



The Junior League of San Antonio, Inc.

Financial Statements
Years Ended May 31, 2016 and 2015

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.



The Junior League of San Antonio, Inc.

Financial Statements
Years Ended May 31, 2016 and 2015

The Junior League of San Antonio, Inc.

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Independent Auditor's Report

To the Board of Directors
The Junior League of San Antonio, Inc.
San Antonio, Texas

We have audited the accompanying financial statements of The Junior League of San Antonio, Inc., which comprise the statements of financial position as of May 31, 2016 and 2015, the related statements of activities, functional expenses, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 The Junior League of San Antonio, Inc. as of May 31, 2016 and 2015, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

November 17, 2016

Financial Statements

The Junior League of San Antonio, Inc.

Statements of Financial Position

May 31,	2016	2015
Assets		
Cash and cash equivalents	\$ 225,810	\$ 341,371
Accounts receivable	332	6,506
Investments	527,247	537,404
Prepaid expenses	13,958	1,075
Deposits and other	1,410	3,165
Property and equipment, net	1,245,458	1,321,707
Total Assets	2,014,215	2,211,228
Liabilities and Net Assets		
Liabilities		
Accounts payable & accrued expenses	14,409	21,315
Deferred revenue:		
Membership dues/fees	176,694	179,075
Other	29,897	32,303
Note payable	405,124	420,631
Total Liabilities	626,124	653,324
Net Assets		
Unrestricted	1,359,895	1,526,461
Temporarily restricted	28,196	31,443
Total Net Assets	1,388,091	1,557,904
Total Liabilities and Net Assets	\$ 2,014,215	\$ 2,211,228

The accompanying notes are an integral part of these financial statements.

The Junior League of San Antonio, Inc.

Statement of Activities

<i>Year ended May 31, 2016</i>	Unrestricted	Temporarily Restricted	Total
Changes in Net Assets			
Revenue and Support			
Membership dues and fees	\$ 139,840	\$ -	\$ 139,840
Community support	95,990	-	95,990
Total Dues and Support	235,830	-	235,830
Fundraising events:			
Gross revenue	428,695	-	428,695
Direct cost of benefits	(160,762)	-	(160,762)
Net Fundraising Events	267,933	-	267,933
Other Revenue (Expense)			
Rental income	82,625	-	82,625
Interest and dividends income, net of investment fees	6,176	-	6,176
Realized investment loss	(31)	-	(31)
Unrealized investment loss	(16,104)	-	(16,104)
Miscellaneous income	3,154	-	3,154
Net assets released from restriction	3,247	(3,247)	-
Total Other Revenue (Expense)	79,067	(3,247)	75,820
Total Revenue and Support	582,830	(3,247)	579,583
Expenses			
Program services	538,764	-	538,764
Management and general	143,286	-	143,286
Fundraising	67,346	-	67,346
Total Expenses	749,396	-	749,396
Change in Net Assets	(166,566)	(3,247)	(169,813)
Net Assets, beginning of year	1,526,461	31,443	1,557,904
Net Assets, end of year	\$ 1,359,895	\$ 28,196	\$ 1,388,091

The accompanying notes are an integral part of these financial statements.

The Junior League of San Antonio, Inc.

Statement of Activities

<i>Year ended May 31, 2015</i>	Unrestricted	Temporarily Restricted	Total
Changes in Net Assets			
Revenue and Support			
Membership dues and fees	\$ 150,707	\$ -	\$ 150,707
Community support	102,039	-	102,039
Total Dues and Support	252,746	-	252,746
Fundraising events:			
Gross revenue	452,024	-	452,024
Direct cost of benefits	(162,732)	-	(162,732)
Net Fundraising Events	289,292	-	289,292
Other Revenue (Expense)			
Rental Income	73,704	-	73,704
Loss on disposal of assets	(79,335)	-	(79,335)
Bright Shawl operations, net	(7,327)	-	(7,327)
Interest and dividends income, net of investment fees	6,375	-	6,375
Realized investment gains	22,818	-	22,818
Unrealized investment loss	(881)	-	(881)
Miscellaneous income	9,587	-	9,587
Net assets release from restriction	4,345	(4,345)	-
Total Other Revenue (Expense)	29,286	(4,345)	24,941
Total Revenue and Support	571,324	(4,345)	566,979
Expenses			
Program services	459,276	-	459,276
Management and general	107,198	-	107,198
Fundraising	109,429	-	109,429
Total Expenses	675,903	-	675,903
Change in Net Assets	(104,579)	(4,345)	(108,924)
Net Assets, beginning of year	1,631,040	35,788	1,666,828
Net Assets, end of year	\$ 1,526,461	\$ 31,443	\$ 1,557,904

The accompanying notes are an integral part of these financial statements.

