

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

FINANCIAL STATEMENTS

WITH

INDEPENDENT ACCOUNTANT'S REPORT

MAY 31, 2013

William L. Kennemore, CPA, LLC
Certified Public Accountant

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WILLIAM L. KENNEMORE, CPA, LLC
Certified Public Accountant

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors
Junior League of DeKalb County, Inc.

I have reviewed the accompanying statement of financial position of Junior League of DeKalb County, Inc. (a nonprofit organization) as of May 31, 2013, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The prior year summarized comparative information has been derived from the Organization's 2012 financial statements and, in my report dated November 26, 2012 I was not aware of any material modifications that should be made to those financial statements for them to be conformity with accounting principles generally accepted in the United States of America.

William L. Kennemore, CPA, LLC

Alpharetta, Georgia
October 9, 2013

JUNIOR LEAGUE OF DEKALB COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
 May 31, 2013
 (with Comparative Totals for May 31, 2012)

ASSETS

	2013	2012
CURRENT ASSETS:		
Cash and short-term investments	\$ 258,911	\$ 332,761
Accounts receivable, net of \$0 allowance for doubtful accounts	145	1,442
Inventory	3,213	3,318
Prepaid expenses	0	2,412
Total current assets	262,269	339,933
 PROPERTY AND EQUIPMENT, net	 162,271	 102,944
Total assets	\$ 424,540	\$ 442,877

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts payable and accrued expenses	\$ 13,541	\$ 2,646
Deferred dues revenue	26,066	31,310
Deferred rentals and contributions	800	5,700
Customer security deposits	3,097	6,847
Total current liabilities/Total liabilities	43,504	46,503
 NET ASSETS:		
Unrestricted net assets	270,292	232,916
Restricted net assets	110,744	163,458
Total net assets	381,036	396,374
Total liabilities and net assets	\$ 424,540	\$ 442,877

See accountant's report and notes to financial statements.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2013
(with Comparative Totals for the year ended May 31, 2012)

SUPPORT AND REVENUES:	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2013 Total</u>	<u>2012 Total</u>
Membership dues, net	\$ 25,148	\$	\$ 25,148	\$ 24,136
Fundraisers:				
Event fees	6,825		6,825	3,430
Fall fundraiser, net	9,125		9,125	4,754
Spring fundraiser, net	2,547		2,547	8,132
Other fundraisers, net	2,337		2,337	0
Merchandising income, net	(339)		(339)	135
Publication sales, net	328		328	(1,943)
Leaguelet ad sales	0		0	150
Resource and development	5,696	17,616	23,312	58,260
Outside sources	31		31	169
Arrangements/miscellaneous	5,441		5,441	4,405
Interest income	276	444	720	4,334
Other income	4,672		4,672	4,344
Mary Gay House income	26,285		26,285	31,095
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets released from restrictions:				
Satisfaction of donor restrictions	70,774	(70,774)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total support and revenues	159,146	(52,714)	106,432	141,401
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENSES:				
Program services:				
Community support	8,749		8,749	6,403
Member development	22,024		22,024	15,250
Mary Gay House expense	52,778		52,778	52,380
	<hr/>	<hr/>	<hr/>	<hr/>
Total program services	83,551	0	83,551	74,033
Supporting Services:				
Management and general	38,049		38,049	49,502
Fundraising	170		170	65
	<hr/>	<hr/>	<hr/>	<hr/>
Total supporting services	38,219	0	38,219	49,567
Total expenses	121,770	0	121,770	123,600
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	37,376	(52,714)	(15,338)	17,801
Net assets, at the beginning of the year	232,916	163,458	396,374	378,573
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets, at the end of the year	<u>\$ 270,292</u>	<u>\$ 110,744</u>	<u>\$ 381,036</u>	<u>\$ 396,374</u>

See accountant's report and notes to financial statements.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.
STATEMENT OF CASH FLOWS
For the Year Ended May 31, 2013
(with Comparative Totals for the year ended May 31, 2012)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (15,338)	\$ 17,801
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Amortization	4,143	4,143
Depreciation	6,032	6,197
Write down of inventory	0	18,334
(Increase) decrease in:		
Accounts receivable	1,297	(917)
Inventory	105	2,296
Prepaid expenses	2,412	(2,312)
Increase (decrease) in:		
Accounts payable and accrued expenses	10,895	2,563
Deferred dues revenue	(5,244)	1,673
Deferred rentals	(4,900)	5,700
Customer security deposits	(3,750)	(1,592)
Net cash from operating activities	(4,348)	53,886
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(69,502)	0
Net cash used in investing activities	(69,502)	0
Net increase (decrease) in cash	(73,850)	53,886
CASH, beginning of the year	332,761	278,875
CASH, end of the year	\$ 258,911	\$ 332,761

