

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

THE JUNIOR LEAGUE OF TAMPA, INC.

June 30, 2017 and 2016

TABLE OF CONTENTS

Independent Auditors' Report	3 - 4
Audited Financial Statements	
Statements of Financial Position	5
Statements of Activities and Changes in Net Assets	6 - 7
Statements of Cash Flows	8
Statements of Functional Expenses	9 - 10
Notes to Financial Statements	11 - 19



**RIVERO, GORDIMER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS**

Member
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

Herman V. Lazzara
Marc D. Sasser
Sam A. Lazzara
Kevin R. Bass
Jonathan E. Stein
Richard B. Gordimer, of Counsel
Cesar J. Rivero, in Memoriam (1942-2017)

Stephen G. Douglas
Michael E. Helton
Christopher F. Terrigino
James K. O'Connor

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Junior League of Tampa, Inc.

We have audited the accompanying financial statements of The Junior League of Tampa, Inc. (a non-profit organization) (the "League"), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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 audits. We conducted our audits 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 The Junior League of Tampa, Inc. as of June 30, 2017 and 2016, 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

Bucio, Gordinier & Company, P.A.

Tampa, Florida
November 2, 2017

The Junior League of Tampa, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30,

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (note A4)	\$ 718,423	\$ 654,413
Accounts receivable (note A5)	13,843	40,294
Pledges receivable, net (note C)	24,808	24,564
Investments (notes A6 and B)	879,968	875,049
Inventory (note A7)	114,217	128,408
Prepaid expenses	22,467	11,028
Total current assets	<u>1,773,726</u>	<u>1,733,756</u>
BUILDING, FURNITURE AND EQUIPMENT - at cost (note A8)		
Building and improvements	524,301	524,301
Furniture and fixtures	104,867	104,867
Equipment	72,298	71,009
Software	42,900	15,000
	<u>744,366</u>	<u>715,177</u>
Less accumulated depreciation	529,147	500,376
	<u>215,219</u>	<u>214,801</u>
PLEDGES RECEIVABLE, net (note C)	<u>37,963</u>	<u>52,991</u>
BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (notes B and D)	<u>488,709</u>	<u>394,582</u>
TOTAL ASSETS	<u>\$ 2,515,617</u>	<u>\$ 2,396,130</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 29,737	\$ 62,800
Refundable advances (note G)	43,333	84,705
Deferred membership dues (note A9)	327,915	317,975
Other liabilities	46,098	18,290
Total current liabilities	<u>447,083</u>	<u>483,770</u>
NET ASSETS (note A2)		
Unrestricted (note J)	1,517,054	1,440,223
Temporarily restricted (note I)	119,714	71,305
Permanently restricted (note H)	431,766	400,832
	<u>2,068,534</u>	<u>1,912,360</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,515,617</u>	<u>\$ 2,396,130</u>

The accompanying notes are an integral part of these statements.

The Junior League of Tampa, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue				
Membership dues (note A9)	\$ 329,647	\$ -	\$ -	\$ 329,647
Special events (note G)	324,139	-	-	324,139
Annual campaign contributions	224,552	-	-	224,552
Contributions	63,489	-	30,934	94,423
Membership publications	37,482	-	-	37,482
Cookbook sales - net	14,053	-	-	14,053
Investment income	8,509	48,409	-	56,918
Other income	3,227	-	-	3,227
Total public support and revenue	<u>1,005,098</u>	<u>48,409</u>	<u>30,934</u>	<u>1,084,441</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public support, revenue and net assets released from restrictions	<u>1,005,098</u>	<u>48,409</u>	<u>30,934</u>	<u>1,084,441</u>
Expenses				
Program expenses	<u>793,594</u>	<u>-</u>	<u>-</u>	<u>793,594</u>
Supporting services				
Management and general	115,070	-	-	115,070
Fundraising	19,603	-	-	19,603
Total supporting services	<u>134,673</u>	<u>-</u>	<u>-</u>	<u>134,673</u>
Total expenses	<u>928,267</u>	<u>-</u>	<u>-</u>	<u>928,267</u>
Change in net assets	<u>76,831</u>	<u>48,409</u>	<u>30,934</u>	<u>156,174</u>
Net assets at beginning of year	<u>1,440,223</u>	<u>71,305</u>	<u>400,832</u>	<u>1,912,360</u>
Net assets at end of year	<u>\$ 1,517,054</u>	<u>\$ 119,714</u>	<u>\$ 431,766</u>	<u>\$2,068,534</u>

The accompanying notes are an integral part of this statement.