The Junior League of San Antonio, Inc.

Statement of Functional Expenses

<i>Year ended May 31, 2016</i>	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Awards and grants	\$ 71,812	\$ -	\$ -	\$ 71,812
Salaries, wages, and related expenses	118,893	63,409	15,852	198,154
Professional fees	-	50,679	-	50,679
Advertising and promotion	2,730	2,477	32,172	37,379
Office expenses	22,670	10,929	14,057	47,656
Information technology	11,985	782	261	13,028
Occupancy	135,095	8,810	2,937	146,842
Travel	15,227	-	-	15,227
Meetings, conferences, and conventions	54,021	-	-	54,021
Program materials and supplies	9,336	-	-	9,336
Other	1,927	-	-	1,927
Total expenses before depreciation	443,696	137,086	65,279	646,061
Depreciation expense	95,068	6,200	2,067	103,335
Total Expenses	\$ 538,764	\$ 143,286	\$ 67,346	\$ 749,396

The accompanying notes are an integral part of these financial statements.

The Junior League of San Antonio, Inc.

Statement of Functional Expenses

<i>Year ended May 31, 2015</i>	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Awards and grants	\$ 105,332	\$ -	\$ -	\$ 105,332
Salaries, wages, and related expenses	112,099	57,112	20,152	189,363
Professional fees	-	26,247	40,000	66,247
Advertising and promotion	-	704	26,880	27,584
Office expenses	21,004	14,780	19,611	55,395
Information technology	11,745	766	256	12,767
Occupancy	29,624	1,932	645	32,201
Travel	20,902	-	-	20,902
Meetings, conferences, and conventions	61,193	-	-	61,193
Program materials and supplies	8,797	-	-	8,797
Other	1,846	-	-	1,846
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Total expenses before depreciation	372,542	101,541	107,544	581,627
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Depreciation expense	86,734	5,657	1,885	94,276
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Total Expenses	\$ 459,276	\$ 107,198	\$ 109,429	\$ 675,903

The accompanying notes are an integral part of these financial statements.

The Junior League of San Antonio, Inc.

Statements of Cash Flows

<i>Years ended May 31,</i>	2016	2015
Cash Flows from Operating Activities		
Change in net assets	\$ (169,813)	\$ (108,924)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation and amortization	103,335	94,276
Loss on disposal of assets	-	79,335
Realized investment loss (gains)	31	(22,818)
Unrealized investment losses	16,104	881
Change in operating assets and liabilities		
Accounts receivable	6,174	8,407
Prepaid expenses	(12,883)	12,485
Deposits and other	1,755	(1,206)
Accounts payable & accrued expenses	(6,906)	(30,404)
Customer deposits	-	(45,316)
Deferred revenue	(4,787)	(7,030)
Total Adjustments	102,823	88,610
Net cash (used in) operating activities	(66,990)	(20,314)
Cash Flows from Investing Activities		
Purchase of property and equipment	(27,086)	(409,239)
Proceeds from sale of property and equipment	-	11,265
Proceeds from sale of investments	116,951	210,269
Purchase of investments	(122,929)	(146,432)
Net cash (used in) investing activities	(33,064)	(334,137)
Cash Flows from Financing Activities		
Proceeds from note payable	-	423,311
Payments on note payable	(15,507)	(2,680)
Net cash (used in) provided by financing activities	(15,507)	420,631
Net (Decrease) Increase in Cash and Cash Equivalents	(115,561)	66,180
Cash and Cash Equivalents, beginning of year	341,371	275,191
Cash and Cash Equivalents, end of year	\$ 225,810	\$ 341,371
Cash Paid During the Year for Interest	\$ 15,508	\$ 7,610

The accompanying notes are an integral part of these financial statements.

The Junior League of San Antonio, Inc.

Notes to the Financial Statements

1. Organization and Significant Accounting Policies

The Junior League of San Antonio, Inc. (the League) operates as a not-for-profit organization of women committed to promoting volunteerism, developing the potential of women, and improving the community through the effective action of trained volunteers. Its purpose is exclusively educational and charitable. Support for the League is generated from membership dues, Olé Marketplace (Olé), Fete du Cuvee (Fete), facility rental, and individual and corporate contributions.

