



ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY

FINANCIAL STATEMENTS
MAY 31, 2016

ROBIN M CARAWAY, CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
FINANCIAL STATEMENTS
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ROBIN M CARAWAY, CPA, PLLC

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Assistance League of Greater Collin County

I have reviewed the accompanying financial statements of Assistance League of Greater Collin County (a nonprofit organization), which comprise the statement of financial position as of May 31, 2016, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

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

Robin M. Caraway, CPA, PLLC

McKinney, Texas
December 5, 2016

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Statement of Financial Position
May 31, 2016

	2016
<u>Assets</u>	
Current assets:	
Cash and cash equivalents (note 2)	\$ 153,757
Inventories	37,296
Prepaid expenses	4,130
Total current assets	195,183
Furniture and equipment, net of accumulated depreciation of \$2,060	1,543
Investments (note 3)	100,008
Deposits	2,916
Total assets	\$ 299,650
<u>Liabilities and Net Assets</u>	
Current liabilities:	
Accounts payable	\$ 2,688
Deferred revenue	4,485
Total current liabilities	7,173
Commitments (note 5)	
Net assets (note 4)	
Unrestricted	265,289
Temporarily restricted	27,188
Total net assets	292,477
Total liabilities and net assets	\$ 299,650

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY

**Statement of Activities
Year Ended May 31, 2016**

	2016		
	Unrestricted	Temporarily Restricted	Total
Support and revenues:			
Special events (note 7)			
Revenue	\$ 69,663	\$ -	\$ 69,663
Less: direct costs	(6,822)	-	(6,822)
Net revenue from special events	62,841	-	62,841
Contributions	72,089	29,133	101,222
Donations-in-kind	-	-	-
Membership dues	6,110	-	6,110
Interest income	432	-	432
Other income	1,142	-	1,142
Net assets released from restrictions (note 5)	1,945	(1,945)	-
Total support and revenues	144,559	27,188	171,747
Expenses:			
Program services:			
Operation School Bell	131,636	-	131,636
Pass The Word	3,407	-	3,407
Wee Memories	3,886	-	3,886
Caring In Action	4,478	-	4,478
Outreach Program	811	-	811
Total program services	144,218	-	144,218
Fundraising:			
Other special events costs (note 7)		-	-
Other fund raising	5,735	-	5,735
Management and general	17,275	-	17,275
Membership development	4,422	-	4,422
Total support services	27,432	-	27,432
Total expenses	171,650	-	171,650
Change in net assets	(27,091)	27,188	97
Net assets at beginning of year	292,897	-	292,897
Prior period correction	(517)	-	(517)
Net assets at end of year	\$ 265,289	\$ 27,188	\$ 292,477

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Statement of Cash Flows
Year Ended May 31, 2016

	2016
Cash flows from operating activities:	
Change in net assets	\$ 97
Adjustments to reconcile change in net assets to net cash generated/(used) by operating activities:	
Prior period adjustments to account balances	(517)
Depreciation expense	720
Net change in:	
Inventories	(8,933)
Prepaid expenses	(76)
Accounts payable	1,816
Deferred revenue-membership dues	(545)
Net cash used by operating activities	(7,438)
Cash flows from investing activities:	
Reinvested earnings on investments	-
Net cash used by investing activities	-
Net decrease in cash	(7,438)
Cash and cash equivalents, beginning of year	161,195
Cash and cash equivalents, end of year	\$ 153,757

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Statement of Functional Expenses
Year Ended May 31, 2016

	Year Ended May 31, 2016											
	Program Services						Supporting Services					Year Ended May 31, 2016 Total Expenses
	Operation School Bell	Pass the Word	Wee Memories	Caring In Action	Outreach Program	Total Program Services	Fundraising		Management and General	Membership Development	Total Supporting Services	
Special Events							Other Fund Raising					
Program inventory and supplies	\$ 93,146	\$ 2,403	\$ 1,383	\$ 1,924	\$ 385	\$ 99,241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,241
Occupancy:												
Facilities rent (note 6)	31,843	455	2,274	2,274	-	36,846	-	1,820	6,824	-	8,644	45,490
Insurance	3,268	47	47	47	-	3,409	-	233	1,027	-	1,260	4,669
Conferences and conventions	1,016	366	46	97	-	1,525	-	-	1,169	-	1,169	2,694
National Dues	-	-	-	-	-	-	-	-	-	2,600	2,600	2,600
Event costs	-	-	-	-	-	-	6,822	-	-	-	6,822	6,822
Office supplies and expenses	1,439	21	21	21	-	1,502	-	103	452	-	555	2,057
Printing	-	-	-	-	-	-	-	-	-	-	-	-
Professional services	-	-	-	-	-	-	-	-	6,100	-	6,100	6,100
Education	-	-	-	-	-	-	-	-	1,000	45	1,045	1,045
Public Relations	924	115	115	115	-	1,269	-	1,039	-	-	1,039	2,308
Depreciation	-	-	-	-	-	-	-	-	720	-	720	720
Other	-	-	-	-	426	426	-	2,540	(17)	1,777	4,300	4,726
Total expenses	131,636	3,407	3,886	4,478	811	144,218	6,822	5,735	17,275	4,422	34,254	178,472
Less expenses included with revenue in the statement of activities	-	-	-	-	-	-	(6,822)	-	-	-	(6,822)	(6,822)
Total expenses per statement of activities	\$ 131,636	\$ 3,407	\$ 3,886	\$ 4,478	\$ 811	\$ 144,218	\$ -	\$ 5,735	\$ 17,275	\$ 4,422	\$ 27,432	\$ 171,650

