, 2019 and 2018 are restricted for the following purposes:

	<u>2019</u>	<u>2018</u>
Education programs	\$ 114,357	\$ 127,780
Labor programs	74,124	94,387
Food and nutrition	54,095	65,351
Health services	47,054	30,170
Organizational capacity	38,277	37,596
Child development	25,832	57,391
Garden program	18,259	590
Legal services	12,062	20,002
	<u>\$ 384,060</u>	<u>\$ 433,267</u>

Net assets with donor restriction at December 31, 2019, consist of \$40,453 in grants receivable, \$10,440 of investments and \$333,167 of cash and cash equivalents. Net assets with donor restriction at December 31, 2018, consist of \$39,273 in grants receivable, and \$393,994 of cash and cash equivalents.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 9 – NET ASSETS WITH DONOR RESTRICTION (continued)

During 2019 and 2018, net assets were released from restriction for the following purposes:

	<u>2019</u>	<u>2018</u>
Education programs	\$ 158,115	\$ 139,986
Labor programs	165,597	107,328
Food and nutrition	82,131	69,433
Health services	53,776	104,080
Organizational capacity	97,339	109,593
Child development	75,459	29,708
Garden program	20,063	20,131
Legal services	7,940	13,373
Integration programs	-	9,481
	<u>\$ 660,420</u>	<u>\$ 603,113</u>

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 occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, insurance, and other, which are allocated on the basis of estimates of time and effort.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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:

	2019	2018
Cash and cash equivalents	\$ 519,384	\$ 446,746
Contributions receivable	37,885	48,049
Grants receivable	40,453	39,273
Investments	10,440	-
Total financial assets available within one year	608,162	534,068
Accounts payable	22,183	25,198
Amounts unavailable for general expenditures Within one year, due to:		
Restricted by donors with purpose restrictions	384,060	433,267
Amounts unavailable to management without Board’s approval:		
Board designated for operating expenditures	220,662	115,359
Board designated for capital expenditures	50,531	50,531
Total Board designated amounts	271,193	165,890
Total net financial assets available within one year after restrictions	\$ (69,274)	\$ (90,287)

NOTE 12 – 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 June 26, 2020.

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.