

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

**(a nonprofit organization)**

**Financial Statements**

**December 31, 2021 and 2020**

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**INDEPENDENT AUDITORS' REPORT**

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

**Partners**

Paul F. Smyth, CPA  
Darby M. Hauck, CPA  
W. Ed Moss, Jr., CPA  
Joe M. Krusick, CPA  
Kristine C. Polo, CPA  
Lyssa Phifer, CPA  
Bob P. Marchewka, CPA  
Ric Perez, CPA  
Cori Cameron  
Shawn Marshall

**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, 2021 and 2020, 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, 2021 and 2020, 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 Auditors' 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 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.

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.

**Auditors' 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 auditors' 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, including omissions, 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.

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Certified Public  
Accountants

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## **Auditors' 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.

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

North Palm Beach, Florida  
July 11, 2022

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

**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2021 and 2020**

	<b>ASSETS</b>		<u>2021</u>		<u>2020</u>
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		\$	1,546,983	\$	1,278,432
Contributions receivable			14,715		15,757
Grants receivable			29,624		29,624
Investments			<u>6,009</u>		<u>6,009</u>
Total current assets			1,597,331		1,329,822
<b>PROPERTY &amp; EQUIPMENT</b>					
Property and equipment, less accumulated depreciation of \$160,165 in 2021 and \$141,554 in 2020			<u>27,224</u>		<u>45,835</u>
Total assets		\$	<u><u>1,624,555</u></u>	\$	<u><u>1,375,657</u></u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued expenses		\$	<u>22,116</u>	\$	<u>9,024</u>
Total current liabilities			<u>22,116</u>		<u>9,024</u>
<b>NET ASSETS</b>					
Without donor restrictions			1,213,728		367,787
With donor restrictions			<u>388,711</u>		<u>998,846</u>
Total net assets			<u>1,602,439</u>		<u>1,366,633</u>
Total liabilities and net assets		\$	<u><u>1,624,555</u></u>	\$	<u><u>1,375,657</u></u>

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, 2021 and 2020

	2021			2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>REVENUE AND SUPPORT</b>						
Grants	\$ -	\$ 1,075,457	\$ 1,075,457	\$ -	\$ 1,398,253	\$ 1,398,253
Contributions	315,608	-	315,608	428,970	-	428,970
Payroll Protection Program grant	-	-	-	116,855	-	116,855
In-kind contributions	240,210	-	240,210	238,236	-	238,236
Other income	7,291	-	7,291	10,251	-	10,251
Net assets released from restrictions	1,685,592	(1,685,592)	-	783,467	(783,467)	-
Total revenue and support	2,248,701	(610,135)	1,638,566	1,577,779	614,786	2,192,565
<b>EXPENSES</b>						
Program services	1,295,148	-	1,295,148	1,378,506	-	1,378,506
Support services	107,612	-	107,612	102,679	-	102,679
Total expenses	1,402,760	-	1,402,760	1,481,185	-	1,481,185
Increase (decrease) in net assets	845,941	(610,135)	235,806	96,594	614,786	711,380
Net assets at beginning of year	367,787	998,846	1,366,633	271,193	384,060	655,253
Net assets at end of year	\$ 1,213,728	\$ 388,711	\$ 1,602,439	\$ 367,787	\$ 998,846	\$ 1,366,633

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, 2021 and 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 235,806	\$ 711,380
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Forgiveness of Paycheck Protection Program loan	-	(116,855)
Depreciation expense	18,611	23,439
Contributed investments	-	(16,068)
(Increase) decrease in operating assets		
Contribution receivable	1,042	22,128
Grants receivable	-	10,829
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	13,092	(13,159)
	268,551	621,694
Net cash provided by operating activities	268,551	621,694
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program loan	-	116,855
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from sale of investments	-	20,499
Net increase in cash and cash equivalents	268,551	759,048
Cash and cash equivalents, beginning of year	1,278,432	519,384
Cash and cash equivalents, end of year	\$ 1,546,983	\$ 1,278,432

