

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

THE JUNIOR LEAGUE OF TAMPA, INC.

June 30, 2019 and 2018

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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, 2019 and 2018, 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, 2019 and 2018, 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

Buccio, Gordinier & Company, P.A.

Tampa, Florida
October 22, 2019

The Junior League of Tampa, Inc.
STATEMENTS OF FINANCIAL POSITION

June 30,

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (note A3)	\$ 1,506,318	\$ 636,082
Accounts receivable (note A4)	136	8,042
Pledges receivable (note D)	8,975	16,975
Investments (notes A5 and C)	12,933	884,055
Inventory (note A6)	121,903	130,045
Prepaid expenses	13,118	24,498
Total current assets	1,663,383	1,699,697
BUILDING, FURNITURE AND EQUIPMENT - at cost (note A7)		
Building and improvements	588,267	530,527
Furniture and fixtures	150,073	104,867
Equipment	74,173	72,298
Software	69,719	68,699
	882,232	776,391
Less accumulated depreciation	612,923	565,201
	269,309	211,190
PLEDGES RECEIVABLE, net (note D)	1,387	14,969
BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (notes C and E)	653,723	597,801
TOTAL ASSETS	\$ 2,587,802	\$ 2,523,657
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 19,125	\$ 45,049
Refundable advances (note H)	27,293	35,070
Deferred membership dues (note A8)	340,214	292,551
Other liabilities	54,978	43,183
Total current liabilities	441,610	415,853
NET ASSETS (note A2)		
Without donor restrictions	1,461,072	1,478,059
With donor restrictions	685,120	629,745
	2,146,192	2,107,804
TOTAL LIABILITIES AND NET ASSETS	\$ 2,587,802	\$ 2,523,657

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, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Membership dues (note A8)	\$ 330,053	\$ -	\$ 330,053
Special events (note H)	333,566	-	333,566
Annual campaign contributions	200,915	21,035	221,950
Contributions	150,098	12,643	162,741
Membership publications	18,803	-	18,803
Cookbook sales - net	13,205	-	13,205
Investment income	11,289	21,697	32,986
Total public support and revenue	<u>1,057,929</u>	<u>55,375</u>	<u>1,113,304</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total public support, revenue and net assets released from restrictions	<u>1,057,929</u>	<u>55,375</u>	<u>1,113,304</u>
Expenses			
Program expenses	<u>905,450</u>	<u>-</u>	<u>905,450</u>
Supporting services			
Management and general	140,761	-	140,761
Fundraising	28,705	-	28,705
Total supporting services	<u>169,466</u>	<u>-</u>	<u>169,466</u>
Total expenses	<u>1,074,916</u>	<u>-</u>	<u>1,074,916</u>
Change in net assets	<u>(16,987)</u>	<u>55,375</u>	<u>38,388</u>
Net assets at beginning of year	<u>1,478,059</u>	<u>629,745</u>	<u>2,107,804</u>
Net assets at end of year	<u>\$ 1,461,072</u>	<u>\$ 685,120</u>	<u>\$ 2,146,192</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, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue			
Membership dues (note A8)	\$ 343,784	\$ -	\$ 343,784
Special events (note H)	291,369	-	291,369
Annual campaign contributions	176,879	-	176,879
Contributions	59,497	46,633	106,130
Membership publications	14,953	-	14,953
Cookbook sales - net	17,772	-	17,772
Investment income	9,224	31,632	40,856
Total public support and revenue	<u>913,478</u>	<u>78,265</u>	<u>991,743</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total public support, revenue and net assets released from restrictions	<u>913,478</u>	<u>78,265</u>	<u>991,743</u>
Expenses			
Program expenses	<u>809,478</u>	<u>-</u>	<u>809,478</u>
Supporting services			
Management and general	122,882	-	122,882
Fundraising	20,113	-	20,113
Total supporting services	<u>142,995</u>	<u>-</u>	<u>142,995</u>
Total expenses	<u>952,473</u>	<u>-</u>	<u>952,473</u>
Change in net assets	<u>(38,995)</u>	<u>78,265</u>	<u>39,270</u>
Net assets at beginning of year	<u>1,517,054</u>	<u>551,480</u>	<u>2,068,534</u>
Net assets at end of year	<u>\$ 1,478,059</u>	<u>\$ 629,745</u>	<u>\$ 2,107,804</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>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 38,388	\$ 39,270
Adjustments to reconcile change in net assets to net cash provided (used) provided by operating activities		
Depreciation	47,722	36,054
Decrease in pledges receivable	21,581	30,827
Decrease in accounts receivable	7,906	5,801
Decrease (increase) in inventory	8,142	(15,828)
Increase in assets held by others	(55,922)	(109,092)
Decrease (increase) in prepaid assets	11,381	(2,031)
(Decrease) increase in accounts payable	(25,924)	15,312
Increase (decrease) in refundable advances and deferred membership dues	39,886	(43,627)
Decrease in other liabilities	11,795	(2,915)
Total adjustments	<u>66,567</u>	<u>(85,499)</u>
Net cash provided (used) by operating activities	<u>104,955</u>	<u>(46,229)</u>
Cash flows from investing activities		
Sale (purchase) of investments, net	871,122	(4,087)
Purchase of fixed assets	<u>(105,841)</u>	<u>(32,025)</u>
Net cash provided (used) by investing activities	<u>765,281</u>	<u>(36,112)</u>
Net increase (decrease) in cash and cash equivalents	870,236	(82,341)
Cash and cash equivalents at beginning of year	<u>636,082</u>	<u>718,423</u>
Cash and cash equivalents at end of year	<u>\$ 1,506,318</u>	<u>\$ 636,082</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, 2019

