

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

**FINANCIAL REPORT  
(Reviewed)**

**MAY 31, 2019**

# JUNIOR LEAGUE OF DEKALB COUNTY, INC.

## FINANCIAL REPORT (Reviewed) MAY 31, 2019

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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, 2019 and 2018, and the related statements of activities, functional expenses 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.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
January 16, 2020

# JUNIOR LEAGUE OF DEKALB COUNTY, INC.

## STATEMENTS OF FINANCIAL POSITION

MAY 31, 2019 AND 2018

See Independent Accountant's Review Report

ASSETS	2019	2018
Current assets:		
Cash	\$ 213,483	\$ 232,433
Accounts receivable	1,225	1,500
Inventory	2,808	2,808
Total current assets	217,516	236,741
Property and equipment, net	98,315	104,799
Total assets	\$ 315,831	\$ 341,540
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 4,462	\$ 1,989
Deferred dues revenue	13,290	14,627
Deferred rentals	-	1,400
Customer security deposits	4,925	11,150
Total current liabilities	22,677	29,166
Net assets		
Without donor restrictions	187,303	207,923
With donor restrictions	105,851	104,451
Total net assets	293,154	312,374
<b>Total Liabilities and Net Assets</b>	<b>\$ 315,831</b>	<b>\$ 341,540</b>

See Notes to Financial Statements.

# JUNIOR LEAGUE OF DEKALB COUNTY, INC.

## STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED MAY 31, 2019 AND 2018 See Independent Accountant's Review Report

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenues:</b>						
Membership dues	\$ 43,550	\$ -	\$ 43,550	\$ 35,946	\$ -	\$ 35,946
Mary Gay House income	39,425	-	39,425	47,632	-	47,632
Resource and development	5,357	1,400	6,757	3,428	1,075	4,503
Fall fundraiser	3,157	-	3,157	10,691	-	10,691
Spring fundraiser	14,911	-	14,911	7,241	-	7,241
Other income	4,780	-	4,780	1,734	-	1,734
Interest income	575	-	575	684	-	684
<b>Total support and revenues</b>	<b>111,755</b>	<b>1,400</b>	<b>113,155</b>	<b>107,356</b>	<b>1,075</b>	<b>108,431</b>
<b>Expenses:</b>						
Program services:						
Community support	5,686	-	5,686	5,844	-	5,844
Member development	34,221	-	34,221	25,505	-	25,505
Mary Gay House expense	50,093	-	50,093	59,923	-	59,923
<b>Total program services</b>	<b>90,000</b>	<b>-</b>	<b>90,000</b>	<b>91,272</b>	<b>-</b>	<b>91,272</b>
Supporting services:						
Management and general	37,165	-	37,165	43,315	-	43,315
Fundraising expenses	3,150	-	3,150	365	-	365
Cost of direct benefits to donors:						
Fall fundraiser	-	-	-	8,242	-	8,242
Spring fundraiser	2,060	-	2,060	676	-	676
<b>Total cost of direct benefits to donors</b>	<b>2,060</b>	<b>-</b>	<b>2,060</b>	<b>8,918</b>	<b>-</b>	<b>8,918</b>
Total expenses	132,375	-	132,375	143,870	-	143,870
Change in net assets	(20,620)	1,400	(19,220)	(36,514)	1,075	(35,439)
Net assets at beginning of year	207,923	104,451	312,374	244,437	103,376	347,813
Net assets at end of year	<u>\$ 187,303</u>	<u>\$ 105,851</u>	<u>\$ 293,154</u>	<u>\$ 207,923</u>	<u>\$ 104,451</u>	<u>\$ 312,374</u>

See Notes to Financial Statements.

# JUNIOR LEAGUE OF DEKALB COUNTY, INC.

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED MAY 31, 2019 See Independent Accountant's Review Report

	Community Support	Member Development	Mary Gay House	Total Programs	Fundraising	Management and General	Total
Salaries and payroll taxes	\$ -	\$ -	\$ 17,884	\$ 17,884	\$ -	\$ 9,647	\$ 27,531
AJLI dues expense	-	13,545	-	13,545	-	-	13,545
Community projects	5,686	651	-	6,337	-	-	6,337
Professional services	-	-	60	60	-	9,150	9,210
Occupancy	-	-	14,867	14,867	-	10,134	25,001
Printing and publications	-	120	-	120	124	270	514
Credit card charges	-	-	-	-	2,381	112	2,493
Furniture and equipment	-	-	549	549	-	2,565	3,114
Meals and entertainment	-	5,277	-	5,277	-	-	5,277
Office expenses	-	-	1,227	1,227	-	1,171	2,398
Software	-	-	160	160	88	1,030	1,278
Corporate registration	-	-	-	-	-	30	30
Telephone and internet	-	-	612	612	-	612	1,224
Training	-	12,995	-	12,995	-	-	12,995
Website maintenance	-	-	70	70	-	2,444	2,514
Advertising	-	250	8,180	8,430	-	-	8,430
Sustainer expenses	-	431	-	431	-	-	431
Fundraising	-	-	-	-	320	-	320
Board expenses	-	500	-	500	237	-	737
Membership council	-	452	-	452	-	-	452
Depreciation	-	-	6,484	6,484	-	-	6,484
<b>Total expenses</b>	<b>\$ 5,686</b>	<b>\$ 34,221</b>	<b>\$ 50,093</b>	<b>\$ 90,000</b>	<b>\$ 3,150</b>	<b>\$ 37,165</b>	<b>\$ 130,315</b>

See Notes to Financial Statements.

