The Junior League of Denver, Incorporated

Financial Statements and Supplementary Information

May 31, 2021

(With Independent Auditor's Report Thereon)

Kundinger, Corder & Engle, P.C.

Certified Public Accountants

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Independent Auditor's Report

Board of Directors
The Junior League of Denver, Incorporated

Report on Financial Statements
We have audited the accompanying combined financial statements of The Junior League of Denver, Incorporated and affiliate, which comprise the combined statement of financial position as of May 31, 2021, the related combined 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 combined 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 combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
The Junior League of Denver, Incorporated

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of The Junior League of Denver, Incorporated and affiliate, as of May 31, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental combining schedules are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited The Junior League of Denver, Incorporated's 2020 combined financial statements, and our report dated August 25, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kundinger, Corder & Engle, P.C.

August 23, 2021

The Junior League of Denver, Incorporated
Combined Statement of Financial Position
May 31, 2021
(With Summarized Information for 2020)

		2021	2020
Assets			
Cash and cash equivalents	$	435,646	239,794
Accounts receivable, net of allowance for doubtful accounts of $408		3,040	12,800
Prepaid expenses and other assets		42,510	102,184
Inventory (note 3)		443,154	463,140
Investments (note 4)		9,898,846	8,094,581
Property and equipment, net (note 5)		1,686,695	1,740,781
Total assets	$	12,509,891	10,653,280
Liabilities and Net Assets			
Accounts payable and accrued liabilities	$	28,709	47,010
Deferred revenue (note 6)		114,112	91,368
Refundable advance (note 9)		55,063	58,400
Note payable (note 7)		713,386	738,973
Total liabilities		911,270	935,751
Net assets (note 8)			
Without donor restrictions			
Undesignated		10,988,121	9,084,069
Designated		610,500	628,100
Total net assets without donor restrictions		11,598,621	9,712,169
With donor restrictions		-	5,360
Total net assets		11,598,621	9,717,529
Commitments (note 4)			
Total liabilities and net assets	$	12,509,891	10,653,280

See the accompanying notes to the combined financial statements.

The Junior League of Denver, Incorporated
Combined Statement of Activities
Year Ended May 31, 2021
(With Summarized Information for the Year Ended May 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
Revenues, Gains and Support				
Contributions	$ 163,974	-	163,974	119,450
Holiday Mart revenue	81,743	-	81,743	227,972
Less costs of direct benefits to donors	(16,345)	-	(16,345)	(72,059)
The Journey revenue	101,854	-	101,854	98,680
Less costs of direct benefits to donors	(73,319)	-	(73,319)	(30,828)
Cookbook sales	38,589	-	38,589	271,224
Less cost of sales	(27,872)	-	(27,872)	(155,855)
Other fundraising revenue, net	14,129	-	14,129	6,826
Membership dues	170,557	-	170,557	182,244
Investment return	2,166,462	-	2,166,462	183,085
Net assets released due to satisfaction of purpose restrictions	5,360	(5,360)	-	-
Total revenues, gains and support	2,625,132	(5,360)	2,619,772	830,739
Expenses				
Program services				
Programs and community outreach	228,922	-	228,922	252,484
Training and education	65,485	-	65,485	86,867
Total program services	294,407	-	294,407	339,351
Supporting activities				
General and administrative	337,566	-	337,566	397,106
Fundraising	106,707	-	106,707	129,580
Total supporting activities	444,273	-	444,273	526,686
Total expenses	738,680	-	738,680	866,037
Change in net assets	1,886,452	(5,360)	1,881,092	(35,298)
Net assets at beginning of year	9,712,169	5,360	9,717,529	9,752,827
Net assets at end of year	$ 11,598,621	-	11,598,621	9,717,529

See the accompanying notes to the combined financial statements.

