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**JUNIOR LEAGUE OF OKLAHOMA
CITY, OKLAHOMA, INC.**

Audit Report

For the Year Ended
May 31, 2014



Independent Auditors' Report

Board of Directors
Junior League of Oklahoma City,
Oklahoma, Inc.
Oklahoma City, Oklahoma

We have audited the accompanying financial statements of Junior League of Oklahoma City, Oklahoma, Inc., (the League), (a nonprofit organization), which comprise the statements of financial position as of May 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Junior League of Oklahoma City, Oklahoma, Inc. as of May 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Engelback Roberts & Co. P.C.

Certified Public Accountants

Oklahoma City, Oklahoma
October 8, 2014

JUNIOR LEAGUE OF OKLAHOMA CITY, OKLAHOMA, INC.
STATEMENT OF FINANCIAL POSITION

	May 31,	
	2014	2013
<u>ASSETS</u>		
Cash and cash equivalents (interest-bearing \$324,716 and \$39,674)	\$ 549,045	\$ 474,394
Accounts receivable	72,205	41,895
Distribution receivable	11,000	11,955
Prepaid expenses	2,279	3,640
Investments (Notes 3 and 8)	2,070,810	1,918,191
Beneficial interest in assets held by others (Notes 4 and 8)	139,144	131,770
Land, buildings, and equipment (net of accumulated depreciation of \$483,201 and \$457,196) (Note 5)	1,273,152	1,299,157
Total assets	\$ 4,117,635	\$ 3,881,002
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accrued payroll and withholding payable	\$ 527	\$ 5,481
Sales tax payable and other payables	931	5,481
Deferred revenue:		
Membership dues	141,426	132,100
Mistletoe Market booth pre-payments and pre-purchases	91,427	62,575
Total liabilities	234,311	200,156
Net assets:		
Unrestricted:		
Undesignated	2,104,597	2,058,776
Board designated endowment (Note 7)	1,639,583	1,490,300
	3,744,180	3,549,076
Permanently restricted (Note 4)	139,144	131,770
Total net assets	3,883,324	3,680,846
Total liabilities and net assets	\$ 4,117,635	\$ 3,881,002

See notes to financial statements.

JUNIOR LEAGUE OF OKLAHOMA CITY, OKLAHOMA, INC.
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2014

	Unrestricted	Permanently Restricted	Total
Revenue, gains and other support:			
Membership dues and fees	\$ 134,621	\$	\$ 134,621
Contributions	124,122		124,122
Contributions - donated goods and services	205,681		205,681
Sales:			
Goodnight OKC	19,600		19,600
League Link/Holiday Happenings advertisements	7,115		7,115
Special events:			
Mistletoe Market	271,394		271,394
Investment income	49,598		49,598
Realized and unrealized gains (losses)	127,828	7,374	135,202
Other income	12,934		12,934
Total revenues, gains, and other support	<u>952,893</u>	<u>7,374</u>	<u>960,267</u>
Expenses (Note 10):			
Program services:			
Community projects	62,247		62,247
Mistletoe Market	347,482		347,482
Other program expenses	172,100		172,100
Total program services	<u>581,829</u>		<u>581,829</u>
Supporting services:			
Committee and administration	156,461		156,461
Fundraising	19,499		19,499
Total supporting services	<u>175,960</u>		<u>175,960</u>
Total expenses	<u>757,789</u>		<u>757,789</u>
Increase (decrease) in net assets	195,104	7,374	202,478
Net assets, beginning of year	<u>3,549,076</u>	<u>131,770</u>	<u>3,680,846</u>
Total net assets, end of year	<u>\$ 3,744,180</u>	<u>\$ 139,144</u>	<u>\$ 3,883,324</u>

See notes to financial statements.

