

LAUREL CIVIC ASSOCIATION, INC.
Laurel, Florida

Independent Auditor's Report
and Financial Statements

For the year ended June 30, 2021

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Peacock & French, CPAs, P.A.

Certified Public Accountants

Frank Ray Peacock, CPA
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American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Laurel Civic Association, Inc.
Laurel, FL

We have audited the accompanying financial statements of Laurel Civic Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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 Laurel Civic Association, Inc., as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Peacock & French, CPAs, P.A.
Venice, FL
January 18, 2022

LAUREL CIVIC ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

CURRENT ASSETS	
Cash	\$ 174,142
Cash - restricted (Note E)	133,480
Grants/contracts receivable	68,155
Prepaid expenses and other assets	14,360
TOTAL CURRENT ASSETS	390,137
FIXED ASSETS	
Vehicles	19,964
Furniture and equipment	47,383
Accumulated depreciation	(33,185)
TOTAL FIXED ASSETS	34,162
TOTAL ASSETS	\$ 424,299

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 2,045
NET ASSETS	
Without restriction	288,774
With Donor Restrictions (Note D)	133,480
Total Net Assets	422,254
TOTAL LIABILITIES AND NET ASSETS	\$ 424,299

The accompanying notes are an integral part of this financial statement.

LAUREL CIVIC ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Restriction	With Donor Restriction	Total
NET ASSETS:			
Revenues and support			
Contributions and foundation grants	\$ 360,322	\$ 105,320	\$ 465,642
Sarasota county HHS grant	97,173	-	97,173
Sarasota county CDBG grant	42,442	-	42,442
Donated facility use	36,888	-	36,888
Program service revenue	6,318	-	6,318
Other income	3,537	-	3,537
PPP loan forgiven	136,874	-	136,874
Released from restriction	15,333	(15,333)	-
TOTAL REVENUES AND OTHER SUPPORT	698,887	89,987	788,874
Expenses			
Program services - Adult	170,339	-	170,339
Program services - Child	246,884	-	246,884
Supporting services	63,253	-	63,253
Fundraising	79,052	-	79,052
TOTAL EXPENSES	559,528	-	559,528
INCREASE IN NET ASSETS	139,359	89,987	229,346
NET ASSETS AT BEGINNING OF YEAR	149,415	43,493	192,908
NET ASSETS AT END OF YEAR	\$ 288,774	\$ 133,480	\$ 422,254

The accompanying notes are an integral part of this financial statement.

LAUREL CIVIC ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Adult Program Services	Child Program Services	Supporting Services	Fundraising	Totals
Salaries & wages	\$ 75,423	\$ 114,840	\$ 30,015	\$ 69,350	\$ 289,628
Payroll taxes	6,098	9,286	2,427	5,607	23,418
Contracted services	32,224	50,767	7,508	-	90,499
Program services and events	14,289	2,787	300	-	17,376
Facility use, donated	16,560	16,560	3,768	-	36,888
Facility & equipment, other	5,499	5,636	581	-	11,716
Supplies	4,237	15,192	-	-	19,429
Transportation	-	1,700	-	-	1,700
Operations	2,377	4,288	4,673	1,167	12,505
Repairs and maintenance	2,038	15,158	-	-	17,196
Insurance	5,469	4,545	308	-	10,322
Professional fees	6,125	6,125	3,296	-	15,546
Fundraising	-	-	-	2,928	2,928
Depreciation	-	-	10,377	-	10,377
	<u>\$ 170,339</u>	<u>\$ 246,884</u>	<u>\$ 63,253</u>	<u>\$ 79,052</u>	<u>\$ 559,528</u>

The accompanying notes are an integral part of this financial statement.

LAUREL CIVIC ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	\$ 229,346
Increase in net assets	
Adjustments to reconcile increase in net assets to cash provided by operating activities:	
Depreciation	10,377
PPP loan forgiven	(136,874)
Increase in grant receivable	(56,970)
Decrease in promise to give	19,125
Increase in prepaids and other assets	(4,565)
Decrease in accounts payable	<u>(15,386)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	45,053
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(37,192)</u>
NET CASH USED IN INVESTING ACTIVITIES	(37,192)
 CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from loan	<u>68,437</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	68,437
 NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>76,298</u>
 BEGINNING CASH	<u>231,324</u>
 ENDING CASH	<u><u>\$ 307,622</u></u>

The accompanying notes are an integral part of this financial statement.