The Junior League of Denver, Incorporated
Combined Statement of Functional Expenses
Year Ended May 31, 2021
(With Summarized Information for the Year Ended May 31, 2020)

		Program Services			Supporting Activities			
		Programs and Community Outreach	Training and Education	Total Program	General and Administrative	Fund-Raising	2021 Total Expenses	2020 Total Expenses
Salaries and benefits	$	45,486	22,743	68,229	180,498	61,406	310,133	327,795
Grants		108,290	-	108,290	-	-	108,290	127,865
Community assistance		-	-	-	-	-	-	-
Special events expense		-	-	-	-	89,664	89,664	102,887
Professional services		-	-	-	25,287	-	25,287	24,875
Lobbying		30,900	-	30,900	-	-	30,900	30,000
Advertising and promotion		-	-	-	17,077	9,475	26,552	65,661
Office expenses		2,269	1,134	3,403	9,002	3,063	15,468	15,306
Information technology		1,060	530	1,590	10,416	1,431	13,437	11,300
Occupancy		9,201	3,943	13,144	10,014	3,833	26,991	26,022
Conferences and meetings		-	23,543	23,543	8,556	-	32,099	65,906
Interest		9,730	4,170	13,900	10,589	4,053	28,542	32,972
Depreciation		18,438	7,902	26,340	20,066	7,680	54,086	54,119
Insurance		3,548	1,520	5,068	8,985	2,678	16,731	16,640
Other expenses		-	-	-	37,076	13,088	50,164	67,576
Total functional expenses		228,922	65,485	294,407	337,566	196,371	828,344	968,924
Less expenses included with revenue		-	-	-	-	(89,664)	(89,664)	(102,887)
Total expenses	$	228,922	65,485	294,407	337,566	106,707	738,680	866,037

See the accompanying notes to the combined financial statements.

The Junior League of Denver, Incorporated
Combined Statement of Cash Flows
Year Ended May 31, 2021
(With Summarized Information for the Year Ended May 31, 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 1,881,092	(35,298)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation expense	54,086	54,119
Net realized and unrealized (gain) loss on investments	(2,009,344)	25,125
Gain on loan forgiveness	(58,400)	-
Change in operating assets and liabilities		
Accounts receivable	9,760	3,443
Contributions receivable	-	1,500
Prepaid expenses and other	59,674	257,299
Inventory	19,986	(408,553)
Accounts payable and accrued liabilities	(18,301)	15,137
Deferred revenue	22,744	(128,173)
Net cash used in operating activities	(38,703)	(215,401)
Cash flows from investing activities		
(Purchases) sales of investments, net	205,079	(102,624)
Net cash provided by (used in) investing activities	205,079	(102,624)
Cash flows from financing activities		
Proceeds from refundable advance	55,063	58,400
Payments on note payable	(25,587)	(21,768)
Net cash provided by financing activities	29,476	36,632
Net change in cash and cash equivalents	195,852	(281,393)
Cash and cash equivalents, beginning of year	239,794	521,187
Cash and cash equivalents, end of year	$ 435,646	239,794
Supplemental cash flow information		
Interest paid	$ 28,542	32,972

See the accompanying notes to the combined financial statements.

(1) Summary of Significant Accounting Policies

(a) Organization

The Junior League of Denver, Incorporated (the League) was incorporated in 1918 as an educational and charitable organization of women committed to promoting volunteerism, developing the potential of women, and improving the community through the effective action and leadership of trained volunteers. The League's purpose is exclusively educational and charitable and its focus is to improve the community through the health and education of women and children. The League's efforts are carried out through the following programs:

Programs and Community Outreach – The League provides volunteer and financial support to various community projects in its focus area throughout the Metro Denver community. Grant applicants undergo a rigorous screening and application process to ensure alignment with the League's mission, focus and goals.

Training and Education – The League co-sponsors conferences, programs and other activities for its members, on behalf or in support of community agencies, and for the benefit of the not-for-profit community through its collaborative efforts and by acting as a convener and coalition builder.

(b) Financial Statement Presentation

Reporting Entity
The accompanying financial statements include the accounts of the Junior League of Denver Foundation, Inc. (the Foundation), a separate not-for-profit organization established in 1992 to support the purposes and programs of the League. All significant intercompany balances and transactions have been eliminated in the combination.