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2016

(1) **General Information and Summary of Significant Accounting Policies**

General Information

Assistance League of Greater Collin County (the Organization) is a Texas nonprofit organization formed to manage and staff philanthropic projects devoted to assisting members of the community. The Organization touches the lives of the young, the elderly, and the abused.

The Organization is a chartered chapter of the National Assistance League (NAL) which serves as the overall governing body of the various leagues (chapters) throughout the United States of America. A portion of dues collected locally is remitted to NAL. The Organization operates or supports the following philanthropic projects:

- Operation School Bell® (OSB) provides new clothing to elementary school children in need in six Collin County school districts. Shoe vouchers are issued as requested.
- Pass the Word distributes reading materials to patients at Texas Health Presbyterian Hospital..
- Wee Memories is a philanthropic program in conjunction with Texas Health Presbyterian Hospitals in Plano and Allen that provides a neonatal memory box for parents of deceased newborns.
- Caring in Action provides short term activities based upon community needs for various community organizations and agencies.
- Outreach is a philanthropic program designed to provide the chapter the flexibility to engage in activities that are specifically short-term (one to several days) or are one-time-only responses to community needs.

Basis of Presentation

The accompanying financial statements are prepared on the accrual basis of accounting and correspond with the recommendations of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Nonprofit organizations are required to report information regarding their financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and the changes therein are classified as follows:

Unrestricted net assets – Net assets not subject to donor-imposed restrictions. The Board of Directors at times designates a portion of unrestricted net assets for specific purposes (see note 4). Designated amounts are unrestricted and may be reversed or changed by the Board of Directors at a future date.

Temporarily restricted net assets - Net assets subject to donor-imposed restrictions that will be met by actions of the Organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed restrictions that the assets be maintained permanently by the Organization. Generally, the donor of these assets permits the

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2016

(1) **General Information and Summary of Significant Accounting Policies, continued**

Organization to distribute all or part of the income earned on related investments for general or specific purposes. As of May 31, 2016 and for the years then ended, the Organization held no permanently restricted net assets.

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 disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include deposits held in checking and savings accounts, and certificates of deposit purchased with original maturities of three months or less. Cash available for use in current operation is classified in current assets.

Inventories

The Organization maintains an inventory of supplies used in its programs, which is recorded at the lower of cost (first-in, first-out) or market.

Long-Term Investments

Long-term investments, which consist of certificates of deposit with original maturities greater than three months, are recorded at cost, which approximates fair value.

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the chapter to concentrations of credit and market risk consist primarily of cash, cash equivalents and investments. Cash, cash equivalents, and investments are maintained at high-quality financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At May 31, 2016, there are no uninsured balances at any of these institutions. The Organization has not experienced any losses on its cash, cash equivalents, or investments.

Property and Equipment

Property and equipment is comprised primarily of computer equipment and office furniture. All acquisitions of property and equipment in excess of \$500 are capitalized. All expenditures for renewals and betterments that materially prolong the useful lives of assets are capitalized, while repairs and maintenance are charged directly to expense as incurred. Property and equipment are carried 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 life of five years. Depreciation expense of \$720 was recognized during the year ended May 31, 2016.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2016

(1) **General Information and Summary of Significant Accounting Policies, continued**

Contributions

Contributions are recorded at the time donors make unconditional promises to give and are classified as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. The Organization 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 statement of activities as net assets released from restrictions.

Membership Dues

Membership dues are recognized as income during the period to which they are applicable. Accordingly, dues collected prior to the fiscal year to which they apply are deferred and recognized in the following period.