The focus of the League is twofold: to engage in community projects and promote women's leadership. Through more than 20 community projects, the League addresses a broad spectrum of needs in San Antonio. Many of these projects are initiated by the League and are fully supported through League volunteers and fundraising. During 2016 and 2015, the League's impact to the community was approximately \$795,000 and \$619,000, respectively, in volunteer time and direct financial support through grants, collaborative efforts, and community projects.

In addition to community volunteer placements, the League provides its members with in-league workshops, community awareness meetings, and general membership meetings. League members also produce a newsletter and maintain a comprehensive website. The goal of the meetings and publications includes furthering the mission of the League in training and educating women, and engaging membership in civic service and involvement.

Since 1924, the League has provided significant value to build a better community. Past and present projects include:

- Creation of the Non-Profit Resource Center, the Cerebral Palsy Treatment Center, the Auxiliary for Santa Rosa Children's Hospital, Walking for Women's Health Awareness Campaign and Walking Program, and the Brackenridge Park Walking Path;

- Volunteer support and partnership with the Metropolitan Regional Opera auditions; and,

- The docent programs for the San Antonio Zoo and McNay Art Museum; seed money and volunteer resources for the Sunshine Cottage School for Deaf Children; Fit Kids program; and many more.

- The League periodically adopts a signature project meant to increase community impact and enhance member training and experience. In 2011, "Let's Go San Antonio" was adopted to address the issue of childhood obesity prevention.

The League members plan and operate an annual fundraising events known as Olé Marketplace (Olé), Fete du Cuvee, Resolve for a Better SA 5k Race, and the recipe box as another way to further its mission. Olé features boutique shopping for clothes, jewelry, housewares, gifts, food, and other specialty items. Fete du Cuvee is a charity fine wine auction. The recipe box replaced the cookbook and is a box with the League's logo and multiple recipes. Proceeds from these fundraisers help support the League's programs and projects.

The Junior League of San Antonio, Inc.

Notes to the Financial Statements

1. Organization and Significant Accounting Policies (Continued)

The Bright Shawl opened its doors in October 1925, and served as the first fundraising project for the League. Today, in a location acquired in the 1930's, the Bright Shawl contains office, dining and meeting room facilities. The dining and meeting room facilities are frequently used by the League for various meetings. The Bright Shawl was operated by a third party and the League receives monthly lease payments. Effective December 31, 2015, the League agreed to terminate the operations agreement and entered into a termination agreement for the lease buyout (See Note 4).

Basis of Presentation

The financial statements of the League have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP).

Net Assets

The financial statement presentation follows the guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 and its subsections. Under this guidance, the League is required to report information regarding its financial position and activities according to three classes of net assets based on the following criteria:

Unrestricted Net Assets - Unrestricted net assets represent expendable funds available for operations which are not otherwise limited by donor restriction.

Temporarily Restricted Net Assets - Temporarily restricted net assets consist of contributed funds subject to specific donor-imposed restrictions, contingent upon specific performances of a future event or a specific passage of time before the League may spend the funds.

Permanently Restricted Net Assets - Permanently restricted net assets, including endowments received by the League, are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity, usually for the purpose of generating investment income to fund annual operations. The League has no permanently restricted net assets.

The Junior League of San Antonio, Inc.

Notes to the Financial Statements

1. Organization and Significant Accounting Policies (Continued)

Fair Value of Financial Instruments

The Fair Value Measurements and Disclosures Topic of the FASB ASC, 820-10, defines fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurements, and expands disclosures about fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the League has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Cash Equivalents

For financial statement purposes, the League considers all highly liquid investments and certificates of deposit with original maturities of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The allowance is based on management's experience and evaluation. It is the League's policy to charge off uncollectible accounts receivable when management determines that the receivable will not be collected. Management has determined that this method is not materially different than the allowance method required by GAAP. The League recorded no bad debt expenses as of May 31, 2016 and 2015.

Investments

Investments in equity securities with readily determinable fair values are recorded at fair value as determined by quoted market prices.

The Junior League of San Antonio, Inc.

