

**JUNIOR LEAGUE OF COLUMBUS, INC.
(A NON-PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

June 30, 2020 and 2019

DRAFT

**Laura J. MacDonald, CPA, Inc.
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**JUNIOR LEAGUE OF COLUMBUS, INC.
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
June 30, 2020 and 2019**

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Specializing in Audits
of Non-Profit Agencies

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Junior League of Columbus, Inc.
Columbus, Ohio

I have audited the accompanying financial statements of the Junior League of Columbus, Inc. (a non-profit Organization) which comprise the Statement of Financial Position as of June 30, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Junior League of Columbus, Inc. as of June 30, 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.

Board of Directors
April 6, 2021
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Other Matter – Prior Period Financial Statements

The 2019 financial statements were reviewed by me and my report thereon, dated January 30, 2020, stated that I am not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Medina, Ohio
April 6, 2021

JUNIOR LEAGUE OF COLUMBUS, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	<u>2020</u> <u>(Audited)</u>	<u>2019</u> <u>(Reviewed)</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents:		
Unrestricted	\$ 306,526	\$ 270,613
Restricted for Kelton House renovations	75,711	63,343
Accounts receivable	-	1,014
Inventories	980	1,768
Prepaid expenses	7,184	2,240
Current portion of unconditional promise to give	<u>14,058</u>	<u>14,058</u>
TOTAL CURRENT ASSETS	404,459	353,036
PROPERTY AND EQUIPMENT, NET	310,428	329,844
RESTORATION FURNISHINGS	139,261	139,261
OTHER ASSETS		
Unconditional promise to give, less current portion	70,291	84,349
Beneficial interest in investments held by The Columbus Foundation:		
Without donor restrictions:		
Unrestricted	333,088	292,762
Board designated	278,398	273,791
Donor restricted	<u>146,439</u>	<u>145,439</u>
	<u>828,216</u>	<u>796,341</u>
	<u>\$ 1,682,364</u>	<u>\$ 1,618,482</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 9,080	\$ 7,920
Accrued payroll, vacation and related expenses and withholdings	475	1,133
Deferred revenue:		
Membership dues	52,759	56,747
Rental revenue and deposits	<u>3,250</u>	<u>10,800</u>
TOTAL CURRENT LIABILITIES	65,564	76,600
NET ASSETS		
Without donor restrictions	1,019,741	937,515
Without donor restrictions - Board Designated	278,398	273,791
With donor restrictions	<u>318,661</u>	<u>330,576</u>
TOTAL NET ASSETS	<u>1,616,800</u>	<u>1,541,882</u>
	<u>\$ 1,682,364</u>	<u>\$ 1,618,482</u>

Please refer to accompanying notes.

JUNIOR LEAGUE OF COLUMBUS, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL (Audited)</u>
SUPPORT AND REVENUE			
Grants and contributions	\$ 113,082	\$ 15,688	\$ 128,770
Special events	44,608	3,113	47,721
Membership dues	63,172	-	63,172
Program income	55,733	-	55,733
Rental income	19,154	-	19,154
Investment income	76,675	-	76,675
In-kind income	38,089	-	38,089
	<u>410,513</u>	<u>18,801</u>	<u>429,314</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of donor restrictions	16,659	(16,659)	-
Use of gifted facilities	14,057	(14,057)	-
	<u>30,716</u>	<u>(30,716)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	441,229	(11,915)	429,314
EXPENSES			
Program expenses:			
Junior League Activities:			
Membership activities	58,753	-	58,753
Community projects	54,208	-	54,208
Kelton House Activities	113,665	-	113,665
	<u>226,626</u>	<u>-</u>	<u>226,626</u>
Management and general expenses:			
Support	89,413	-	89,413
Fundraising	38,357	-	38,357
	<u>127,770</u>	<u>-</u>	<u>127,770</u>
TOTAL EXPENSES	<u>354,396</u>	<u>-</u>	<u>354,396</u>
INCREASE (DECREASE) IN NET ASSETS	86,833	(11,915)	74,918
NET ASSETS AT BEGINNING OF YEAR	<u>1,211,306</u>	<u>330,576</u>	<u>1,541,882</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,298,139</u>	<u>\$ 318,661</u>	<u>\$ 1,616,800</u>

Please refer to accompanying notes.