Basis of Accounting
The accompanying financial statements of the organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation
The League and the Foundation are required to present information regarding financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

(1) Summary of Significant Accounting Policies, Continued

(b) Financial Statement Presentation, Continued

Basis of Presentation, Continued

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

(c) Cash and Cash Equivalents

For the purpose of the statement of cash flows, all unrestricted highly liquid investments with an original maturity of three months or less, and which are not held as a part of an investment portfolio, are considered to be cash equivalents.

(d) Concentrations of Credit Risk

Financial instruments which potentially subject the League and Foundation to concentrations of credit risk consist of cash and temporary investments (such as certificates of deposit), investments in debt and equity securities, and alternative investments. Cash and temporary investments are placed with creditworthy, high quality financial institutions. At various times throughout the year, cash balances may exceed the FDIC insurance limits.

Investments are made by investment managers engaged by the Foundation and are monitored by the Board of Directors. Though the market value of investments is subject to fluctuations on a year-to-year basis, the Board of Directors believes that the investment policy is prudent for the long-term welfare of the Foundation.

(e) Contributions and Contributions Receivable

Contributions are recognized when cash, securities, and unconditional promises to give are received. Conditional promises to give, that is, those with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend are substantially met. Payments received in advance of conditions being met are recorded as a refundable advance in the combined statement of financial position.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions.

(1) Summary of Significant Accounting Policies, Continued

(e) Contributions and Contributions Receivable, Continued

Contributions receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. There were no contributions receivable at May 31, 2021.

(f) Accounts Receivable

Accounts receivable represent amounts due resulting from the sale of cookbooks during the normal course of operations. The allowance for doubtful accounts is based on past experience and analysis of the collectability of current accounts receivable. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible. Accounts receivable are considered to be past due based on contractual terms.

(g) Inventory

Inventory consists of Junior League cookbooks held for sale and valued at the lower of cost or market using the first-in, first-out method.

(h) Investments

Investments are recorded at fair value. Fair value is more fully discussed in note 1(i). Investments in marketable equity and fixed income securities with readily determinable market values are reported at fair value based on quoted prices in active markets. The market value for alternative investments represents the pro-rata interest in the net assets of the investment and is based on financial information determined and reported by the investment manager or on the basis of other information evaluated periodically by the Board of Directors. Alternative investments are not publicly traded on national security markets exchanges, are generally illiquid and may be valued differently than if readily available markets existed for such investments. Based on inherent uncertainties of valuation of alternative investments, the reported market value of the investment may differ significantly from realizable value.

Investment return consists of interest, dividends, capital gains and losses generated from investments, as well as the change in fair value of the investments. Gains and losses attributable to investments are realized and reported upon a sale or disposition of the investment. Unrealized gains and losses are included in the change in net assets in the statement of activities.

(1) Summary of Significant Accounting Policies, Continued

(i) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles in the U.S. establishes a fair value hierarchy that prioritizes investments based on the assumptions market participants would use when pricing an asset. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs).

Assets are grouped at fair value in three levels based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. In addition, certain investments are reported using the "practical expedient" method. The practical expedient method allows net asset value per share or its equivalent to represent fair value for reporting purposes when the criteria for using this method are met. Investments valued using net asset value per share or its equivalent are not categorized within the hierarchy.

These levels are:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These classifications (Level 1, 2 and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts and contributions receivable, and accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

(1) Summary of Significant Accounting Policies, Continued

(j) Property and Equipment

Property and equipment are stated at cost at the date of purchase or, if donated, at the approximate fair market value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets (3 to 30 years). The League's policy is to capitalize all expenditures for property and equipment in excess of $2,000 and with a useful life exceeding one year and to expense normal repairs and maintenance as incurred. When assets are sold, retired or otherwise disposed of, the applicable costs are removed from the accounts and any resulting gain or loss is recognized. Management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Prior to year-end, the League entered into a contract to sell the headquarters building for $3,000,000. The sale is expected to occur in October 2021, at which time the League has the option to lease back the building for an initial period of 60 days followed by a month-to-month lease until they enter into a purchase agreement for another building. The book value of the land and building at May 31, 2021 is $1,676,300.

