



ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY

FINANCIAL STATEMENTS
MAY 31, 2019

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, 2019, and the related statements of activities, functional expense and cash flows 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
September 5, 2019

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Statement of Financial Position
May 31, 2019
(With comparative totals for 2018)

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Cash and cash equivalents (note 2)	\$ 248,393	\$ 255,626
Grant receivables (note 3)	15,000	-
Inventories (note 4)	72,643	53,010
Prepaid expenses	10,680	3,840
Furniture and equipment, net of accumulated depreciation of \$3,602 (note 5)	-	268
Investments (note 6)	105,751	103,698
Deposits	2,916	2,916
Total assets	<u>\$ 455,383</u>	<u>\$ 419,356</u>
<u>Liabilities and Net Assets</u>		
Accounts payable	\$ 2,898	\$ 1,933
Deferred revenue	17,195	3,440
Total liabilities	<u>20,093</u>	<u>5,373</u>
Net assets (note 7)		
Without Donor Restrictions	420,290	413,985
With Donor Restrictions	15,000	-
Total net assets	<u>435,290</u>	<u>413,985</u>
Total liabilities and net assets	<u>\$ 455,383</u>	<u>\$ 419,358</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY

**Statement of Activities
Year Ended May 31, 2019
(With comparative totals for 2018)**

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenues:				
Special events (note10)				
Revenue	\$ 65,642	\$ -	\$ 65,642	\$ 77,185
Less: direct costs	(7,314)	-	(7,314)	(9,181)
Net revenue from special events	58,328	-	58,328	68,004
Contributions	50,298	59,091	109,389	114,646
Donations-in-kind	1,274		1,274	-
Membership dues	7,075	-	7,075	6,105
Investment income	2,443	-	2,443	4,220
Other income	-	-	-	-
Net assets released from restrictions (note 7)	44,091	(44,091)	-	-
Total support and revenues	163,509	15,000	178,509	192,975
Expenses:				
Program services:				
Operation School Bell	119,306	-	119,306	120,952
Pass The Word	3,507	-	3,507	3,555
Wee Memories	3,321	-	3,321	2,984
Caring In Action	8,234	-	8,234	4,915
Outreach Program	1,625	-	1,625	435
Total program services	135,993	-	135,993	132,841
Fundraising:				
Other special events costs (note 10)	-	-	-	-
Other fund raising	2,676	-	2,676	4,027
Management and general	15,195	-	15,195	15,136
Membership development	3,340	-	3,340	4,134
Total support services	21,211	-	21,211	23,297
Total expenses	157,204	-	157,204	156,138
Change in net assets	6,305	15,000	21,305	36,837
Net assets at beginning of year	413,985	-	413,985	377,148
Net assets at end of year	\$ 420,290	\$ 15,000	\$ 435,290	\$ 413,985

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Statement of Functional Expenses
Year Ended May 31, 2019
(With comparative totals for 2018)

Year Ended May 31, 2019

	Program Services						Supporting Services					Year Ended May 31, 2019 Total Expenses	Year Ended May 31, 2018 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	\$ 81,660	\$ 2,693	\$ 993	\$ 5,868	\$ 1,325	\$ 92,539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,539	\$ 88,888
Occupancy:													
Facilities rent (note 7)	30,594	437	2,185	2,185	-	35,401	-	1,748	6,556	-	8,304	43,705	42,896
Insurance	4,687	67	67	67	-	4,888	-	335	1,473	-	1,808	6,696	5,231
Conferences and conventions	740	267	33	71	-	1,111	-	-	852	-	852	1,963	4,183
National Dues	-	-	-	-	-	-	-	-	-	2,870	2,870	2,870	2,765
Event costs	-	-	-	-	-	-	7,314	292	-	-	7,606	7,606	10,870
Office supplies and expenses	1,449	21	21	21	-	1,512	-	103	455	-	558	2,070	3,211
Professional services	-	-	-	-	-	-	-	-	3,100	-	3,100	3,100	3,100
Education	-	-	-	-	-	-	-	-	2,491	202	2,693	2,693	1,381
Public Relations	176	22	22	22	-	242	-	198	-	-	198	440	442
Depreciation	-	-	-	-	-	-	-	-	268	-	268	268	553
Other	-	-	-	-	300	300	-	-	-	268	268	568	1,799
Total expenses	119,306	3,507	3,321	8,234	1,625	135,993	7,314	2,676	15,195	3,340	28,525	164,518	165,319
Less expenses included with revenue in the statement of activities	-	-	-	-	-	-	(7,314)	-	-	-	(7,314)	(7,314)	(9,181)
Total expenses per statement of activities	\$ 119,306	\$ 3,507	\$ 3,321	\$ 8,234	\$ 1,625	\$ 135,993	\$ -	\$ 2,676	\$ 15,195	\$ 3,340	\$ 21,211	\$ 157,204	\$ 156,138