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, 2021 and 2020**

	2021			2020		
	Program Services	Support Services	Total	Program Services	Support Services	Total
Salaries and benefits	\$ 559,594	\$ 62,177	\$ 621,771	\$ 548,879	\$ 60,986	609,865
Food and supplies	151,999	-	151,999	123,450	-	123,450
Rent and utilities	76,068	8,452	84,520	76,068	8,452	84,520
Insurance	70,006	7,779	77,785	61,757	6,862	68,619
Crisis fund	75,878	-	75,878	237,408	-	237,408
Program consultants	60,819	-	60,819	55,500	-	55,500
Telephone	53,710	5,968	59,678	19,431	2,159	21,590
Health services	52,752	-	52,752	61,744	-	61,744
Payroll taxes	40,891	4,543	45,434	41,451	4,606	46,057
Office supplies	26,264	2,918	29,182	26,815	2,979	29,794
Repairs and maintenance	24,735	2,748	27,483	33,701	3,745	37,446
Vocational training	21,863	-	21,863	6,034	-	6,034
Information technology	18,371	2,020	20,391	6,060	2,020	8,080
Depreciation	16,750	1,861	18,611	21,095	2,344	23,439
Professional fees	13,750	-	13,750	9,833	3,417	13,250
Meetings and events	11,506	1,279	12,785	6,525	725	7,250
Promotion	8,106	901	9,007	12,924	1,436	14,360
Fundraising	-	6,666	6,666	-	2,656	2,656
Education	6,508	-	6,508	3,350	-	3,350
Equipment rental	2,700	300	3,000	2,631	292	2,923
Legal aid	2,550	-	2,550	23,410	-	23,410
Travel	328	-	328	440	-	440
<b>Total expenses</b>	<b>\$ 1,295,148</b>	<b>\$ 107,612</b>	<b>\$ 1,402,760</b>	<b>\$ 1,378,506</b>	<b>\$ 102,679</b>	<b>\$ 1,481,185</b>

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

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

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

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

Nature of Activities

EI 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.

Due to the COVID-19 pandemic, the Organization redirected activities to meet the needs of the community in crisis, which resulted in an increase in total expenditures for 2020 in comparison to previous years. As the Organization moves forward from the pandemic and returns to normal operations the total expenditures have decreased to be more comparable with the years before the pandemic.

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, 2021**

**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 958-605), 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.

The adoption of ASC 606 and ASC 958-605 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 \$9,007 and \$14,360 for the years ended December 31, 2021 and 2020, 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.

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

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

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

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 \$581,015 and \$520,222 at December 31, 2021 and 2020, 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.

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 2019.

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

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**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.

See Note 10 for more information on functional expenses.

Recent Accounting Pronouncements

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 Organization is evaluating the potential effects ASU 2016-02 will have on its financial statements.

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 11, 2022.

**NOTE 2 – GRANTS RECEIVABLE**

As of December 31, 2021 and 2020, the Organization had donor restricted grants receivable totaling \$29,624 in the accompanying statements of financial position. Of those balances, approximately 76% and 66% was due from one agency as of December 31, 2021 and 2020, respectively.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 December 31, 2021 is as follows:

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

Estimated fair value of certain assets measured on a recurring basis at December 31, 2020 is as follows:

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

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

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment is comprised of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</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>72,534</u>
Total	187,389	187,389
Less: accumulated depreciation	<u>(160,165)</u>	<u>(141,554)</u>
Total net property and equipment	<u>\$ 27,224</u>	<u>\$ 45,835</u>

Depreciation expense was \$18,611 and \$23,439 for 2021 and 2020, respectively.

**NOTE 5 – IN-KIND CONTRIBUTIONS**

In-kind contributions for the years ended December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Rent and utilities for facilities provided by the Town of Jupiter (see Note 7)	\$ 84,520	\$ 84,520
Food	88,389	86,353
Information technology services	14,974	8,080
Legal services	2,400	22,950
Medical services	49,670	36,135
Teachers	<u>257</u>	<u>198</u>
Total in-kind contributions	<u>\$ 240,210</u>	<u>\$ 238,236</u>

**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 \$13,500 in 2021. 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 \$9,829 and \$10,187 for the years ended December 31, 2021 and 2020, respectively.

