

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

**FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**

**DRAFT**

**Laura J. MacDonald, CPA, Inc.  
3637 Medina Road, Suite 25  
Medina, Ohio 44256**

**JUNIOR LEAGUE OF COLUMBUS, INC.**  
**FINANCIAL STATEMENTS**  
**June 30, 2022 and 2021**

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## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

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

I have reviewed the accompanying financial statements of the Junior League of Columbus, Inc. (a non-profit Organization) as of June 30, 2022 and 2021 and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended and the related Notes to the Financial Statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### **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 the financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

### **Accountant's Conclusion**

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Medina, Ohio  
April 24, 2023

**JUNIOR LEAGUE OF COLUMBUS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2022 and 2021**

	<u>2022</u> <u>(Reviewed)</u>	<u>2021</u> <u>(Reviewed)</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents:		
Unrestricted	\$ 327,515	\$ 301,326
Restricted for Kelton House renovations	84,542	76,368
Accounts receivable	-	300
Inventories	2,116	1,183
Prepaid expenses	4,540	4,541
Current portion of unconditional promise to give	<u>11,246</u>	<u>11,246</u>
<b>TOTAL CURRENT ASSETS</b>	429,959	394,964
<b>PROPERTY AND EQUIPMENT, NET</b>	157,015	154,495
<b>RESTORATION FURNISHINGS</b>	139,261	139,261
<b>OTHER ASSETS</b>		
Unconditional promise to give, less current portion	33,738	44,984
Beneficial interest in investments held by The Columbus Foundation:		
Without donor restrictions:		
Unrestricted	334,374	420,379
Board designated	314,677	368,289
Donor restricted	<u>175,334</u>	<u>147,464</u>
	858,123	981,116
	<u>\$ 1,584,358</u>	<u>\$ 1,669,836</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 13,445	\$ 11,386
Accrued payroll, vacation and related expenses and withholdings	5,738	1,765
Deferred revenue:		
Membership dues	46,039	50,314
Rental revenue and deposits	<u>5,675</u>	<u>4,550</u>
<b>TOTAL CURRENT LIABILITIES</b>	70,897	68,015
<b>NET ASSETS</b>		
Without donor restrictions	884,210	942,369
Without donor restrictions - Board Designated	314,677	368,289
With donor restrictions	<u>314,574</u>	<u>291,163</u>
<b>TOTAL NET ASSETS</b>	<u>1,513,461</u>	<u>1,601,821</u>
	<u>\$ 1,584,358</u>	<u>\$ 1,669,836</u>

Please refer to Independent Accountant's Review Report and Notes to the Financial Statements.

**JUNIOR LEAGUE OF COLUMBUS, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2022**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL (Reviewed)</u>
<b>SUPPORT AND REVENUE</b>			
Grants and contributions	\$ 97,313	\$ 76,095	\$ 173,408
Special events	12,746	13,255	26,001
Membership dues	68,254	-	68,254
Program income	36,326	-	36,326
Rental income	26,863	-	26,863
Investment income	(122,263)	-	(122,263)
In-kind income	13,042	-	13,042
	<u>132,281</u>	<u>89,350</u>	<u>221,631</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of donor restrictions	54,693	(54,693)	-
Use/write off of gifted facilities	11,246	(11,246)	-
	<u>65,939</u>	<u>(65,939)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	198,220	23,411	221,631
<b>EXPENSES FROM OPERATING ACTIVITIES</b>			
Program expenses:			
Junior League Activities:			
Membership activities	42,349	-	42,349
Community projects	25,176	-	25,176
Kelton House Activities	122,716	-	122,716
	<u>190,241</u>	<u>-</u>	<u>190,241</u>
Management and general expenses:			
Support	91,690	-	91,690
Fundraising	28,060	-	28,060
	<u>119,750</u>	<u>-</u>	<u>119,750</u>
<b>TOTAL EXPENSES FROM OPERATING ACTIVITIES</b>	<u>309,991</u>	<u>-</u>	<u>309,991</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(111,771)	23,411	(88,360)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,310,658</u>	<u>291,163</u>	<u>1,601,821</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,198,887</u>	<u>\$ 314,574</u>	<u>\$ 1,513,461</u>

Please refer to Independent Accountant's Review Report and Notes to the Financial Statements.

