

**JUNIOR LEAGUE OF
DEKALB COUNTY, INC.**

**FINANCIAL REPORT
(Reviewed)**

MAY 31, 2018

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

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(Reviewed)
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**To the Board of Directors
Junior League of DeKalb County, Inc.
Decatur, Georgia**

We have reviewed the accompanying financial statements of **Junior League of DeKalb County, Inc.** (a nonprofit organization), which comprise the statements of financial position as of May 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Atlanta, Georgia
January 29, 2019

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

MAY 31, 2018 AND 2017

See Independent Accountant's Review Report

ASSETS	2018	2017
Current assets:		
Cash	\$ 232,433	\$ 276,053
Accounts receivable	1,500	1,400
Inventory	2,808	2,808
Total current assets	236,741	280,261
Property and equipment, net	104,799	122,210
Total assets	\$ 341,540	\$ 402,471
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,989	\$ 13,411
Deferred dues revenue	14,627	22,746
Deferred rentals	1,400	8,351
Customer security deposits	11,150	10,150
Total current liabilities	29,166	54,658
Net assets		
Unrestricted net assets	207,923	244,437
Temporarily restricted net assets	104,451	103,376
Total net assets	312,374	347,813
Total Liabilities and Net Assets	\$ 341,540	\$ 402,471

See Notes to Financial Statements.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED MAY 31, 2018 AND 2017 See Independent Accountant's Review Report

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenues:						
Membership dues	\$ 35,946	\$ -	\$ 35,946	\$ 36,246	\$ -	\$ 36,246
Mary Gay House income	47,632	-	47,632	63,530	-	63,530
Resource and development	3,428	1,075	4,503	7,647	1,840	9,487
Fall fundraiser	10,691	-	10,691	12,760	-	12,760
Spring fundraiser	7,241	-	7,241	6,695	-	6,695
Other income	1,734	-	1,734	2,738	-	2,738
Interest income	684	-	684	803	-	803
Net assets released from restrictions:						
Satisfaction of donor restrictions	-	-	-	1,908	(1,908)	-
Total support and revenues	107,356	1,075	108,431	132,327	(68)	132,259
Expenses:						
Program services:						
Community support	5,844	-	5,844	6,165	-	6,165
Member development	25,505	-	25,505	38,603	-	38,603
Mary Gay House expense	59,923	-	59,923	51,448	-	51,448
Total program services	91,272	-	91,272	96,216	-	96,216
Supporting services:						
Management and general	43,315	-	43,315	47,149	-	47,149
Fundraising expenses	365	-	365	442	-	442
Cost of direct benefits to donors:						
Fall fundraiser	8,242	-	8,242	7,025	-	7,025
Spring fundraiser	676	-	676	1,421	-	1,421
Total cost of direct benefits to donors	8,918	-	8,918	8,446	-	8,446
Total expenses	143,870	-	143,870	152,253	-	152,253
Change in net assets	(36,514)	1,075	(35,439)	(19,926)	(68)	(19,994)
Net assets at beginning of year	244,437	103,376	347,813	264,363	103,444	367,807
Net assets at end of year	\$ 207,923	\$ 104,451	\$ 312,374	\$ 244,437	\$ 103,376	\$ 347,813

See Notes to Financial Statements.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MAY 31, 2018 AND 2017 See Independent Accountant's Review Report

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (35,439)	\$ (19,994)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	17,411	13,180
(Increase) decrease in:		
Inventory	-	66
Accounts receivable	(100)	75
Increase (decrease) in:		
Accounts payable and accrued expenses	(11,422)	8,899
Deferred dues revenue	(8,119)	(990)
Deferred rentals	(6,951)	2,526
Customer security deposits	1,000	(6,350)
Net cash used in operating activities	<u>(43,620)</u>	<u>(2,588)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	<u>-</u>	<u>(3,193)</u>
Net cash used in investing activities	<u>-</u>	<u>(3,193)</u>
Decrease in cash	(43,620)	(5,781)
Cash at beginning of year	<u>276,053</u>	<u>281,834</u>
Cash at end of year	<u>\$ 232,433</u>	<u>\$ 276,053</u>

See Notes to Financial Statements.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
(See Independent Accountant's Review Report)

NOTE 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 reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, or 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. When restrictions are satisfied, revenues are reclassified and reported as net assets released from restrictions. For the years ended May 31, 2018 and 2017, the League received \$1,075 and \$1,840 of temporarily restricted contributions, respectively, and no permanently restricted contributions.

Property and Equipment

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 and amortization of property and equipment is computed on the straight-line method over the estimated useful lives of the assets which range from 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.

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.

NOTES TO FINANCIAL STATEMENTS
(See Independent Accountant's Review Report)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements 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 activities 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.

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	May 31,	
	2018	2017
Mary Gay House	\$ 288,856	\$ 288,856
Equipment	4,916	4,916
Building improvements	44,000	44,000
Website	20,716	20,716
	358,488	358,488
Less: accumulated depreciation and amortization	(253,689)	(236,278)
Net property and equipment	\$ 104,799	\$ 122,210

Depreciation expense for the years ended May 31, 2018 and 2017 was \$17,411 and \$13,180, respectively. There was no amortization expense for the years ended May 31, 2018 and 2017.

NOTES TO FINANCIAL STATEMENTS
(See Independent Accountant's Review Report)

NOTE 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 or 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.

Management has considered the tax positions in its tax returns and believes that all of the positions taken by the League in its federal and state exempt organization tax returns are more likely-than-not to be sustained upon examination.

NOTE 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 years ended May 31, 2018 and 2017, the League did not have any full-time employees who would have received vacation and/or sick leave.

NOTE 5. COMMITMENTS

The League leases office equipment under an operating lease expiring May 1, 2020. Base rental is \$129 per month.

Future minimum rental payments are as follows:

Year ending May 31,	
2019	\$ 1,548
2020	<u>1,548</u>
	<u>\$ 3,096</u>

Rental expense for the years ended May 31, 2018 and 2017, was \$1,789 and \$1,904, respectively.

NOTE 6. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes specified by donors as follows:

	<u>May 31,</u>	
	<u>2018</u>	<u>2017</u>
Purpose restrictions accomplished:		
Expenditures for renovation and improvements to the Mary Gay House	\$ -	\$ 1,908

NOTES TO FINANCIAL STATEMENTS
(See Independent Accountant's Review Report)

NOTE 7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose:

	<u>May 31,</u>	
	<u>2018</u>	<u>2017</u>
Renovations and improvements to the Mary Gay House	\$ 104,451	\$ 103,376

Temporarily restricted net assets consist of cash at May 31, 2018 and 2017.

NOTE 8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 29, 2019, the date the financial statements were available to be issued.