The Junior League of Tampa, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue				
Membership dues (note A9)	\$ 334,529	\$ -	\$ -	\$ 334,529
Special events (note G)	255,419	-	-	255,419
Annual campaign contributions	206,727	-	-	206,727
Contributions	61,167	-	118,360	179,527
Membership publications	41,324	-	-	41,324
Cookbook sales - net	15,755	-	-	15,755
Investment income	11,992	(8,750)	-	3,242
Other income	5,113	-	-	5,113
Total public support and revenue	<u>932,026</u>	<u>(8,750)</u>	<u>118,360</u>	<u>1,041,636</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public support, revenue and net assets released from restrictions	<u>932,026</u>	<u>(8,750)</u>	<u>118,360</u>	<u>1,041,636</u>
Expenses				
Program expenses	<u>692,079</u>	<u>-</u>	<u>-</u>	<u>692,079</u>
Supporting services				
Management and general	128,504	-	-	128,504
Fundraising	<u>26,300</u>	<u>-</u>	<u>-</u>	<u>26,300</u>
Total supporting services	<u>154,804</u>	<u>-</u>	<u>-</u>	<u>154,804</u>
Total expenses	<u>846,883</u>	<u>-</u>	<u>-</u>	<u>846,883</u>
Change in net assets	<u>85,143</u>	<u>(8,750)</u>	<u>118,360</u>	<u>194,753</u>
Net assets at beginning of year	<u>1,355,080</u>	<u>80,055</u>	<u>282,472</u>	<u>1,717,607</u>
Net assets at end of year	<u>\$ 1,440,223</u>	<u>\$ 71,305</u>	<u>\$ 400,832</u>	<u>\$ 1,912,360</u>

The accompanying notes are an integral part of this statement.

The Junior League of Tampa, Inc.

STATEMENTS OF CASH FLOWS

For the year ended June 30,

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$ 156,174	\$ 194,753
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	28,771	17,757
Decrease (increase) in pledges receivable	14,784	(56,287)
Decrease (increase) in accounts receivable	26,451	(22,192)
Decrease in inventory	14,191	14,099
Increase in assets held by others	(94,127)	(53,323)
Increase in prepaid assets	(11,439)	(216)
(Decrease) increase in accounts payable	(33,063)	29,582
(Decrease) increase in refundable advances and deferred membership dues	(31,432)	13,759
Increase in other liabilities	27,808	13,673
Total adjustments	<u>(58,056)</u>	<u>(43,148)</u>
Net cash provided by operating activities	<u>98,118</u>	<u>151,605</u>
Cash flows from investing activities		
Purchase of investments, net	(4,919)	(19,950)
Purchase of fixed assets	<u>(29,189)</u>	<u>(55,300)</u>
Net cash used by investing activities	<u>(34,108)</u>	<u>(75,250)</u>
Net increase in cash and cash equivalents	64,010	76,355
Cash and cash equivalents at beginning of year	<u>654,413</u>	<u>578,058</u>
Cash and cash equivalents at end of year	<u>\$ 718,423</u>	<u>\$ 654,413</u>

The accompanying notes are an integral part of these statements.

The Junior League of Tampa, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2017

	Program	Management and General	Fundraising	Total
Association dues	\$ 80,238	\$ -	\$ -	\$ 80,238
Bad debt expense	-	-	583	583
Bank charges	9,092	1,515	4,546	15,153
Community projects	402,539	-	-	402,539
Community relations	9,527	-	-	9,527
Depreciation	23,959	2,819	1,409	28,187
Insurance	35,445	4,170	2,085	41,700
Legal and accounting	-	13,750	-	13,750
Membership expenses	73,731	-	-	73,731
Miscellaneous	4,296	716	2,148	7,160
Occupancy	15,212	1,789	895	17,896
Provisional education	2,406	-	-	2,406
Public relations	5,874	979	2,937	9,790
Publication expenses	34,402	4,047	2,024	40,473
Purchased services	1,243	1,243	-	2,486
Repairs and maintenance	21,873	2,573	1,287	25,733
Salaries and benefits	39,044	78,089	-	117,133
Supplies and postage	12,353	1,453	727	14,533
Taxes - other	760	-	-	760
Technology	12,328	1,451	725	14,504
Telephone	4,043	476	238	4,757
Training and conferences	5,228	-	-	5,228
Total expenses	\$ 793,593	\$ 115,070	\$ 19,604	\$ 928,267

The accompanying notes are an integral part of this statement.

