



**JUNIOR LEAGUE OF  
SOUTH BREVARD, INC.**  
*Women building better communities®*

**Financial Statements  
May 31, 2014**

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WHITTAKER COOPER<sup>SM</sup>  
FINANCIAL GROUP

*Certified Public Accountants and Consultants  
A Professional Association*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Junior League of South Brevard, Inc.  
Melbourne, Florida

We have audited the accompanying financial statements of Junior League of South Brevard, Inc. (a nonprofit organization), which comprise the statement of financial position as of May 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Junior League of South Brevard, Inc. as of May 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Whittaker Cooper Financial Group*

Whittaker Cooper Financial Group

Melbourne, Florida

January 15, 2015

# JUNIOR LEAGUE OF SOUTH BREVARD, INC.

## STATEMENT OF FINANCIAL POSITION

May 31, 2014

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### CURRENT ASSETS

Cash and cash equivalents	\$	129,377
Accounts receivable		942
Prepaid expenses		<u>2,127</u>
		132,446

### PROPERTY AND EQUIPMENT, net

384

### SECURITY DEPOSITS

500

\$ 133,330

### LIABILITIES AND NET ASSETS

#### CURRENT LIABILITIES

Trade payables	\$	2,157
Deferred revenue		<u>21,309</u>
		<u>23,466</u>

#### COMMITMENTS AND CONTINGENCIES

#### NET ASSETS

Unrestricted		
Undesignated		63,577
Designated		<u>46,287</u>
		<u>109,864</u>
	\$	<u>133,330</u>

See accompanying notes.

# JUNIOR LEAGUE OF SOUTH BREVARD, INC.

## STATEMENT OF ACTIVITIES

Year Ended May 31, 2014

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### CHANGES IN UNRESTRICTED NET ASSETS:

Revenues, gains and other support:

Contributions:

Cash	\$	21,775
Goods and services		12,315
Events		55,120
Dues		21,243
Interest income		83
Other		760
Total revenues, gains and other support		<u>111,296</u>

Expenses:

Program expenses		35,237
Management and general		28,220
Fundraising		41,003
		<u>104,460</u>

**INCREASE IN UNRESTRICTED NET ASSETS** 6,836

**INCREASE IN NET ASSETS** 6,836

**NET ASSETS, beginning of year** 103,028

**NET ASSETS, end of year** \$ 109,864

See accompanying notes.

# JUNIOR LEAGUE OF SOUTH BREVARD, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended May 31, 2014

	Program Services					
	Improving Children's Health	Membership Training	Total	Management and General	Fundraising	Total Expenses
<b>DIRECT ASSISTANCE:</b>						
Conferences & training	\$ -	\$ 8,213	\$ 8,213	\$ -	\$ -	\$ 8,213
Supplies	7,832	-	7,832	-	-	7,832
Non-profit donation	3,500	-	3,500	-	-	3,500
Grants	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
	<u>14,332</u>	<u>8,213</u>	<u>22,545</u>	<u>-</u>	<u>-</u>	<u>22,545</u>
<b>OTHER EXPENSES:</b>						
Advertising	-	-	-	-	18,746	18,746
Occupancy & utilities	-	-	-	12,833	-	12,833
Event expenses	500	-	500	-	11,325	11,825
Membership development	-	11,283	11,283	-	-	11,283
Supplies	-	909	909	3,696	6,154	10,759
Professional fees	-	-	-	3,731	3,000	6,731
Payroll	-	-	-	3,797	-	3,797
Insurance	-	-	-	3,325	-	3,325
Licenses & permits	-	-	-	61	1,778	1,839
Dues	<u>-</u>	<u>-</u>	<u>-</u>	<u>374</u>	<u>-</u>	<u>374</u>
	<u>500</u>	<u>12,192</u>	<u>12,692</u>	<u>27,817</u>	<u>41,003</u>	<u>81,512</u>
Total expenses before depreciation	14,832	20,405	35,237	27,817	41,003	104,057
<b>DEPRECIATION AND AMORTIZATION</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>403</u>	<u>-</u>	<u>403</u>
<b>TOTAL EXPENSES</b>	<u>\$ 14,832</u>	<u>\$ 20,405</u>	<u>\$ 35,237</u>	<u>\$ 28,220</u>	<u>\$ 41,003</u>	<u>\$ 104,460</u>

See accompanying notes.

