The Junior League of Denver, Incorporated

Financial Statements and Supplementary Information

May 31, 2018

(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:

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, 2018, the related combined statements of activities 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, 2018, 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.

Other Matter
Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental combining schedules on pages 18 - 21 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 2017 combined financial statements, and our report dated August 22, 2017, 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, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kundinger, Corder & Engle, P.C.

August 14, 2018

The Junior League of Denver, Incorporated
Combined Statement of Financial Position
May 31, 2018
(With Summarized Comparative Information for 2017)

	2018	2017
Assets:		
Cash and cash equivalents	$ 1,136,687	1,265,498
Accounts receivable, net of allowance for doubtful accounts of $408	11,718	3,725
Prepaid expenses and other assets	130,400	15,686
Inventory (note 2)	65,737	81,709
Investments (notes 3 and 4)	7,766,928	7,367,798
Property and equipment, net (note 5)	1,850,126	1,701,211
Total assets	$ 10,961,596	10,435,627
Liabilities and Net Assets:		
Accounts payable and accrued liabilities	$ 18,311	21,195
Deferred revenue (note 6)	205,925	177,873
Note payable (note 7)	781,439	801,265
Total liabilities	1,005,675	1,000,333
Net assets (note 8):		
Unrestricted:		
Undesignated	8,842,171	8,690,629
Designated	1,072,700	744,665
Total unrestricted net assets	9,914,871	9,435,294
Temporarily restricted net assets	41,050	–
Total net assets	9,955,921	9,435,294
Total liabilities and net assets	$ 10,961,596	10,435,627

See the accompanying notes to the combined financial statements.

The Junior League of Denver, Incorporated
Combined Statement of Activities
Year Ended May 31, 2018
(With Summarized Comparative Information for the Year Ended May 31, 2017)

		Unrestricted	Temporarily Restricted	Total 2018	Total 2017
Revenues, Gains and Support:					
Contributions	$	200,097	41,050	241,147	126,652
Donated goods and services		3,213	–	3,213	–
Holiday Mart revenue		241,105	–	241,105	220,721
Less costs of direct benefits to donors		(69,885)	–	(69,885)	(70,019)
The Journey revenue		203,442	–	203,442	170,842
Less costs of direct benefits to donors		(106,866)	–	(106,866)	(82,063)
Cookbook sales		35,190	–	35,190	43,062
Less cost of sales		(23,209)	–	(23,209)	(29,020)
Other fundraising revenue, net		21,779	–	21,779	13,119
Membership dues		165,424	–	165,424	182,581
Investment return, net (note 3)		555,424	–	555,424	755,439
Loss on disposal of asset		(1,780)	–	(1,780)	–
Total revenues, gains and support		1,223,934	41,050	1,264,984	1,331,314
Expenses:					
Program services:					
Program appropriations		28,242	–	28,242	34,547
Community assistance funds		56,958	–	56,958	26,135
Committee functions		40,650	–	40,650	42,120
Training and education		31,396	–	31,396	34,180
Allocated common costs		126,702	–	126,702	110,778
Total program services		283,948	–	283,948	247,760
Supporting activities:					
General and administrative		215,713	–	215,713	212,379
Committee functions		57,887	–	57,887	42,288
Membership management		31,244	–	31,244	38,894
Cookbooks		612	–	612	144
Second Time Shop		–	–	–	590
Allocated common costs		40,185	–	40,185	35,352
Total management and general	$	345,641	–	345,641	329,647

(Continued)

The Junior League of Denver, Incorporated
Combined Statement of Activities, Continued
Year Ended May 31, 2018
(With Summarized Comparative Information for the Year Ended May 31, 2017)

	Unrestricted	Temporarily Restricted	Total 2018	Total 2017
Fundraising:				
General fundraising expenses	$ 34,398	–	34,398	39,639
Allocated common costs	80,370	–	80,370	70,704
Total fundraising	114,768	–	114,768	110,343
Total supporting activities	460,409	–	460,409	439,990
Total expenses	744,357	–	744,357	687,750
Change in net assets	479,577	41,050	520,627	643,564
Net assets at beginning of year	9,435,294	–	9,435,294	8,791,730
Net assets at end of year	$ 9,914,871	41,050	9,955,921	9,435,294

See the accompanying notes to the combined financial statements.

