

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

**FINANCIAL REPORT
(Reviewed)**

MAY 31, 2016

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

**FINANCIAL REPORT
(Reviewed)
MAY 31, 2016**

TABLE OF CONTENTS

Page

INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statements of financial position	2
Statements of activities	3
Statements of cash flows	4
Notes to financial statements.....	5-8



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, 2016 and 2015, 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
October 24, 2016

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

MAY 31, 2016 AND 2015

See Independent Accountant's Review Report

ASSETS	2016	2015
Current assets:		
Cash	\$ 281,834	\$ 279,812
Accounts receivable	1,475	-
Inventory	2,874	2,916
Prepaid expenses	-	625
Total current assets	<u>286,183</u>	<u>283,353</u>
Property and equipment, net	<u>132,197</u>	<u>140,893</u>
Total assets	<u><u>\$ 418,380</u></u>	<u><u>\$ 424,246</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 4,512	\$ 10,677
Deferred dues revenue	23,736	29,724
Deferred rentals	5,825	11,450
Customer security deposits	16,500	14,200
Total current liabilities	<u>50,573</u>	<u>66,051</u>
Net assets		
Unrestricted net assets	264,363	253,172
Temporarily restricted net assets	103,444	105,023
Total net assets	<u>367,807</u>	<u>358,195</u>
Total Liabilities and Net Assets	<u><u>\$ 418,380</u></u>	<u><u>\$ 424,246</u></u>

See Notes to Financial Statements.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED MAY 31, 2016 AND 2015 See Independent Accountant's Review Report

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenues:						
Membership dues	\$ 41,594	\$ -	\$ 41,594	\$ 40,231	\$ -	\$ 40,231
Mary Gay House income	76,633	-	76,633	53,318	-	53,318
Resource and development	10,890	2,165	13,055	8,758	1,910	10,668
Fall fundraiser	15,817	-	15,817	14,937	-	14,937
Spring fundraiser	8,353	-	8,353	9,352	-	9,352
Other income	5,307	-	5,307	2,158	-	2,158
Interest income	585	-	585	650	-	650
Net assets released from restrictions:						
Satisfaction of donor restrictions	3,744	(3,744)	-	491	(491)	-
Total support and revenues	162,923	(1,579)	161,344	129,895	1,419	131,314
Expenses:						
Program services:						
Community support	6,152	-	6,152	7,508	-	7,508
Member development	37,286	-	37,286	31,057	-	31,057
Mary Gay House expense	59,219	-	59,219	44,836	-	44,836
Total program services	102,657	-	102,657	83,401	-	83,401
Supporting services:						
Management and general	33,250	-	33,250	37,888	-	37,888
Fundraising expenses	3,123	-	3,123	657	-	657
Cost of direct benefits to donors:						
Fall fundraiser	9,371	-	9,371	9,812	-	9,812
Spring fundraiser	3,331	-	3,331	2,075	-	2,075
Total cost of direct benefits to donors	12,702	-	12,702	11,887	-	11,887
Total expenses	151,732	-	151,732	133,833	-	133,833
Change in net assets	11,191	(1,579)	9,612	(3,938)	1,419	(2,519)
Net assets at beginning of year	253,172	105,023	358,195	257,110	103,604	360,714
Net assets at end of year	\$ 264,363	\$ 103,444	\$ 367,807	\$ 253,172	\$ 105,023	\$ 358,195

See Notes to Financial Statements.

JUNIOR LEAGUE OF DEKALB COUNTY, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MAY 31, 2016 AND 2015 See Independent Accountant's Review Report

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 9,612	\$ (2,519)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	12,439	12,439
(Increase) decrease in:		
Inventory	42	168
Accounts receivable	(1,475)	-
Prepaid expenses	625	(625)
Increase (decrease) in:		
Accounts payable and accrued expenses	(6,165)	7,092
Deferred dues revenue	(5,988)	2,164
Deferred rentals	(5,625)	9,200
Customer security deposits	2,300	3,950
Net cash provided by operating activities	<u>5,765</u>	<u>31,869</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(3,743)</u>	<u>-</u>
Net cash used in investing activities	<u>(3,743)</u>	<u>-</u>
Increase in cash	2,022	31,869
Cash at beginning of year	<u>279,812</u>	<u>247,943</u>
Cash at end of year	<u><u>\$ 281,834</u></u>	<u><u>\$ 279,812</u></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, 2016 and 2015, the League received \$2,165 and \$1,910 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,	
	2016	2015
Mary Gay House	\$ 288,856	\$ 288,856
Equipment	4,916	4,916
Building improvements	40,807	37,063
Website	20,716	20,716
	355,295	351,551
Less: accumulated depreciation and amortization	(223,098)	(210,658)
Net property and equipment	\$ 132,197	\$ 140,893

Depreciation expense for each of the years ended May 31, 2016 and 2015 was \$12,439. There was no amortization expense for the years ended May 31, 2016 and 2015.

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, 2016 and 2015, 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,	
2017	\$ 1,548
2018	1,548
2019	1,548
2020	1,548
	<u>\$ 6,192</u>

Rental expense for the years ended May 31, 2016 and 2015, was \$1,934 and \$1,792, 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:

	May 31,	
	2016	2015
Purpose restrictions accomplished:		
Expenditures for renovation and improvements to the Mary Gay House	\$ 3,744	\$ 491

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>2016</u>	<u>2015</u>
Renovations and improvements to the Mary Gay House	\$ 103,444	\$ 105,023

Temporarily restricted net assets consist of cash at May 31, 2016 and 2015.

NOTE 8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 24, 2016, the date the financial statements were available to be issued.