# JUNIOR LEAGUE OF SOUTH BREVARD, INC.

## STATEMENT OF CASH FLOWS

Year Ended May 31, 2014

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### CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from contributions	\$	21,775
Cash receipts from events		55,120
Cash receipts from dues		25,962
Cash receipts from interest		83
Cash receipts from other income		760
Cash payments for program services		(35,237)
Cash payments for management and general		(27,421)
Cash payments for fundraising		<u>(28,688)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 12,354

CASH AND CASH EQUIVALENTS, beginning of year 117,023

CASH AND CASH EQUIVALENTS, end of year \$ 129,377

### SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES

In-kind contribution of merchandise	\$	<u>12,315</u>
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See accompanying notes.



# JUNIOR LEAGUE OF SOUTH BREVARD, INC.

## NOTES TO FINANCIAL STATEMENTS

May 31, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Operations**

The Junior League of South Brevard, Inc. (the Organization) is a non-profit organization located in Melbourne, Florida. The Organization consists of women committed to promoting voluntarism, developing the potential of women, and to improving the community through the effective action and leadership of trained volunteers. Its purpose is exclusively educational and charitable. Its office is located in Melbourne, Florida and employs one individual.

The Organization is funded through membership dues, fundraising, and private donations.

#### **Financial Statement Presentation**

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are satisfied in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When the purpose has been fulfilled or upon the expiration of time restrictions, temporarily restricted net assets are reclassified to unrestricted net assets. As permitted by the Standard, the Organization does not use fund accounting.

#### **Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are satisfied in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. For the year ended May 31, 2014, the Organization did not have any Promises to Give.

#### **Contributed Goods and Services**

During the year ended May 31, 2014, the Organization was the recipient of contributed goods and services. Contributed goods are recorded at their estimated fair market value on the date of receipt. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise have been paid for if not provided by donation. The value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

# JUNIOR LEAGUE OF SOUTH BREVARD, INC.

## NOTES TO FINANCIAL STATEMENTS

May 31, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Use of Estimates

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

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments and certificates of deposits purchased with a maturity of three months or less to be cash equivalents.

#### Accounts Receivable

Accounts receivable are recorded monthly when invoices are issued and are presented in the statement of financial position net of allowance for doubtful accounts. Accounts receivable consisted of amounts due from current members. Based on this factor and management's experience, the Organization considered all accounts receivable collectible, therefore, the allowance for doubtful accounts was \$-0-.

#### Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is computed using the straight-line method over their estimated useful lives of the assets, which are generally from three to seven years.

#### Contributions

Contributions received, including unconditional promises to give, are recognized as revenue at fair value upon the receipt of the earlier of either: (i) unconditional pledges or commitments or (ii) cash or other assets. Contributions are considered available for unrestricted use unless the donors restrict the use thereof, either on a temporary or permanent basis. Contributions to be received after one year are discounted at an interest rate commensurate with the risk involved. Bequests are recognized at fair value at the time the will is declared valid.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction and/or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions.

# JUNIOR LEAGUE OF SOUTH BREVARD, INC.

## NOTES TO FINANCIAL STATEMENTS

May 31, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Revenue Recognition**

Revenue includes membership dues, fundraising, and private donations. All revenues are recognized when received.

#### **Functional Allocation of Expenses**

The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting service benefited.

#### **Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. No provision has been made for income taxes for the year ended May 31, 2014.

FASB ASC 740, *Accounting for Income Taxes*, prescribes a recognition threshold and measurement attribute of the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Management evaluates the Organization's tax positions on an annual basis, both past and current. If management determines that a past or current tax position is uncertain then a tax liability is calculated to represent the increase in taxes anticipated upon examination. As of May 31, 2014, management has determined that all past and current tax positions were likely to be realizable and sustainable upon examination and that the calculation of a tax liability was not necessary.

Tax years ended May 31, 2011 through 2014 remain subject to possible examination by the Internal Revenue Service.

#### **Advertising Costs**

The Organization expenses advertising and promotional costs as they are incurred. Advertising and promotional costs charged to management and general and fundraising expenses was \$18,746.

