

JEKYLL ISLAND FOUNDATION, INC.

FINANCIAL REPORT

JUNE 30, 2023

JEKYLL ISLAND FOUNDATION, INC.

**FINANCIAL REPORT
JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Jekyll Island Foundation, Inc.
Jekyll Island, Georgia**

Opinion

We have audited the accompanying financial statements of **Jekyll Island Foundation, Inc.** (a nonprofit organization) (the "Foundation"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jekyll Island Foundation, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

Mauldin & Jenkins, LLC

September 28, 2023
Atlanta, Georgia

JEKYLL ISLAND FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2023 AND 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 858,983	\$ 610,574
Promises to give, net of allowance of \$1,700 for 2023 and 2022	1,411,550	25,300
Other receivables	22,307	1,850
Inventory	13,116	884
Due from related parties	365	2,147
Total assets	\$ 2,306,321	\$ 640,755
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 2,016	\$ 2,926
Deferred revenues	17,500	8,500
Total liabilities	19,516	11,426
NET ASSETS		
Without donor restrictions	159,441	111,510
With donor restrictions	2,127,364	517,819
Total net assets	2,286,805	629,329
Total liabilities and net assets	\$ 2,306,321	\$ 640,755

See Notes to Financial Statements.

JEKYLL ISLAND FOUNDATION, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUES AND OTHER SUPPORT			
Contributions	\$ 62,041	\$ 1,981,571	\$ 2,043,612
In-kind contributions	235,598	-	235,598
Exchange transactions	212,295	-	212,295
Investment income, net	4,209	-	4,209
	<u>514,143</u>	<u>1,981,571</u>	<u>2,495,714</u>
Net assets released from restrictions	<u>372,026</u>	<u>(372,026)</u>	<u>-</u>
Total revenues and other support	<u>886,169</u>	<u>1,609,545</u>	<u>2,495,714</u>
EXPENSES			
Program services	<u>506,927</u>	<u>-</u>	<u>506,927</u>
Supporting services			
Management and general	78,249	-	78,249
Fundraising	<u>253,062</u>	<u>-</u>	<u>253,062</u>
Total expenses	<u>838,238</u>	<u>-</u>	<u>838,238</u>
CHANGE IN NET ASSETS	47,931	1,609,545	1,657,476
NET ASSETS, BEGINNING	<u>111,510</u>	<u>517,819</u>	<u>629,329</u>
NET ASSETS, ENDING	<u>\$ 159,441</u>	<u>\$ 2,127,364</u>	<u>\$ 2,286,805</u>

See Notes to Financial Statements.

JEKYLL ISLAND FOUNDATION, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUES AND OTHER SUPPORT			
Contributions	\$ 122,861	\$ 170,830	\$ 293,691
In-kind contributions	200,433	-	200,433
Exchange transactions	182,015	-	182,015
Investment income, net	926	-	926
	<u>506,235</u>	<u>170,830</u>	<u>677,065</u>
Net assets released from restrictions	<u>15,704</u>	<u>(15,704)</u>	<u>-</u>
Total revenues and other support	<u>521,939</u>	<u>155,126</u>	<u>677,065</u>
EXPENSES			
Program services	<u>147,561</u>	<u>-</u>	<u>147,561</u>
Supporting services			
Management and general	83,985	-	83,985
Fundraising	<u>237,640</u>	<u>-</u>	<u>237,640</u>
Total expenses	<u>469,186</u>	<u>-</u>	<u>469,186</u>
CHANGE IN NET ASSETS	52,753	155,126	207,879
NET ASSETS, BEGINNING	<u>58,757</u>	<u>362,693</u>	<u>421,450</u>
NET ASSETS, ENDING	<u>\$ 111,510</u>	<u>\$ 517,819</u>	<u>\$ 629,329</u>

See Notes to Financial Statements.

JEKYLL ISLAND FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2023

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and benefits	\$ 66,479	\$ 33,240	\$ 121,878	\$ 221,597
Office and occupancy	452	8,852	12,641	21,945
Services and other	62,671	36,157	118,543	217,371
GSTC	162,364	-	-	162,364
Conservation project	30,377	-	-	30,377
Historic resources	26,607	-	-	26,607
Museum campaign disbursements	7,804	-	-	7,804
Faith Chapel disbursements	1,370	-	-	1,370
Hollybourne disbursements	70,000	-	-	70,000
Mosaic outdoor classroom disbursements	78,803	-	-	78,803
Total expenses	<u>\$ 506,927</u>	<u>\$ 78,249</u>	<u>\$ 253,062</u>	<u>\$ 838,238</u>

See Notes to Financial Statements.