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

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**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, 2022	\$ 2,973
2023	<u>1,736</u>
	<u>\$ 4,709</u>

For the years ended December 31, 2021 and 2020, the Organization recorded lease expenses of \$3,000 and \$2,923 for program equipment 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 \$1,163,197 and \$317,256, respectively, at December 31, 2021 and 2020.

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

	<u>2021</u>	<u>2020</u>
Board designated for operating expenditures	\$ 1,163,197	\$ 317,256
Board designated for capital expenditures	<u>50,531</u>	<u>50,531</u>
Total net assets without donor restrictions	<u>\$ 1,213,728</u>	<u>\$ 367,787</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.

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

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

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

*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 2021 and 2020.

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, 2021 and 2020 are restricted for the following purposes:

	2021	2020
Education programs	\$ 57,733	\$ 99,106
Labor programs	114,463	145,967
Food and nutrition	47,024	58,481
Health services	67,440	57,062
Organizational capacity*	2,500	563,520
Volunteer program	14,324	2,065
Child development	43,560	34,538
Garden program	39,428	32,665
Legal services	-	4,350
Covid-19 crisis funds	2,239	1,092
	<u>\$ 388,711</u>	<u>\$ 998,846</u>

Net assets with donor restriction at December 31, 2021, consist of \$29,624 in grants receivable, \$6,009 of investments and \$439,189 of cash and cash equivalents. Net assets with donor restriction at December 31, 2020, consist of \$29,624 in grants receivable, \$6,009 of investments and \$963,213 of cash and cash equivalents.

During 2021 and 2020, net assets were released from restriction for the following purposes:

	2021	2020
Education programs	\$ 120,823	\$ 119,762
Labor programs	317,404	171,857
Food and nutrition	89,804	88,614
Health services	63,807	69,778
Organizational capacity*	991,233	50,777
Volunteer program	7,290	11,135
Child development	44,238	46,204
Garden program	41,362	18,094
Legal services	6,547	7,712
Covid-19 crisis funds	3,084	199,534
	<u>\$ 1,685,592</u>	<u>\$ 783,467</u>

\* Funds for use in mission fulfillment

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, professional fees, office supplies, and insurance which are allocated on the basis of estimates of time and effort.

NOTE 11 – PAYCHECK PROTECTION PROGRAM LOAN

On March 27, 2020, the Coronavirus Aid Relief, and Economic Security Act ("CARES Act") was enacted in response to the Covid-19 pandemic. Under the CARES Act, the Paycheck Protection Program was established to provide assistance to small businesses with resources needed to maintain payroll and cover applicable overhead. On May 5, 2020, the Organization, through Bank of America was approved for and received a loan in the amount of \$116,855 under this program. On March 9, 2021, management obtained forgiveness of the loan and reclassified the loan to grant income.

NOTE 12 – 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:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,546,983	\$ 1,278,432
Contributions receivable	14,715	15,757
Grants receivable	29,624	29,624
Investments	<u>6,009</u>	<u>6,009</u>
Total financial assets available within one year	<u>1,597,331</u>	<u>1,329,822</u>
Accounts payable and accrued expenses	<u>22,116</u>	<u>9,024</u>
Amounts unavailable for general expenditures Within one year, due to:		
Restricted by donors with purpose restrictions	<u>388,711</u>	<u>998,846</u>
Amounts unavailable to management without Board's approval:		
Board designated for operating expenditures	1,163,197	317,256
Board designated for capital expenditures	<u>50,531</u>	<u>50,531</u>
Total Board designated amounts	<u>1,213,728</u>	<u>367,787</u>
Total net financial assets available within one year after restrictions	<u>\$ (27,224)</u>	<u>\$ (45,835)</u>

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**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**NOTE 13 – RISKS AND UNCERTAINTIES**

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.