

ISLAND GREEN BUILDING ASSOCIATION,  
INCORPORATED

FINANCIAL STATEMENTS

For the Years Ended December 31, 2023 and 2022



**JEBRAN & ABRAHAM, PC**  
Certified Public Accountants and Business Consultants

ISLAND GREEN BUILDING ASSOCIATION, INCORPORATED  
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For the Years Ended December 31, 2023 and 2022

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Island Green Building Association, Incorporated  
St John, Virgin Islands

### Opinion

We have audited the accompanying financial statements of Island Green Building Association, Incorporated (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 Island Green Building Association, Incorporated as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit 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 Island Green Building Association, Incorporated 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 Island Green Building Association, Incorporated'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, 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.

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 Island Green Building Association, Incorporated'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 Island Green Building Association, Incorporated'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.

### Report on Summarized Comparative Information

We have previously audited the Island Green Building Association, Incorporated's 2022 financial statements and we expressed an unmodified opinion on those financial statements in our report dated September 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material aspects, with the audited financial statements from which it has been derived.

*Jebian & Abraham, P. C.*

New Britain, Pennsylvania  
December 18, 2024

ISLAND GREEN BUILDING ASSOCIATION, INCORPORATED  
 STATEMENTS OF FINANCIAL POSITION  
 As of December 31, 2023 and 2022

ASSETS	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 634,672	\$ 748,918
Accounts receivable	5,810	5,148
Fixed Assets		
Equipment	182,634	180,114
Computer	4,215	4,215
Vehicles	49,000	49,000
Warehouse Improvements	<u>364,956</u>	<u>285,636</u>
Total Fixed Assets	600,805	518,965
Less: Accumulated Depreciation	<u>(175,098)</u>	<u>(130,053)</u>
Total Fixed Assets, net	<u>425,707</u>	<u>388,912</u>
Total Assets	<u>\$ 1,066,189</u>	<u>\$ 1,142,978</u>
<b>LIABILITY AND NET ASSETS</b>		
<b>Liability</b>		
Accounts payable and accrued expenses	<u>\$ 27,206</u>	<u>\$ 13,381</u>
Total Liabilities	27,206	13,381
<b>Net Assets</b>		
Net assets without restriction	940,226	1,129,597
Net assets with restriction	<u>98,757</u>	<u>-</u>
	<u>1,038,983</u>	<u>1,129,597</u>
Total Liabilities and Net Assets	<u>\$ 1,066,189</u>	<u>\$ 1,142,978</u>

See accompanying notes and independent auditors' audit report.

**ISLAND GREEN BUILDING ASSOCIATION, INCORPORATED**  
**STATEMENTS OF ACTIVITY**

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>			<u>2022</u>
	Net Assets without Restriction	Net Assets with Restriction	Total	Total
Support and revenue				
Donations	\$ 221,162	\$ 130,000	\$ 351,162	\$ 719,026
Donations-in kind	32,362	-	32,362	27,584
Interest income	4,133	-	4,133	1,427
Program income	188,738	-	188,738	216,449
Net assets released from restriction	31,243	(31,243)	-	-
	<u>477,638</u>	<u>98,757</u>	<u>576,395</u>	<u>964,486</u>
Expenses				
Program	522,869	-	522,869	563,901
Managment and General	144,140	-	144,140	55,265
Fundraising and marketing	-	-	-	-
	<u>667,009</u>	<u>-</u>	<u>667,009</u>	<u>619,166</u>
Increase (Decrease) in net assets	(189,371)	98,757	(90,614)	345,320
Net Assets, Beginning of the Year	<u>1,129,597</u>	<u>-</u>	<u>1,129,597</u>	<u>784,277</u>
Net Assets, End of the Year	<u>\$ 940,226</u>	<u>\$ 98,757</u>	<u>\$ 1,038,983</u>	<u>\$ 1,129,597</u>

See accompanying notes and independent auditors' audit report.