JUNIOR LEAGUE OF COLUMBUS, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL (Reviewed)</u>
SUPPORT AND REVENUE			
Grants and contributions	\$ 134,220	\$ 18,409	\$ 152,629
Special events	86,484	12,273	98,757
Membership dues	49,509	-	49,509
Program income	48,353	-	48,353
Rental income	29,573	-	29,573
Investment income	56,968	-	56,968
In-kind income	85,195	-	85,195
	<u>490,302</u>	<u>30,682</u>	<u>520,984</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of donor restrictions	15,250	(15,250)	-
Use of gifted facilities	14,058	(14,058)	-
	<u>29,308</u>	<u>(29,308)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	519,610	1,374	520,984
EXPENSES			
Program expenses:			
Junior League Activities:			
Membership activities	84,387	-	84,387
Community projects	68,328	-	68,328
Kelton House Activities	115,684	-	115,684
	<u>268,399</u>	<u>-</u>	<u>268,399</u>
Management and general expenses:			
Support	108,083	-	108,083
Fundraising	87,021	-	87,021
	<u>195,104</u>	<u>-</u>	<u>195,104</u>
TOTAL EXPENSES	<u>463,503</u>	<u>-</u>	<u>463,503</u>
INCREASE (DECREASE) IN NET ASSETS	56,107	1,374	57,481
NET ASSETS AT BEGINNING OF YEAR	<u>1,155,199</u>	<u>329,202</u>	<u>1,484,401</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,211,306</u>	<u>\$ 330,576</u>	<u>\$ 1,541,882</u>

Please refer to accompanying notes.

JUNIOR LEAGUE OF COLUMBUS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	JUNIOR LEAGUE ACTIVITIES			KELTON HOUSE		TOTAL PROGRAM ACTIVITIES		TOTAL (Audited)
	MEMBERSHIP ACTIVITIES	COMMUNITY PROJECTS	SUB-TOTAL	PROGRAM ACTIVITIES	PROGRAM ACTIVITIES	SUPPORT	FUNDRAISING	
Personnel	\$ 1	\$ -	\$ 1	\$ 26,047	\$ 26,048	\$ 28,226	\$ -	\$ 54,274
Community projects expense:								
In-kind	-	7,820	7,820	-	7,820	-	-	7,820
Direct	-	46,388	46,388	-	46,388	-	-	46,388
Special events:								
Junior League								
In-kind	-	-	-	-	-	-	30,269	30,269
Direct	-	-	-	-	-	-	6,391	6,391
Kelton House								
In-kind	-	-	-	-	-	-	-	-
Direct	-	-	-	-	-	-	626	626
Occupancy	1,898	-	1,898	23,777	25,675	17,759	-	43,434
National dues	14,104	-	14,104	-	14,104	-	-	14,104
Professional fees	-	-	-	-	-	24,642	-	24,642
Office expense	118	-	118	3,311	3,429	9,215	-	12,644
Educational programs	3,064	-	3,064	4,949	8,013	-	-	8,013
Utilities	-	-	-	10,865	10,865	4,277	-	15,142
Membership expense	19,252	-	19,252	-	19,252	-	-	19,252
Conferences	3,930	-	3,930	-	3,930	-	-	3,930
Publicity	1,859	-	1,859	1,308	3,167	1,533	-	4,700
Insurance	1,733	-	1,733	5,919	7,652	-	-	7,652
Museum expense	-	-	-	19,939	19,939	3,338	-	23,277
Miscellaneous	1,095	-	1,095	645	1,740	423	-	3,234
Depreciation	11,699	-	11,699	16,905	28,604	-	1,071	28,604
	\$ 58,753	\$ 54,208	\$ 112,961	\$ 113,665	\$ 226,626	\$ 89,413	\$ 38,357	\$ 354,396

Please refer to accompanying notes.

JUNIOR LEAGUE OF COLUMBUS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

	MEMBERSHIP ACTIVITIES		JUNIOR LEAGUE ACTIVITIES		KELTON HOUSE PROGRAM ACTIVITIES	TOTAL PROGRAM ACTIVITIES	SUPPORT	FUNDRAISING	TOTAL (Reviewed)
	ACTIVITIES	PROJECTS	COMMUNITY	SUB-TOTAL					
Personnel	\$ 204	\$ -	\$ 31,898	\$ 204	\$ 32,102	\$ 44,724	\$ -	\$ 76,826	
Community projects expense:									
In-kind	-	12,500	-	12,500	12,500	-	43,357	55,857	
Direct	-	55,828	-	55,828	55,828	-	-	55,828	
Special events:									
Junior League									
In-kind	-	-	-	-	-	-	19,500	19,500	
Direct	10,101	-	-	10,101	10,101	-	5,700	15,801	
Kelton House									
In-kind	-	-	-	-	-	-	9,838	9,838	
Direct	-	-	-	-	-	-	8,242	8,242	
Occupancy	15,870	-	28,067	15,870	43,937	15,436	-	59,373	
National dues	15,835	-	-	15,835	15,835	-	-	15,835	
Professional fees	-	-	-	-	-	24,274	-	24,274	
Office expense	109	-	2,336	109	2,445	9,827	-	12,272	
Educational programs	3,753	-	5,673	3,753	9,426	-	-	9,426	
Utilities	2,929	-	10,564	2,929	13,493	2,929	-	16,422	
Membership expense	13,295	-	-	13,295	13,295	-	-	13,295	
Conferences	10,501	-	-	10,501	10,501	-	-	10,501	
Publicity	2,727	-	89	2,727	2,816	8,305	-	11,121	
Insurance	-	-	8,706	-	8,706	2,136	-	10,842	
Museum expense	-	-	7,115	-	7,115	-	-	7,115	
Miscellaneous	1,371	-	-	1,371	1,371	452	384	2,207	
Depreciation	7,692	-	21,236	7,692	28,928	-	-	28,928	
	\$ 84,387	\$ 68,328	\$ 115,684	\$ 152,715	\$ 268,399	\$ 108,083	\$ 87,021	\$ 463,503	

Please refer to accompanying notes.