(k) Donated Goods and Services

Donated goods and services are recorded as contributions and corresponding expenses at their estimated fair values at the date of donation.

Unpaid volunteers have donated a significant number of hours in assisting the League in achieving the goals of its various service programs. The value of this contributed time is not reflected in the accompanying financial statements as it does not meet the requirements of recognition under generally accepted accounting principles. The League received approximately 76,500 volunteer hours during the fiscal year ended May 31, 2021.

(l) Revenue Recognition

Membership dues and provisional fees are recognized ratably over the term of the membership period. Membership dues received for any payments related to the following year are classified as deferred revenue at year-end. Revenue from fundraising events is recognized during the year in which the event is held. Other revenue is recognized as earned.

(m) Advertising

The League uses advertising to promote its cookbook sales and fundraising efforts. The production costs of the advertising are expensed as incurred. During the year ended May 31, 2021, the League incurred advertising costs of $26,552 in connection with its cookbook sales and various fundraising efforts.

(1) Summary of Significant Accounting Policies, Continued

(n) Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. The League and Foundation incur expenses that directly relate to, and can be assigned to, specific programs or supporting activities. The entities also conduct a number of activities which benefit both program objectives as well as supporting services (i.e. fundraising and management and general activities). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as headcount, square-footage, or estimates of time and effort incurred by personnel.

(o) Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(p) Income Taxes

The League and the Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualify for the charitable contribution deduction. Income from activities not directly related to their tax-exempt purpose is subject to taxation as unrelated business income. The League was subject to $1,750 in unrelated business income tax for the year ended May 31, 2021. At times, certain of the Foundation's investment funds incur unrelated business income. Unrelated business income reported in 2021 was $10,259.

Management is required to evaluate tax positions taken and recognize a tax liability (or asset) if a position has been taken that more than likely would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken or expected to be taken by the League and the Foundation that would require recognition of a liability (or asset) or disclosure in the financial statements and determined there are none. The League and Foundation are subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress. Management believes that the League and Foundation are no longer subject to income tax examinations for years prior to 2018.

(1) Summary of Significant Accounting Policies, Continued

(q) Subsequent Events

Subsequent events have been evaluated through August 23, 2021, the date the financial statements were available to be issued.

(r) Prior Year Information

The financial statements include certain prior-year summarized, comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the League's financial statements for the year ended May 31, 2020, from which the summarized information was derived.

(2) Availability and Liquidity of Financial Assets

The following reflects the financial assets that are available for general expenditure within one year as of May 31, 2021:

	League	Foundation
Financial assets at year-end		
Cash and cash equivalents	$ 425,563	10,083
Accounts receivable, net	3,040	-
Certificate of deposit (note 4)	525,005	-
Due (to) from affiliate	(16,815)	16,815
Total financial assets	936,793	26,898
Amounts available through board resolution		
Foundation appropriation to the League	360,302	-
Amounts not available to be used within one year		
Board designated capital reserve	(75,000)	-
Board designated operating reserve	(535,500)	-
Amounts not available within one year	(610,500)	-
Financial assets available for general expenditure within one year	$ 686,595	26,898

General expenditures include administrative, program, and fundraising expenses incurred in the conduct of ongoing activities. The League's activities are sustained primarily through membership dues, special events, and distributions from the Foundation. The League anticipates collecting sufficient revenue to cover general expenditures not covered by the above current financial assets available largely through membership dues and fundraising activities. The table above includes the distribution from the Foundation that is expected to be received in the next fiscal year. The League considers donor restricted contributions for on-going programs to be available for expenditure, provided they are available for expenditure within the next twelve months.

