



ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY

FINANCIAL STATEMENTS
MAY 31, 2018

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, 2018, 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 entity 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
January 31, 2019

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Statement of Financial Position
May 31, 2018
(With comparative totals for 2017)

	2018	2017
<u>Assets</u>		
Current assets:		
Cash and cash equivalents (note 2)	\$ 255,626	\$ 320,986
Other receivables	-	292
Inventories (note 3)	53,010	55,242
Prepaid expenses	3,840	6,391
Total current assets	312,476	382,911
 Furniture and equipment, net of accumulated depreciation of \$3,334 (note 4)	268	822
Investments (note 5)	103,698	-
Deposits	2,916	2,916
Total assets	\$ 419,358	\$ 386,649
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 1,933	\$ 4,876
Deferred revenue	3,440	4,625
Total current liabilities	5,373	9,501
 Net assets (note 6)		
Unrestricted	413,985	377,148
Temporarily restricted	-	-
Total net assets	413,985	377,148
Total liabilities and net assets	\$ 419,358	\$ 386,649

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY

Statement of Activities

Year Ended May 31, 2018

(With comparative totals for 2017)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	
Support and revenues:				
Special events (note 8)				
Revenue	\$ 77,185	\$ -	\$ 77,185	\$ 81,367
Less: direct costs	(9,181)	-	(9,181)	(9,451)
Net revenue from special events	68,004	-	68,004	71,916
Contributions	43,344	71,302	114,646	125,716
Membership dues	6,105	-	6,105	5,865
Investment income	4,220	-	4,220	611
Other income	-	-	-	-
Net assets released from restrictions (note 6)	71,302	(71,302)	-	-
Total support and revenues	192,975	-	192,975	204,108
Expenses:				
Program services:				
Operation School Bell	120,952	-	120,952	83,861
Pass The Word	3,555	-	3,555	3,472
Wee Memories	2,984	-	2,984	3,728
Caring In Action	4,915	-	4,915	4,206
Outreach Program	435	-	435	86
Total program services	132,841	-	132,841	95,353
Fundraising:				
Other special events costs (note 8)	-	-	-	-
Other fund raising	4,027	-	4,027	5,401
Management and general	15,136	-	15,136	15,258
Membership development	4,134	-	4,134	3,425
Total support services	23,297	-	23,297	24,084
Total expenses	156,138	-	156,138	119,437
Change in net assets	36,837	-	36,837	84,671
Net assets at beginning of year	377,148	-	377,148	292,477
Net assets at end of year	\$ 413,985	\$ -	\$ 413,985	\$ 377,148

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Statement of Cash Flows
Year Ended May 31, 2018
(With comparative totals for 2017)

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 36,837	\$ 84,671
Adjustments to reconcile change in net assets to net cash generated/(used) by operating activities:		
Prior period adjustments to account balances	-	-
Depreciation expense	553	721
Net change in:		
Receivables	292	(292)
Inventories	2,232	(17,946)
Prepaid expenses	2,551	(2,260)
Accounts payable	(2,942)	2,187
Deferred revenue-membership dues	(1,185)	140
Net cash generated by operating activities	38,337	67,221
Cash flows from investing activities:		
Maturation of certificate of deposit	-	100,008
Purchase of investments and reinvested earnings on investments	(103,698)	-
Net cash (used)/provided by investing activities	(103,698)	100,008
Net increase/(decrease) in cash	(65,360)	167,229
Cash and cash equivalents, beginning of year	320,986	153,757
Cash and cash equivalents, end of year	\$ 255,626	\$ 320,986

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Statement of Functional Expenses
Year Ended May 31, 2018
(With comparative totals for 2017)

Year Ended May 31, 2018

	Program Services						Supporting Services					Year Ended May 31, 2018 Total Expenses	Year Ended May 31, 2017 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 Costs	Other Fund Raising						
Program inventory and supplies	\$ 83,261	\$ 2,451	\$ 662	\$ 2,514	\$ -	\$ 88,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,888	\$ 51,545	
Occupancy:														
Facilities rent (note 7)	30,027	429	2,145	2,145	-	34,746	-	1,716	6,434	-	8,150	42,896	42,601	
Insurance	3,662	52	52	52	-	3,818	-	262	1,151	-	1,413	5,231	5,023	
Conferences and conventions	1,577	569	71	150	-	2,367	-	-	1,816	-	1,816	4,183	3,501	
National Dues	-	-	-	-	-	-	-	-	-	2,765	2,765	2,765	2,740	
Event costs	-	-	-	-	-	-	9,181	1,689	-	-	10,870	10,870	9,451	
Office supplies and expenses	2,248	32	32	32	-	2,344	-	161	706	-	867	3,211	2,967	
Professional services	-	-	-	-	-	-	-	-	3,100	-	3,100	3,100	3,025	
Education	-	-	-	-	-	-	-	-	1,375	6	1,381	1,381	1,040	
Public Relations	177	22	22	22	-	243	-	199	-	-	199	442	2,238	
Depreciation	-	-	-	-	-	-	-	-	553	-	553	553	721	
Other	-	-	-	-	435	435	-	-	1	1,363	1,364	1,799	4,036	
Total expenses	120,952	3,555	2,984	4,915	435	132,841	9,181	4,027	15,136	4,134	32,478	165,319	128,888	
Less expenses included with revenue in the statement of activities	-	-	-	-	-	-	(9,181)	-	-	-	(9,181)	(9,181)	(9,451)	
Total expenses per statement of activities	\$ 120,952	\$ 3,555	\$ 2,984	\$ 4,915	\$ 435	\$ 132,841	\$ -	\$ 4,027	\$ 15,136	\$ 4,134	\$ 23,297	\$ 156,138	\$ 119,437	

