



**JUNIOR LEAGUE OF  
SALT LAKE CITY**

**Financial Statements**

**And**

**Independent Auditor's Report**

**As of May 31, 2020  
and for the year then ended**

# Junior League of Salt Lake City, Inc.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Junior League of Salt Lake City, Inc.  
Salt Lake City, Utah

### *Financial Statements*

We have audited the accompanying financial statements of Junior League of Salt Lake City, Inc. (a nonprofit organization), which comprise the statement of financial position as of May 31, 2020, 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 of 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 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 Salt Lake City, Inc. as of May 31, 2020, 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.

*Bountiful Peak Advisors*

Bountiful, Utah  
August 31, 2020

**Junior League of Salt Lake City, Inc.**  
**Statement of Financial Position**  
**May 31, 2020**

**ASSETS**

Current assets

Cash and cash equivalents	\$ 71,521
Accounts receivable, including promises to give	37,820
Prepaid expense	3,163
Investments	<u>208,218</u>

Total current assets	<u>320,722</u>
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Cash and cash equivalents, restricted	98,664
Investments, restricted	922,060
Property and equipment	1,138,769
Accumulated depreciation	<u>(524,406)</u>

Total assets	<u><u>\$ 1,955,809</u></u>
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**LIABILITIES AND NET ASSETS**

Current liabilities

Accrued liabilities	\$ 10,765
Accrued payroll	2,199
Deferred revenue	<u>13,558</u>

Total current liabilities	<u>26,522</u>
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Net assets

Without donor restrictions	
Undesignated	\$ 777,939
Board designated	570,468
With donor restrictions	<u>580,880</u>

Total net assets	<u>1,929,287</u>
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Total liabilities and net assets	<u><u>\$ 1,955,809</u></u>
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See accompanying notes to financial statements.

# Junior League of Salt Lake City, Inc.

## Statement of Activities Year Ended May 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>			
Revenues			
Membership dues	\$ 18,439	\$ -	\$ 18,439
Meeting and program fees	9,644	-	9,644
Merchandise sales	4,503	-	4,503
Other income	2,178	-	2,178
Net investment income	<u>43,673</u>	<u>-</u>	<u>43,673</u>
Total revenues	<u>78,437</u>	<u>-</u>	<u>78,437</u>
Support			
Foundation and corporate contributions	24,241	173,505	197,746
In-kind contributions	-	676,182	676,182
Individual contributions	16,251	10,771	27,022
Net assets released from restrictions	<u>886,642</u>	<u>(886,642)</u>	<u>-</u>
Total support	<u>927,134</u>	<u>(26,184)</u>	<u>900,950</u>
Total revenues and support	<u>1,005,571</u>	<u>(26,184)</u>	<u>979,387</u>
<b>EXPENSES</b>			
Program services	\$ 898,958	\$ -	\$ 898,958
Management and general	41,882	-	41,882
Fundraising	<u>75,394</u>	<u>-</u>	<u>75,394</u>
Total expenses	<u>1,016,234</u>	<u>-</u>	<u>1,016,234</u>
Change in net assets	(10,663)	(26,184)	(36,847)
Net assets, beginning of year	<u>1,359,070</u>	<u>607,064</u>	<u>1,966,134</u>
Net assets, end of year	<u>\$ 1,348,407</u>	<u>\$ 580,880</u>	<u>\$ 1,929,287</u>

See accompanying notes to financial statements.