Notes to the Financial Statements

1. Organization and Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are stated at cost if purchased, or at fair value on the date of donation if donated. Depreciation is calculated on the straight-line method over the following estimated useful lives: buildings - 30 years; building improvements - 5 to 20 years; furniture, fixtures, and equipment - 5 to 10 years; and intangibles - 3 years. The League follows the practice of capitalizing all expenditures for long-lived fixed assets in excess of \$1,000. When property and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations.

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to result from its use and eventual disposition. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying value of the asset exceeds its fair value. If a readily determinable market price does not exist, fair value is estimated using discounted expected cash flows attributable to the asset. Management has reviewed and determined no assets have been impaired.

Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged.

The League reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 statements of activities as net assets released from restriction. However, support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the League reports expirations of donor restrictions when the donated or acquired long-lived assets are placed into service.

Rental income is recognized in the month earned.

Special events revenue is recorded at the time of the event net of direct cost of benefits to attendees.

Membership dues are recognized as revenue in the respective membership period.

The Junior League of San Antonio, Inc.

Notes to the Financial Statements

1. Organization and Significant Accounting Policies (Continued)

Deferred Revenue

Deferred revenue consists primarily of amounts received from membership dues and other fees collected in connection with the League's fundraising activities that apply to future periods.

At years ended May 31, 2016 and 2015, the League received \$176,694 and \$179,075 of membership dues that related to 2016 and 2015 membership dues, respectively. These amounts are included in deferred revenue.

Donated Services

No amounts have been reflected in the financial statements for donated services. The league generally pays for services requiring specific expertise; however, many individuals volunteer their time and perform a variety of tasks that assist the League with specific programs, campaign solicitations and committee assignments. For 2016 and 2015 the League recorded approximately 10,224 and 6,460 volunteer hours with an estimated value of \$256,700 and \$159,300, respectively. These values were computed using an estimated hourly rate of \$25.11 and \$24.66, respectively based on the Corporation for National & Community Service and The Independent Sector's average hourly rate for volunteer time for the state of Texas.

Federal Income Taxes

The League is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), and is therefore exempt from federal income tax on related income pursuant to Section 501(a) of the Code, rents collected from operations of the Bright Shawl's. The League follows the provisions of ASC 740-10 on *Accounting for Uncertainty in Income Taxes*, which requires recognition and disclosure of uncertain tax positions in the financial statements. Under ASC 740-10, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The League's management believes that it has appropriate support for any tax positions taken and that it has no material uncertain tax positions. Accordingly, it will not recognize any related liability. For the years ended May 31, 2016 and 2015 the League did not recognize any interest or penalties.

Tax years ending 2012-2014 remain open to examination by the taxing jurisdictions to which the League is subject, and these periods have not been extended beyond the applicable statute of limitations.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of support, revenue, and expenses during the reporting period. Actual results could differ from those estimates.

The Junior League of San Antonio, Inc.

Notes to the Financial Statements

2. Cash Credit Risk

The League maintains cash balances at financial institutions in San Antonio, Texas. All of a depositor's accounts at an insured depository institution, including all non-interest-bearing transaction accounts, are insured by the Federal Deposit Insurance Corporation (FDIC) up to the standard maximum deposit insurance amount of \$250,000 for each deposit insurance ownership category. At various times throughout the year, certain cash balances at the financial institutions exceeded these limits.

3. Investments

The League has a professionally managed brokerage account to hold operating reserve funds. Fair value, cost, and unrealized gains or losses by type of investment at May 31 are as follows:

<i>2016</i>	Cost	Fair Value	Accumulated Unrealized Gains
Equities	\$ 202,726	\$ 231,134	\$ 28,408
Equity Funds			
Real Estate Investment Trust Funds	9,747	10,555	808
Small blend	22,003	32,063	10,060
Utilities	17,045	23,101	6,056
Municipal Bond Funds	152,121	154,700	2,579
Money Funds	75,694	75,694	-
	\$ 479,336	\$ 527,247	\$ 47,911

<i>2015</i>	Cost	Fair Value	Accumulated Unrealized Gains
Equities	\$ 200,678	\$ 243,159	\$ 42,481
Equity Funds			
Real Estate Investment Trust Funds	9,747	12,075	2,328
Small blend	22,002	32,406	10,404
Utilities	25,314	29,393	4,079
Municipal Bond Funds	177,135	180,842	3,707
Intermediate Bond Fund	12,342	13,358	1,016
Money Funds	26,171	26,171	-
	\$ 473,389	\$ 537,404	\$ 64,015

The Junior League of San Antonio, Inc.