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2018

(1) General Information and Summary of Significant Accounting Policies

General Information

Assistance League of Greater Collin County 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. The accompanying financial statements include the activities of Assistance League of Greater Collin County and its auxiliary Assisteens (collectively the Organization). 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 seven Collin County school districts. Shoe vouchers are issued with each set of clothing.
- 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 Accounting

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2018

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

Basis of Presentation

The accompanying financial statements are prepared in accordance with the provisions 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 Organization to distribute all or part of the income earned on related investments for general or specific purposes. As of May 31, 2018 and for the years then ended, the Organization held no permanently restricted net assets.

Comparative Financial Information

The accompanying 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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2017, from which such summarized information was derived.

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.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2018

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

Long-Term Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair value in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in accompanying Statement of Activities. Restricted gains and investment income whose restrictions are met in the same period the gains or income are recognized are reported as unrestricted revenue.

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, 2018, 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 stated at cost or at the fair value at the date of donation in the case of donated assets. 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. Depreciation for furniture and office equipment is computed using the straight-line method, over the estimated useful life of five years.

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 and Deferred Revenue

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.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2018

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

Contributed Materials and Services

During fiscal 2018, 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 10,424 in fiscal 2018. The value of a donated hour, as determined by the U.S. Department of Labor, was approximately \$24.95 for fiscal 2018, giving a total estimated value of these unrecorded services of \$260,079 in fiscal 2018.

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 2017. The Organization is also exempt from the Texas State Margin Tax and Sales Taxes under Texas Tax Code Secs. 151.310 and 171.063.

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 within 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, 2018, based on their short maturities and/or terms available to the Organization in financial markets.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2018

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

Subsequent Events

The Organization has evaluated subsequent events through January 31, 2019, the date upon which the financial statements were available to be issued.

(2) Cash and cash equivalents

Cash and cash equivalents consist of the following:

	<u>2018</u>
Checking accounts:	
Legacy Texas Bank	<u>\$ 110,292</u>
Total checking accounts	<u>110,292</u>
Savings accounts:	
Bank of the Ozarks	<u>145,334</u>
Total savings accounts	<u>145,334</u>
Total cash and cash equivalents	<u><u>\$ 255,626</u></u>

(3) Inventories

Inventories at May 31, 2018 consist of the following:

	<u>2018</u>
New clothing-OSB program	<u>\$ 53,010</u>
Total inventories	<u><u>\$ 53,010</u></u>

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2018

(4) Furniture and Equipment

Furniture and equipment at May 31, 2018 consist of the following:

	2018
Furniture and equipment	\$ 3,602
	3,602
Less accumulated depreciation	3,334
	\$ 268

Depreciation expense recognized during the year ended May 31, 2018 was \$553.

(5) Investments

Investments consist entirely of unrestricted funds. The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of May 31, 2018:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Money market funds	\$ 68,423	\$ -	\$ -	\$ 68,423
Equities	19,896	-	-	19,896
Government bond	15,379	-	-	15,379
	\$ 103,698	\$ -	\$ -	\$ 103,698

The components of investment income for the year ended May 31, 2018 are summarized as follows:

Interest income	\$ 1,177
Dividend income	624
Unrealized gains (losses)	2,419
	\$ 4,220

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2018

(6) **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:

	2018
Unrestricted:	
Undesignated	\$ 228,288
Board designated:	
Future operating needs	185,697
Total net assets-unrestricted	\$ 413,985

There were no temporarily restricted net assets remaining at the end of the fiscal year. The following is a summary of net assets released from donor restrictions by incurring expenditures, satisfying the restricted purposes specified by donors:

	2018
Operation School Bell	\$ 70,615
Network for Good	432
Caring in Action	130
Pass the Word	125
Total net assets released from restrictions	\$ 71,302

(7) **Leases**

The Organization leases office space under a non-cancelable agreement that provides for a monthly base rent plus allocable operating expenses of the facility. This lease was renewed effective July, 2017 and expires June, 2020. Rent expense totaled \$37,057 in fiscal 2018. Minimum future base rentals due under the remaining lease are as follows for fiscal years ending May 31:

2019	\$	24,390
2020		25,205
2021		2,106
		\$ 51,701

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2018

(8) Special Events

The Organization has fundraising events to support current operations. The revenues and expenses for each event for fiscal 2018 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	\$ 52,330	\$ 3,486	\$ 48,844	\$ -	\$ 48,844
Spring Fundraiser	15,947	4,471	11,476	-	11,476
Other Fundraisers	8,908	1,224	7,684	-	7,684
Totals	<u>\$ 77,185</u>	<u>\$ 9,181</u>	<u>\$ 68,004</u>	<u>\$ -</u>	<u>\$ 68,004</u>