**ISLAND GREEN BUILDING ASSOCIATION, INCORPORATED**  
**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2023

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising and Marketing</u>	<u>Total</u>
Advertising	\$ -	\$ -	\$ -	\$ -
Automobile	11,134	-	-	11,134
Bank fees	-	2,191	-	2,191
Community Education	1,233	2,670	-	3,903
Cost of goods	1,964	-	-	1,964
Depreciation	44,400	645	-	45,045
Donated Materials Used in Special Events	-	11,790	-	11,790
Employee Fringe Benefits	22,426	10,506	-	32,932
Facilities and Equipment	3,221	2,142	-	5,363
Insurance	-	15,983	-	15,983
Office Expense	758	2,938	-	3,696
Payroll	376,577	42,375	-	418,952
Payroll Taxes	32,118	9,087	-	41,205
Professional Fees	18,254	40,113	-	58,367
Rent	-	1,200	-	1,200
Repairs and Maintenance	5,902	593	-	6,495
Software	342	573	-	915
Supplies	4,331	379	-	4,710
Travel and Meetings	209	955	-	1,164
	<u>\$ 522,869</u>	<u>\$ 144,140</u>	<u>\$ -</u>	<u>\$ 667,009</u>

See accompanying notes and independent auditors' audit report.

**ISLAND GREEN BUILDING ASSOCIATION, INCORPORATED**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2022

	Program	Management and General	Fundraising and Marketing	Total
Advertising	\$ -	\$ 898	\$ -	\$ 898
Automobile	5,151	-	-	5,151
Bank fees	3,868	-	-	3,868
Community Education	24,389	-	-	24,389
Conference	-	400	-	400
Cost of Goods	3,286	-	-	3,286
Depreciation	43,421	539	-	43,960
Donated Materials Used in Special Events	14,100	-	-	14,100
Employee fringe benefits	15,510	1,294	-	16,804
Facilities and Equipment	6,483	-	-	6,483
Insurance	11,495	4,011	-	15,506
Office Expense	2,139	2,440	-	4,579
Payroll	311,551	29,125	-	340,676
Payroll Taxes	30,773	2,877	-	33,650
Professional Fees	37,419	9,447	-	46,866
Rent	1,000	200	-	1,200
Repairs and Maintenance	18,542	1,280	-	19,822
Software	2,639	-	-	2,639
Supplies	24,017	221	-	24,238
Taxes	-	50	-	50
Travel and Meetings	8,118	2,483	-	10,601
	<u>\$ 563,901</u>	<u>\$ 55,265</u>	<u>\$ -</u>	<u>\$ 619,166</u>

See accompanying notes and independent auditors' audit report.



**ISLAND GREEN BUILDING ASSOCIATION, INCORPORATED**  
**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2023 and 2022

	2023	2022
<b>Cash flows from operating activities</b>		
Increase (Decrease) in net assets	\$ (90,614)	\$ 345,320
Adjustments to reconcile increase in net cash to net assets provided by operating activities		
Depreciation	45,045	43,960
Change in assets and liabilities		
Accounts receivable	(662)	(5,148)
Accounts payable and accrued expenses	13,825	5,494
Net cash provided by operating activities	(32,406)	389,626
 <b>Cash Flow from Investing Activities:</b>		
Purchase of equipment	(81,840)	(26,920)
Net cash used in investing activities	(81,840)	(26,920)
 Net Increase (Decrease) in Cash	(114,246)	362,706
 Cash, Beginning of Year	748,918	386,212
 Cash, End of Year	\$ 634,672	\$ 748,918

See accompanying notes and independent auditors' audit report.

**ISLAND GREEN BUILDING ASSOCIATION, INCORPORATED**  
**NOTES TO FINANCIAL STATEMENTS**

For the Years Ended December 31, 2023 and 2022

**1. Organization and Nature of Operations**

Nature of Organization

Island Green Living Association (“Organization”) is a U.S. Virgin Islands-based nonprofit with the mission to expand sustainability measures in order to protect the environment while ensuring the health, welfare and economic security of the territory. The key focus is turning what many would consider “waste” into a resource – from the recycling of aluminum and ocean-bound plastics to the Resource Depot thrift shop and Brush Chipping Program. The Organization’s advocacy campaigns have successfully banned toxic sunscreen, plastic bags and straws as well as the burning of vegetative debris in the territory.

**2. Date of Management’s Review**

In preparing the financial statements, the Organization has evaluated the events and transactions for potential recognition or disclosure through December 18, 2024 the date that the financial statements were available to be issued.

**3. Summary of Significant Accounting Policies**

Basis of Accounting and Presentation

The Organization uses the accrual method of accounting in conformity with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets with donor restrictions and without donor restrictions. The following classes of net assets are maintained:

Net assets without donor restrictions

The net assets without donor restrictions class includes assets available for the use in general operations of the Organization. The net assets without donor restrictions of the Organization may be used at the discretion of the Board of Directors to support the Organization’s purposes and operations.