JEKYLL ISLAND FOUNDATION, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and benefits	\$ 60,025	\$ 30,012	\$ 110,046	\$ 200,083
Office and occupancy	773	16,156	7,060	23,989
Services and other	71,058	37,817	120,534	229,409
GSTC	2,700	-	-	2,700
Conservation project	83	-	-	83
Historic resources	6,523	-	-	6,523
Other CPE campaign disbursements	6,399	-	-	6,399
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 147,561</u>	<u>\$ 83,985</u>	<u>\$ 237,640</u>	<u>\$ 469,186</u>

See Notes to Financial Statements.

JEKYLL ISLAND FOUNDATION, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,657,476	\$ 207,879
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Promises to give	(1,386,250)	(6,556)
Other receivables	(20,457)	8,839
Inventory	(12,232)	(884)
(Decrease) increase in:		
Accounts payable	(910)	(3,642)
Due to/from related party	1,782	(2,381)
Deferred revenues	9,000	(14,970)
Net cash provided by operating activities	<u>248,409</u>	<u>188,285</u>
Net increase in cash and cash equivalents	248,409	188,285
Cash and cash equivalents at beginning of year	<u>610,574</u>	<u>422,289</u>
Cash and cash equivalents at end of year	<u>\$ 858,983</u>	<u>\$ 610,574</u>

See Notes to Financial Statements.

JEKYLL ISLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities:

The Jekyll Island Foundation, Inc. (the “Foundation”) is a not-for-profit organization organized for charitable, educational, and scientific purposes, including the raising, managing and disbursing of funds to support the work of the Jekyll Island Authority (the “Authority”) in its stewardship of the natural and developed resources of Jekyll Island.

Significant accounting policies:

Basis of presentation:

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Foundation presents its financial statements in accordance with Financial Accounting Standards Board (FASB) ASC 958, *Financial Statements of Not-For-Profit Organization* presentation and disclosure guidance. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two categories of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions which are used to account for resources available to carry out the purposes of the Organization in accordance with the limitations of its bylaws. Board designated net assets without donor restrictions are designated by the Board to be spent for specific purposes. At June 30, 2023 and 2022, the Foundation does not have any Board designated net assets.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restriction has been fulfilled, or both.

Contributions:

Contributions, including unconditional promises to give, are recognized as revenue in the period the contributions are received, or the unconditional promise to give is made. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Contributions are recorded in the statements of activities as with or without donor restrictions based on donor stipulations. When donor restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. Contributions with donor restrictions received during the year for which the restrictions are met during the same year are recorded as contributions with donor restrictions and net assets released from restriction in the statements of activities.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Contributions: (Continued)

Non-monetary contributions are recorded at estimated fair value at the date of receipt.

Unconditional promises to give are reported at their net realizable value. Management has estimated an allowance for uncollectible promises to give of \$1,700 at both June 30, 2023 and 2022.

Revenue recognition:

The Foundation recognizes multiple revenue streams as exchange transactions in accordance with FASB's *Revenue from Contracts with Customers* (ASC Topic 606) including memberships, corporate sponsorships, bench and tree tribute gifts, and sales-based royalties. Revenue is recognized when control of the promised goods or services are transferred to customers, in an amount that reflects the consideration the Foundation expects to be entitled in exchange for those goods or services. Other than royalties, payments are generally due at the execution of the agreement.

Royalty revenues are related to certain licensing of the Foundation's trademarks. Royalty revenue is recognized at the point in time payment is received.

The Foundation offers memberships and corporate sponsorships for a period of 12 months from the date paid. These revenues are recognized in the year received. Since the Foundation's performance obligation is related to contracts with a duration of less than one year, the Foundation has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), *Revenue from Contracts with Customers*, and therefore is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Contract liabilities are related to deferred revenues. The Foundation receives advance payments for bench and tree tribute gifts, which results in deferred revenue (contract liabilities) on the statements of financial position. Deferred revenues represent consideration received from the patron prior to the satisfaction of the related performance obligation. Upon satisfaction of the performance obligation the liability is relieved and revenue is recorded.

Cash and cash equivalents:

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

Donated equipment, materials, facilities, and services:

The Foundation records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Authority, a related party, pays general and administrative costs on behalf of the Foundation including salaries and employee benefits costs. The Authority's support is included in in-kind contributions revenue, as well as program, fundraising and general expense. Further, the Foundation employees occupy space in a building owned by the Authority for a minimal monthly fee.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Donated equipment, materials, facilities, and services: (Continued)

Foundation employees do use equipment and furniture owned by the Authority at no cost. Any assets purchased by the Foundation are purchased on behalf of the Authority and are transferred to the Authority. Therefore, no fixed assets are recorded on the accompanying statements of financial position.

Functional expense allocation:

The costs of providing the Foundation's various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and functional expenses. The Foundation reports certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries, payroll taxes, employee benefits, office expenses, services, and miscellaneous items include certain expenses that are allocated on the basis of estimates of time and effort. Occupancy is allocated among functional areas based on square footage.

Management use of estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income taxes:

The Foundation qualifies as a tax-exempt organization as described in Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as a publicly supported organization and not as a private foundation. The Foundation follows the statutory requirements for its income tax accounting and generally avoids risks associated with potentially problematic tax positions that may be challenged upon examination.