JUNIOR LEAGUE OF OKLAHOMA CITY, OKLAHOMA, INC.
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, gains and other support:				
Membership dues and fees	\$ 138,148			\$ 138,148
Contributions	184,097			184,097
Contributions - donated goods and services	201,134			201,134
Sales:				
Remarkable Shop (net of consignment expense of \$2,872)	67,661			67,661
Community support	498			498
League Link/Holiday Happenings advertisements	7,770			7,770
Special events:				
Mistletoe Market	319,468			319,468
Investment income	49,832			49,832
Realized and unrealized gains (losses)	178,230		10,599	188,829
Other income	15,866			15,866
Released from restriction	2,100	(2,100)		
Loss on sale of building (Note 9)	(79,035)			(79,035)
	<u>1,085,769</u>	<u>(2,100)</u>	<u>10,599</u>	<u>1,094,268</u>
Total revenues, gains, and other support				
Expenses (Note 10):				
Program services:				
Community projects	169,393			169,393
Remarkable Shop	73,025			73,025
Mistletoe Market	355,742			355,742
Other program expenses	170,683			170,683
	<u>768,843</u>			<u>768,843</u>
Total program services				
Supporting services:				
Committee and administration	167,796			167,796
Fundraising	82,598			82,598
	<u>250,394</u>			<u>250,394</u>
Total supporting services				
Total expenses	<u>1,019,237</u>			<u>1,019,237</u>
Increase (decrease) in net assets	66,532	(2,100)	10,599	75,031
Net assets, beginning of year	<u>3,482,544</u>	<u>2,100</u>	<u>121,171</u>	<u>3,605,815</u>
Total net assets, end of year	<u>\$ 3,549,076</u>	<u>\$</u>	<u>\$ 131,770</u>	<u>\$ 3,680,846</u>

See notes to financial statements.

JUNIOR LEAGUE OF OKLAHOMA CITY, OKLAHOMA, INC.
STATEMENT OF CASH FLOWS

	For the Year Ended May 31,	
	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received for membership dues	\$ 143,947	\$ 136,115
Cash received from sales	21,715	49,947
Cash received from special events	274,936	333,418
Cash received from donors	124,122	184,097
Other receipts from operations	12,934	15,866
Cash received from earnings on investments	50,553	49,385
Cash paid to vendors, employees, and community partner agencies	<u>(528,765)</u>	<u>(776,492)</u>
Net cash provided (used) by operating activities	<u>99,442</u>	<u>(7,664)</u>
Cash flows from investing activities:		
(Increase) in investments	(24,791)	(46,394)
Purchase of equipment		(1,545)
Proceeds from sale of building		<u>289,790</u>
Net cash provided (used) by investing activities	<u>(24,791)</u>	<u>241,851</u>
Net increase in cash	74,651	234,187
Cash at beginning of year	<u>474,394</u>	<u>240,207</u>
Cash at end of year	<u>\$ 549,045</u>	<u>\$ 474,394</u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$ 202,478	\$ 75,031
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	26,005	38,001
Loss on sale of building		79,035
Net unrealized and realized (losses) gains on investments	(135,202)	(188,829)
Net decrease in accounts receivable, prepaids, and other assets	(27,994)	(23,661)
Net increase in accounts payable and deferred revenue	<u>34,155</u>	<u>12,759</u>
Net cash provided (used) by operating activities	<u>\$ 99,442</u>	<u>\$ (7,664)</u>
Supplemental schedule of noncash operating activities:		
Fair market value of donated goods and services received	<u>\$ 205,681</u>	<u>\$ 201,134</u>

See notes to financial statements.

JUNIOR LEAGUE OF OKLAHOMA CITY, OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended May 31, 2014 and 2013

1. Nature of Activities and Summary of Accounting Policies

Organization and History

The Junior League of Oklahoma City, Oklahoma, Inc. (the League) was founded in 1927 as the Junior Service League of Oklahoma City, Oklahoma. In 1928 the League affiliated with the Association of Junior Leagues of America to become the Junior League of Oklahoma City, Oklahoma. The League is an organization of women committed to promoting voluntarism, developing the potential of women and improving the community through the effective action and leadership of trained volunteers. In order to achieve this objective, each provisional and active member is required to provide a minimum number of hours of volunteer service either to the League or the community. The League's purpose is exclusively educational and charitable.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Financial Statement Presentation - The League's financial statements are presented on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles for not-for-profit organizations. Net assets are classified as either unrestricted, temporarily restricted, or permanently restricted, based on the existence or absence of donor-imposed restrictions.

Contributions - The League reports support in conformity with U.S. generally accepted accounting principles for not-for-profit organizations. Contributions, including unconditional promises to give, are recognized as revenue in the period received or promised and are reported as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions.