**JUNIOR LEAGUE OF COLUMBUS, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2021**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL (Reviewed)</u>
<b>SUPPORT AND REVENUE</b>			
Grants and contributions	\$ 78,465	\$ 34,798	\$ 113,263
Special events	17,968	-	17,968
Membership dues	57,158	-	57,158
Program income	8,991	-	8,991
Rental income	21,483	-	21,483
Investment income	191,362	1,025	192,387
In-kind income	32,270	-	32,270
	<u>407,697</u>	<u>35,823</u>	<u>443,520</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of donor restrictions	35,202	(35,202)	-
Use/write off of gifted facilities	28,119	(28,119)	-
	<u>63,321</u>	<u>(63,321)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	471,018	(27,498)	443,520
<b>EXPENSES FROM OPERATING ACTIVITIES</b>			
Program expenses:			
Junior League Activities:			
Membership activities	34,377	-	34,377
Community projects	26,362	-	26,362
Kelton House Activities	144,648	-	144,648
	<u>205,387</u>	<u>-</u>	<u>205,387</u>
Management and general expenses:			
Support	68,767	-	68,767
Fundraising	35,235	-	35,235
	<u>104,002</u>	<u>-</u>	<u>104,002</u>
<b>TOTAL EXPENSES FROM OPERATING ACTIVITIES</b>	<u>309,389</u>	<u>-</u>	<u>309,389</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATING ACTIVITIES</b>	161,629	(27,498)	134,131
<b>LOSS ON DISPOSAL OF ENGLISH HOUSE ASSETS</b>	<u>(149,110)</u>	<u>-</u>	<u>(149,110)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	12,519	(27,498)	(14,979)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,298,139</u>	<u>318,661</u>	<u>1,616,800</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,310,658</u>	<u>\$ 291,163</u>	<u>\$ 1,601,821</u>

Please refer to Independent Accountant's Review Report and Notes to the Financial Statements.

JUNIOR LEAGUE OF COLUMBUS, INC.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 Year Ended June 30, 2022

	JUNIOR LEAGUE ACTIVITIES			KELTON HOUSE			TOTAL PROGRAM ACTIVITIES	SUPPORT	FUNDRAISING	TOTAL (Reviewed)
	MEMBERSHIP COMMUNITY		SUB-TOTAL	PROGRAM ACTIVITIES		TOTAL PROGRAM ACTIVITIES				
	ACTIVITIES	PROJECTS		ACTIVITIES	ACTIVITIES					
Personnel	\$ -	\$ -	\$ -	\$ 55,059	\$ 55,059	\$ 25,194	\$ -	\$ 80,253		
Community projects expense:										
In-kind	-	-	-	-	-	-	-	-		
Direct	-	25,176	25,176	-	25,176	-	-	25,176		
Special events:										
Junior League										
In-kind	-	-	-	-	-	-	-	6,379		
Direct	-	-	-	-	-	-	-	8,297		
Kelton House										
In-kind	-	-	-	-	-	-	-	6,663		
Direct	-	-	-	-	-	-	-	6,721		
National dues	11,985	-	11,985	-	11,985	-	-	11,985		
Professional fees	-	-	-	-	-	26,164	-	26,164		
Office expense	6,560	-	6,560	1,366	7,926	13,726	-	21,652		
Educational programs	735	-	735	3,325	4,060	-	-	4,060		
Utilities	-	-	-	11,235	11,235	3,745	-	14,980		
Membership expense	9,043	-	9,043	-	9,043	-	-	9,043		
Conferences	7,239	-	7,239	-	7,239	-	-	7,239		
Publicity	-	-	-	-	-	2,711	-	2,711		
Insurance	4,385	-	4,385	5,082	9,467	1,051	-	10,518		
Museum expense	-	-	-	8,863	8,863	-	-	8,863		
Repairs and maintenance	-	-	-	11,515	11,515	14,388	-	25,903		
Miscellaneous	2,402	-	2,402	768	3,170	4,711	-	7,881		
Amortization	-	-	-	11,246	11,246	-	-	11,246		
Depreciation	-	-	-	14,257	14,257	-	-	14,257		
	\$ 42,349	\$ 25,176	\$ 67,525	\$ 122,716	\$ 190,241	\$ 91,690	\$ 28,060	\$ 309,991		

Please refer to Independent Accountant's Review Report and Notes to the Financial Statements.