The Junior League of Tampa, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2016

	Program	Management and General	Fundraising	Total
Association dues	\$ 80,475	\$ -	\$ -	\$ 80,475
Bad debt expense	-	-	2,500	2,500
Bank charges	8,914	1,486	4,456	14,856
Community projects	329,134	-	-	329,134
Community relations	10,768	1,428	-	12,196
Depreciation	15,093	1,776	888	17,757
Insurance	28,738	3,381	1,690	33,809
Legal and accounting	-	14,750	-	14,750
Membership expenses	5,688	11,373	5,686	22,747
Miscellaneous	3,244	541	1,622	5,407
Occupancy	17,618	2,073	1,036	20,727
Provisional education	14,556	-	-	14,556
Public relations	5,361	893	2,681	8,935
Publication expenses	36,231	4,263	2,131	42,625
Purchased services	1,303	1,302	-	2,605
Repairs and maintenance	26,069	3,067	1,533	30,669
Salaries and benefits	38,135	77,427	-	115,562
Supplies and postage	12,555	1,477	739	14,771
Taxes - other	-	591	-	591
Technology	18,385	2,163	1,081	21,629
Telephone	4,364	513	257	5,134
Training and conferences	35,448	-	-	35,448
	<u>\$ 692,079</u>	<u>\$ 128,504</u>	<u>\$ 26,300</u>	<u>\$ 846,883</u>
Total expenses	<u>\$ 692,079</u>	<u>\$ 128,504</u>	<u>\$ 26,300</u>	<u>\$ 846,883</u>

The accompanying notes are an integral part of this statement.

The Junior League of Tampa, Inc.
NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Description of the Organization

The Junior League of Tampa, Inc. (the "League") is an organization of women committed to promoting volunteerism, developing the potential of women, and improving communities through effective action and leadership of trained volunteers. Its purpose is exclusively educational and charitable.

2. Basis of Accounting

The financial statements, presented on the accrual basis of accounting, have been prepared to focus on the League as a whole, and to present balances and transactions according to the existence or absence of donor-imposed restrictions following the Financial Accounting Standards Board *Accounting Standards Codification* (FASB ASC) 958-205, *Presentation of Financial Statements*. This has been accomplished by the classification of assets, liabilities, and net assets into three self-balancing net asset groups as follows:

- Permanently Restricted – net assets subject to donor-imposed stipulations that they be maintained permanently by the League. Generally, the donors of these assets permit the League to use all or part of the income earned on any related investments for general or specific purposes.
- Temporarily Restricted Net Assets - net assets subject to donor-imposed stipulations that may or will be met by either actions of the League and/or the passage of time.
- Unrestricted Net Assets - net assets that are not permanently or temporarily restricted as described above.

Contributions received and unconditional promises to give are measured at their fair values at the date of contribution and are reported as increases in net assets. The League reports gifts of cash and other assets as restricted support if they are designated for future periods. Temporarily restricted net assets are reclassified to unrestricted net assets when the restriction expires. Accordingly, the financial statements classify all net assets as unrestricted except those that involve a donor restriction which are classified as permanently or temporarily restricted.

3. Liquidity

Assets are presented in the accompanying Statement of Financial Position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017 and 2016

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Cash Equivalents

Cash equivalents consist of highly liquid short-term money market instruments with a maturity of three months or less when purchased and approximated \$249,800 and \$249,100 at June 30, 2017 and 2016, respectively.

5. Accounts Receivable

Accounts receivable are recorded at estimated realizable value, net of an allowance for uncollectible accounts. No allowance for doubtful accounts was recorded at June 30, 2017 and 2016.

6. Investments

Investments are stated at fair value based upon quoted market prices.

7. Inventory

Inventory is comprised of cookbooks and is valued at the lower of cost or market using the first-in, first-out method of accounting.

8. Building, Furniture and Equipment

Building, furniture and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives, five to thirty-nine years, of the respective assets. The League capitalizes asset acquisitions exceeding \$1,000.

9. Deferred Membership Income

The League follows the policy of deferring membership dues collected in advance of the year which the activity occurs. The League's billing cycle for member dues is such that annual dues are billable April 1 of each year and are delinquent if not paid by May 15. However, the League recognizes membership dues income in the following July 1 to June 30 fiscal year.

10. Income Taxes

The League is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively. Management is not aware of any activities that would jeopardize the League's tax exempt status. The League is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after June 30, 2013 remain subject to examination by taxing authorities.

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017 and 2016

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. Concentrations of Credit Risk

Financial instruments that potentially subject the League to concentrations of credit risk consist principally of cash and money market accounts.

12. Use of Estimates

The preparation of these 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, liabilities, and operating expenses and to disclose contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

13. Donations-in-Kind and Contributed Services

Donations-in-kind items used by the League are recorded as contributions and as assets or expenses to the extent that an objective basis is available to measure the value of such items.