See accountant's report and notes to financial statements.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

The Junior League of DeKalb County, Inc., (the League) is an organization of women committed to promoting voluntarism, developing the potential of women, and improving communities through the effective action and leadership of trained volunteers. It supports health, education, and welfare programs in DeKalb County by supporting various community organizations and by developing projects which meet community needs.

Financial Statement Presentation

The League is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

Method of Accounting

The financial statements of the League have been prepared on the accrual basis of accounting which recognizes revenues when earned and expenses when incurred.

Contributions

Contributions, including unconditional promises to give, are recorded as received. All contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All contributions are available for unrestricted use unless specifically restricted by the donor. During the current year, the agency received \$17,616 of temporarily restricted contributions and no permanently restricted contributions.

Property and Equipment and Depreciation

The League capitalizes all property and equipment acquisitions in excess of \$1,000 with a life of one year or more. Property and equipment additions are recorded at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation of property and equipment is computed on the straight-line method over the estimated useful lives of the assets of five to thirty-five years.

Inventories

Inventories are stated at the lower of cost or market, with cost determined on a first-in, first-out basis and market based on the lower of replacement cost or realizable value.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

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

Accounts Receivable

Accounts receivable are stated at unpaid balances, less allowance for doubtful accounts. The League provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of contractors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with contractual terms. It is the League's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Materials and Services

The League records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. The League receives donated services from a variety of unpaid volunteers. No amounts have been reflected in the statement of activity because the criteria for recognition of such volunteer efforts have not been satisfied. Nevertheless, a substantial number of volunteers donate a significant amount of their time in the League's program services.

Revenue Recognition

Membership dues and fees are recorded as revenue in the year assessed. Membership dues collected in advance for the next membership year are recorded as deferred revenue. Membership dues are reported net of amounts paid to the League's national organization. The League paid national organization dues of \$12,812.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the League considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Prior Year Summarized Information

The financial statement includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the League's financial statements for the year ended May 31, 2012, from which the summarized information was derived.

2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at May 31, 2013:

Mary Gay House	\$ 285,015
Equipment	4,917
Building improvements	37,063
Website	<u>20,716</u>
	347,711
Less: accumulated depreciation and amortization	<u>185,440</u>
Net property and equipment	<u>\$ 162,271</u>

Depreciation expense for the year ending May 31, 2013 was \$6,032 and amortization expense totaled \$4,143.

3. INCOME TAXES

The League is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from Georgia income taxes and, therefore, no provision has been made for Federal and Georgia income taxes. In addition, the Junior League of DeKalb County, Inc. has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013

3. INCOME TAXES (Continued)

Management has considered the tax positions taken in its tax returns and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely-than-not to be sustained upon examination. The Organization's returns for the years ended May 31, 2012, 2011 and 2010 could be subject to examination by taxing authorities, generally for 3 years after they are filed.

4. VACATION AND SICK LEAVE PAYABLE

Accumulated leave is not included in the financial statements, since it is at the Board's discretion whether or not to pay unused leave upon employee termination. During the year covered by this review, the League did not have any full-time employees who would have received vacation and/or sick leave.

5. COMMITMENTS

The agency leases office equipment under an operating lease expiring February 28, 2015. Base rental is \$132 per month. Rent for the year ending May 31, 2013 was \$1,584.

Future minimum rental payments are as follows:

Year ending May 31,	2014	\$1,584
	2015	1,584
	2016	1,188
	2017	-0-
	2018	-0-

6. SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions through October 9, 2013, the date on which the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2013

7. NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions during the year ended May 31, 2013 by incurring expenditures satisfying the restricted purposes specified by donors.

Purpose restrictions accomplished:

Expenditures for renovations and improvements
to the Mary Gay House

\$ 70,774

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose as of May 31, 2013:

Renovations and improvements to the Mary Gay House

\$ 110,744