JUNIOR LEAGUE OF COLUMBUS, INC.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 Year Ended June 30, 2021

	KELTON						TOTAL (Reviewed)
	JUNIOR LEAGUE ACTIVITIES			HOUSE	TOTAL	FUNDRAISING	
	MEMBERSHIP ACTIVITIES	COMMUNITY PROJECTS	SUB- TOTAL	PROGRAM ACTIVITIES	PROGRAM ACTIVITIES		
Personnel	\$ -	\$ -	\$ -	\$ 48,660	\$ 48,660	\$ 6,249	\$ 54,909
Community projects expense:							
In-kind	-	2,864	2,864	-	2,864	-	2,864
Direct	-	23,498	23,498	-	23,498	-	23,498
Special events:							
Junior League							
In-kind	-	-	-	-	-	-	-
Direct	225	-	225	-	225	-	10,090
Kelton House							
In-kind	-	-	-	-	-	-	-
Direct	-	-	-	-	-	-	-
Occupancy	1,216	-	1,216	7,891	9,107	13,731	22,838
National dues	13,595	-	13,595	-	13,595	-	13,595
Professional fees							
Office expense	-	-	-	1,323	1,323	14,860	27,731
Educational programs	1,122	-	1,122	825	1,947	-	16,183
Utilities	265	-	265	9,251	9,516	3,145	1,947
Membership expense	8,366	-	8,366	-	8,366	-	12,661
Conferences	3,036	-	3,036	-	3,036	-	8,366
Publicity	-	-	-	-	-	1,074	3,036
Insurance	4,043	-	4,043	5,450	9,493	1,194	1,074
Museum expense	-	-	-	38,967	38,967	-	10,687
Miscellaneous	200	-	200	-	200	431	38,967
Amortization	356	-	356	11,246	11,602	352	631
Depreciation	1,953	-	1,953	21,035	22,988	-	11,954
	\$ 34,377	\$ 26,362	\$ 60,739	\$ 144,648	\$ 205,387	\$ 68,767	\$ 309,389
						\$ 35,235	\$ 35,235

Please refer to Independent Accountant's Review Report and Notes to the Financial Statements.

**JUNIOR LEAGUE OF COLUMBUS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2022 and 2021**

	<u>2022</u> <u>(Reviewed)</u>	<u>2021</u> <u>(Reviewed)</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ (88,360)	\$ (14,979)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	14,257	22,988
Loss on disposal of English House assets	-	149,110
Net realized and unrealized (gains) losses from beneficial interest interest in assets held by The Columbus Foundation	144,154	(169,015)
Amortization of unconditional promises to give	11,246	11,954
(Increase) decrease in assets:		
Accounts receivable	300	(300)
Inventories	(933)	(203)
Prepaid expenses	1	2,643
Increase (decrease) in liabilities:		
Accounts payable	2,059	2,306
Accrued payroll, vacation and related expenses and withholdings	3,973	1,290
Deferred membership dues	(4,275)	(2,445)
Deferred rental revenue and deposits	1,125	1,300
	<u>83,547</u>	<u>4,649</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>83,547</b>	<b>4,649</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(16,777)	-
Additional contributions to funds held by The Columbus Foundation	(29,715)	(1,025)
Withdrawals of funds held by The Columbus Foundation	11,656	10,465
Reinvestment of interest and dividends, net of fees	(14,348)	(18,632)
	<u>(49,184)</u>	<u>(9,192)</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(49,184)</b>	<b>(9,192)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>34,363</b>	<b>(4,543)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>377,694</u>	<u>382,237</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 412,057</u>	<u>\$ 377,694</u>
Cash and cash equivalents at the end of the year consists of the following:		
	<u>2022</u>	<u>2021</u>
Unrestricted cash and cash equivalents	\$ 327,515	\$ 301,326
Cash and cash equivalents restricted for Kelton House renovations	84,542	76,368
	<u>\$ 412,057</u>	<u>\$ 377,694</u>

Please refer to Independent Accountant's Review Report and Notes to the Financial Statements.

**JUNIOR LEAGUE OF COLUMBUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022 and 2021**

**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**

Community projects include the ABC Backpack Project, 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 19<sup>th</sup> 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. 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.

**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 \$314,574 and \$291,163 as of June 30, 2022 and 2021, respectively.

**JUNIOR LEAGUE OF COLUMBUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022 and 2021**

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

**Adoption of ASC 606 “Revenue from Contracts with Customers”**

The Organization has adopted ASC 606 effective for its 2021 fiscal year beginning July 1, 2020, using the full retrospective approach. This standard requires an entity to recognize revenue when control of the related goods or services is transferred. Revenues are recognized in an amount equal to the expected compensation to be received. Because the Junior League has no long-term performance contracts, the adoption of this accounting standard did not materially impact the 2022 or 2021 financial position, results of operations or cash flows of the Organization and no cumulative effect of a change in accounting principle has been recorded relating to this adoption.