Net assets with donor restrictions

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors and include donations for a particular asset or program. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. When the contribution is used for the purpose intended or the passage of time has expired, the amount is released to net assets without donor restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions and Grants

Contributions are reported as support with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

**ISLAND GREEN BUILDING ASSOCIATION, INCORPORATED**  
**NOTES TO FINANCIAL STATEMENTS**

For the Years Ended December 31, 2023 and 2022

**3. Summary of Significant Accounting Policies - continued**

Contributions and Grants-continued

Contributions restricted by the donor are reported as increases in net assets without donor restriction if the restriction expires in the reporting period in which the Organization recognized the contribution. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as Net Assets Released from Restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Organization maintains cash balances with financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2023 and 2022, the Organization's uninsured cash balance was \$381,770 and \$477,857, respectively.

The following table provides a reconciliation of cash and restricted cash as reported on the statement of financial position.

	2023	2022
Cash and cash equivalents-unrestricted	535,915	\$ 738,918
Cash and cash equivalents-restricted	98,757	10,000
Total	\$ 634,672	\$ 748,918

Property and Equipment

Furniture and equipment are stated at cost. Donated property and equipment is recognized when received at fair value. Depreciation is provided for on a straight-line basis over the estimated service lives of the assets, which is generally over five (5), seven (7) or twenty (20) years.

Income Taxes

The Organization is an exempt organization under Sec. 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from Virgin Islands sales taxes.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the fiscal year 2023 and 2022.

ISLAND GREEN BUILDING ASSOCIATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2023 and 2022

3. Summary of Significant Accounting Policies - continued

Income Taxes (continued)

The Organization files forms 990 in the U.S. federal jurisdiction and the Virgin Islands. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2020.

Noncash Contributions and Volunteer Services

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that require specialized skills and would typically need to be purchased if not provided by donations, are recorded at fair values in the period received.

Allocation of Functional Expenses

The cost of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain cost that benefit more than one function have been allocated among the programs and supporting services based on estimates of time and effort.

Salaries, payroll taxes and contracted employees have been allocated to each function based on a percentage estimate of time and effort spend working within each function of the Organization. Advertising, insurance, and telephone are allocated based on estimates of usage amongst each function. All other natural expense categories have been allocated based on direct expenditures incurred.

Use of Estimates

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

Adoption of New Accounting Pronouncement

The Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended September 30, 2019. This update addresses the complexity and understandability of net assets classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The change required by the update have been applied retrospectively to all periods presented. A key change required by the update is the net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

4. Donations

As of December 31, 2023 and 2022, the Organization has received donations to cover all fundraising costs to ensure all funding goes towards the mission of the Organization. The Organization received in kind donations which they in turn raffled off to raise funds, incurring no cost to the organization. The retail value of the packages assigned to the winner was \$11,790 and \$13,100 for the years ended December 31, 2023 and 2022, respectively.

**ISLAND GREEN BUILDING ASSOCIATION, INCORPORATED**  
**NOTES TO FINANCIAL STATEMENTS**

For the Years Ended December 31, 2023 and 2022

**4. Donations – continued**

	<b>2023</b>	<b>2022</b>
Expenses		
Donated Materials Used in Special Events	\$ 11,790	\$ 14,100
Total Expense	\$ 11,790	\$ 14,100
Donations		
Donations-in kind	\$ (11,790)	\$ (13,100)
Donations	-	(1,000)
Total Donations	\$ (11,790)	\$ (14,100)
Net Fundraising	\$ -	\$ -

The Organization also receives donations of property and equipment which are recorded as contributions at their estimated fair value at the date of donation and are included in revenue. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted them for 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 contributions with donor restrictions. The Organization recognizes donations without restrictions as received. Donations with donor-imposed restrictions that are met in the current reporting period are reported as contributions without restrictions. The Organization received \$20,572 of work and materials for the Stormwater Project and \$11,790 of fundraising items as of December 31, 2023. The Organization received \$10,261 of cleaning supplies, \$13,100 in fundraising items, and \$4,223 of maintenance services as of December 31, 2022.

**5. Net Assets with Restriction**

Net assets with restrictions are available for the following purposes:

	<b>2023</b>
Staffing	\$ 98,757
Total	\$ 98,757

**6. Liquidity and Availability of Financial Assets**

The following reflects the Organizations financial assets available for general expenditure within one year of the statement of financial positions.

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 535,915	\$ 738,918
Less: Restricted	(98,757)	(10,000)
Total Financial Assets	\$ 437,158	\$ 728,918

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities and obligations come due.