JUNIOR LEAGUE OF COLUMBUS, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	<u>2020</u> <u>(Audited)</u>	<u>2019</u> <u>(Reviewed)</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 74,918	\$ 57,481
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	28,604	28,928
Net realized and unrealized gains from beneficial interest in assets held by The Columbus Foundation	(57,519)	(38,485)
Amortization of unconditional promises to give	14,058	14,058
(Increase) decrease in assets:		
Accounts receivable	1,014	(661)
Inventories	788	218
Prepaid expenses	(4,944)	2,228
Increase (decrease) in liabilities:		
Accounts payable	1,160	3,015
Accrued payroll, vacation and related expenses and withholdings	(658)	(2,795)
Deferred membership dues	(3,988)	10,118
Deferred rental revenue and deposits	(7,550)	(7,800)
	<u>45,883</u>	<u>66,305</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
	45,883	66,305
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(9,188)	(9,752)
Additional contributions to funds held by The Columbus Foundation	(1,000)	(17,037)
Withdrawals of funds held by The Columbus Foundation	27,298	16,500
Reinvestment of interest and dividends, net of fees	(14,712)	(14,914)
	<u>2,398</u>	<u>(25,203)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
	2,398	(25,203)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	48,281	41,102
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>333,956</u>	<u>292,854</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 382,237</u>	<u>\$ 333,956</u>
Cash and cash equivalents at the end of the year consists of the following:		
	<u>2020</u>	<u>2019</u>
Unrestricted cash and cash equivalents	\$ 306,526	\$ 270,613
Cash and cash equivalents restricted for Kelton House renovations	75,711	63,343
	<u>\$ 382,237</u>	<u>\$ 333,956</u>

Please refer to accompanying notes.

JUNIOR LEAGUE OF COLUMBUS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Junior League of Columbus, Inc. (the Junior League) (the Organization) was incorporated in Columbus, Ohio in 1934 as a non-profit organization. The Junior League is an organization of women committed to promoting voluntarism, developing the potential of women and improving communities through the effective action and leadership of trained volunteers. The Organization's purpose is exclusively educational and charitable and it is affiliated with the Association of Junior Leagues' International, Inc. Major sources of revenue include grants and contributions, membership dues, special events, and program income. The Junior League's activities include the following:

Junior League Membership Activities

Membership Activities

Membership activities include a variety of educational and social activities which support the Junior League's mission.

Community Projects

The Organization's largest community project is the "Bargain Box" which has raised over \$1.8 million to support other community projects of the Junior League since this project's inception in 1949. Other community projects include the ABC Backpack Project, OWJL Scholarship, Kids in the Kitchen, and various Quick Impact Grants.

Kelton House Museum Operations

In addition to the Junior League membership activities, the Junior League of Columbus operates the Kelton House Museum & Garden (the Kelton House), located in the Historic District of Columbus, Ohio. This Museum provides the public with a unique view of urban life and the decorative arts during the second half of the 19th century, largely through the collection of the Kelton Family. The Museum's knowledgeable and committed staff preserves and develops the facility and collections, interprets local history, educates the community and trains the many volunteers who assist in operating this special facility. Most importantly, the Museum provides a tangible representation of the mission of the Junior League of Columbus. The attached garden and banquet hall is available to the public to rent for weddings and other events.

Accounting Basis

The Junior League maintains its financial statements on the accrual basis of accounting, in accordance with generally accepted accounting principles.

Financial Statement Presentation

The Organization's financial statements are presented in accordance with the FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities* and the provisions of Accounting Standards Update (ASU) 2016-14. The Junior League has adopted ASU 2016-14 during its 2019 fiscal year. ASU 2016-14 requires the Organization to report information regarding its financial position and activities in two categories of net assets as described below:

Net Assets Without Donor Restrictions

Net Assets Without Donor Restrictions are either not subject to donor-imposed stipulations or are subject to such restrictions but those restrictions have been met in the same fiscal period that the revenue is recorded.

JUNIOR LEAGUE OF COLUMBUS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Net Assets With Donor Restrictions

Net Assets With Donor Restrictions are subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. Net Assets With Donor Restrictions totaled \$318,661 and \$330,576 as of June 30, 2020 and 2019, respectively.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless the use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Expirations of donor imposed restrictions on net assets are reported as net assets released from donor restrictions.

In accordance with FASB ASC 958-605-25, expended grant revenues are reflected as unrestricted support in the accompanying Statements of Activities.

The Junior League's revenues include revenues from special events, membership dues, program income and rental income from the garden and banquet hall at the Kelton House and from the sublease of office space at the English House. Income from special events, program income and rental income is recognized as revenue when the event or activity takes place and the income is earned. Membership dues are recognized as revenue over the period of the membership. Membership fees paid in advance are reflected as deferred membership dues in the accompanying Statements of Financial Position.