The League reports gifts of cash or other assets as restricted support if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, through the passage of time or when a stipulated purpose is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and are reported in the statement of activities as net assets released from restriction. Donor restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements.

NOTES TO FINANCIAL STATEMENTS

(Continued)

For the Years Ended May 31, 2014 and 2013

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses in the reporting period. Actual results could differ from those estimates. It is at least reasonably possible that the significant estimates of the recorded fair values of investments, which are based on quoted market prices will change within the next year.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash held in banks. Money market funds held for investment purposes and certificates of deposit, with maturities of one year or less, are included as investments rather than as cash and cash equivalents.

Investments - Investments consist of marketable investment assets. Marketable securities are reported at fair value calculated in accordance with U.S. generally accepted accounting principles. Such investments include U.S. government obligations, corporate and municipal debt obligations, certificates of deposit, equity securities, and other. Fair value is generally determined based on quoted market prices, other observable inputs, or unobservable inputs. Realized gains and losses on sales of marketable securities are computed on the first-in, first-out basis or the average cost.

Property and Equipment - Property and equipment are stated at cost, if purchased, or market value at date received, if donated. Depreciation is provided over the estimated useful life (five to forty years) of the related assets on the straight-line basis. Generally, assets greater than \$1,000 are capitalized.

Revenue Recognition - Revenue of the League consists principally of membership dues, retail and booth sales, and contributions. Membership dues, which are unrestricted in nature, are recognized over the periods for which they are earned. Retail sales from The Remarkable Shop (a thrift and consignment store which was closed during the year ended May 31, 2013, see Note 9) are recorded at the time of the sale. Booth space rentals, ticket sales and special events relating to the Mistletoe Market event are recorded into income when earned. Contributions are recognized when unconditional commitments are received and recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or absence of donor restrictions. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Goods and Services - Contributed goods and services received are reported at their fair value at the date of receipt in accordance with U.S. generally accepted accounting principles. Contributed services are reflected in the financial statements if the services (a) create or enhance nonfinancial assets or (b) require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

NOTES TO FINANCIAL STATEMENTS

(Continued)

For the Years Ended May 31, 2014 and 2013

Donated goods and services are reported as contributions received on the Statement of Activities and as donated goods and services in the Expense by Natural Classification footnote. These totals do not include the value of member hours donated to the League's programs and supporting services.

Concentration of Credit Risk - Financial instruments that potentially expose the League to concentrations of credit risk are cash and cash equivalents and investments. The League places cash deposits into financial institutions deemed by management to be of high credit quality. The League invests in mutual funds, equity securities, and federal and state bonds. Management believes that diversity within its portfolio avoids significant concentration of credit risk.

Expenses by Natural Classification - Expenses are charged to each program based on direct expenditures incurred. Certain expenditures, which are not directly chargeable to a single function, are allocated based on a percentage of direct costs.

Tax Exempt Status - The League is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code. Therefore, no provision has been made in the accompanying financial statements for income taxes.

The League evaluates and accounts for their uncertain tax positions, if any, in accordance with U.S. generally accepted accounting principles, including the League's tax position as a tax-exempt not-for-profit entity. Through the League's evaluation of its uncertain tax positions, management has determined no uncertain tax positions exist as of May 31, 2014 and 2012, which would require the League to record a liability in its financial statements. The League's exempt returns for the years before May 31, 2012, are no longer subject to examination by taxing authorities.

Date of Management Evaluation - Management of the League has evaluated subsequent events through October 8, 2014, which is the date the financial statements were available to be issued, and determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

2. Related Party Transactions

The League paid dues to the Association of Junior Leagues International, Inc. of \$56,582 and \$52,852 for the years ending May 31, 2014 and 2013.