**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) ASC 958-605-2. Contributions are recognized at fair value when a donor makes a promise to give that is, in 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, 2022 and 2021**

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

**In-kind Contributions (Continued)**

In-kind contributions totaled \$13,042 and \$32,270 for the years ended June 30, 2022 and June 30, 2021, respectively and consists of donated space, goods, services and supplies used to support the Junior League's special events and activities.

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, 2022 and 2021**

**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 24, 2023) 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, 2022 and 2021.

**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, 2022 and 2021 totaled \$1,536 and \$1,073, respectively.

**JUNIOR LEAGUE OF COLUMBUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022 and 2021**

**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, 2022 and 2021.

**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. As of June 30, 2022, bank balances exceeded federally insured limits by approximately \$60,000.

**Reclassifications**

Certain balances in the June 30, 2022 financial statements have been reclassified to conform with the 2021 presentation.

**NOTE 2 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Land improvements	\$214,787	\$214,787
Furniture and fixtures	37,139	37,139
Equipment	41,643	41,643
Leasehold improvements	<u>630,394</u>	<u>613,617</u>
	923,963	907,186
Less: Accumulated depreciation	<u>(766,948)</u>	<u>(752,691)</u>
Property and equipment, net	<u>\$ 157,015</u>	<u>\$154,495</u>

In September, 2020, the Junior League terminated its lease of the English House property and as a result, a loss on disposal of the related leasehold improvements and unconditional promise to provide the related space, totaling \$149,110, has been recognized in the accompanying 2021 Statement of Activities.

**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 \$490,011 and \$515,753 as of June 30, 2022 and 2021, respectively, and the Junior League Fund, which totaled \$334,374 as of June 30, 2022 and \$420,379 as of June 30, 2021. As of June 30, 2022, the Junior League Kelton House Fund consisted of \$175,334 in donor restricted contributions (for the purpose of renovating and restoring the Kelton House) and \$314,677 in Board designated funds. As of June 30, 2021 the Junior League Kelton House Fund consisted of \$147,464 in donor restricted contributions (for the purpose of renovating and restoring the Kelton House) and \$368,289 in Board designated funds. The Junior League funds were unrestricted as of June 30, 2022 and 2021.

**JUNIOR LEAGUE OF COLUMBUS, INC.**  
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**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, 2022 and 2021 in valuing the Junior League's investments at fair value:

<u>June 30, 2022</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>
<b><u>Junior League Endowment Fund:</u></b>				
Cash and cash equivalents	\$2,413	\$2,413	\$ -	\$ -
Mutual funds:				
Equities	209,431	209,431	-	-
Fixed Income	<u>122,530</u>	<u>82,577</u>	<u>39,953</u>	-
	334,374	294,421	39,953	-
<b><u>Kelton House Endowment Fund:</u></b>				
Pooled Investments held by the Columbus Foundation	<u>490,011</u>	-	<u>490,011</u>	-
	<u>\$824,385</u>	<u>\$294,421</u>	<u>\$529,964</u>	<u>-</u>
<b><u>June 30, 2021</u></b>				
<b><u>Junior League Endowment Fund:</u></b>				
Cash and cash equivalents	\$2,332	\$ 2,332	\$ -	\$ -
Mutual Funds:				
Equities	282,758	282,758	-	-
Fixed Income	<u>135,289</u>	<u>92,148</u>	<u>43,141</u>	-
	420,379	377,238	43,141	-
<b><u>Kelton House Endowment Fund:</u></b>				
Pooled Investments held by the Columbus Foundation	<u>515,753</u>	-	<u>515,753</u>	-
	<u>\$936,132</u>	<u>\$377,238</u>	<u>\$558,894</u>	<u>-</u>

As of June 30, 2022 and 2021, all Level 2 investments have been valued using the market approach.

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**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 remaining unconditional promise associated with the English House property was written off in September, 2020 when the Junior League’s Board of Directors elected to terminate this portion of the lease. The activity for the years ended June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Balance, unconditional promise to give as of beginning of fiscal year	\$56,230	\$84,349
Recognition of rental expense	(11,246)	(11,953)
Write off of English House property	-	(16,166)
Balance , unconditional promise to give as of end of fiscal year	44,984	56,230
Less current portion	(11,246)	(11,246)
Long term portion	<u>\$33,738</u>	<u>\$44,984</u>

Amortization expense for the year ended June 30, 2023 is expected to total approximately \$11,246. Amortization expense for each of the years ended June 30, 2024 - 2026 is expected to total \$33,738.