	Program	Management and General	Fundraising	Total
Association dues	\$ 81,431	\$ -	\$ -	\$ 81,431
Bad debt	-	-	7,950	7,950
Bank charges	13,333	2,222	6,667	22,222
Community projects	490,674	-	-	490,674
Community relations	10,469	-	-	10,469
Depreciation	40,564	4,772	2,386	47,722
Insurance	43,874	5,162	2,580	51,616
Legal and accounting	-	15,587	-	15,587
Membership expenses	51,728	-	-	51,728
Miscellaneous	1,282	214	641	2,136
Occupancy	16,477	1,939	969	19,385
Provisional education	18,190	-	-	18,190
Public relations	6,097	1,016	3,048	10,161
Publication expenses	34,559	4,066	2,033	40,658
Purchased services	1,969	1,969	-	3,938
Repairs and maintenance	21,142	2,487	1,243	24,873
Salaries and benefits	49,476	98,951	-	148,427
Supplies and postage	6,055	712	356	7,123
Taxes - other	1,263	-	-	1,263
Technology	14,144	1,664	832	16,640
Training and conferences	2,723	-	-	2,723
Total expenses	<u>\$ 905,450</u>	<u>\$ 140,761</u>	<u>\$ 28,705</u>	<u>\$ 1,074,916</u>

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, 2018

	Program	Management and General	Fundraising	Total
Association dues	\$ 81,141	\$ -	\$ -	\$ 81,141
Bank charges	11,681	1,947	5,841	19,469
Community projects	420,869	-	-	420,869
Community relations	12,848	-	-	12,848
Depreciation	30,646	3,605	1,803	36,054
Insurance	39,653	4,665	2,332	46,650
Legal and accounting	-	14,500	-	14,500
Membership expenses	46,336	-	-	46,336
Miscellaneous	3,884	647	1,942	6,473
Occupancy	20,255	2,382	1,191	23,829
Provisional education	18,275	-	-	18,275
Public relations	5,441	907	2,720	9,068
Publication expenses	33,011	3,884	1,942	38,837
Purchased services	2,060	2,060	-	4,120
Repairs and maintenance	16,788	1,975	987	19,750
Salaries and benefits	41,798	83,597	-	125,395
Supplies and postage	7,930	933	466	9,329
Taxes - other	426	-	-	426
Technology	15,119	1,780	889	17,787
Training and conferences	1,317	-	-	1,317
	<u>\$ 809,478</u>	<u>\$ 122,882</u>	<u>\$ 20,113</u>	<u>\$ 952,473</u>
Total expenses	<u>\$ 809,478</u>	<u>\$ 122,882</u>	<u>\$ 20,113</u>	<u>\$ 952,473</u>

The accompanying notes are an integral part of this statement.