## Junior League of Salt Lake City, Inc.

### Statement of Functional Expenses

Year Ended May 31, 2020

	Program Services				Support Activities			05/31/2020 Total
	CARE Fair	Women Helping Women	Other	Total	Management and General	Fundraising	Total	
Salaries and wages	\$ 5,298	\$ 11,920	\$ 10,596	\$ 27,814	\$ 11,920	\$ 13,245	\$ 25,165	\$ 52,979
Payroll taxes	431	971	863	2,265	971	1,078	2,049	4,314
<b>Total salaries and related expenses</b>	<b>5,729</b>	<b>12,891</b>	<b>11,459</b>	<b>30,079</b>	<b>12,891</b>	<b>14,323</b>	<b>27,214</b>	<b>57,293</b>
Professional fees	632,271	-	-	632,271	7,847	36,000	43,847	676,118
Supplies	35,557	65,701	2,309	103,567	13	765	778	104,345
Occupancy	13,291	2,286	3,190	18,767	3,759	1,714	5,473	24,240
Repair and maintenance	4,160	9,772	-	13,932	1,876	5,177	7,053	20,985
Food and beverage	13,811	-	4,758	18,569	-	-	-	18,569
Insurance	4,514	6,018	-	10,532	1,505	3,009	4,514	15,046
Travel	-	-	12,959	12,959	-	-	-	12,959
Equipment rental	12,450	-	-	12,450	-	-	-	12,450
Miscellaneous	1,976	256	3,495	5,727	4,757	1,460	6,217	11,944
Office	5,746	691	2,845	9,282	1,939	396	2,335	11,617
Contract labor	4,439	368	-	4,807	92	276	368	5,175
Marketing	3,554	-	-	3,554	195	190	385	3,939
Communications	695	1,390	-	2,085	347	1,042	1,389	3,474
Bank and merchant fees	-	-	-	-	2,896	-	2,896	2,896
Information technology	757	836	289	1,882	339	616	955	2,837
Cost of goods sold	-	-	-	-	-	1,656	1,656	1,656
Conferences and training	-	-	828	828	-	-	-	828
License and fees	77	103	50	230	376	51	427	657
Bad debt	-	-	-	-	144	-	144	144
<b>Total expenses before depreciation</b>	<b>739,027</b>	<b>100,312</b>	<b>42,182</b>	<b>881,521</b>	<b>38,976</b>	<b>66,675</b>	<b>105,651</b>	<b>987,172</b>
<b>Depreciation</b>	<b>5,812</b>	<b>11,625</b>	<b>-</b>	<b>17,437</b>	<b>2,906</b>	<b>8,719</b>	<b>11,625</b>	<b>29,062</b>
<b>Total expenses</b>	<b>\$ 744,839</b>	<b>\$ 111,937</b>	<b>\$ 42,182</b>	<b>\$ 898,958</b>	<b>\$ 41,882</b>	<b>\$ 75,394</b>	<b>\$ 117,276</b>	<b>\$ 1,016,234</b>

See accompanying notes to financial statements.

# Junior League of Salt Lake City, Inc.

## Statement of Cash Flows

Year Ended May 31, 2020

### CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (36,847)
Items not requiring cash	
Bad debt	144
Depreciation	29,062
Noncash net investment income	28,449
Changes in	
Accounts receivable, including promises to give	(21,191)
Prepaid expenses	9,133
Accrued liabilities	(10,943)
Accrued payroll	(2,492)
Deferred revenue	<u>(2,485)</u>
Net cash used in operating activities	<u>(7,170)</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	374,004
Purchase of investments	<u>(414,679)</u>
Net cash used in investing activities	<u>(40,675)</u>

Net change in cash and cash equivalents (47,845)

Cash and cash equivalents, beginning of year 218,030

Cash and cash equivalents, end of year \$ 170,185

Cash and cash equivalents \$ 71,521

Cash and cash equivalents, restricted 98,664

Total cash and cash equivalents \$ 170,185

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for interest \$ -

Cash paid for income taxes \$ -

See accompanying notes to financial statements.

# Junior League of Salt Lake City, Inc.

## Notes to Financial Statements

May 31, 2020

### 1. ORGANIZATION HISTORY

Junior League of Salt Lake City, Inc. (“The Organization”) was organized under the laws of the State of Utah in 1934 as a nonprofit corporation. The Organization’s mission is to promote volunteerism, develop the potential of women, and improve communities through the effective action of leadership and trained volunteers. The Organization accomplishes its mission through its major programs, which include:

#### CARE Fair

An annual event providing individuals and families with free routine medical, dental, and vision services along with community assistance information.