Contributed services are recorded as contributions and as assets or expenses at their fair value, to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals or organizations possessing these skills, and would typically need to be purchased if not provided by donations. Contributed goods and services totaled approximately \$43,800 and \$28,200 during the years ended June 30, 2017 and 2016, respectively.

A substantial number of volunteers have contributed significant amounts of time and services to the League's fundraising activities. However, these services have not been recognized in the financial statements since they do not meet the requirements of FASB ASC 958 - 605.

14. Functional Allocation of Expenses

The costs of providing the League's various programs and other activities have been summarized on a functional basis in the accompanying Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supportive services benefited.

15. Reclassifications

Certain amounts previously reported in the financial statements for the prior year have been reclassified in order for them to be in conformity with the current year presentation.

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017 and 2016

NOTE B - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement), a middle priority to quoted prices for similar assets or liabilities (level 2 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the respective level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for significant assets measured at fair value at June 30, 2017 and 2016:

Investments: Primarily consist of certificates of deposit and money market accounts. The League uses quoted market prices of identical assets on active exchanges, or Level 1 measurements.

Beneficial interest in assets held by others: Consist of a designated fund with a local community foundation. The beneficial interest is not actively traded and significant other observable assets are not available. Thus, the fair value is equal to the reported by the trustee.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the League believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the League's assets at fair value as of:

<u>June 30, 2017</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Certificates of deposit	\$ 311,701	\$ 311,701	\$ -	\$ -
Money market	568,267	568,267	-	-
Beneficial interest in assets held by others	<u>488,709</u>	<u>-</u>	<u>-</u>	<u>488,709</u>
Total	<u>\$1,368,677</u>	<u>\$ 879,968</u>	<u>\$ -</u>	<u>\$ 488,709</u>

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017 and 2016

NOTE B - FAIR VALUE MEASUREMENTS - Continued

<u>June 30, 2016</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Certificates of deposit	\$ 513,742	\$ 513,742	\$ -	\$ -
Money market	361,307	361,307	-	-
Beneficial interest in assets held by others	<u>394,582</u>	<u>-</u>	<u>-</u>	<u>394,582</u>
Total	<u>\$1,269,631</u>	<u>\$ 875,049</u>	<u>\$ -</u>	<u>\$ 394,582</u>

The following illustrates a rollforward for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ended June 30,:

<u>Assets</u>	<u>2017</u>	<u>2016</u>
Beneficial interest in assets held by others at beginning of year	\$ 394,582	\$ 341,259
Additions	45,718	62,073
Interest and dividends	9,694	19,842
Realized and unrealized gains (losses)	41,896	(26,132)
Fees	<u>(3,181)</u>	<u>(2,460)</u>
Beneficial interest in assets held by others at end of year	<u>\$ 488,709</u>	<u>\$ 394,582</u>

Pledges receivable are reported at the fair value of promises to give that are due in more than one year by discounting expected future cash flows.

NOTE C - PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give by donors. Pledges that are expected to be collected after one year have been discounted at 2%. Pledges receivable consisted of the following at June 30,:

	<u>2017</u>	<u>2016</u>
Total pledges	\$ 64,099	\$ 79,631
Less allowance for uncollectible pledges	-	-
Less unamortized discount for present value	<u>(1,328)</u>	<u>(2,076)</u>
Net pledges receivable	<u>\$ 62,771</u>	<u>\$ 77,555</u>

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017 and 2016

NOTE C - PLEDGES RECEIVABLE - Continued

Pledges receivable expected to be collected after June 30, 2017 are as follows:

<u>Year ending June 30,</u>	
2018	\$ 24,808
2019	16,958
2020	15,508
2021	<u>6,825</u>
	64,099
Less allowance for uncollectible pledges and unamortized discount	<u>(1,328)</u>
	<u>\$ 62,771</u>

NOTE D - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The League established a designated fund with a local community foundation for the purpose of providing support for the League's mission. Variance power was given to the Community Foundation in relationship to this fund.

NOTE E - RETIREMENT PLAN

The League has a defined contribution plan whereby an employee may make salary reduction contributions within IRS guidelines. The League will match such deferrals, up to three percent (3%) of the employee's annual compensation. The annual expense incurred was approximately \$1,300 and \$1,200 for the years ended June 30, 2017 and 2016, respectively.