Inventories

Inventory consists of gift items available for sale in the Kelton House gift shop. All inventories are valued on a "first-in, first-out" (FIFO) basis, at the lower of cost or market.

Accounts Receivable

The Junior League considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. Uncollectible accounts receivable are charged to operations during the period they are determined to be uncollectible.

Unconditional Promises to Give

The Junior League reports promises to give in accordance with Financial Accounting Standards Board (FASB) (substance, unconditional. Contributions that are restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in donor restricted net assets. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions. Unconditional promises to give are considered to be fully collectible; accordingly, no allowance for uncollectible promises to give is required.

In-kind Contributions

The Junior League recognizes in-kind contributions of supplies and services in accordance with the recognition guidelines outlined in FASB ASC 855-10-50.

JUNIOR LEAGUE OF COLUMBUS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

In-kind Contributions (Continued)

In-kind contributions totaled \$38,089 and \$85,195 for the years ended June 20, 2020 and June 30, 2019, respectively and consists of backpacks, household goods and clothing donated for the Junior League's ABC and Bargain Box Projects, along with a variety of other items and donated space, which support the Junior League's special events and activities. Donated second hand items are recognized as in-kind revenue when they are sold, and valued at the sales price at the time. New merchandise is recognized at fair market value at the date of donation.

In-kind contributions of services are recognized as revenue in the financial statements if the services received (a) create or enhance nonfinancial assets (primarily property or other tangible or intangible assets) or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services that do not meet this criteria, and promises to give such services, are not recognized. Although the Junior League operates with the help of many volunteers, no amounts have been reflected in the financial statements for contributed services based on these criteria.

Property and Equipment

Property and equipment are stated at cost. All individual acquisitions of property and equipment with a cost of \$2,000 or more are capitalized. The costs of maintenance and repairs are charged to expense as incurred. Gains and losses on asset retirement or disposition are reflected in the Statements of Activities. Depreciation is computed using the straight-line method over the following estimated useful lives:

Land improvements	39 years
Furniture and fixtures	7-10 years
Equipment	5-25 years
Leasehold improvements	10-40 years

Collections and Related Restoration Furnishings

The Junior League's Kelton House Museum has a collection of contributed historical artifacts which have not been included in the accompanying financial statements because reasonable estimates of value for these items are not readily available. Restoration costs associated with these artifacts have been capitalized and are reflected as "Restoration Furnishings" in the accompanying Statements of Financial Position. In accordance with ASC 958-360-25, these items are not depreciated.

Investments

Investments in debt and equity securities with readily determinable fair values are reported at fair value in accordance with FASB ASC 958-320. Realized and unrealized gains and losses associated with such securities are recorded in the Statements of Activities.

Fair Value of Financial Instruments

The Junior League provides disclosures on its financial instruments in accordance with the requirements of FASB ASC 820, which requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

JUNIOR LEAGUE OF COLUMBUS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Disclosure of Subsequent Events

The Junior League is required to disclose the date through which subsequent events have been evaluated, in accordance with the requirements of FASB ASC Paragraph 855-10-50-1. The Junior League has evaluated all subsequent events through the date the accompanying financial statements were available to be issued (April 6, 2021) for proper accounting and disclosure.

Statements of Cash Flows

The Statements of Cash Flows are presented in accordance with FASB ASC 230. Cash equivalents represent temporary investments purchased with an original maturity date of three months or less, and are stated at cost, which approximates market value. There were no cash payments for interest or income taxes during the years ended June 30, 2020 and 2019.

Income Taxes

The Junior League is a private non-profit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. None of the Organization's present or anticipated future activities are subject to taxation as unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Junior League follows the provisions of FASB ASC 740-10-25 that requires the disclosure of uncertain tax positions. There have been no interest or penalties recognized in the Statements of Financial Position or in the Statements of Activities relating to uncertain tax positions. Additionally, no tax positions exist for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease during the next 12 months. The Junior League evaluates uncertain tax positions, if any, on a continual basis. The Junior League's Federal income tax returns are generally subject to examination by the IRS for three years after they are filed.

Use of Accounting Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make certain estimates that affect the amount of assets, liabilities, revenues and expenses reported in the financial statements. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing Junior League membership activities and of operating the Kelton House Museum & Garden have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated between program expenses, management and general expenses, and fundraising expenses, using various allocation methods which attempt to allocate the costs equitably in relation to the benefits provided. These allocations are primarily allocated based on direct charges associated with individual invoices.

Advertising

The Organization expenses the cost of advertising at the time services are received. Advertising expense for the years ended June 30, 2020 and 2019 totaled \$1,533 and \$8,305, respectively.

JUNIOR LEAGUE OF COLUMBUS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of assets carrying value to its future undiscounted net cash flows. Impaired assets are recognized at the lower of fair value or carrying amount. No impaired assets were identified during the years ended June 30, 2020 and 2019.