#### Women Helping Women

A program through which the Organization’s volunteers collect, prepare, and distribute donated professional women’s clothing to women entering the workforce who are in transition toward self-sufficiency.

#### Other

Educational programming and community-building activities.

The Organization’s significant sources of revenue include in-kind contributions, foundation and corporate contributions, and membership dues.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements of the Organization have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

#### Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither board-designated nor donor-restricted for long-term purposes, to be cash and cash equivalents.

#### Cash and Cash Equivalents, Restricted

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, but which are either donor-restricted or board-designated for long-term purposes, to be restricted cash and cash equivalents. At May 31, 2020 restricted cash and cash equivalents consisted of the following:

	<u>Donor-restricted</u>	<u>Board-Designated</u>	<u>Total</u>
Endowment fund	\$ 82	\$ 234	\$ 316
Building fund	12,868	16,703	29,571
CARE Fair	37,827	-	37,827
Women Helping Women	<u>30,950</u>	<u>-</u>	<u>30,950</u>
Total cash and cash equivalents, restricted	<u>\$ 81,727</u>	<u>\$ 16,937</u>	<u>\$ 98,664</u>



### Concentrations of Credit Risks

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash, cash equivalents, and investments in various financial institution accounts that, at times, may exceed federally insured limits. At May 31, 2020, cash in bank deposit accounts did not exceed federally insured limits. These assets have been placed with high credit quality financial institutions and the Organization has not experienced, nor does it anticipate, any losses with respect to such accounts. At May 31, 2020, investments in brokerage accounts exceeded federally insured limits by \$749,693.

### Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at their estimated collectible amounts. The Organization's accounts receivable are generally short-term in nature; thus accounts receivable do not bear interest.

Accounts receivable are periodically evaluated for collectibility based on past credit history with customers and their current financial condition. An allowance for doubtful accounts related to accounts receivable has not been established at May 31, 2020 because management believes that all accounts receivable will be fully collectible.

### Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. An allowance for doubtful accounts related to promises to give has not been established at May 31, 2020 because management believes that all promises to give will be fully collectible.

### Property and Equipment

Property and equipment are recorded at cost at the date purchased or, if donated, at fair value at the date donated. The Organization capitalizes additions that exceed \$500. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the respective assets or lease terms, which range from five to thirty-nine years. Depreciation expense for the year ended May 31, 2020 was \$29,062. Management reviews the carrying value of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset.

### Investments

Investments are initially recorded at cost, if purchased, or a fair value if donated. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, and investment management and custodial fees.

### Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions, with highest priority given to quoted prices in active markets and lowest priority to an entity's assumptions. The Organization groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1	Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
Level 2	Other observable inputs including quoted prices for similar assets in active or non-active markets, or other observable inputs for the asset.
Level 3	Unobservable inputs that cannot be corroborated by observable market data, such as pricing models, discounted cash flow models, and similar techniques.

### Endowment Policies

***Interpretation of Relevant Law*** – The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. At May 31, 2020, there were no such donor stipulations. As a result of this interpretation, the organization retains in perpetuity:

- The original value of gifts donated to the endowment, and
- Any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other sources of the Organization
- The investment policies of the Organization

***Return Objectives and Risk Parameters*** - The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. The endowment assets are invested in a manner that is intended to produce returns that are higher than the rate of inflation, while assuming a moderate level of investment risk.

***Spending Policy*** – The Organization has a policy which allows all portions of the endowment fund that are not restricted by donors to be appropriated for expenditure at the discretion of the board of directors.

