



**JUNIOR LEAGUE OF  
SOUTH BREVARD, INC.**  
*Women building better communities<sup>®</sup>*

May 31,

**2016 and 2015**

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**Financial Statements**

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WHITTAKER COOPER  
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 statements of financial position as of May 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years 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.

Junior League of South Brevard, Inc.

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**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, 2016 and 2015, and the changes in its net assets and its cash flows for the years 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 17, 2017

**JUNIOR LEAGUE OF SOUTH BREVARD, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**MAY 31, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 114,118	\$ 128,977
Accounts receivable	6,448	1,813
Prepaid expenses	2,641	1,586
	123,207	132,376
<b>PROPERTY AND EQUIPMENT, net</b>	123	232
<b>SECURITY DEPOSITS</b>	500	500
	<b>\$ 123,830</b>	<b>\$ 133,108</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Trade payables	\$ 5,186	\$ -
Accrued expenses	213	1,380
Deferred revenue	20,505	20,785
	25,904	22,165
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	51,874	64,923
Designated	46,052	46,020
	97,926	110,943
	<b>\$ 123,830</b>	<b>\$ 133,108</b>

See accompanying notes.

**JUNIOR LEAGUE OF SOUTH BREVARD, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended May 31, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>CHANGES IN UNRESTRICTED NET ASSETS:</b>		
Revenues, gains, and other support:		
Contributions:		
Cash	\$ 11,583	\$ 18,920
Goods and services	7,608	27,398
Events	46,591	74,778
Dues	25,574	27,879
Grants	-	620
Interest income	65	68
Other	50	319
Total revenues, gains, and other support	91,471	149,982
Expenses:		
Program expenses	45,928	47,842
Management and general	33,857	35,633
Fundraising	24,703	65,428
	104,488	148,903
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<b>(13,017)</b>	<b>1,079</b>
<b>NET ASSETS, beginning of year</b>	<b>110,943</b>	<b>109,864</b>
<b>NET ASSETS, end of year</b>	<b>\$ 97,926</b>	<b>\$ 110,943</b>

See accompanying notes.

**JUNIOR LEAGUE OF SOUTH BREVARD, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended May 31, 2016

	Program Services				Total	Management and General	Fundraising	Total Expenses
	Improving Children's Health	Membership Training						
<b>DIRECT ASSISTANCE:</b>								
Conferences & training	\$ -	\$ 22,675	\$ -	\$ 22,675	\$ -	\$ -	\$ -	\$ 22,675
Supplies	7,720	-	-	7,720	-	-	-	7,720
	<u>7,720</u>	<u>22,675</u>	<u>-</u>	<u>30,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,395</u>
<b>OTHER EXPENSES:</b>								
Occupancy & utilities	-	-	13,866	-	13,866	-	-	13,866
Supplies	-	1,529	3,914	1,529	3,914	7,505	-	12,948
Professional fees	-	-	8,061	-	8,061	1,456	-	9,517
Dues	-	8,751	560	8,751	560	-	-	9,311
Advertising	-	-	-	-	-	8,351	-	8,351
Event expenses	689	-	-	689	-	6,237	-	6,926
Payroll	-	-	4,814	-	4,814	-	-	4,814
Membership development	-	4,564	-	4,564	-	-	-	4,564
Insurance	-	-	2,397	-	2,397	-	-	2,397
Licenses & permits	-	-	136	-	136	1,154	-	1,290
	<u>689</u>	<u>14,844</u>	<u>33,748</u>	<u>15,533</u>	<u>33,748</u>	<u>24,703</u>	<u>-</u>	<u>73,984</u>
Total expenses before depreciation	8,409	37,519	33,748	45,928	33,748	24,703	-	104,379
Depreciation	-	-	109	-	109	-	-	109
<b>TOTAL EXPENSES</b>	<u>\$ 8,409</u>	<u>\$ 37,519</u>	<u>\$ 33,857</u>	<u>\$ 45,928</u>	<u>\$ 33,857</u>	<u>\$ 24,703</u>	<u>\$ -</u>	<u>\$ 104,488</u>

See accompanying notes.