(2) Availability and Liquidity of Financial Assets, Continued

Accordingly, the donor restricted amounts are included in total financial assets available for expenditure within one year. The League's Board of Directors has designated an operating reserve equal to six months of operating expenses and a capital reserve of $75,000. In accordance with the League's policy, these reserves are not available for general operations.

The Foundation has established a distribution policy that provides for annual distributions to the League in an amount up to 4% of the average investable assets of the Foundation for the prior twelve quarters. In addition, the Foundation contributes up to $50,000 annually to the League to offset costs associated with Foundation operations. Subsequent to year-end, the Foundation board approved a 4% distribution to the League for fiscal year 2022, and $45,000 as a reimbursement for operating and fundraising expenses. Although the Foundation board does not intend to spend from the investment funds (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these funds could be made available if necessary.

(3) Inventory

At May 31, 2021, inventory consisted of Junior League cookbooks valued at $443,154.

(4) Investments

At May 31, 2021, the League's investments consist of a $525,005 certificate of deposit with a maturity date of 6/13/2022.

The Foundation's investment assets include private and publicly held investments dedicated to providing the financial resources needed to meet the Foundation's grant making and other charitable objectives. The Foundation's investments are held in various investment structures which may include foreign domiciled funds and pooled investments.

Marketable and private alternative investments are exposed to various risks that may cause the reported value of the Foundation's investment assets to fluctuate from period to period and result in a material change to the net assets of the Foundation. Investments in equity securities fluctuate in value in response to many factors such as the activities and financial condition of individual companies, business and industry market conditions and the general economic environment.

The value of bond investments and other fixed income securities fluctuate in response to changing interest rates, credit worthiness of issuers and overall economic policies that impact market conditions. Some investment managers retained by the Foundation are permitted to use various investment strategies and techniques that are designed to achieve higher investment returns with lower volatility and low correlations to major market indices and other asset classes.

(4) Investments, Continued

Strategies and techniques, such as the use of leverage, futures and forward contracts, option agreements, and other derivative instruments, create special risks and could increase the impact of adverse security price movements on the Foundation's investment portfolio.

At May 31, 2021, the Foundation had unfunded commitments of approximately $224,000 related to its investment in Capital Partners VII.

Investments are stated at their fair values and consist of the following at May 31, 2021:

Publicly traded mutual funds invested in:	
Bond funds	
Floating rate	$ 457,170
Total return	759,697
Equity funds	
Domestic	1,453,868
International	2,227,253
Combination	573,923
Index funds	2,107,884
Money market fund	1,563
Certificate of deposit	525,005
Alternative investments	
Ironwood Institutional Multi-Strategy Fund	735,152
U.S. Real Estate Investment Fund	439,065
Capital Partners VII, LP	229,591
Lighthouse Global Long/Short Fund	388,675
Total investments	$ 9,898,846

The following table summarizes the valuation of investments by the fair value hierarchy levels as of May 31, 2021:

Description	Fair Value	Assets valued using NAV (a)	Level 1
Money market funds	$ 1,563	-	1,563
Certificate of deposit	525,005	-	525,005
Equity funds	4,255,044	-	4,255,044
Fixed income funds	1,216,867	-	1,216,867
Index funds	2,107,884	-	2,107,884
Alternative funds	1,792,483	1,792,483	-
Total investments	$ 9,898,846	1,792,483	8,106,363

(4) Investments, Continued

(a) Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient, which is a reasonable estimate of fair value, have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

All assets have been valued using a market approach or net asset value per share. There were no changes in valuation techniques during the current year.

