

JUNIOR LEAGUE OF LEE COUNTY, INC.

FINANCIAL STATEMENTS

MAY 31, 2016

JUNIOR LEAGUE OF LEE COUNTY, INC.
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Junior League of Lee County, Inc.
Auburn, Alabama

We have reviewed the accompanying financial statements of Junior League of Lee County, Inc. (a non-profit organization) which comprise the statement of financial position as of May 31, 2016, and the related statements of activities, and cash flows for the year 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 League 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

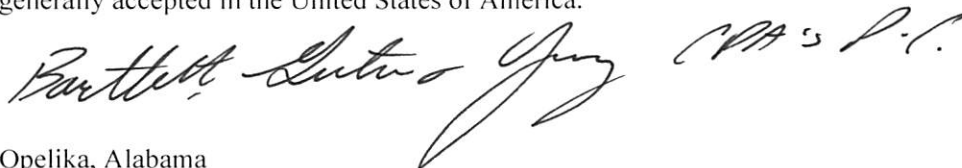
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair 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 engagement 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 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 accordance with accounting principles generally accepted in the United States of America.



Opelika, Alabama
August 16, 2016

JUNIOR LEAGUE OF LEE COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
AT MAY 31, 2016

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 93,327
Prepaid expenses	<u>2,241</u>
Total current assets	<u>95,568</u>
PROPERTY AND EQUIPMENT:	
Equipment	1,345
Less: Accumulated depreciation	<u>(1,345)</u>
Total property and equipment	<u>-</u>
Total assets	<u><u>\$ 95,568</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Deferred revenue	<u>\$ 6,817</u>
Total current liabilities	<u>6,817</u>
NET ASSETS	<u>88,751</u>
Total liabilities and net assets	<u><u>\$ 95,568</u></u>

See independent accountants' review report and notes to the financial statements

**JUNIOR LEAGUE OF LEE COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2016**

REVENUE AND OTHER SUPPORT:

Program service revenues	\$	160,198
Membership dues		18,872
Other income		6,620

Total revenue and other support		185,690
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EXPENSES:

Program expenses		
Community programs		75,979
Fundraising		74,768

Total program expenses		150,747
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Support expenses

Dues		5,174
Education and training		9,672
Insurance		1,217
Membership development		16,707
Miscellaneous		1,979
Professional Fees		2,772
Webpage		2,328
Yearbook		606

Total support expenses		40,455
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Total Expenses		191,202
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CHANGE IN UNRESTRICTED NET ASSETS		(5,512)
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UNRESTRICTED NET ASSETS, BEGINNING OF YEAR		94,263
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UNRESTRICTED NET ASSETS, END OF YEAR	\$	88,751
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See independent accountants' review report and notes to the financial statements

**JUNIOR LEAGUE OF LEE COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2016**

OPERATING ACTIVITIES:	
Change in Net Assets	\$ (5,512)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:	
Change in operating assets and liabilities:	
Prepaid expenses	(2,241)
Deferred revenue	<u>(206)</u>
Net cash used in operating activities	<u>(7,959)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,959)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>101,286</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 93,327</u></u>

See independent accountants' review report and notes to the financial statements

JUNIOR LEAGUE OF LEE COUNTY, INC.

**NOTES TO FINANCIAL STATEMENTS
MAY 31, 2016**

NOTE 1 – NATURE OF BUSINESS

Junior League of Lee County, Inc. (The League) was organized in December, 1995 as an organization of women committed to promoting volunteerism and to improving the community through the effective action and leadership of trained volunteers.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the League is presented to assist in understanding the League's financial statements. The financial statements and notes are representations of the League's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

The significant accounting policies followed by the League are summarized as follows:

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The League presents its financial statements in accordance with Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) 958. Accordingly, the League reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The League had only unrestricted net assets within the reporting period of these financial statements.

Unrestricted Net Assets

Unrestricted net assets include unrestricted resources which represent the portion of funds that are available for the operating objectives of the League.

Revenue Recognition

Membership dues are recognized as revenue over the period to which the dues relate. Dues received and not recognized as income are deferred to subsequent period. Contributions are recognized as income in the period they are received. Deferred revenue for the year ended May 31, 2016 was \$6,817.

JUNIOR LEAGUE OF LEE COUNTY, INC.

**NOTES TO FINANCIAL STATEMENTS
MAY 31, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Property and Equipment

Equipment is stated at cost less accumulated depreciation. Depreciation is determined using the straight-line method. The estimated useful lives used to compute depreciation are as follows:

Equipment	5 years
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Repairs, maintenance and minor replacements are expensed as incurred. Additions and significant renewals that materially prolong the lives of the assets are capitalized. The cost of assets sold or otherwise disposed of and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in income.

The League evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment losses were recognized during the current year.

Income Taxes

The League, a non-profit organization operating under Section 501(c)(3) of the Internal Revenue Code, is generally exempt from Federal and State income taxes and, accordingly, no provision for income taxes is included in the financial statements. An annual return (form 990) for organizations exempt from income tax under code Section 501(c)(3) is required, and the League has met all filing requirements during the period reported.

Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*, provides accounting guidance for uncertainty in income taxes. Using that guidance, tax positions need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities.

Management does not believe that the League has any material uncertain tax positions at May 31, 2016; however, the League's tax returns for the years ending after May 31, 2015, 2014 and 2013 are still subject to examination by relevant taxing authorities.

Fair Value of Financial Instruments

The carrying amounts of the League's financial instruments, including cash and cash equivalents, approximate their fair value due to the short-term nature of these instruments.

JUNIOR LEAGUE OF LEE COUNTY, INC.

**NOTES TO FINANCIAL STATEMENTS
MAY 31, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services and Materials

A substantial number of unpaid volunteers have made significant contributions of their time in conjunction with the League programs and services. The value of these contributions is not included in the financial statements.

Functional Allocation of Expenses

The costs of various programs and supporting services 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.

Subsequent Events

The League has evaluated subsequent events through the date of issuance of the financial statements which is August 16, 2016 and concluded there were no subsequent events that have occurred that would require disclosure in the financial statements.

NOTE 3 – CONCENTRATION OF CREDIT RISK

The League maintains its cash and cash equivalents balances at a high credit quality financial institution. Accounts at the institution are insured by the FDIC up to \$250,000. The balances, at times, may exceed the insured limits. All balances were fully insured as of May 31, 2016. The League has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash and cash equivalents.