The Junior League of Denver, Incorporated
Combined Statement of Cash Flows
Year Ended May 31, 2018
(With Summarized Comparative Information for the Year Ended May 31, 2017)

	2018	2017
Cash flows from operating activities:		
Change in net assets	$ 520,627	643,564
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	51,308	45,599
Net realized and unrealized gain on investments	(400,404)	(611,041)
Loss on disposal of asset	1,780	–
(Increase) decrease in operating assets:		
Accounts receivable	(7,993)	1,642
Prepaid expenses and other	(114,714)	13,068
Inventory	15,972	(28,609)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(2,884)	(777)
Deferred revenue	28,052	2,633
Net cash provided by operating activities	91,744	66,079
Cash flows from investing activities:		
Payments for purchase of property and equipment	(202,003)	(94,847)
Proceeds from sale of investments, net of purchases	1,274	917,018
Net cash provided by (used in) investing activities	(200,729)	822,171
Cash flows from financing activities:		
Payments made on note payable	(19,826)	(18,991)
Net cash used in financing activities	(19,826)	(18,991)
Net change in cash and cash equivalents	(128,811)	869,259
Cash and cash equivalents, beginning of year	1,265,498	396,239
Cash and cash equivalents, end of year	$ 1,136,687	1,265,498

See the accompanying notes to the combined financial statements.

(1) Summary of Significant Accounting Policies

(a) General

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:

Program Appropriations and Community Outreach – The League provides volunteer and financial support to various community projects in its focus area throughout the Metro Denver community.

Grants Program – The League provides funding for community not-for-profits. 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

<u>Reporting Entity</u>
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.

<u>Basis of Presentation</u>
The League and the Foundation are required to report information regarding financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. There were no permanently restricted net assets at May 31, 2018.

(1) Summary of Significant Accounting Policies, Continued

(c) 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.

(d) Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(e) Contributions Receivable

Unconditional contributions receivable are recognized as revenues in the period the pledge is received. Unconditional 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. Conditional contributions receivable are recognized when the conditions on which they depend are substantially met. There were no contributions receivable at May 31, 2018.

(f) 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 by investment managers as a part of an investment portfolio, are considered to be cash equivalents.

(g) 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.

(1) Summary of Significant Accounting Policies, Continued

(h) Investments

Investments are recorded at fair value. Fair value is more fully discussed in note 4.

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 income consists of the distributive share of any interest, dividends, and capital gains and losses generated from the investments. Realized gains and losses are 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.

The Foundation has adopted ASU 2015-07, *Disclosure of Investments in Certain Entities that Calculate Net Asset Value per Share or its Equivalent.* The ASU removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient.

(i) Concentrations of Credit Risk

Financial instruments which potentially subject the League and Foundation to concentrations of credit risk consist of cash and temporary investments, 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.

(1) Summary of Significant Accounting Policies, Continued

(j) 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.

(k) Property and Equipment

The League capitalizes all expenditures for property and equipment in excess of $2,000 with an estimated useful life of one year or more. Property and equipment is stated at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. 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.

(l) Use of 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.

(m) Revenue Recognition

Membership dues and provisional fees are recognized ratably over the term of the membership period. Revenue from fundraising events is recognized during the year in which the event is held. Other revenue is recognized as earned.

(n) Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the appropriate programs and supporting services benefited.

(o) Advertising

The League uses advertising to promote its fundraising efforts. The production costs of the advertising are expensed as incurred. During the year ended May 31, 2018, the League incurred advertising costs of $44,582 in connection with its cookbook sales and various fundraising efforts.

(1) Summary of Significant Accounting Policies, Continued

(p) 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 74,896 volunteer hours during the fiscal year ended May 31, 2018.

(q) 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. However, income from activities not directly related to their tax-exempt purpose is subject to taxation as unrelated business income. The League was not subject to unrelated business income tax however the Foundation was for the year ended May 31, 2018. The Foundation is invested in limited partnerships which, at times, reports unrelated business income. Unrelated business income reported in 2018 was $36,618.

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 2015.

(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, 2017, from which the summarized information was derived.

(1) Summary of Significant Accounting Policies, Continued

(s) Subsequent Events

Management is required to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The League's combined financial statements were available to be issued August 14, 2018 and this is the date through which subsequent events were evaluated.

(2) Inventory

At May 31, 2018, inventory consisted of Junior League cookbooks valued at $65,737.

(3) Investments

At May 31, 2018, all investment assets are held by the Foundation. The Foundation's investment assets, which include private and publicly held investments, are 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.