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

June 30, 2019 and 2018

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

These financial statements, presented on the accrual basis of accounting, have been prepared to focus on the League as a whole and to present net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions. This has been accomplished by the classification of assets, liabilities, and net assets into two groups – with donor restrictions and without donor restrictions.

These two groups are defined as follows:

- Net assets without donor restrictions – the portion of the League's net assets that is not subject to donor-imposed restrictions.
- Net assets with donor restrictions – the portion of the League's net assets that is subject to donor-imposed restrictions

A donor-imposed restriction is a stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from the nature of the organization, the environment in which it operates, or its mission. A donor-imposed restriction may be temporary or permanent. Temporary restrictions may be fulfilled by actions of the organization to meet the stipulations or be fulfilled by the passage of time. Permanent restrictions stipulate that the resources must be maintained in perpetuity.

The Foundation follows the provisions of the Financial Accounting Standards Board *Accounting Standards Codification* ("FASB ASC").

FASB ASC 958-205 establishes standards for general purpose external financial statements of not-for-profit organizations that require a statement of financial position, a statement of activities and changes in net assets, and a statement of cash flows.

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

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

FASB ASC 958-605 requires the League to distinguish between contributions that increase net asset without donor restrictions and net assets with donor restrictions. It also requires recognition of contributed services meeting certain criteria at fair values.

3. Change in Accounting Principle

During 2018, the League adopted ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes applicable to the League include:

- Requiring the presentation of only two classes of net assets now titled “net assets without donor restrictions” and “net assets with donor restrictions”
- Modifying the presentation of underwater endowment funds and related disclosures
- Requiring the use of the placed in-service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise
- Requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate functional expense statement, or in the notes and disclose a summary of the allocation methods used to allocate costs
- Requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources
- Presenting investment return net of external and direct internal investment expenses, and
- Modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements

In addition, ASU 2016-14 removes the requirement that not-for-profit entities that chose to prepare the statement of cash flows using the direct method must also present a reconciliation (the indirect method).

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 \$261,000 and \$250,300 at June 30, 2019 and 2018, respectively.

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

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

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, 2019 and 2018.

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 June 30. 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, 2016 remain subject to examination by taxing authorities.

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

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 \$54,700 and \$27,400 during the years ended June 30, 2019 and 2018, 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. Expenses directly attributable to a specific functional area of the Organization are reported as expenses on those functional areas.

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, 2019 and 2018

NOTE B - LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position sheet date, comprise the following at June 30,:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,506,318	\$ 636,082
Accounts receivable	136	8,042
Investments	<u>12,933</u>	<u>884,055</u>
	<u>\$ 1,519,387</u>	<u>\$ 1,528,179</u>

The League maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

The League's Board of Directors has the ability to designate net assets without donor restrictions that could be made available for current operations if necessary. The Board has elected to designate \$969,651, and \$50,000 of these net assets for at June 30, 2019 and 2018, respectively.

NOTE C - 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, 2019 and 2018:

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

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE C - FAIR VALUE MEASUREMENTS - Continued

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, 2019</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Publicly traded stocks	\$ 12,933	\$ 12,933	\$ -	\$ -
Beneficial interest in assets held by others	<u>653,723</u>	<u>-</u>	<u>-</u>	<u>653,723</u>
Total	<u>\$ 666,656</u>	<u>\$ 12,933</u>	<u>\$ -</u>	<u>\$ 653,723</u>

<u>June 30, 2018</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Publicly traded stocks	\$ 11,141	\$ 11,141	\$ -	\$ -
Money market	872,914	872,914	-	-
Beneficial interest in assets held by others	<u>597,801</u>	<u>-</u>	<u>-</u>	<u>597,801</u>
Total	<u>\$ 1,481,856</u>	<u>\$ 884,055</u>	<u>\$ -</u>	<u>\$ 597,801</u>

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE C - FAIR VALUE MEASUREMENTS - Continued