NOTES TO FINANCIAL STATEMENTS

(Continued)

For the Years Ended May 31, 2014 and 2013

3. Investments

Investments are stated at fair market value and are summarized as follows as of May 31, 2014:

	<u>Cost</u>	<u>Market</u>
Government obligations	\$54,321	\$56,274
Mutual funds - fixed income	244,956	251,111
Municipal bonds and notes	24,938	28,197
Corporate bonds	47,801	49,190
Common stocks	779,588	1,039,393
Mutual funds - common stocks	94,626	100,725
Certificates of deposit	316,131	315,707
Money market funds and cash	<u>230,213</u>	<u>230,213</u>
	<u>\$1,792,574</u>	<u>2,070,810</u>
Held by others (OCCF)		<u>139,144</u>
		<u>\$2,209,954</u>

Investments are stated at fair market value and are summarized as follows as of May 31, 2013:

	<u>Cost</u>	<u>Market</u>
Government obligations	\$54,321	\$57,819
Mutual funds - fixed income	244,956	252,609
Municipal bonds and notes	24,938	28,580
Common stocks	354,349	484,220
Mutual funds - common stocks	482,135	625,622
Certificates of deposit	450,901	451,783
Money market funds and cash	<u>17,560</u>	<u>17,558</u>
	<u>\$1,629,160</u>	<u>1,918,191</u>
Held by others (OCCF)		<u>131,770</u>
		<u>\$2,049,961</u>

NOTES TO FINANCIAL STATEMENTS

(Continued)

For the Years Ended May 31, 2014 and 2013

The following schedule summarizes the investment return and its classification in the statement of changes in net assets for the year ended May 31:

	<u>2014</u>	<u>2013</u>
Unrestricted:		
Interest and dividends	\$49,598	\$49,832
Net realized and unrealized gains (losses)	<u>127,828</u>	<u>178,230</u>
	<u>177,426</u>	<u>228,062</u>
Permanently restricted:		
Net realized and unrealized gains (losses) relating to beneficial interest in assets held by others	<u>7,374</u>	<u>10,599</u>
	<u>7,374</u>	<u>10,599</u>
Total investment income and gains (losses)	<u>\$184,800</u>	<u>\$238,661</u>

4. Endowed Funds Held by Community Foundation

The League is the beneficiary of a designated agency endowment fund held by the Oklahoma City Community Foundation, Inc. (OCCF) with a market value of \$278,105 and \$263,357 at May 31, 2014 and 2013. This endowment was established with funds contributed by both the League and other third-party donors. Under the terms of OCCF's designated fund policies, OCCF has variance power over these assets, and only that portion of the assets contributed by the League together with earnings thereon, is considered to represent the present value of future distributions expected to be made to the League. Of the total fund balance at May 31, 2014 and 2013, \$139,144 and \$131,770 represents contributions and accumulated earnings by the League and is included as an asset in the accompanying statement of financial position. Assets contributed by third party donors, totaling \$138,961 and \$131,587 at May 31, 2014 and 2013, are not reported in the League's financial statements.

NOTES TO FINANCIAL STATEMENTS

(Continued)

For the Years Ended May 31, 2014 and 2013

5. Summary of Land, Property and Equipment

The cost of land, property, and equipment for the years ended May 31:

	<u>2014</u>	<u>2013</u>
Land	\$540,367	\$540,367
Buildings	930,268	930,268
Office furniture, equipment, and computer equipment	<u>285,718</u>	<u>285,718</u>
	1,756,353	1,756,353
Less accumulated depreciation	<u>483,201</u>	<u>457,196</u>
Net	<u><u>\$1,273,152</u></u>	<u><u>\$1,299,157</u></u>

6. Commitments

The League leases certain office equipment under operating leases expiring in 2016. Rent expense in 2014 and 2013 for this equipment was \$443. The minimum rental commitments under these leases are as follows:

	<u>Year ending May 31,</u>
2015	\$443
2016	<u>406</u>
	<u><u>\$849</u></u>

The League has entered into a service agreement for the 2014 and 2013 Mistletoe Market in the amount of \$38,183 and \$22,100.

7. Board Designated Endowment

The League's Board of Directors designated unrestricted net assets totaling \$1,639,583 and \$1,490,300 as a general endowment fund (referred to as Headquarters Fund) to support the operations of the League. Since these amounts resulted from an internal designation and are not donor-restricted they are classified and reported as unrestricted net assets.

NOTES TO FINANCIAL STATEMENTS

(Continued)

For the Years Ended May 31, 2014 and 2013

The dividends and interest income from the Headquarters Fund shall be used to offset expenses attributed to the operations of the League. In order to meet its needs, the investment strategy of the Headquarters Fund is to preserve capital and to emphasize total return; that is, the aggregate returns from capital appreciation and dividend and interest income. The objectives of investment management for the Headquarters Fund assets is to emphasize long term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

Generally accepted accounting principles provide guidance on the net asset classification of donor-restricted endowment funds for not-for-profit organizations subject to the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). It also provides guidance on enhanced disclosure information to enable users of financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policy, and related investment policy of its endowment funds.