LAUREL CIVIC ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021
(See Independent Auditor's Report)

NOTE A – NATURE OF ACTIVITIES

Laurel Civic Association, Inc. (the "Organization") is a not-for-profit corporation formed under Internal Revenue Code Section 501(c)(3), located in Laurel, Florida. Our mission is "Shaping Foundations for Successful Lives" through education, social activities, providing needed support for the elderly and families, and acting as a catalyst for bringing in services that have an overall positive and permanent effect on the community and the residents. The Organization is supported primarily through public contributions, foundation grants, and grants through the Sarasota County Board of Commissioners.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

In accordance with U.S. generally accepted accounting principles (ASU 2016-14) the Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restriction: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net Assets With Donor Restriction: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contributions Receivable

Unconditional promises to give are recorded at their fair market value in the period in which the Organization was notified of the promise. Conditional promises to give are not included in support until such time as the conditions are substantially met. Allowances are provided for uncollectible pledges based upon prior experience, current economic factors and knowledge of donors and their characteristics. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period the determination is made. The Organization had no contributions receivable at June 30, 2021.

Contributions

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increase in net assets with donor restrictions. When a restriction expires (either using the donation for the approved purpose or by the passage of time) the contribution amount is released from net asset with donor restrictions to net assets without restriction. If a contribution with restriction is received and the restriction is met or expires in the same period, the contribution is shown without restriction in the accompanying financial statements.

LAUREL CIVIC ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021
(See Independent Auditor's Report)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services

No amounts have been reflected in the financial statement for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the host congregations and day center facility, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 5,000 volunteer hours per year.

Contributed Facilities Use

Laurel Civic Association is provided space in the Sandra Sims Terry Community Center by agreement with Sarasota County Parks and Recreation Department. The agreement may be terminated by either party upon six months written notice. The value of this donated space is estimated to be 2,878 square feet at \$12.80 per square foot or \$36,888. This amount is reflected in the financial statements as contribution revenue and rent expense.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

The Organization capitalizes all property and equipment with a purchase cost or fair value at date of donation of \$1,000 and a useful life of more than one year. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulation regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. During the fiscal year ended June 30, 2021, the Organization did not receive any donated property or equipment that met the capitalization policy. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the year ended June 30, 2021, the Organization did not have any unrelated business income.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be specifically identified with a program or support services are coded directly according to their natural classifications. Other expenses that are common to several functions are allocated based upon estimates made by management.

LAUREL CIVIC ASSOCIATION, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021
 (See Independent Auditor's Report)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to credit risk include cash, and investments. The Organization's management attempts to prudently manage cash and cash equivalents and monitor outstanding receivables. Deposit accounts at each commercial banking institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At June 30, 2021, \$52,822 was over the insured level.

NOTE C - PPP LOAN

On April 22, 2020, and January 26, 2021, the Organization received loan proceeds in the amount of \$68,437 per draw for a total of \$136,874 under the Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") provides for loans to qualifying businesses. The loans and accrued interest were forgivable as long as the borrower used the loan proceeds for eligible purposes and maintained its payroll levels. The amount of the loan forgiveness would be reduced if the borrower terminated employees or reduced salaries during the qualifying period.

Both PPP loans were forgiven and are presented in the accompanying financial statements as PPP loan forgiven revenue.

NOTE D – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table represents the Organization's financial assets at June 30, 2020 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual or donor restrictions or internal board designations:

Cash and cash equivalents	\$ 307,622
Grants/contracts receivable	68,155
Total financial assets	375,777
Cash with Donor Restrictions	(133,480)
Board-designated endowment	(5,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 237,297

The Organization receives contributions, grants/contract revenues and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged.

LAUREL CIVIC ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021
(See Independent Auditor's Report)

NOTE E – DONOR RESTRICTED NET ASSETS

The Organization had the following donor restricted net assets as of June 30, 2021:

Hurricane relief and preparation	\$ 3,209
50 th Celebration	2,824
COVID response	17,627
Financial literacy for families	2,500
Scholarships	7,000
Hands Up initiative	30,000
Workforce development	40,000
Banking empowerment program	20,320
Website revamp	<u>10,000</u>
	<u>\$ 133,480</u>

NOTE F – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events after June 30, 2021, through January 18, 2022 (the date the financial statements were available for issuance) for potential recognition and disclosure. No items requiring disclosure were noted.