

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

REPORT ON AUDITS OF FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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

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Independent Auditors' Report

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

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, 2015 and 2014, and the related statements of activities 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.

Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of El Sol, Jupiter's Neighborhood Resource Center, Inc. as of December 31, 2015 and 2014, 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.



Other Matter

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 10 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Templeton & Company, LLP

West Palm Beach, Florida
June 15, 2016

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

STATEMENTS OF FINANCIAL POSITION

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current assets:		
Cash	\$ 629,461	\$ 625,613
Grants receivable	<u>9,748</u>	<u>68,448</u>
Total current assets	639,209	694,061
Property and equipment, less accumulated depreciation of \$32,179 in 2015 and \$24,175 in 2014	<u>52,006</u>	<u>32,451</u>
Total assets	<u>\$ 691,215</u>	<u>\$ 726,512</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	<u>\$ 2,124</u>	<u>\$ 2,255</u>
Net assets:		
Unrestricted	344,202	386,610
Temporarily restricted	<u>344,889</u>	<u>337,647</u>
Total net assets	<u>689,091</u>	<u>724,257</u>
Total liabilities and net assets	<u>\$ 691,215</u>	<u>\$ 726,512</u>

See accompanying notes to financial statements.

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

**STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2015 and 2014**

	Year Ended December 31, 2015			Year Ended December 31, 2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue:						
Grants	\$ -	\$ 420,657	\$ 420,657	\$ -	\$ 409,626	\$ 409,626
Contributions	208,180	1,000	209,180	205,086	16,993	222,079
In-kind contributions	457,541	-	457,541	607,930	-	607,930
Other income	13,515	-	13,515	15,950	-	15,950
Net assets released from restrictions	414,415	(414,415)	-	385,303	(385,303)	-
Total support and revenue	1,093,651	7,242	1,100,893	1,214,269	41,316	1,255,585
Expenses:						
Program services	1,061,581	-	1,061,581	1,126,677	-	1,126,677
Support services	74,478	-	74,478	73,490	-	73,490
Total expenses	1,136,059	-	1,136,059	1,200,167	-	1,200,167
Increase (decrease) in net assets	(42,408)	7,242	(35,166)	14,102	41,316	55,418
Net assets - beginning of year	386,610	337,647	724,257	372,508	296,331	668,839
Net assets - end of year	<u>\$ 344,202</u>	<u>\$ 344,889</u>	<u>\$ 689,091</u>	<u>\$ 386,610</u>	<u>\$ 337,647</u>	<u>\$ 724,257</u>

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (35,166)	\$ 55,418
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	8,004	7,271
Decrease in operating assets:		
Grants receivable	58,700	65,377
Decrease in operating liabilities:		
Accounts payable	<u>(131)</u>	<u>(14,978)</u>
Net cash provided by operating activities	31,407	113,088
Cash flows from investing activities:		
Purchases of furniture and equipment	<u>(27,559)</u>	<u>(29,397)</u>
Net increase in cash	3,848	83,691
Cash, beginning of year	<u>625,613</u>	<u>541,922</u>
Cash, end of year	<u>\$ 629,461</u>	<u>\$ 625,613</u>

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

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.

Basis of presentation

The financial statements are prepared on the accrual basis of accounting and in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*.

Net assets, revenue, gains and losses are classified as temporarily restricted, permanently restricted, or unrestricted based on the existence or absence, respectively, of contractual, grantor or donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

Unrestricted net assets – Net assets available for the support of the Organization's operations. The unrestricted net assets may be used at the discretion of the Organization's management and the Board of Directors. Unrestricted net assets include a board-designated operating reserve of \$240,000 as of December 31, 2015 and 2014.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations to be maintained permanently by the Organization. The Organization had no permanently restricted net assets as of December 31, 2015.

Grants and contributions

The Organization records funding from unconditional grants in the period that the grant is awarded. Unconditional contributions are recorded in the period that the contribution is received. Classification of grants and contributions as unrestricted or temporarily restricted is based upon any external stipulations that limit the use of the funds.

When a grantor or donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are then reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Grants and contributions that are temporarily restricted by the grantor or contributor are reported as an increase in unrestricted net assets if the restriction expires in the same reporting period in which the support is recognized.

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

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

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

Cash includes amounts on deposit in general checking and savings accounts. The Organization maintains its cash with generally recognized banking institutions in accounts that are guaranteed by the Federal Deposit Insurance Corporation up to the applicable limits for each institution. Periodically, amounts in any one financial institution exceeds federally insured limits of \$250,000. The balance in one financial institution exceeded the federally insured limit by \$0 and \$52,758 as of December 31, 2015 and 2014, respectively.