The League's endowment consists of funds designated by the League to function as endowments established to support the programs conducted by the League. As required by GAAP, net assets associated with endowment funds, including funds designated by the League to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

Changes in board-designated endowment net assets for the year ended May 31:

	<u>2014</u>	<u>2013</u>
Net assets, beginning of year	\$1,490,300	\$1,296,576
Investment income	34,570	33,167
Investment gains (losses)	131,440	178,191
Withdrawals	<u>(16,727)</u>	<u>(17,634)</u>
Net assets, end of year	<u>\$1,639,583</u>	<u>\$1,490,300</u>

8. Disclosure About Fair Value of Financial Instruments

U.S. generally accepted accounting principles (GAAP) requires the League to disclose estimated fair values for all financial instruments. Under GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

NOTES TO FINANCIAL STATEMENTS

(Continued)

For the Years Ended May 31, 2014 and 2013

The fair values reported below for financial instruments were based on a variety of factors. In some cases, fair values have been estimated based on assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of risk. Accordingly, the fair values may not represent actual values of the financial instruments that could have been realized as of May 31, 2014 and 2013, or that will be realized in the future.

The carrying amounts of cash and cash equivalents approximate fair values because of the terms and relatively short maturity of these assets. The carrying value of investments, which is fair value, is based upon quoted market prices, if available. If quoted market prices are not available, fair value is estimated using quoted prices for similar securities.

The League's financial instruments at May 31, 2014 were as follows:

	<u>Fair Value/ Estimated Market Value and Carrying Amount</u>
Cash and cash equivalents	\$549,045
Investments - marketable	\$2,070,810
Beneficial interest in assets held by others	\$139,144

The League's financial instruments at May 31, 2013 were as follows:

	<u>Fair Value/ Estimated Market Value and Carrying Amount</u>
Cash and cash equivalents	\$474,394
Investments - marketable	\$1,918,191
Beneficial interest in assets held by others	\$131,770

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1: Quoted Prices in Active Markets for Identical Assets; Level 2: Significant Other Observable Inputs; and Level 3: Significant Unobservable Inputs. The League uses appropriate valuation techniques based on the available inputs to measure the fair value of its assets and liabilities.

NOTES TO FINANCIAL STATEMENTS

(Continued)

For the Years Ended May 31, 2014 and 2013

Fair Value Measured on a Recurring Basis

The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying balance sheet, as well as the general classification of such assets pursuant to the valuation hierarchy.

Investments

The fair values of investments in U.S. government obligations, equity securities, corporate and municipal debt obligations, certificates of deposit, and other investments are based on quoted market prices for active markets, where available. If quoted market prices for active markets are not available, fair values are obtained from pricing services, based on quoted market prices of comparable instruments, bid/ask quotes, or the use of discounted cash flow models, using observable inputs such as current yields, credit risks, and repayment speeds.

Beneficial Interest in Assets Held by Others

The fair value of assets held by Oklahoma City Community Foundation in a designated agency endowment fund is based on market value information provided by OCCF.

The following presents the fair value measurements of investments and beneficial interest recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at May 31, 2014 and 2013:

	<u>Fair Value</u>	<u>Fair Value Level</u>
<u>2014:</u>		
Government obligations	\$56,274	(1)
Mutual funds - fixed income	251,111	(1)
Municipal bonds	28,197	(1)
Corporate bonds	49,190	(1)
Common stocks	1,039,393	(1)
Mutual funds - common stocks	100,725	(1)
Certificates of deposit	315,707	(1)
Money market funds and cash	<u>230,213</u>	(1)
	<u>\$2,070,810</u>	
Held by others (OCCF)	<u>\$139,144</u>	(2)

NOTES TO FINANCIAL STATEMENTS

(Continued)