Notes to the Financial Statements

3. Investments (Continued)

All investments are considered Level 1, as equities, equity funds, municipal bonds, intermediate bond funds, and money funds are valued at quoted prices in active markets.

The following schedule details the net interest and dividend income for the years ended May 31:

	2016	2015
Interest and Dividends	\$ 11,224	\$ 11,509
Investment Fees	(5,048)	(5,134)
Net investment income	\$ 6,176	\$ 6,375

4. Lease Termination Agreement

During the year ended May 31, 2016, The League negotiated an agreement with True Flavors, Inc. for the termination of their operations contract in the amount of \$124,745. The agreement effectively terminated the operations contract as of December 1, 2015. The termination agreement calls for monthly payments until January 2018 of \$5,200.

The following is a summary of future lease payments as of May 31:

Year Ending May 31,	
2017	\$ 62,400
2018	36,345
	\$ 98,745

The Junior League of San Antonio, Inc.

Notes to the Financial Statements

5. Property and Equipment

Property and equipment for the years ended May 31 consisted of the following:

	2016	2015
League Headquarters		
Building and improvements	\$ 138,969	\$ 138,969
Furniture, fixtures, and equipment	85,689	85,689
Intangibles	52,356	52,356
Accumulated depreciation and amortization	(225,282)	(212,794)
	<hr/>	<hr/>
	51,732	64,220
Bright Shawl		
Land	522,063	522,063
Building and improvements	1,168,050	1,140,964
Furniture, fixtures, and equipment	241,038	241,038
Accumulated depreciation and amortization	(737,425)	(646,578)
	<hr/>	<hr/>
	1,193,726	1,257,487
Property and Equipment - Net	<hr/>	<hr/>
	\$ 1,245,458	\$ 1,321,707

Depreciation and amortization expense for the years ended May 31, 2016 and 2015, totaled \$103,335 and \$94,276, respectively.

During the year ended May 31, 2015, the League disposed of property and equipment with an original cost of \$1,723,694 and net book value of \$90,600. There were no disposals of property and equipment in 2016.

The Junior League of San Antonio, Inc.

Notes to the Financial Statements

6. Note Payable

The League executed a note payable to a bank in the amount of \$423,311 with an interest rate of 3.75%. Payments of principal and interest are due in monthly installments of \$2,562 until maturity in March 2035. The loan is collateralized by real property. The balance of the note payable was \$405,124 at May 31, 2016 and \$420,631 at May 31, 2015.

The following is a summary of principal maturities of the note payable:

Year Ending May 31,

2017	\$	15,804
2018		16,407
2019		17,033
2020		17,683
Thereafter		338,197
	\$	405,124

7. Restrictions of Net Assets

Temporarily restricted net assets, restricted by the donor for purpose or by time as of May 31, are available for the following purposes:

	2016	2015
Junior League Signature Projects	\$ 28,196	\$ 31,443

During the years ended May 31, 2016 and 2015, the League released \$3,247 and \$4,345, respectively, of restricted net assets to be used for their donor restricted purpose.

8. Functional Allocation of Expenses

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

The Junior League of San Antonio, Inc.

Notes to the Financial Statements

9. In-Kind Contributions

The League receives donations of materials for their various fundraisers and events. Donated materials consist primarily of items for the auctions, decorations, food, and giveaways for the fundraisers and events. Donated auction items are reflected in the accompanying financial statements at the value of the cash received at auction. All other donated materials are reflected in the accompanying financial statements at their fair value at the date of donation. All donation revenue for fundraisers and events are recorded as special event revenue in the accompanying statement of activities. The League recognized \$106,310 and \$154,727, in donated materials during 2016 and 2015, respectively.

The League also received an in-kind donation in the form of advertising. The donated advertising was recorded at fair value of the advertising on the date of the donation as donation revenue and advertising expense. The League recognized \$2,730 and \$10,500 in donated advertising during 2016 and 2015, respectively.

10. Leases

The League operates a postage machine under a non-cancelable operating lease that expires in June 2017. The total rent expense for the operating lease for each of the years ended May 31, 2016 and 2015, amounted to \$935 and \$1,264, respectively.

11. Subsequent Events

Management has evaluated events subsequent to May 31, 2016 and through November 17, 2016, which is the date the financial statements were available to be issued.