Concentration of Credit Risk

Financial instruments, which could potentially subject the Junior League to concentration of credit risk include cash and cash equivalents and investments. Investments, in general, are exposed to various risks, such as interest rate risk, credit risk and overall volatility. These financial instruments are all carried at their approximate fair value. At various times during the year, cash balances exceeded federally insured limits. The Organization's policy is to limit credit exposure on financial instruments and to place its cash and cash equivalents with financial institutions that are credit worthy.

Reclassifications

Certain balances in the June 30, 2019 financial statements have been reclassified to conform with the 2020 presentation.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land improvements	\$214,787	\$205,599
Furniture and fixtures	42,318	42,318
Equipment	48,965	48,965
Leasehold improvements	<u>820,097</u>	<u>820,097</u>
	1,126,167	1,116,979
Less: Accumulated depreciation	<u>(815,739)</u>	<u>(787,135)</u>
Property and equipment, net	<u>\$ 310,428</u>	<u>\$329,844</u>

NOTE 3 – BENEFICIAL INTEREST IN INVESTMENTS HELD BY THE COLUMBUS FOUNDATION

The Junior League is the beneficiary of two endowment funds held by The Columbus Foundation. These endowment funds have been reflected at fair value in the accompanying Statements of Financial Position. The funds include the Junior League Kelton House Fund, which totaled \$424,837 and \$419,230 as of June 30, 2020 and 2019, respectively, and the Junior League Fund, which totaled \$333,088 as of June 30, 2020 and \$292,762 as of June 30, 2019. As of June 30, 2020, the Junior League Kelton House Fund consisted of \$146,439 in donor restricted contributions (for the purpose of renovating and restoring the Kelton House) and \$278,398 in Board designated funds. As of June 30, 2019 the Junior League Kelton House Fund consisted of \$145,439 in donor restricted contributions (for the purpose of renovating and restoring the Kelton House) and \$273,791 in Board designated funds. The Junior League funds are unrestricted as of June 30, 2020 and 2019.

JUNIOR LEAGUE OF COLUMBUS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 4 – FAIR VALUE MEASUREMENTS

The Junior League values its financial instruments at fair value. In accordance with FASB ASC 820, fair value is defined as the price that the Organization would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in a principal market, or in the absence of a principal market the most advantageous market for the investment or liability. ASC 820 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Organization’s investments. The inputs are summarized in the three levels required by ASC 820, and listed below:

Level 1 – Inputs represent unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access as of the measurement date.

Level 2 – Inputs are observable but exclude quoted prices in active markets for identical assets.

Level 3 – Inputs are unobservable and are supported by little or no market activity significant to the fair value measurements.

The following is a summary of inputs used as of June 30, 2020 and 2019 in valuing the Junior League’s investments at fair value:

<u>June 30, 2020</u>	<u>Fair Value Measurements</u>			
<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Junior League Endowment Fund:</u>				
Cash and cash equivalents	\$1,652	\$1,652	-	-
Mutual funds:				
Equities	182,774	182,774	-	-
Fixed Income	<u>148,662</u>	<u>110,363</u>	<u>38,299</u>	-
	333,088	294,789	38,299	-
<u>Kelton House Endowment Fund:</u>				
Pooled Investments held by the Columbus Foundation	<u>424,837</u>	-	424,837	-
	<u>\$757,925</u>	<u>\$294,789</u>	<u>\$463,136</u>	-
<u>June 30, 2019</u>				
<u>Junior League Endowment Fund:</u>				
Cash and cash equivalents	\$15,193	\$ 15,193	\$ -	\$ -
Mutual Funds:				
Equities	211,410	211,410	-	-
Bonds	51,957	38,016	13,941	-
Alternative Investments	<u>14,202</u>	-	<u>14,202</u>	-
	292,762	264,619	28,143	-
<u>Kelton House Endowment Fund:</u>				
Pooled Investments held by the Columbus Foundation	<u>419,230</u>	-	419,230	-
	<u>\$711,992</u>	<u>\$264,619</u>	<u>\$447,373</u>	-

As of June 30, 2020 and 2019, all Level 2 investments are valued using the market approach.

JUNIOR LEAGUE OF COLUMBUS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 5 – UNCONDITIONAL PROMISE TO GIVE

The Junior League of Columbus leases several properties included in the Grace Kelton Trust (Note 9) for \$1 per year. The original lease had a 50 year term which began in 1976. This agreement was subsequently amended in 1999 for an additional 50 years. The current lease expires in July, 2076. In accordance with FASB 958-605-2, the contributed value of this leased space (not to exceed the fair market value of the property) has been recognized as an unconditional promise to give in the accompanying Statements of Financial Position. This asset is amortized annually based on the estimated fair rental value of the donated space, and charged to rental expense. The activity for the years ended June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Balance, unconditional promise to give as of beginning of fiscal year	\$98,407	\$112,465
Recognition of rental expense	<u>(14,058)</u>	<u>(14,058)</u>
Balance , unconditional promise to give as of end of fiscal year	84,349	98,407
Less current portion	<u>(14,058)</u>	<u>(14,058)</u>
Long term portion	<u>\$70,291</u>	<u>\$84,349</u>

Amortization expense for the year ended June 30, 2021 is expected to total approximately \$14,058. Amortization expense for the years ended June 30, 2022 - 2026 is expected to total \$70,291.