The following table summarizes the significant information required by ASU No. 2009-12 as of May 31, 2021:

		Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Lighthouse Global Long/Short Fund (a)	$	388,675	–	Quarterly	60-90 days
U.S. Real Estate Investment Fund (b)	$	439,065	–	Quarterly	90 days
Capital Partners VII (c)	$	229,591	224,000	N/A	N/A
Ironwood Institutional Multi-Strategy Fund (d)	$	735,152	–	Semi-annually	95 days

(a) Lighthouse Global Long/Short Fund is a limited partnership interest in an actively managed global long/short equity fund seeking equity-like returns with lower volatility than traditional global equity investments. The portfolio is 100% invested through managed accounts. Each limited partner has the right to withdraw all or any portion of its capital account balance upon giving at least a 60-day prior written notice before the end of each quarter or at least a 90-day prior written notice before the end of each month. The General Partner may, in its sole discretion, suspend or restrict the right of any partner to withdraw capital from the Partnership and also may deduct from any withdrawal payments or otherwise charge to any withdrawing limited partner that has not held its partnership interest for at least 12 complete, consecutive months, a withdrawal charge equal to 2% of any amounts withdrawn.

(b) U.S. Real Estate Investment Fund is a limited partnership whose objective is to make investments in real estate assets, owning, managing, supervising, and disposing of such investments through its subsidiaries. Each limited partner has the right to redeem some or all of its interest in the partnership by providing written notice at least 90 days prior to a calendar quarter end.

(4) Investments, Continued

(c) Capital Partners VII, LP is a limited partnership whose objective is capital appreciation with limited variability of returns. The partnership attempts to achieve this objective by investing in a diversified pool of underlying U.S. private equity, global private equity ex-U.S., emerging markets, global venture capital and natural resource investment partnerships. The term of the partnership will end twelve years from its initial closing, unless extended, not more than once, by the general partner for a period not exceeding three years.

(d) Ironwood Institutional Multi-Strategy Fund is a limited partnership whose objective is capital appreciation with limited variability of returns. The Fund attempts to achieve this objective by allocating capital among a number of pooled investment vehicles that are generally organized in non-U.S. jurisdictions and classified as corporations for U.S. federal income tax purposes. The Fund is allowed to repurchase Members' units at the net asset value per unit on a repurchase date. Ironwood expects the Fund will offer to repurchase units from Members as of June 30 and December 31 of each year. Redemption requests must be submitted to the Fund at least 95 days prior to the redemption date.

(5) Property and Equipment

Property and equipment at May 31, 2021 consists of the following:

Land	$ 375,000
Building	1,263,312
Furniture, fixtures and equipment	422,970
	2,061,282
Less accumulated depreciation	(374,587)
Net property and equipment	$ 1,686,695

(6) Deferred Revenue

Deferred revenue consists of the following at May 31, 2021:

Membership dues	$ 101,885
Fundraising events	12,227
	$ 114,112

(7) Note Payable

Note payable consists of a mortgage note on Junior League's office building with an original balance of $825,000 dated February 25, 2016, and is secured by land, building and improvements. The note is payable to Citywide Banks in monthly payments of $4,437 including principal and interest through March 25, 2030 with a fixed interest rate of 3.75%. A balloon payment of $438,963 is due April 25, 2030.

(7) Note Payable, Continued

The outstanding balance at May 31, 2021 is $713,386 with maturities summarized as follows:

		Principal	Interest	Total
2022	$	26,969	26,277	53,246
2023		27,998	25,248	53,246
2024		29,066	24,180	53,246
2025		30,175	23,071	53,246
2025		31,326	21,920	53,246
Thereafter		567,852	72,547	640,399
Total	$	713,386	193,243	906,629

The note requires that operating cash flow be sufficient to cover fixed charges by a ratio of 1.2 to 1. At May 31, 2021, the League is in compliance with this requirement.

(8) Net Assets

Net assets without donor restrictions include amounts designated by the League's Board of Directors for the following purposes at May 31, 2021:

Operating reserve	$	535,500
Capital reserve		75,000
	$	610,500

Net assets with donor restrictions total $0 at May 31, 2021.

(9) Refundable Advance

The League has received two loans under the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP). Under the program, these loans may be partially or fully forgiven if certain eligibility requirements are met, including incurring certain qualifying expenses. The loans are treated as a refundable advance upon receipt, and recognized as contribution revenue when forgiven by the SBA.