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.

(3) Investments, Continued

Investments are stated at their fair values and consist of the following at May 31, 2018:

Publicly traded mutual funds invested in:	
Bond funds:	
Floating rate fund	$ 743,562
Total return fund	486,894
Equity funds:	
Domestic equity funds	747,585
International equity funds	1,810,398
Combination fund	499,528
Publicly traded exchange traded funds:	
Index funds	2,067,676
Money market fund	6,105
Ironwood Institutional Multi-Strategy Fund	253,031
U.S. Real Estate Investment Fund	370,431
Lighthouse Global Long/Short Fund	781,718
Total investments	$ 7,766,928

Investment return is summarized as follows:

Interest and dividend income	$ 181,635
Interest income on operating accounts	4,939
Net realized and unrealized gains	400,404
Investment management fees	(31,554)
Net investment return	$ 555,424

(4) Fair Value Measurements

The carrying amount reported in the statement of financial position for cash and cash equivalents, receivables and payables approximate fair value because of the immediate or short-term maturities of these financial instruments.

The Foundation reports its investments in accordance with fair value standards. Fair value is 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. This standard requires an entity to maximize the use of observable inputs (such as quoted prices in active markets) and to minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. In addition, the Foundation reports certain investments using the "practical expedient" method, which allows for net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

(4) Fair Value Measurements, Continued

Fair value measurement standards also require the Foundation to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules. Investments measured on a recurring basis and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 are certificates of deposit, money market and mutual funds.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate and government bonds, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include limited partnership interests in corporate private equity and real estate funds, funds of hedge funds, and distressed debt.

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.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument, as well as the effects of market, interest and credit risk. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in the Foundation's financial statements.

(4) Fair Value Measurements, Continued

The following table summarizes the valuation of the Foundation's investments by the above fair value hierarchy levels as of May 31, 2018:

Description	Fair Value	Assets valued using NAV	Level 1
Money market funds	$ 6,105	–	6,105
Domestic equity funds	747,585	–	747,585
International equity funds	1,810,398	–	1,810,398
Fixed income funds	1,230,456	–	1,230,456
Combination funds	499,528	–	499,528
Exchange traded funds	2,067,676	–	2,067,676
Ironwood Institutional Multi-Strategy Fund	253,031	253,031	–
U.S. Real Estate Investment Fund	370,431	370,431	–
Lighthouse Global Long/Short Fund	781,718	781,718	–
Total	$ 7,766,928	1,405,180	6,361,748

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, 2018:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Lighthouse Global Long/Short Fund (a)	$ 781,718	–	Quarterly	60-90 days
U.S. Real Estate Investment Fund (b)	$ 370,431	–	Quarterly	90 days
Ironwood Institutional Multi-Strategy Fund (c)	$ 253,031	–	Semi-annually	95 days

(4) Fair Value Measurements, Continued

(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 written prior 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.

(c) 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, 2018 consists of the following:

Land	$ 375,000
Building	1,263,312
Furniture, fixtures and equipment	422,970
	2,061,282
Less accumulated depreciation	(211,156)
Net property and equipment	$ 1,850,126

(6) Deferred Revenue

Deferred revenue consists of the following at May 31, 2018:

Membership dues	$ 172,330
Fundraising events	33,595
	$ 205,925

(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 25th, 2016, and is secured by land, building and improvements. The note is payable to Citywide Banks in monthly payments of $4,498 including principal and interest through February 25, 2021 with an interest rate of 4.25%. Beginning February 26, 2021 the monthly payment will be $4,596 including principal and interest with an interest rate of 4.5% through February 25, 2026, at which time a balloon payment of $602,883 is due. The outstanding balance at May 31, 2018 is $781,439 with maturities summarized as follows:

	Principal	Interest	Total
2019	$ 20,698	33,272	53,970
2020	21,519	32,451	53,970
2021	22,404	31,863	54,267
2022	22,918	32,235	55,153
2023	23,986	31,167	55,153
Thereafter	669,914	80,048	749,962
Total	$ 781,439	241,036	1,022,475

(8) Net Assets

Unrestricted net assets include amounts designated for the following purposes at May 31, 2018:

Reserve for program services	$ 128,200
Operating reserve	544,100
Capital reserve	400,400
	$ 1,072,700

The Junior League of Denver, Incorporated
Supplemental Schedule of Combined Statement of Financial Position
May 31, 2018

