

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

**FINANCIAL REPORT
(Reviewed)**

MAY 31, 2014

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

**FINANCIAL REPORT
(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 statement of financial position of the **Junior League of DeKalb County, Inc.** (a nonprofit organization) as of May 31, 2014, 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, we 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.

Our 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 us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
October 23, 2014

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

STATEMENT OF FINANCIAL POSITION

MAY 31, 2014

See Independent Accountant's Review Report

ASSETS	
Current assets:	
Cash	\$ 247,943
Inventory	3,084
	<hr/>
Total current assets	251,027
Property and equipment, net	153,332
	<hr/>
Total assets	<u>\$ 404,359</u>
 LIABILITIES AND NET ASSETS 	
Liabilities	
Accounts payable and accrued expenses	\$ 3,585
Deferred dues revenue	27,560
Deferred rentals	2,250
Customer security deposits	10,250
	<hr/>
Total current liabilities	43,645
Net assets	
Unrestricted net assets	257,110
Temporarily restricted net assets	103,604
	<hr/>
Total net assets	360,714
Total Liabilities and Net Assets	<u><u>\$ 404,359</u></u>

See Notes to Financial Statements.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MAY 31, 2014 See Independent Accountant's Review Report

	Unrestricted	Temporarily Restricted	Total
Support and revenues:			
Membership dues	\$ 38,057	\$ -	\$ 38,057
Mary Gay House income	32,198	-	32,198
Resource and development	11,228	2,000	13,228
Fall fundraiser	13,195	-	13,195
Spring fundraiser	9,463	-	9,463
Other income	3,004	-	3,004
Interest income	800	-	800
Net assets released from restrictions:			
Satisfaction of donor restrictions	9,140	(9,140)	-
Total support and revenues	117,085	(7,140)	109,945
Expenses:			
Program services:			
Community support	5,570	-	5,570
Member development	32,164	-	32,164
Mary Gay House expense	47,583	-	47,583
Total program services	85,317	-	85,317
Supporting services:			
Management and general	31,668	-	31,668
Fundraising expenses	2,636	-	2,636
Cost of direct benefits to donors:			
Fall fundraiser	8,228	-	8,228
Spring fundraiser	2,418	-	2,418
Total cost of direct benefits to donors	10,646	-	10,646
Total expenses	130,267	-	130,267
Change in net assets	(13,182)	(7,140)	(20,322)
Net assets at beginning of year	270,292	110,744	381,036
Net assets at end of year	\$ 257,110	\$ 103,604	\$ 360,714

See Notes to Financial Statements.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MAY 31, 2014 See Independent Accountant's Review Report

OPERATING ACTIVITIES

Change in net assets	\$	(20,322)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Amortization		341
Depreciation		12,439
Decrease in:		
Accounts receivable		145
Inventory		129
Increase (decrease) in:		
Accounts payable and accrued expenses		(9,956)
Deferred dues revenue		1,494
Deferred rentals		1,450
Customer security deposits		7,153
		<hr/>
Net cash used in operating activities		(7,127)
INVESTING ACTIVITIES		
Purchase of property and equipment		<hr/> (3,841)
Net cash used in investing activities		<hr/> (3,841)
Decrease in cash		(10,968)
Cash at beginning of year		<hr/> 258,911
Cash at end of year	\$	<hr/> <hr/> 247,943

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 volunteerism, 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, 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. During the current year, the League received \$2,000 of temporarily restricted contributions 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 consisted of the following at May 31, 2014:

Mary Gay House	\$ 288,856
Equipment	4,916
Building improvements	37,063
Website	20,716
	<u>351,551</u>
Less: accumulated depreciation and amortization	(198,219)
Net property and equipment	<u>\$ 153,332</u>

Depreciation expense for the year ended May 31, 2014 was \$12,439 and amortization expense totaled \$341.

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. The League's returns for the past three years are subject to examination by tax authorities and may change 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 year ended May 31, 2014, 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 February 28, 2015. Base rental is \$132 per month. Rent for the year ended May 31, 2014 was \$1,584.

Future minimum rental payments are as follows:

Year ending May 31,		
2015	\$	1,188

NOTE 6. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the year ended May 31, 2014 by incurring expenditures satisfying the restricted purposes specified by donors as follows:

Purpose restrictions accomplished:		
Expenditures for renovation and improvements to the Mary Gay House	\$	9,140

NOTE 7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose as of May 31, 2014:

Renovations and improvements to the Mary Gay House	\$	103,604
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Temporarily restricted net assets consist of cash at May 31, 2014.

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

NOTE 8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 23, 2014, the date the financial statements were available to be issued.