***Strategies Employed for Achieving Objectives*** – The Organization relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Organization targets a diversified asset allocation that emphasizes equities and fixed income securities held in mutual funds to achieve its long-term objectives within prudent risk constraints.

#### Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

***Net Assets Without Donor Restrictions*** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

***Net Assets With Donor Restrictions*** – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are considered net assets with donor restrictions until the asset is placed in service.

#### Revenue Recognition

***Contributions-*** Contributions are recognized as support when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been substantially met. Contributions are considered to be without donor restrictions unless restricted by the donor.

***In-Kind Contributions-*** Contributed goods, use of facilities, and services that either create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at fair value at the date of donation.

***Program Service Revenue-*** Revenue is measured on the consideration specified in a contract with a customer and excludes any sales incentives and amounts collected on behalf of third parties. The Organization recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Taxes, if any, assessed by a governmental authority that are both imposed on and concurrent with a specified-revenue-producing transaction, that are collected by the Organization from a customer, are excluded from revenue. The following is a description of the Organization's principal activities which generate program service revenue.

#### *Memberships*

Memberships entitle customers to access specific services and programs. The typical length of a membership contract is twelve months. Memberships are amortized to revenue using a straight-line method over the membership period. Unamortized memberships are included in deferred revenue.

*Meeting and program fees*

Meeting and program fees include seminars, training, and other programmatic events. These are recognized as revenue when services are provided. Customer deposits related to meeting and program fees that are to be provided in a future year are included in deferred revenue.

*Merchandise sales*

Merchandise sales includes the sale of branded products to generate awareness, cookbooks, and other items. These are sold substantially all by volunteers. Merchandise sales are recognized as revenue when the goods are provided.

Deferred Revenue

Deferred revenue consists of unexpired memberships and customer deposits for meeting and program fees.

Advertising

Advertising costs are expensed when the advertising first takes place. Advertising expense for the year ended May 31, 2020 was \$3,939, and is included in marketing expense on the statement of functional expenses.

Income Taxes

The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3), qualifying for the charitable contribution deduction under section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) and is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax. Management believes that the Organization has appropriate support for any tax positions taken in its annual filing and does not have any uncertain tax positions that are material to the financial statements. The Organization's Forms 990 are no longer subject to tax examination for years before 2017.

Functional Allocation of Expenses

The cost of providing programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll taxes, occupancy, repair and maintenance, communications, and depreciation, which are allocated on the basis of estimated time and effort.

Estimates in the Financial Statements

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**3. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of May 31, 2020 consisted of the following:

Cash and cash equivalents	\$	71,521
Accounts receivable, including promises to give		37,820
Investments		<u>208,218</u>
 Current financial assets	 \$	 <u>317,559</u>
 Less those unavailable for general expenditure within one year due to		
Donor-imposed purpose restrictions		<u>(130,828)</u>
 Total financial assets available to meet cash needs for general expenditure within one year	 \$	 <u>186,731</u>

The Organization structures its financial assets to be available as obligations come due. The Organization invests cash in excess of daily requirements in savings and investment accounts. Additionally, the Organization has investments totaling \$570,468 which have been designated by the board for long-term purposes. Although the Organization does not intend to spend from its board-designated investments, these amounts could be made available through board appropriation if necessary.

**4. ACCOUNTS RECEIVABLE, INCLUDING PROMISES TO GIVE**

Accounts receivable, including promises to give, consisted of the following at May 31, 2020:

Promises to give	\$	34,500
Sales tax receivable		297
Accounts receivable		<u>3,023</u>
 Total accounts receivable, including promises to give	 \$	 <u>37,820</u>

Accounts receivable, including promises to give are expected to be collected within one year.