NOTE 6 – UPMIFA AND RESTRICTED ENDOWMENT FUNDS

The State of Ohio’s Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) requires the prudent expenditure of endowment funds. The Junior League’s Board of Directors has determined that all donor restricted assets held by The Columbus Foundation meet the definition of endowment funds under UPMIFA. Additionally, the Financial Accounting Standards (FAS) Board has issued guidance on the net asset classification of donor restricted endowment funds and also requires enhanced disclosures for board designated endowment fund as detailed in ASC 958-205. Unrestricted assets held by The Columbus Foundation consist of a board designated endowment fund as described in ASC 958-205. The required disclosures are presented below.

Net Asset Classifications

As of June 30, 2020 and 2019, endowment funds held by The Columbus Foundation include a donor restricted endowment fund (for the purpose of providing renovations to the Kelton House) and a Board designated endowment fund. In accordance with ASC 958-205, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Accordingly, the donor restricted endowment fund is included in donor restricted net assets, and the Board Designated endowment fund is included in unrestricted net assets in the accompanying Statements of Financial Position.

Endowment Investment and Spending Policy

The Junior League has an investment policy, the objective of which is to generate investment income while preserving, or increasing the original principal value of funds donated. This objective typically results in a conservative investment portfolio. Investment income available from restricted endowment funds has been authorized by the Junior League’s Board of Directors (and by the donors) to be spent for operations in accordance with the Junior League’s mission.

JUNIOR LEAGUE OF COLUMBUS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 6 – UPMIFA AND RESTRICTED ENDOWMENT FUNDS (Continued)

Changes in the endowment funds' account balances during the years ended June 30, 2020 and 2019 are as follows:

	Unrestricted- Board Designated	Donor Restricted	Total
Balance, June 30, 2019	\$ 273,791	\$ 145,439	\$ 419,230
Investment return:			
Interest and dividend income	11,331	-	11,331
Realized and unrealized gain (loss) on investments	<u>12,558</u>	<u>-</u>	<u>12,558</u>
Total investment return	23,889	-	23,889
Trust fees and other expenses	(1,532)	-	(1,532)
Contributions	-	1,000	1,000
Withdrawals	<u>(17,750)</u>	<u>-</u>	<u>(17,750)</u>
Balance, June 30, 2020	<u>\$ 278,398</u>	<u>\$146,439</u>	<u>\$424,837</u>
Balance, June 30, 2018	\$ 252,403	\$ 130,839	\$ 383,242
Investment return:			
Interest and dividend income	11,273	-	11,273
Realized and unrealized gain (loss) on investments	<u>27,982</u>	<u>-</u>	<u>27,982</u>
Total investment return	39,255	-	39,255
Trust fees and other expenses	(1,367)	-	(1,367)
Contributions	-	14,600	14,600
Withdrawals	<u>(16,500)</u>	<u>-</u>	<u>(16,500)</u>
Balance, June 30, 2019	<u>\$ 273,791</u>	<u>\$ 145,439</u>	<u>\$ 419,230</u>

NOTE 7 – UNRESTRICTED BENEFICIAL INTEREST IN ASSETS HELD BY THE COLUMBUS FOUNDATION

In addition to the donor restricted assets held by The Columbus Foundation (discussed in Note 6 above), the Junior League has an unrestricted beneficial interest in assets held by The Columbus Foundation. The activity in this account for the years ended June 30, 2020 and 2019 was as follows:

	<u>2020</u>	<u>2019</u>
Balance, Beginning of Year	\$292,762	\$274,814
Investment return:		
Interest and dividend income	7,236	6,028
Realized and unrealized gain (loss) on investments	<u>44,961</u>	<u>10,503</u>
Total investment return	52,197	16,531
Fees and other expenses	(2,323)	(1,020)
Contributions	-	2,437
Withdrawals	<u>(9,548)</u>	<u>-</u>
Balance, End of Year	<u>\$333,088</u>	<u>\$292,762</u>

JUNIOR LEAGUE OF COLUMBUS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 8 – RESTRICTIONS ON NET ASSET BALANCES

Donor restricted and Board designated net assets consisting of cash equivalents, beneficial interest in assets held by The Columbus Foundation, and gifted facilities are available for the following purposes as of June 30, 2020 and 2019:

<u>June 30, 2020:</u>	<u>Board Designated</u>	<u>Donor Restricted</u>	<u>Total</u>
Friends of Kelton House; for Kelton House restorations	\$ -	\$ 69,649	\$ 69,649
Kelton Property Funds	278,398	146,439	424,837
English House Renovations	-	5,311	5,311
ABC Backpack Project	-	2,913	2,913
Kelton House Restricted Grants	-	10,000	10,000
Gifted facilities	<u>-</u>	<u>84,349</u>	<u>84,349</u>
Total	<u>\$278,398</u>	<u>\$318,661</u>	<u>\$597,059</u>
<u>June 30, 2019:</u>			
Friends of Kelton House; for Kelton House restorations	\$ -	\$ 62,025	\$ 62,025
Kelton Property Funds	273,791	145,439	419,230
English House Renovations	-	5,311	5,311
ABC Backpack Project	-	2,735	2,735
Kelton House Restricted Grants	-	16,659	16,659
Gifted facilities	<u>-</u>	<u>98,407</u>	<u>98,407</u>
Total	<u>\$273,791</u>	<u>\$330,576</u>	<u>\$604,367</u>

NOTE 9 -- GRACE KELTON TRUST

Upon the death of Grace Bird Kelton in 1975, the Grace Kelton Trust (the Trust) was established with The Columbus Foundation. This Trust originally consisted of the Kelton House, which was designated for use in cultural, educational and charitable purposes, and several properties on Franklin Avenue. The only properties still remaining in the Trust as of June 30, 2020 and 2019 are the Kelton House (which the Junior League occupies and operates as “the Kelton House Museum & Garden”) and parcels 581, 583 and 587 on Franklin Avenue, which together represent “the English House” (which the Junior League occupies and uses as its administrative office). The Junior League is leasing these properties from The Columbus Foundation for \$1 per year through July, 2076 (Note 5). The proceeds held from the sale of the other parcels on Franklin Avenue that were previously part of this trust are held by The Columbus Foundation, as trustee, and the interest earned on these funds is distributed to the Junior League to be used to maintain and/or restore the remaining properties as specified in the Trust Agreement. The interest distributed to the Junior League from this Trust totaled \$5,740 and \$20,000 for each of the years ended June 30, 2020 and 2019, respectively.

JUNIOR LEAGUE OF COLUMBUS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 10 – MEMBERSHIP

The Junior League has three classes of members: active, new members and sustainer members. For the years ended June 30, 2020 and 2019, the membership consisted of the following:

<u>Membership Class</u>	<u>2020</u>	<u>2019</u>
Active/New Members	146	147
Sustainer Members	<u>270</u>	<u>245</u>
Total	<u>416</u>	<u>392</u>

NOTE 11 – LIQUIDITY

The Junior League’s sources of fiscal 2020 revenues includes over \$500,000 of unrestricted revenues, including membership dues, special events revenue, program income, rental income, unrestricted grants and contributions and investment income. Because the Organization’s unrestricted revenue stream is substantial, (and accounts for over 99% of total 2020 revenues) the Organization’s management anticipates it will have no difficulty maintaining sufficient resources to meet any restrictions imposed by its donors during the upcoming year.

As of June 30, 2020, the Junior League had approximately \$640,000 in unrestricted cash and cash equivalents available to meet obligations for general expenditures.

In accordance with ASU 2016-14, assets included in the accompanying Statements of Financial Position have been sequenced according to the date of their anticipated conversion to cash and liabilities have been sequenced according to their estimated maturity dates.

SUPPLEMENTARY INFORMATION



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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

To The Board of Directors
Junior League of Columbus, Inc.
Columbus, Ohio

I have audited the financial statements of the Junior League of Columbus, Inc. as of and for the year ended June 30, 2020 and have issued my report thereon dated April 6, 2021, which contained an unmodified opinion on those financial statements. My audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying Combining Statement of Activities for the year ended June 30, 2020, and the Schedule of Property Restoration Expenditures are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The 2019 Combining Statement of Activities was reviewed by me and my report thereon, dated January 30, 2020, stated that I was not aware of any material modifications that should be made to this Combining Statement of Activities for it to be in conformity with accounting principles generally accepted in the United States of America. However, I did not audit the 2019 Combining Statement of Activities and I do not express an opinion on it.

Medina, Ohio
April 6, 2021

JUNIOR LEAGUE OF COLUMBUS, INC.
COMBINING STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	<u>JUNIOR LEAGUE ACTIVITIES</u>	<u>KELTON HOUSE ACTIVITIES</u>	<u>TOTAL (Audited)</u>
SUPPORT AND REVENUE			
Grants and contributions	\$ 51,322	\$ 77,448	\$ 128,770
Special events	40,010	7,711	47,721
Membership dues	63,172	-	63,172
Program income	37,960	17,773	55,733
Rental income	-	19,154	19,154
Investment income	64,088	12,587	76,675
In-kind income	38,089	-	38,089
	<u>294,641</u>	<u>134,673</u>	<u>429,314</u>
EXPENSES			
Personnel	5,391	48,883	54,274
Community projects expense:			
In-kind	7,820	-	7,820
Direct	46,388	-	46,388
Special events:			
Junior League			
In-kind	30,269	-	30,269
Direct	6,391	-	6,391
Kelton House			
In-kind	-	-	-
Direct	-	626	626
Occupancy	12,541	30,893	43,434
National dues	14,104	-	14,104
Professional fees	24,642	-	24,642
Office expense	6,686	5,958	12,644
Educational programs	3,064	4,949	8,013
Utilities	4,277	10,865	15,142
Membership expense	19,252	-	19,252
Conferences	3,930	-	3,930
Publicity	1,859	2,841	4,700
Insurance	1,733	5,919	7,652
Museum expense	-	23,277	23,277
Miscellaneous	2,117	1,117	3,234
Depreciation	11,699	16,905	28,604
	<u>202,163</u>	<u>152,233</u>	<u>354,396</u>
	<u>\$ 92,478</u>	<u>\$ (17,560)</u>	<u>\$ 74,918</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS			