	Junior League of Denver	Junior League Foundation	Eliminations	Combined Total
Assets:				
Cash and cash equivalents	$ 1,091,758	44,929	–	1,136,687
Accounts receivable, net	11,518	200	–	11,718
Due from affiliate	–	12,703	(12,703)	–
Prepaid expenses and other assets	130,400	–	–	130,400
Inventory	65,737	–	–	65,737
Investments	–	7,766,928	–	7,766,928
Property and equipment, net	1,850,126	–	–	1,850,126
Total assets	$ 3,149,539	7,824,760	(12,703)	10,961,596
Liabilities and Net Assets:				
Accounts payable and accrued liabilities	$ 18,051	260	–	18,311
Due to affiliate	12,703	–	(12,703)	–
Deferred revenue	205,925	–	–	205,925
Note payable	781,439	–	–	781,439
Total liabilities	1,018,118	260	(12,703)	1,005,675
Net assets:				
Unrestricted:				
Undesignated	1,017,671	7,824,500	–	8,842,171
Designated	1,072,700	–	–	1,072,700
Total unrestricted net assets	2,090,371	7,824,500	–	9,914,871
Temporarily restricted	41,050	–	–	41,050
Total net assets	2,131,421	7,824,500	–	9,955,921
Total liabilities and net assets	$ 3,149,539	7,824,760	(12,703)	10,961,596

The Junior League of Denver, Incorporated
Supplemental Schedule of Combined Statement of Activities
Year Ended May 31, 2018

	Junior League of Denver		Junior League of Denver Foundation		Combined Total	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
Revenues, Gains and Support:						
Contributions	$ 28,597	41,050	171,500	–	200,097	41,050
Donated goods and services	3,213	–	–	–	3,213	–
Holiday Mart revenue	241,105	–	–	–	241,105	–
Less costs of direct benefits to donors	(69,885)	–	–	–	(69,885)	–
The Journey revenue	203,442	–	–	–	203,442	–
Less costs of direct benefits to donors	(106,866)	–	–	–	(106,866)	–
Cookbook sales	35,190	–	–	–	35,190	–
Less cost of sales	(23,209)	–	–	–	(23,209)	–
Other fundraising revenue, net	21,779	–	–	–	21,779	–
Membership dues	165,424	–	–	–	165,424	–
Investment return, net	4,939	–	550,485	–	555,424	–
Loss on disposal of asset	(1,780)	–	–	–	(1,780)	–
Total revenues, gains and support	$ 501,949	41,050	721,985	–	1,223,934	41,050
Distributions from affiliate	$ 337,594	–	–	–	–	–

(Continued)

The Junior League of Denver, Incorporated
Supplemental Schedule of Combined Statement of Activities, Continued
For the Year Ended May 31, 2018

	Junior League of Denver		Junior League of Denver Foundation		Combined Total	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
Expenses:						
Program services:						
Program appropriations	$ 28,242	–	–	–	28,242	–
Community assistance funds	56,958	–	–	–	56,958	–
Committee functions	40,650	–	–	–	40,650	–
Training and education	31,396	–	–	–	31,396	–
Allocated common costs	126,702	–	–	–	126,702	–
Total program services	283,948	–	–	–	283,948	–
Distributions to affiliate	–	–	337,594	–	–	–
Supporting activities:						
General and administrative	209,065	–	6,648	–	215,713	–
Committee functions	57,887	–	–	–	57,887	–
Membership management	31,244	–	–	–	31,244	–
Cookbooks	612	–	–	–	612	–
Allocated common costs	40,185	–	–	–	40,185	–
Fundraising:						–
General fundraising expenses	33,913	–	485	–	34,398	–
Allocated common costs	80,370	–	–	–	80,370	–
Total supporting activities	453,276	–	7,133	–	460,409	–
Total expenses	$ 737,224	–	344,727	–	744,357	–

(Continued)

The Junior League of Denver, Incorporated
Supplemental Schedule of Combined Statement of Activities, Concluded
For the Year Ended May 31, 2018

	Junior League of Denver		Junior League of Denver Foundation		Combined Total	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
Change in net assets	$ 102,319	41,050	377,258	–	479,577	41,050
Net assets at beginning of year	1,988,052	–	7,447,242	–	9,435,294	–
Net assets at end of year	$ 2,090,371	41,050	7,824,500	–	9,914,871	41,050