Management evaluated the Foundation's tax positions and concluded that the Foundation has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provision on accounting for uncertainty in income taxes.

The Foundation files Form 990 in the U.S. federal jurisdiction and the state of Georgia.

Recent accounting pronouncements:

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 was effective for financial statements issued for final years beginning after December 15, 2019. In June 2020, FASB issued ASU 2020-05, *Leases* (Topic 842), which extended the requirement implementation date of the new lease standard for financial statements issued for fiscal years beginning after December 15, 2021. During 2023, the Foundation determined that ASU 2016-02 was not applicable.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position as of June 30, 2023 and 2022, comprise the following:

	2023	2022
Cash and cash equivalents	\$ 144,869	\$ 118,756
Promises to give	-	1,000
Other receivables	22,307	1,850
Due from related parties, net	365	2,147
	\$ 167,541	\$ 123,753

Jekyll Island Foundation, Inc. is supported by both restricted and unrestricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation maintains sufficient resources to meet those responsibilities to its donors. Funds raised through unrestricted contributions are available for general expenditures. As part of the Foundation's liquidity management, it has a policy to budget general expenses not to exceed unrestricted revenue. Additionally, unrestricted financial assets are structured to be available as general expenditures, liabilities, and other obligations come due in the event that unrestricted revenue is insufficient to cover general expenses.

NOTE 3. PROMISES TO GIVE

The Foundation's promises to give at June 30, 2023 and 2022 consist of the following:

	2023	2022
Unconditional promises expected to be collected in:		
Less than one year	\$ 352,250	\$ 25,000
One to five years	1,051,000	2,000
Total unconditional promises to give	1,403,250	27,000
Less allowance for uncollectible promises to give	(1,700)	(1,700)
Net unconditional promises to give	\$ 1,401,550	\$ 25,300

NOTE 4. NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions are available for the following purposes at June 30, 2023 and 2022:

	2023	2022
Georgia Sea Turtle Center	\$ 2,065,656	\$ 285,136
CPE Campaign	2,251	2,250
Museum Campaign	2,569	88,258
Other	56,888	142,175
	\$ 2,127,364	\$ 517,819

Net assets with donor restrictions consist of the following at June 30:

	2023	2022
Cash and cash equivalents	\$ 714,114	\$ 27,850
Promises to give	1,413,250	489,969
	\$ 2,217,364	\$ 517,819

NOTES TO FINANCIAL STATEMENTS

NOTE 5. NET ASSETS RELEASED FROM RESTRICTION

Net assets with donor restrictions were released from restriction for the following purposes during the years ended June 30, 2023 and 2022:

	2023	2022
Georgia Sea Turtle Center	\$ 157,102	\$ 2,700
CPE Campaign	-	4,804
Museum Campaign	87,607	-
Other	127,317	8,200
	\$ 372,026	\$ 15,704

NOTE 6. RELATED PARTY TRANSACTIONS

The Foundation serves as the official fundraising entity for the Jekyll Island Authority. The Foundation and Authority have recurring transactions between the organizations to support their respective missions.

The Authority paid general and administrative costs on behalf of the Foundation of \$221,597 and \$200,083 during the years ended June 30, 2023 and 2022, respectively. These costs were reported as in-kind contributions by the Foundation. The Authority paid general and administrative costs on behalf of the Foundation. These costs were reimbursed by the Foundation and totaled \$8,591 and \$8,917 during the years ended June 30, 2023 and 2022, respectively.

As of June 30, 2023 and 2022, the Foundation has \$365 and \$2,147 due from the Authority, respectively. This balance represents donations due from the Authority.

The Foundation also made contributions to the Authority of \$60,523 and \$69,373 for the years ended June 30, 2023 and 2022, respectively.

NOTE 7. IN-KIND CONTRIBUTIONS

For the years ended June 30, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities include:

	2023	2022
Services	\$ 235,393	\$ 200,433
Equipment	205	-
	\$ 235,598	\$ 200,433

The Foundation recognized contributed nonfinancial assets within revenue, including contributed services, insurance, utilities, equipment, and supplies. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

All contributed nonfinancial assets were used in general and administrative, fundraising, and program support.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. CONCENTRATION OF CASH

The Foundation maintains cash at a commercial bank in a deposit account which at various days throughout the year, exceeded the Federal Deposit Insurance Corporation (FDIC) federally insured limits of \$250,000. The Foundation has not experienced any losses of such funds and management believes the Foundation is not exposed to significant risk on cash. The amount in excess of the FDIC limit approximated \$599,011 and \$330,977 at June 30, 2023 and 2022, respectively.

NOTE 9. SUBSEQUENT EVENTS

The Foundation evaluated its June 30, 2023 financial statements for subsequent events through September 28, 2023, the date the financial statements were available to be issued.