Contributed Materials and Services

During fiscal 2016, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. Many individuals volunteer their time and perform a variety of tasks that assist the Organization. Total donated hours were estimated to be 8,793 in fiscal 2016. The value of a donated hour, as determined by the U.S. Department of Labor, was approximately \$23.50 for fiscal 2016, giving a total estimated value of these unrecorded services of \$206,636 in fiscal 2016.

Functional Allocation of Expenses

The costs of providing the program and support services are presented on a functional basis in the statement of activities. The statement of functional expenses presents the allocation of expenses to the program and support services. Most expenses are charged directly to a function; however, certain expenses have been allocated using management estimates.

Income Tax Status

The Organization has been classified as an entity exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Accordingly, no provision has been made for federal income taxes in the financial statements. The Organization has not been notified any pending examinations by any taxing authorities for open tax years and is not aware of any uncertain tax positions. The Organization qualifies for charitable contribution deduction under Section 170(b)(1)(A). The Organization had no unrelated business income in fiscal 2016. The Organization is also exempt from the Texas State Margin Tax and Sales Taxes under Texas Tax Code Secs. 151.310 and 171.063.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2016

(1) **General Information and Summary of Significant Accounting Policies, continued**

Fair Value Measurements

The Organization follows guidance issued by FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value with that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. This guidance establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair values into Levels 1, 2, and 3.

Level 1 inputs consist of unadjusted quoted prices in active markets for identical instruments and have the highest priority. Level 2 inputs include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or inputs other than quoted prices that are directly or indirectly observable. Level 3 inputs are unobservable and are given the lowest priority.

For purposes of financial reporting, the Organization has determined that the fair values of its financial instruments, which include cash equivalents, certificates of deposit, accounts receivable and accounts payable, approximate the carrying values at May 31, 2016, based on their short maturities and/or terms available to the Organization in financial markets.

(2) **Cash and cash equivalents**

Cash and cash equivalents consist of the following:

	2016
Checking accounts:	
Legacy Texas Bank	\$ 58,839
Total checking accounts	58,839
Savings accounts:	
Bank of the Ozarks	94,918
Total savings accounts	94,918
Total cash and cash equivalents	\$ 153,757

(3) **Long-term Investments**

Investments are stated at current cost basis and consist solely of a certificate of deposit held at Legacy Texas Bank. The certificate of deposit matures in April, 2017. Current interest rate in effect at May 31, 2016 was 0.25% annually. Interest is paid to the operating account quarterly.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2016

(4) **Net Assets**

In accordance with financial policy requirements of the Assistance League, the national organization, the Board is required to set aside designated unrestricted net assets sufficient for one year's operating expenses each year. Unrestricted net assets consist of the following:

	2016
Unrestricted:	
Undesignated	\$ 99,929
Board designated:	
Future operating needs	165,360
Total net assets-unrestricted	\$ 265,289

Temporarily restricted net assets consist of a designated contributions received at year end and designated for the Operation School Bell program. The following is a summary of net assets released from donor restrictions by incurring expenditures, satisfying the restricted purposes specified by donors:

	2016
Operation School Bell	\$ 1,095
Wee Memories	850
Total net assets released from restrictions	\$ 1,945

(5) **Leases**

The Organization leases office space under a non-cancelable agreement that expires June 2017. Rent expense totaled \$37,973 in fiscal 2016. Terms in the lease provide for monthly base rentals of \$1,902 plus allocable monthly expenses of the facility. Minimum future base rentals due under the remaining lease are as follows for fiscal years ending May 31:

2017	\$	22,824
2018		1,902
		\$ 24,726

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Notes To Financial Statements
May 31, 2016

(6) Special Events

The Organization has fundraising events to support current operations. The revenues and expenses for each event for fiscal 2016 are summarized as follows:

<u>Event</u>	<u>Revenue</u>	<u>Cost of Direct Benefits to Attendees</u>	<u>Gross Surplus</u>	<u>Other Event Costs</u>	<u>Net Surplus</u>
Golf Tournament	\$ 48,200	\$ 2,196	\$ 46,004	\$ -	\$ 46,004
Spring Fundraiser	12,704	4,626	8,078	-	8,078
Other Fundraisers	8,759	-	8,759	-	8,759
Totals	<u>\$ 69,663</u>	<u>\$ 6,822</u>	<u>\$ 62,841</u>	<u>\$ -</u>	<u>\$ 62,841</u>

(7) Subsequent Events

The Organization has evaluated subsequent events through December 5, 2016, the date which the financial statements were available to be issued.