Please refer to Auditor's Report on Supplementary Information.

JUNIOR LEAGUE OF COLUMBUS, INC.
COMBINING STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

	<u>JUNIOR LEAGUE ACTIVITIES</u>	<u>KELTON HOUSE ACTIVITIES</u>	<u>TOTAL (Reviewed)</u>
SUPPORT AND REVENUE			
Grants and contributions	\$ 75,643	\$ 76,986	\$ 152,629
Special events	71,473	27,284	98,757
Membership dues	49,509	-	49,509
Program income	16,922	31,431	48,353
Rental income	6,000	23,573	29,573
Investment income	17,684	39,284	56,968
In-kind income	75,357	9,838	85,195
	<u>312,588</u>	<u>208,396</u>	<u>520,984</u>
EXPENSES			
Personnel	5,668	71,158	76,826
Community projects expense:			
In-kind	55,857	-	55,857
Direct	55,828	-	55,828
Special events:			
Junior League			
In-kind	19,500	-	19,500
Direct	15,801	-	15,801
Kelton House			
In-kind	-	9,838	9,838
Direct	-	8,242	8,242
Occupancy	21,796	37,577	59,373
National dues	15,835	-	15,835
Professional fees	24,274	-	24,274
Office expense	7,766	4,506	12,272
Educational programs	3,753	5,673	9,426
Utilities	5,858	10,564	16,422
Membership expense	13,295	-	13,295
Conferences	10,501	-	10,501
Publicity	2,727	8,394	11,121
Insurance	2,136	8,706	10,842
Museum expense	-	7,115	7,115
Miscellaneous	2,096	111	2,207
Depreciation	7,692	21,236	28,928
	<u>270,383</u>	<u>193,120</u>	<u>463,503</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>\$ 42,205</u>	<u>\$ 15,276</u>	<u>\$ 57,481</u>

Please refer to Auditor's Report on Supplementary Information.

JUNIOR LEAGUE OF COLUMBUS, INC.
SCHEDULE OF PROPERTY RESTORATION EXPENSES
June 30, 2020

Year Ended June 30,	Land and Leasehold Improvements	Repairs and Maintenance	Restoration Furnishings	Equipment/ Furniture and Fixtures	Total
1977 - 1990	\$ -	\$ 63,542	\$ 30,536	\$ 27,043	\$ 121,121
1991	59,554	11,237	-	238	71,029
1992	-	12,834	-	500	13,334
1993	34,306	9,344	-	-	43,650
1994	7,747	11,206	-	1,645	20,598
1995	14,074	10,190	-	725	24,989
1996	11,420	7,691	-	552	19,663
1997	2,945	11,074	15,894	660	30,573
1998	-	10,683	-	5,151	15,834
1999	207,584	8,668	29,738	7,009	252,999
2000	1,204	31,540	1,215	8,547	42,506
2001	110,302	9,356	11,540	6,786	137,984
2002	188,683	10,260	2,420	8,711	210,074
2003	55,721	11,762	-	34,695	102,178
2004	4,564	17,009	19,731	-	41,304
2005	7,993	18,441	5,815	4,066	36,315
2006	79,999	16,509	3,888	2,408	102,804
2007	-	11,921	2,420	19,411	33,752
2008	-	46,454	-	1,166	47,620
2009	-	36,896	-	-	36,896
2010	-	32,641	16,064	-	48,705
2011	-	47,039	-	-	47,039
2012	25,303	28,168	-	-	53,471
2013	23,254	23,509	-	1,953	48,716
2014	12,063	2,926	-	1,304	16,293
2015	8,633	6,591	-	-	15,224
2016	8,500	456	-	2,765	11,721
2017	114,671	-	-	2,000	116,671
2018	41,473	-	-	2,492	43,965
2019	-	17,805	-	9,752	27,557
2020	9,188	13,514	-	-	22,702
Total Expenditures	\$ 1,029,181	\$ 539,266	\$ 139,261	\$ 149,579	\$ 1,857,287

During the fiscal years 1977 through 2020, the Junior League has incurred a total of \$1,857,287 for restoration and furnishings of the leased Kelton House, English House and related properties. As of June 30, 2020, \$139,261 represents personal property owned by the Junior League which is on display in the Kelton House. During the fiscal year ended June 30, 2020, capitalized improvements totaled \$9,188.