**5. FAIR VALUE MEASUREMENTS**

The following is a summary of investments at May 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks	\$ 2,538	\$ -	\$ -	\$ 2,538
Mutual funds				
Equity	751,432	-	-	751,432
Bond	<u>376,308</u>	<u>-</u>	<u>-</u>	<u>376,308</u>
 Total investments and investments, restricted	 <u>\$ 1,130,278</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1,130,278</u>

There have been no changes in valuation techniques and related inputs. Certain of the Organization's investments classified as exchange-traded funds are recorded at net asset value in accordance with US GAAP. Fair value represents the net asset value (NAV) of shares or units held by the Organization at year end. The financial statements of these investments are prepared in accordance with US GAAP and are audited annually by independent auditors. As of May 31, 2020, the Organization had no unfunded commitments to invest in these funds. Redemptions, at NAV, of shares in these investments are immediate with one-day notice.

## 6. ENDOWMENT

The Organization's endowment was established to provide ongoing funding for the mission of the Organization. The endowment consists of donor-restricted and board-designated (quasi-endowment) funds. Net assets associated with endowment funds are classified and reported based on the existence of absence of donor-imposed restrictions. Endowment net asset composition by type of fund at May 31, 2020 was as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds			
Cash and cash equivalents, restricted	\$ -	\$ 82	\$ 82
Investments, restricted	<u>-</u>	<u>136,983</u>	<u>136,983</u>
	<u>-</u>	<u>137,065</u>	<u>137,065</u>
Board-designated quasi-endowment funds			
Cash and cash equivalents, restricted	234	-	234
Investments, restricted	<u>389,859</u>	<u>-</u>	<u>389,859</u>
	<u>390,093</u>	<u>-</u>	<u>390,093</u>
Total endowment	<u>\$ 390,093</u>	<u>\$ 137,065</u>	<u>\$ 527,158</u>

Changes in endowment net assets for the year ending May 31, 2020 was as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment assets at May 31, 2019	\$ 363,456	\$ 126,448	\$ 489,904
Contributions		1,350	1,350
Net investment return	<u>26,637</u>	<u>9,267</u>	<u>35,904</u>
Endowment assets at May 31, 2020	<u>\$ 390,093</u>	<u>\$ 137,065</u>	<u>\$ 527,158</u>

**7. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at May 31, 2020:

Building	\$	528,289
Land		250,000
Building improvements		197,120
Furniture, fixtures, and equipment		<u>163,360</u>
Total property and equipment		1,138,769
Accumulated depreciation		<u>(524,406)</u>
Net property and equipment	\$	<u>614,363</u>

Depreciation expense for the year ended May 31, 2020 was \$29,062.

**8. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following May 31, 2020:

Subject to expenditure for specified purpose		
CARE Fair	\$	148,838
Women Helping Women		121,511
Building repair and improvements		138,966
Promises to give, the proceeds from which have been restricted by the donors for CARE Fair		<u>34,500</u>
		<u>443,815</u>
Not subject to spending policy or appropriation		
Endowment fund		<u>137,065</u>
Total net assets with donor restrictions	\$	<u>580,880</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the year ended May 31, 2020:

Subject to expenditure for specified purpose		
CARE Fair	\$	752,163
Women Helping Women		111,699
Building repair and improvements		10,579
Fundraising		10,800
Other		<u>1,401</u>
Total net assets released from donor restrictions	\$	<u>886,642</u>

**9. BOARD-DESIGNATED NET ASSETS**

The board of directors has designated certain net assets without donor restriction for specific purposes. Net assets without donor restrictions that are board-designated consisted of the following May 31, 2020:

Subject to expenditure for specified purpose	
Quasi-endowment fund	\$ 390,093
Building repairs and improvements	<u>180,375</u>
Total net assets with donor restrictions	<u>\$ 570,468</u>

The Organization’s quasi-endowment was established to provide ongoing funding for the mission of the Organization. The building repairs and improvements fund must be used for maintenance and repairs of the Organization’s building or future property expansion. The building repairs and improvements fund cannot be depleted below 50% of its current balance within a twenty-four-month period.

**10. REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Organization’s revenue from contracts with customers include memberships, meeting and program fees, and merchandise sales.