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>2019</u>	<u>2018</u>
Beneficial interest in assets held by others at beginning of year	\$ 597,801	\$ 488,709
Additions	35,188	77,460
Interest and dividends	12,111	9,022
Realized and unrealized gains (losses)	14,193	27,156
Fees	<u>(5,570)</u>	<u>(4,546)</u>
Beneficial interest in assets held by others at end of year	<u>\$ 653,723</u>	<u>\$ 597,801</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 D - 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>2019</u>	<u>2018</u>
Total pledges	\$ 18,600	\$ 32,325
Less allowance for uncollectible pledges	(7,950)	-
Less unamortized discount for present value	<u>(288)</u>	<u>(381)</u>
Net pledges receivable	<u>\$ 10,362</u>	<u>\$ 31,944</u>

Pledges receivable expected to be collected after June 30, 2019 are as follows:

<u>Year ending June 30,</u>	
2020	\$ 8,975
2021	5,600
2022	1,675
2023	1,300
2024	<u>1,050</u>
	18,600
Less allowance for uncollectible pledges and unamortized discount	<u>(8,238)</u>
	<u>\$ 10,362</u>

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE E - 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 F - 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 \$1,680 and \$1,400 for the years ended June 30, 2019 and 2018, respectively.

NOTE G - COMMITMENTS

1. Community Projects

During the years ended June 30, 2019 and 2018 the expenditures for community projects were \$490,674 and \$420,869 respectively. Various charitable organizations that the membership of the League has planned to fund are as follows:

Year ending June 30,

2020	\$ 440,964
2021	306,125
2022	<u>201,800</u>
	<u>\$ 948,889</u>

2. Leases

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

Year ending June 30,

2020	\$ 1,847
2021	421
2022	<u>105</u>
	<u>\$ 2,373</u>

Total rent expense under a non-cancelable operating lease for the years ended June 30, 2019 and 2018 was approximately \$3,900 and \$4,100, respectively.

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE H - SPECIAL EVENTS

The League conducts various fundraising events. Refundable advances at June 30, 2019 and 2018 included approximately \$27,300 and \$35,100 respectively, for a fundraising event. Additionally, net special event revenue consisted of the following during the year ended June 30,:

	<u>2019</u>	<u>2018</u>
Event revenue	\$ 736,585	\$ 668,240
Direct expenses	<u>(403,019)</u>	<u>(376,871)</u>
Net proceeds from special events	<u>\$ 333,566</u>	<u>\$ 291,369</u>

NOTE I - 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.

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

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE I - ENDOWMENT NET ASSETS - Continued

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.

Changes in the endowment's net assets are as follows for the years ended June 30, 2019 and 2018:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets at June 30, 2017	\$ -	\$ 488,709	\$ 488,709
Pledge collections/contributions	-	77,460	77,460
Investment income	-	31,632	31,632
Endowment expenditures	-	-	-
Endowment net assets at June 30, 2018	-	597,801	597,801
Pledge collections/contributions	-	35,188	35,188
Investment income	-	20,734	20,734
Endowment expenditures	-	-	-
Endowment net assets at June 30, 2019	<u>\$ -</u>	<u>\$ 653,723</u>	<u>\$ 653,723</u>

The Junior League of Tampa, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE J - NET ASSET WITH DONOR RESTRICTIONS

Net assets with donor restrictions 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 net assets without donor restrictions when they are expanded. Net asset with donor restrictions consisted of the following balances at June 30,:

	<u>2019</u>	<u>2018</u>
Community Foundation of Tampa Bay, Inc.	\$ 653,723	\$ 597,801
Endowment pledges	10,362	31,944
Time restricted contributions	<u>21,035</u>	<u>-</u>
	<u>\$ 685,120</u>	<u>\$ 629,745</u>

NOTE K - BOARD DESIGNATION

The League's Board of Directors designated \$969,651, and \$50,000 of net assets without donor restrictions for future community projects, capital improvements, and general operating needs as of June 30, 2019 and 2018, respectively.

NOTE L - SUBSEQUENT EVENTS

The League has evaluated events and transactions occurring subsequent to June 30, 2019 as of October 22, 2019 which is the date the financial statements were available to be issued.