For the Years Ended May 31, 2014 and 2013

	<u>Fair Value</u>	<u>Fair Value Level</u>
<u>2013:</u>		
Government obligations	\$57,819	(1)
Mutual funds - fixed income	252,609	(1)
Municipal bonds	28,580	(1)
Common stocks	484,220	(1)
Mutual funds - common stocks	625,622	(1)
Certificates of deposit	451,783	(1)
Money market funds and cash	<u>17,558</u>	(1)
	<u>\$1,918,191</u>	
Held by others (OCCF)	<u>\$131,770</u>	(2)

9. Closing of Remarkable Shop

In September of 2012, the Board of Directors voted to close the Remarkable Shop after over 80 years of serving the community as a thrift and consignment store. After liquidating the remaining inventory and furniture, fixtures and equipment the Remarkable Shop officially closed in November. The land and building was sold on April 30, 2013 for \$289,790.

JUNIOR LEAGUE OF OKLAHOMA CITY, OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS

(Continued)

For the Years Ended May 31, 2014 and 2013

10. Expenses by Natural Classification

Expenses were incurred as follows:

	Program Services			Supporting Services			Total Expenses
	Community Projects	Mistletoe Market	Other Program Expenses	Total Program Services	Committee and Administration	Fundraising	
Expenses:							
Grants and other assistance	\$ 59,646	\$	\$ 59,646	\$	\$ 21,229	\$ 3,860	\$ 59,646
Salaries and wages			13,509	13,509			38,598
Other employee benefits			25	25	40	7	72
Payroll taxes			1,971	1,971	3,095	563	5,629
Accounting					10,272		3,658
Investment management fees					14,045		10,272
Advertising and promotion		129,469	8,519	137,988	12,290	2,235	14,045
Office expense			9,515	9,515	13,601	3,137	152,513
Information technology			2,531	2,531	3,979	724	26,253
Occupancy			8,447	8,447	15,718		7,234
Travel			13,252	13,252	7,136		24,165
Conferences, conventions, meetings			41,445	41,445	14,587	17	20,388
Insurance		4,654	6,725	11,379	12,488		56,049
Events		206,210		206,210			23,867
AJLI dues			39,603	39,603	17,248		206,210
Bank and credit card charges		7,149	1,584	8,733	2,941		56,851
Goodnight OKC book			22,617	22,617		7,540	11,674
							30,157
Total expenses before depreciation	59,646	347,482	169,743	576,871	148,669	18,083	743,623
Depreciation of buildings and equipment	2,601		2,357	4,958	7,792	1,416	14,166
Total expenses	\$ 62,247	\$ 347,482	\$ 172,100	\$ 581,829	\$ 156,461	\$ 19,499	\$ 757,789

JUNIOR LEAGUE OF OKLAHOMA CITY, OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS

(Continued)

For the Years Ended May 31, 2014 and 2013

10. Expenses by Natural Classification

Expenses were incurred as follows:

	Program Services				Supporting Services			Total Expenses
	Community Projects	Remarkable Shop	Mistletoe Market	Other Program Expenses	Total Program Services	Committee and Administration	Fundraising	
Expenses:								
Grants	\$ 106,329	\$	\$	\$	\$ 106,329	\$	\$	\$ 106,329
Supplies	59,147	526		2,377	62,050	6,136	3,673	71,859
Salaries		27,901		19,518	47,419	30,671	5,576	83,666
Professional services						9,707		9,707
Insurance		8,247			8,247			8,247
Building and maintenance		7,784		10,687	18,471	19,848		38,319
Utilities		10,799		4,058	14,857	7,536		22,393
Membership meetings and training				67,484	67,484	16,677		84,161
Events			190,099		190,099		70,196	260,295
Printing and promotion		2,937	146,919	13,060	162,916	21,722		184,638
Investment fees						19,190		19,190
Bank charges and credit card fees		1,329	4,654	1,989	7,972	1,847	1,847	11,666
A.J.I. dues				36,786	36,786	16,071		52,857
Other		1,616	14,070	4,278	19,964	7,945		27,909
Total expenses before depreciation	165,476	61,139	355,742	160,237	742,594	157,350	81,292	981,236
Depreciation of buildings and equipment	3,917	11,886		10,446	26,249	10,446	1,306	38,001
Total expenses	\$ 169,393	\$ 73,025	\$ 355,742	\$ 170,683	\$ 768,843	\$ 167,796	\$ 82,598	\$ 1,019,237