**Disaggregation of Revenue** - The Organization’s revenue from contracts with customers, disaggregated by major goods and services for the year ended May 31, 2020 was as follows:

Memberships	\$ 18,439
Meeting and program fees	9,644
Merchandise sales	<u>4,503</u>
Total revenue from contracts with customers	<u>\$ 32,586</u>

**Contract Balances** - The following table provides information about receivables and contract liabilities from contracts with customers at May 31, 2020.

Accounts receivable	
Meeting and program fees	\$ <u>3,032</u>
Total contract assets	<u>\$ 3,032</u>
Deferred revenue	
Unexpired memberships	\$ <u>13,558</u>
Total contract liabilities	<u>\$ 13,558</u>

Significant changes in contract liabilities during the year ended May 31, 2020 were as follows:

Contract liabilities at May 31, 2019	\$ 16,043
Revenue recognized that was included in the contract liability at May 31, 2019	(16,043)
Increase due to cash received, excluding amounts recognized as revenue during the period	<u>13,558</u>
Total contract liabilities	<u>\$ 13,558</u>



**Transaction Price Allocated to Remaining Performance Obligations** - The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at May 31, 2020.

Revenues to be recognized in future year ended	<u>May 31, 2021</u>
Memberships	\$ <u>13,558</u>
Total revenue to be recognized related to unsatisfied performance obligations	\$ <u>13,558</u>

## 11. IN-KIND CONTRIBUTIONS

In-kind contributions received during the year ended May 31, 2020 consisted of the following:

Goods	
CARE Fair food and beverage	\$ 6,400
Women Helping Women clothing	45,831
Other	<u>500</u>
	<u>52,731</u>
Specialized services	
CARE Fair Medical professionals	598,633
CARE Fair Interpreters	4,018
Professional fundraising	<u>10,800</u>
	<u>613,451</u>
Use of facilities	
CARE Fair building rental	<u>10,000</u>
	<u>10,000</u>
Total in-kind contributions	\$ <u>679,182</u>

## 12. OPERATING LEASES

The Organization leases office equipment under an operating lease expiring September 2020. The lease requires monthly payments totaling \$177. Future minimum lease payments required under this lease total \$708, which will be paid during the year ended May 31, 2021. Total equipment lease expense for the year ended May 31, 2020 was \$2,125.

## 13. CONCENTRATIONS

At May 31, 2020, promises to give due from two donors represented approximately 72% of total accounts receivable, including promises to give. During the year ended May 31, 2020, in-kind donations related to the CARE Fair represented approximately 63% of the Organization's total revenues and support.

#### 14. COMMITMENTS AND CONTINGENCIES

The Organization may be involved in certain claims arising from the ordinary course of operations and has purchased insurance policies to cover these risks.

#### 15. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

For the year ended May 31, 2020, the Organization adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, as well as other disclosures. Analysis of the provisions of this standard resulted in a prior period adjustment of \$7,236 as a result of understated deferred revenue in the prior year. The presentation and disclosure of revenue has been enhanced in accordance with the standard.

For the year ended May 31, 2020, the Organization adopted FASB's ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*. This clarifies that a contribution is conditional if the agreement includes both a barrier (or barriers) that must be overcome for the Organization to be entitled to the resources and a right of return for the assets transferred (or a right of release of the promisor's obligation to transfer assets). Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis.

For the year ended May 31, 2020, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230) – Restricted Cash*. This guidance requires that the statement of cash flows explain the change during the period in restricted cash and cash equivalents, in addition to cash and cash equivalents. Therefore, restricted cash and cash equivalents are included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts on the statement of cash flow.

#### 16. SUBSEQUENT EVENTS

Subsequent events were evaluated through August 31, 2020, which is the date the financial statements were available to be issued. From their review, management has determined that there were no significant recognizable or unrecognizable subsequent events that were not properly disclosed.