# JUNIOR LEAGUE OF SOUTH BREVARD, INC.

## NOTES TO FINANCIAL STATEMENTS

May 31, 2014

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### NOTE 2 – CONCENTRATIONS OF CREDIT RISK

#### Cash Balances

The Organization maintains cash and cash equivalents at Wells Fargo Bank. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Non-interest bearing accounts have been granted temporary, unlimited insurance coverage. The unlimited coverage is separate from, and in addition to, the insurance coverage provided to a depositor's other deposit accounts held at FDIC-insured institutions. At May 31, 2014, the Organization had no uninsured cash balances. Bank balances differ from the cash balances reflected on the financial statements due to reconciling items.

#### Revenue Concentration

The Organization receives a significant portion of its revenues from its signature fundraising event. Revenue from this single event accounted for 53% of its total annual revenue. No amounts from the event were considered receivable at May 31, 2014.

### NOTE 3 – PROPERTY AND EQUIPMENT, NET

At May 31, 2014, property and equipment consisted of the following:

Furniture and equipment	\$ 2,798
Less accumulated depreciation	<u>(2,414)</u>
	<u>\$ 384</u>

Depreciation expense charged to management and general expenses for the year was \$403.

### NOTE 4 – DEFERRED REVENUE

As of May 31, 2014, the Organization received in membership dues for the 2014-2015 fiscal year totaling \$21,309. Members are billed on an annual basis in February for the following year. All dues received in advance are recognized as earned income in the fiscal year for which the dues are invoiced for.

### NOTE 5 – DESIGNATED UNRESTRICTED NET ASSETS

As a method of budgeting for future needs and events, the Board of Directors have elected set aside or designates funds to meet these needs. Designated funds are not considered temporarily permanently restricted as it was the Board of Directors and not a donor who specified the purpose and timing of the use of these funds.

At May 31, 2014, designated unrestricted net assets consisted of the following:

Hardship reserve	\$ 36,283
Anniversary fundraiser	<u>10,004</u>
	<u>\$ 46,287</u>

# JUNIOR LEAGUE OF SOUTH BREVARD, INC.

## NOTES TO FINANCIAL STATEMENTS

May 31, 2014

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### NOTE 5 – DESIGNATED UNRESTRICTED NET ASSETS (continued)

In accordance with the Organization's bylaws, the lesser of 30% of the annual approved budget or \$36,000, is required to be retained in reserve and not available for operating expenditures. Funds may be used to fund a specific program when all the following requirements have been met; [1] approval by 2/3rds of the members of the Board of Directors, [2] approval by 2/3rds of the general membership, and [3] the submission of a specific plan to replenish the reserve fund.

### NOTE 6 – COMMITMENTS

The Organization maintains one operating lease, expiring in June 1, 2015, for office space. The amount charged to management and general expenses during the year in connection with this lease was \$8,904.

As of May 31, 2014, future minimum lease payments are as follows:

2015	\$	9,180
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### NOTE 7 – CASH FLOW DISCLOSURES

Pursuant to FASB ASC 230, *Statement of Cash Flows*, if the direct method of cash flows is used the following reconciliation must be presented showing a reconciliation of excess revenues over expenses:

Increase in net assets	\$	6,836
Adjustments to reconcile the increase in net assets to net cash provided by operating activities:		
Depreciation and amortization		403
(Increase) decrease in assets:		
Accounts receivable		520
Prepaid expenses		2,539
Increase (decrease) in liabilities:		
Payables		2,157
Accrued expenses		(4,300)
Deferred revenue		4,199
		<hr/>
Net cash provided by operating activities	\$	<u>12,354</u>

### NOTE 8 – RELATED PARTY TRANSACTIONS

The Organization is an affiliate of Junior League International, Inc. which is the governing body of the Junior League chapters across the United States of America. During the year ended May 31, 2014, Junior League of South Brevard paid a total of \$8,663 as dues to Junior League International, Inc.

# **JUNIOR LEAGUE OF SOUTH BREVARD, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

May 31, 2014

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### **NOTE 9 – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through January 15, 2015, the date which the financial statements were available to be issued, and is unaware of any subsequent events requiring disclosure.