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. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

Furniture and fixtures	7 years
Equipment	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 is no longer subject to IRS examinations for years prior to 2012.

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

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

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.

Note 2 – Grants Receivable

In 2015, the Organization received temporarily restricted grants from two agencies, of which \$9,748 remains receivable in the accompanying statement of financial position as of December 31, 2015.

Note 3 – Net Property and Equipment

Property and equipment is comprised of the following at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Furniture and fixtures	\$ 51,410	\$ 26,501
Equipment	4,495	4,495
Leasehold improvements	<u>28,280</u>	<u>25,630</u>
Total	84,185	56,626
Less: accumulated depreciation	<u>(32,179)</u>	<u>(24,175)</u>
Total net property and equipment	<u>\$ 52,006</u>	<u>\$ 32,451</u>

Note 4 – In-Kind Contributions

In-kind contributions for the years ended December 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Rent and utilities for facilities provided by the Town of Jupiter (see Note 5)	\$ 84,520	\$ 84,520
Food	78,530	99,478
Information technology services	14,966	21,365
Legal services	107,760	108,720
Other professional services	96,204	88,833
Medical services	74,015	185,510
Garden supplies	-	13,450
Teachers	<u>1,546</u>	<u>6,054</u>
	<u>\$ 457,541</u>	<u>\$ 607,930</u>

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

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 5 – 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, 2014. 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 4).

Note 6 – Temporarily Restricted Net Assets

Temporarily restricted net assets as of December 31, 2015 and 2014 are restricted for the following purposes:

	<u>2015</u>	<u>2014</u>
Education programs	\$ 174,026	\$ 180,914
Health services	127,968	105,303
Salaries and overhead	<u>42,895</u>	<u>51,430</u>
	<u>\$ 344,889</u>	<u>\$ 337,647</u>

During 2015 and 2014, temporarily restricted net assets were released from restriction for the following purposes:

	<u>2015</u>	<u>2014</u>
Education programs	\$ 179,866	\$ 84,637
Health services	165,071	252,893
Salaries and overhead	<u>69,478</u>	<u>47,773</u>
	<u>\$ 414,415</u>	<u>\$ 385,303</u>

Note 7 – Subsequent Events

Management has evaluated events occurring subsequent to December 31, 2015 through June 15, 2016, the date the financial statements were available to be issued, for matters that should be recorded in the financial statements or disclosed in the footnotes thereto.

SUPPLEMENTARY INFORMATION

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

**SCHEDULES OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2015 and 2014**

	2015			2014		
	Program Services	Support Services	Total	Program Services	Support Services	Total
Salaries and benefits	\$ 332,203	\$ 36,911	\$ 369,114	\$ 302,302	\$ 33,589	\$ 335,891
Program consultants	168,689	-	168,689	110,801	-	110,801
Rent and utilities	76,068	8,452	84,520	76,068	8,452	84,520
Legal aid	109,672	-	109,672	108,720	-	108,720
Health services	74,868	-	74,868	185,510	-	185,510
Vocational training	1,369	-	1,369	-	-	-
Food and supplies	99,076	-	99,076	150,900	-	150,900
Professional fees	11,231	5,616	16,847	15,924	7,962	23,886
Education	20,165	-	20,165	9,509	-	9,509
Insurance	31,258	3,473	34,731	33,172	3,686	36,858
Meetings and events	26,326	2,925	29,251	14,266	1,585	15,851
Information technology	11,224	3,742	14,966	16,024	5,341	21,365
Payroll taxes	30,177	3,353	33,530	23,583	2,620	26,203
Office supplies	13,860	1,540	15,400	13,325	1,480	14,805
Promotion	10,744	1,194	11,938	8,428	937	9,365
Telephone	3,847	428	4,275	3,579	398	3,977
Travel	4,012	-	4,012	4,449	-	4,449
Repairs and maintenance	24,006	2,667	26,673	35,227	3,914	39,141
Depreciation	7,204	800	8,004	6,544	727	7,271
Equipment rental	5,582	620	6,202	8,346	927	9,273
Fundraising	-	2,757	2,757	-	1,872	1,872
Total expenses	\$ 1,061,581	\$ 74,478	\$ 1,136,059	\$ 1,126,677	\$ 73,490	\$ 1,200,167