NOTE F - COMMITMENTS

1. Community Projects

During the years ended June 30, 2017 and 2016 the expenditures for community projects were \$402,539 and \$329,134, respectively. Various charitable organizations that the membership of the League has planned to fund are as follows:

<u>Year ending June 30,</u>	
2018	\$ 351,591
2019	112,591
2020	<u>66,291</u>
	<u>\$ 530,473</u>

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017 and 2016

NOTE F - COMMITMENTS - Continued

2. Leases

The League leases equipment under a non-cancelable operating lease. Future minimum payments under the operating lease agreement are as follows:

<u>Year ending June 30,</u>	
2018	\$ 3,844
2019	3,844
2020	1,847
2021	421
2022	<u>105</u>
	<u>\$ 10,061</u>

Total rent expense under a non-cancelable operating lease for the years ended June 30, 2017 and 2016 was approximately \$2,500 and \$2,600, respectively.

NOTE G - SPECIAL EVENTS

The League conducts various fundraising events. Refundable advances at June 30, 2017 and 2016 included approximately \$43,300 and \$84,700 respectively, for a fundraising event. Additionally, net special event revenue consisted of the following during the year ended June 30,:

	<u>2017</u>	<u>2016</u>
Event revenue	\$ 632,120	\$ 611,788
Direct expenses	<u>(307,981)</u>	<u>(356,369)</u>
Net proceeds from special events	<u>\$ 324,139</u>	<u>\$ 255,419</u>

NOTE H - ENDOWMENT NET ASSETS

The League's endowment is comprised of donor restricted funds designated to function as an endowment. Net assets associated with endowment funds are classified and reported based on existence or absence of donor imposed restrictions.

Interpretation of Relevant Law

In July 2011, the State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The League has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary.

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017 and 2016

NOTE H - ENDOWMENT NET ASSETS - Continued

As a result of this interpretation, the League classifies the original value of the donated gift as permanently restricted net assets in accordance with the direction of the applicable donor gift instrument at the time the gift was donated to the fund.

In accordance with the FUPMIFA, the League considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the League and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and that appreciation of investments
6. Other resources of the League
7. The investment policies of the League

Return Objectives, Risk parameters, and Strategies

The League has adopted an investment and spending policy for endowment assets that attempts to preserve the real (inflation adjusted) value of endowment assets, increase the real value of the portfolio and facilitate a potential distribution to support the endowment purpose. Endowment assets include those assets of donor-restricted funds that the League must hold in perpetuity or for a donor-specified period. The terms of the operating policies of the endowment funds (the "Fund") requires that the Fund will be managed by the Community Foundation of Tampa Bay, Inc. and approved by the Board of Directors. The Community Foundation of Tampa Bay, Inc. is responsible to oversee the portfolio's investments and monitor the investments on an ongoing basis to ensure that long-term objectives are being met.

Spending Policy and How the Investment Objective Relates to Spending Policy

The purpose of the endowment fund is to fund the long-term endowment fund held at the Community Foundation of Tampa Bay, Inc. The League is currently not receiving distributions from the Community Foundation of Tampa Bay, Inc. In future years the League may receive distributions from the Community Foundation of Tampa Bay, Inc.

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017 and 2016

NOTE H - ENDOWMENT NET ASSETS - Continued

Changes in the endowment's net assets are as follows for the years ended June 30, 2017 and 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets at June 30, 2015	\$ -	\$ 80,055	\$ 261,204	\$ 341,259
Pledge collections/contributions	-	-	62,073	62,073
Transfer from unrestricted net assets	-	-	-	-
Investment income	-	(8,750)	-	(8,750)
Endowment expenditures	-	-	-	-
Endowment net assets at June 30, 2016	-	71,305	323,277	394,582
Pledge collections/contributions	-	-	45,718	45,718
Transfer from unrestricted net assets	-	-	-	-
Investment income	-	48,409	-	48,409
Endowment expenditures	-	-	-	-
Endowment net assets at June 30, 2017	<u>\$ -</u>	<u>\$ 119,714</u>	<u>\$ 368,995</u>	<u>\$ 488,709</u>

NOTE I - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets contain donor-imposed restrictions that expire upon the passage of time or once specific actions are undertaken by the League. The net assets are then released and reclassified to unrestricted support when they are expended. Temporarily restricted net assets consisted of the following balances at June 30,:

	<u>2017</u>	<u>2016</u>
Community Foundation of Tampa Bay, Inc.	<u>\$ 119,714</u>	<u>\$ 71,305</u>

NOTE J - BOARD DESIGNATION

The League's Board of Directors designated \$50,000 of unrestricted net assets for future capital improvements as of June 30, 2017 and 2016.

NOTE K - SUBSEQUENT EVENTS

The League has evaluated events and transactions occurring subsequent to June 30, 2017 as of November 2, 2017 which is the date the financial statements were available to be issued.