# JUNIOR LEAGUE OF DEKALB COUNTY, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED MAY 31, 2018

See Independent Accountant's Review Report

	Community Support	Member Development	Mary Gay House	Total Programs	Fundraising	Management and General	Total
Salaries and payroll taxes	\$ -	-	\$ 20,173	\$ 20,173	-	\$ 18,647	\$ 38,820
AJLI dues expense	-	12,782	-	12,782	-	-	12,782
Community projects	5,418	254	-	5,672	-	-	5,672
Professional services	-	-	-	-	-	5,650	5,650
Occupancy	-	-	15,051	15,051	-	10,421	25,472
Printing and publications	-	-	25	25	200	253	478
Credit card charges	-	-	-	-	-	880	880
Furniture and equipment	-	-	218	218	-	2,402	2,620
Meals and entertainment	-	4,854	-	4,854	-	-	4,854
Office expenses	-	82	10	92	-	910	1,002
Software	-	-	-	-	-	1,055	1,055
Corporate registration	-	-	-	-	-	50	50
Telephone and internet	-	-	-	-	-	1,100	1,100
Training	-	4,963	-	4,963	-	-	4,963
Website maintenance	-	-	1,123	1,123	-	1,805	2,928
Advertising	64	475	5,912	6,451	64	-	6,515
Sustainer expenses	249	2,039	-	2,288	-	112	2,400
Fundraising	-	-	-	-	101	-	101
Board expenses	113	56	-	169	-	30	199
Depreciation	-	-	17,411	17,411	-	-	17,411
<b>Total expenses</b>	<b>\$ 5,844</b>	<b>\$ 25,505</b>	<b>\$ 59,923</b>	<b>\$ 91,272</b>	<b>\$ 365</b>	<b>\$ 43,315</b>	<b>\$ 134,952</b>

See Notes to Financial Statements.

# JUNIOR LEAGUE OF DEKALB COUNTY, INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MAY 31, 2019 AND 2018 See Independent Accountant's Review Report

	<u>2019</u>	<u>2018</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (19,220)	\$ (35,439)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	6,484	17,411
(Increase) decrease in:		
Accounts receivable	275	(100)
Increase (decrease) in:		
Accounts payable and accrued expenses	2,473	(11,422)
Deferred dues revenue	(1,337)	(8,119)
Deferred rentals	(1,400)	(6,951)
Customer security deposits	(6,225)	1,000
Net cash used in operating activities	<u>(18,950)</u>	<u>(43,620)</u>
Decrease in cash	(18,950)	(43,620)
Cash at beginning of year	<u>232,433</u>	<u>276,053</u>
Cash at end of year	<u>\$ 213,483</u>	<u>\$ 232,433</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.

**Basis of Accounting and Presentation**

The financial statements of the League have been prepared on the accrual basis of accounting and conform to the accounting principles generally accepted in the United States of America.

The League presents its financial statements in accordance with the Financial Accounting Standards Board (FASB)'s *Not-for-Profit* presentation and disclosure guidance. Under this guidance, the League is required to report information regarding its financial position and activities according to two categories of net assets, as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) 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 restricted has been fulfilled, or both.

**Contributions**

Gifts of cash and other assets are recognized as revenue when they are received or unconditionally pledged. Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire, 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.

**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.

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses are allocated directly to program services, management and general or fundraising based on specific identification.

**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.

**Recent Accounting Pronouncements**

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The League adopted the provisions of this new standard during the year ended May 31, 2019. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (Note 2), and disclosures related to functional allocation of expenses. The accompanying information from the 2018 financial statements has been adjusted to conform to the new presentation and disclosure requirements. This adjustment did not have an effect on total assets or the change in net assets for the year ended May 31, 2018.

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

**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 date as of May 31, 2019, comprise the following:

Cash	\$	107,632
Accounts receivable		1,225
		108,857
	\$	108,857

The League manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. In addition to financial assets available to meet general expenditures over the year, the League anticipates covering its general expenditures by collecting sufficient membership fees and contributions.

**NOTE 3. PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

	May 31,	
	2019	2018
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	(260,173)	(253,689)
Net property and equipment	\$ 98,315	\$ 104,799

Depreciation expense for the years ended May 31, 2019 and 2018 was \$6,484 and \$17,411, respectively. There was no amortization expense for the years ended May 31, 2019 and 2018.

**NOTE 4. 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 5. 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, 2019 and 2018, the League did not have any full-time employees who would have received vacation and/or sick leave.

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

**NOTE 6. 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, 2020	\$ 1,548
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Rental expense for the years ended May 31, 2019 and 2018, was \$2,167 and \$1,789, respectively.

**NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purpose:

	<u>May 31,</u>	
	<u>2019</u>	<u>2018</u>
Renovations and improvements to the Mary Gay House	\$ 105,851	\$ 104,451

Net assets with donor restrictions consist of cash at May 31, 2019 and 2018.

**NOTE 8. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 16, 2020, the date the financial statements were available to be issued.