The League received a PPP loan in April 2020 in the amount of $58,400. The loan was fully forgiven by the SBA in April 2021 and is included in contribution revenue in the accompanying statement of activities.

The League received a second PPP loan in March 2021 in the amount of $55,063. The loan is recorded as a refundable advance at May 31, 2021, pending forgiveness of the loan. At such time that the loan is forgiven, the refundable advance will be reduced and contribution revenue will be recognized. In the event that the loan is not forgiven or only partially forgiven, the outstanding balance is payable in equal amounts required to fully amortize the principal amount outstanding on the note by the maturity date of March 23, 2026. The loan is unsecured and interest is charged at 1% per annum.

The Junior League of Denver, Incorporated
Supplemental Schedule of Combined Statement of Financial Position
May 31, 2021

	Junior League of Denver	Junior League Foundation	Combined Total
Assets			
Cash and cash equivalents	$ 425,563	10,083	435,646
Accounts receivable, net	3,040	-	3,040
Contributions receivable	-	-	-
Due (to) from affiliate	(16,815)	16,815	-
Prepaid expenses and other assets	42,510	-	42,510
Inventory	443,154	-	443,154
Investments	525,005	9,373,841	9,898,846
Property and equipment, net	1,686,695	-	1,686,695
Total assets	$ 3,109,152	9,400,739	12,509,891
Liabilities and Net Assets			
Accounts payable and accrued liabilities	$ 28,709	-	28,709
Deferred revenue	114,112	-	114,112
Refundable advance	55,063	-	55,063
Note payable	713,386	-	713,386
Total liabilities	911,270	-	911,270
Net assets			
Without donor restrictions			
Undesignated	1,587,382	9,400,739	10,988,121
Designated	610,500	-	610,500
Total net assets	2,197,882	9,400,739	11,598,621
Total liabilities and net assets	$ 3,109,152	9,400,739	12,509,891

See the accompanying independent auditor's report

The Junior League of Denver, Incorporated
Supplemental Schedule of Combined Statement of Activities
Year Ended May 31, 2021

	Junior League of Denver		Junior League of Denver Foundation	Combined Total	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Revenues, Gains and Support					
Contributions	$ 96,089	-	67,885	163,974	-
Holiday Mart revenue	81,743	-	-	81,743	-
Less costs of direct benefits to donors	(16,345)	-	-	(16,345)	-
The Journey revenue	101,854	-	-	101,854	-
Less costs of direct benefits to donors	(73,319)	-	-	(73,319)	-
Cookbook sales	38,589	-	-	38,589	-
Less cost of sales	(27,872)	-	-	(27,872)	-
Other fundraising revenue, net	14,129	-	-	14,129	-
Membership dues	170,557	-	-	170,557	-
Investment return, net	7,688	-	2,158,774	2,166,462	-
Net assets released due to satisfaction of time and purpose restrictions	5,360	(5,360)	-	5,360	(5,360)
Total revenues, gains and support	$ 398,473	(5,360)	2,226,659	2,625,132	(5,360)
Distributions from affiliate	$ 352,396	-	-	-	-

(Continued)

	Junior League of Denver		Junior League of Denver Foundation	Combined Total	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Expenses					
Program services					
Programs and community outreach	$ 228,922	-	-	228,922	-
Training and education	65,485	-	-	65,485	-
Total program services	294,407	-	-	294,407	-
Distributions to affiliate	-	-	352,396	-	-
Supporting activities					
General and administrative	329,655	-	7,911	337,566	-
Fundraising	106,707	-	-	106,707	-
Total supporting activities	436,362	-	7,911	444,273	-
Total expenses	730,769	-	360,307	738,680	-
Change in net assets	20,100	(5,360)	1,866,352	1,886,452	(5,360)
Net assets at beginning of year	2,177,784	5,360	7,534,385	9,712,169	5,360
Net assets at end of year	$ 2,197,884	-	9,400,737	11,598,621	-

See the accompanying independent auditor's report