**JUNIOR LEAGUE OF SOUTH BREVARD, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
 Year Ended May 31, 2015

	Program Services				Total Expenses
	Improving Children's Health	Membership Training	Management and General	Fundraising	
<b>DIRECT ASSISTANCE:</b>					
Conferences & training	\$ -	\$ 15,665	\$ -	\$ -	\$ 15,665
Supplies	11,587	-	-	-	11,587
Grants	6,000	-	-	-	6,000
	<u>17,587</u>	<u>15,665</u>	<u>-</u>	<u>-</u>	<u>33,252</u>
<b>OTHER EXPENSES:</b>					
Supplies	-	889	4,346	27,761	32,996
Advertising	-	-	188	29,166	29,354
Occupancy & utilities	-	-	13,153	-	13,153
Professional fees	-	-	9,536	1,462	10,998
Dues	-	10,104	670	-	10,774
Event expenses	500	-	-	5,090	5,590
Payroll	-	-	4,551	-	4,551
Membership development	-	3,097	-	-	3,097
Insurance	-	-	2,840	-	2,840
Licenses & permits	-	-	197	1,949	2,146
	<u>500</u>	<u>14,090</u>	<u>35,481</u>	<u>65,428</u>	<u>115,499</u>
Total expenses before depreciation	18,087	29,755	35,481	65,428	148,751
Depreciation	-	-	152	-	152
<b>TOTAL EXPENSES</b>	<u>\$ 18,087</u>	<u>\$ 29,755</u>	<u>\$ 35,633</u>	<u>\$ 65,428</u>	<u>\$ 148,903</u>

See accompanying notes.



**JUNIOR LEAGUE OF SOUTH BREVARD, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended May 31, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (13,017)	\$ 1,079
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	109	152
(Increase) decrease in assets:		
Accounts receivable	(4,635)	(871)
Prepaid expenses	(1,055)	541
Increase (decrease) in liabilities:		
Payables	5,186	(2,157)
Accrued expenses	(1,167)	1,380
Deferred revenue	(280)	(524)
<b>NET CASH USED IN OPERATING ACTIVITIES:</b>	<b>(14,859)</b>	<b>(400)</b>
 <b>CASH AND CASH EQUIVALENTS, beginning of year</b>	 <b>128,977</b>	 <b>129,377</b>
 <b>CASH AND CASH EQUIVALENTS, end of year</b>	 <b>\$ 114,118</b>	 <b>\$ 128,977</b>
 <b>SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES</b>		
In-kind contribution of merchandise, facility use, and services	<b>\$ 7,608</b>	<b>\$ 27,398</b>

See accompanying notes.

**JUNIOR LEAGUE OF SOUTH BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
May 31, 2016

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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, 2016, the Organization did not have any promises to give.

**Contributed Goods and Services**

During the year ended May 31, 2016, the Organization was the recipient of contributed goods, facility use, and services. Contributed goods and facility use 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. 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, 2016

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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 for years 2016 and 2015 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 the 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.

**Revenue Recognition**

Revenue includes membership dues, fundraising, and private donations. Membership dues are recognized as earned income in the fiscal year for which the dues are invoiced. Fundraising and private donations 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 Statements of Activities and the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting service benefited.

**JUNIOR LEAGUE OF SOUTH BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**May 31, 2016**

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

**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 years ended May 31, 2016 and 2015.

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, 2016, 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, 2013 through 2016 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 were \$8,351 (2016) and \$29,354 (2015).

**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. At May 31, 2016, 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 38% (2016) and 51% (2015) of its total annual revenue. No amounts from the event were considered receivable at May 31, 2016 and 2015.

**JUNIOR LEAGUE OF SOUTH BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**May 31, 2016**

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**NOTE 3 – PROPERTY AND EQUIPMENT, NET**

At May 31, 2016 and 2015, property and equipment consisted of the following:

	<b>2016</b>	<b>2015</b>
Furniture and equipment	\$ 2,798	\$ 2,798
Less accumulated depreciation	2,675	2,566
	\$ 123	\$ 232

Depreciation expense charged to management and general expenses was \$109 (2016) and \$152 (2015).

**NOTE 4 – DEFERRED REVENUE**

The Organization received membership dues for the following fiscal years totaling \$20,505 (2016) and \$20,785 (2015). 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.

**NOTE 5 – DESIGNATED UNRESTRICTED NET ASSETS**

As a method of budgeting for future needs and events, the Board of Directors has elected to set aside or designate funds to meet these needs. Designated funds are not considered temporarily or 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, 2016 and 2015, designated unrestricted net assets consisted of the following:

	<b>2016</b>	<b>2015</b>
Hardship reserve	\$ 36,041	\$ 36,012
Anniversary fundraiser	10,011	10,008
	\$ 46,052	\$ 46,020

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 2/3 of the members of the Board of Directors, [2] approval by 2/3 of the general membership, and [3] the submission of a specific plan to replenish the reserve fund.

**JUNIOR LEAGUE OF SOUTH BREVARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
May 31, 2016

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**NOTE 6 – COMMITMENTS**

The Organization maintains one operating lease, expiring June 30, 2020, for office space. The amount charged to management and general expenses during the year in connection with this lease was \$9,180.

Future minimum lease payments are as follows:

Fiscal years ending May 31;		
2017	\$	9,180
2018		9,290
2019		9,300
2020		9,300
2021		<u>775</u>
	\$	<u>37,845</u>

**NOTE 7 – 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 years ended May 31, 2016 and 2015, Junior League of South Brevard paid a total of \$8,751 and, \$10,104, respectively, as dues to Junior League International, Inc.

**NOTE 8 – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through January 17, 2017, the date on which the financial statements were available to be issued, and is unaware of any subsequent events requiring disclosure.