**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, 2022 and 2021, 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**  
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**NOTE 6 – UPMIFA AND RESTRICTED ENDOWMENT FUNDS (Continued)**

Changes in the endowment funds' account balances during the years ended June 30, 2022 and 2021 are as follows:

	Unrestricted- Board <u>Designated</u>	Donor <u>Restricted</u>	<u>Total</u>
<b>Balance, June 30, 2021</b>	\$ 368,289	\$ 147,464	\$ 515,753
Investment return:			
Interest and dividend income	10,661	-	10,661
Realized and unrealized gain (loss) on investments	<u>(62,364)</u>	<u>-</u>	<u>(62,364)</u>
Total investment return	(51,703)	-	(51,703)
Trust fees and other expenses	(1,909)	-	(1,909)
Contributions	-	27,870	27,870
Withdrawals	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance, June 30, 2022</b>	<u>\$ 314,677</u>	<u>\$175,334</u>	<u>\$490,011</u>
<b>Balance, June 30, 2020</b>	\$ 278,398	\$ 146,439	\$ 424,837
Investment return:			
Interest and dividend income	9,612	-	9,612
Realized and unrealized gain (loss) on investments	<u>81,902</u>	<u>-</u>	<u>81,902</u>
Total investment return	91,514	-	91,514
Trust fees and other expenses	(1,623)	-	(1,623)
Contributions	-	1,025	1,025
Withdrawals	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance, June 30, 2021</b>	<u>\$ 368,289</u>	<u>\$ 147,464</u>	<u>\$ 515,753</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, 2022 and 2021 was as follows:

	<u>2022</u>	<u>2021</u>
<b>Balance, Beginning of Year</b>	\$420,379	\$333,088
Investment return:		
Interest and dividend income	11,083	15,793
Realized and unrealized gain (loss) on investments	<u>(81,790)</u>	<u>87,113</u>
Total investment return	(70,707)	102,906
Fees and other expenses	(5,487)	(5,150)
Contributions	1,845	-
Withdrawals	<u>(11,656)</u>	<u>(10,465)</u>
<b>Balance, End of Year</b>	<u>\$334,379</u>	<u>\$420,379</u>

**JUNIOR LEAGUE OF COLUMBUS, INC.**  
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**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, 2022 and 2021:

<u>June 30, 2022:</u>	<u>Board Designated</u>	<u>Donor Restricted</u>	<u>Total</u>
Friends of Kelton House; for Kelton House restorations	\$ -	\$ 84,542	\$ 84,542
Kelton Property Funds	314,677	175,334	490,011
ABC Backpack Project	-	7,811	7,811
Bridging the Gap	-	1,903	1,903
Gifted facilities	<u>-</u>	<u>44,984</u>	<u>44,984</u>
Total	<u>\$314,677</u>	<u>\$314,574</u>	<u>\$629,251</u>
 <u>June 30, 2021:</u>			
Friends of Kelton House; for Kelton House restorations	\$ -	\$ 76,368	\$ 76,368
Kelton Property Funds	368,289	147,464	515,753
English House Renovations	-	2,835	2,835
ABC Backpack Project	-	266	266
Kelton House Restricted Grants	-	8,000	8,000
Gifted facilities	<u>-</u>	<u>56,230</u>	<u>56,230</u>
Total	<u>\$368,289</u>	<u>\$291,163</u>	<u>\$659,452</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 property still remaining in the Trust as of June 30, 2022 is the Kelton House (which the Junior League occupies and operates as “the Kelton House Museum & Garden”). In September, 2020, the Junior League elected to terminate the lease of parcels 581, 583 and 587 on Franklin Avenue, which together represented “the English House” because these properties were not being used. The Junior League was leasing the Kelton House and English House 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, along with any future proceeds from parcels 581, 583 and 587 on Franklin Avenue are/will be 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.

**JUNIOR LEAGUE OF COLUMBUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 – MEMBERSHIP**

The Junior League has three classes of members: active, new members and sustainer members. For the years ended June 30, 2022 and 2021, the membership consisted of the following:

<u>Membership Class</u>	<u>2022</u>	<u>2021</u>
Active/New Members	75	152
Sustainer Members	<u>259</u>	<u>259</u>
Total	<u>334</u>	<u>411</u>

**NOTE 11 – LIQUIDITY**

The Junior League's sources of fiscal 2022 revenues includes over \$198,220 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, 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, 2022, the Junior League had approximately \$661,000 in unrestricted cash and cash equivalents, and investments 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.