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Statement of Cash Flows
Year Ended May 31, 2019
(With comparative totals for 2018)

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 21,305	\$ 36,837
Adjustments to reconcile change in net assets to net cash generated/(used) by operating activities:		
Prior period adjustments to account balances	-	-
Depreciation expense	268	553
Net change in:		
Receivables	(15,000)	292
Inventories	(19,633)	2,232
Prepaid expenses	(6,840)	2,551
Accounts payable	965	(2,942)
Deferred revenue-membership dues	13,755	(1,185)
Net cash (used)/provided by operating activities	(5,180)	38,337
Cash flows from investing activities:		
Maturation of certificate of deposit	-	-
Purchase of investments and reinvested earnings on investments	(2,053)	(103,698)
Net cash (used)/provided by investing activities	(2,053)	(103,698)
Net increase/(decrease) in cash	(7,233)	(65,360)
Cash and cash equivalents, beginning of year	255,626	320,986
Cash and cash equivalents, end of year	\$ 248,393	\$ 255,626

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2019

(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, 2019

(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 in two classes of net assets:

Net assets without donor restrictions are not subject to donor-imposed restrictions or law.

Net assets with donor restrictions are net assets subject to donor-imposed restrictions that can be fulfilled by actions of the chapter pursuant to those restrictions or that expire by the passage of time. Contributions restricted by donors whose restrictions are met in the same reporting periods are recorded as unrestricted. Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the chapter's actions are permanently restricted. Restrictions stipulate that resources must be maintained permanently but permit the chapter to expend the income generated in accordance with the provisions of the agreements.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The chapter has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

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, 2018, 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.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2019

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

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

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, 2019, 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

All contributions are considered to be available for use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these net assets are reclassified to contributions without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without restrictions.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2019

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

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.

Contributed Materials and Services

During fiscal 2019, 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 12,835 in fiscal 2019. The value of a donated hour, as determined by the U.S. Department of Labor, was approximately \$25.78 for fiscal 2019, giving a total estimated value of these unrecorded services of \$330,886 in fiscal 2019.

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 2019. 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.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2019

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

Fair Value Measurements (continued)

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, 2019, based on their short maturities and/or terms available to the Organization in financial markets.

Subsequent Events

The Organization has evaluated subsequent events through September 5, 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>2019</u>
Checking accounts:	
Legacy Texas Bank	<u>\$ 102,768</u>
Total checking accounts	<u>102,768</u>
Savings accounts:	
Bank of the Ozarks	<u>145,625</u>
Total savings accounts	<u>145,625</u>
Total cash and cash equivalents	<u>\$ 248,393</u>

(3) Grants receivable

Grants receivable consist solely of a grant that was awarded in May, 2019 and not received until after the end of the year.

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2019

(4) Inventories

Inventories at May 31, 2019 consist of the following:

	2019
New clothing-OSB program	\$ 72,643
Total inventories	\$ 72,643

(5) Furniture and Equipment

Furniture and equipment at May 31, 2019 consist of the following:

	2019
Furniture and equipment	\$ 3,602
	3,602
Less accumulated depreciation	3,602
	\$ -

Depreciation expense recognized during the year ended May 31, 2019 was \$268.

(6) Investments

Investments consist entirely of funds without donor restrictions. The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of May 31, 2019:

Money market funds	\$ 26,270	\$ -	\$ -	\$ 26,270
Equities	-	-	-	-
Certificate of deposit	64,196	-	-	64,196
Government bond	15,285	-	-	15,285
	\$ 105,751	\$ -	\$ -	\$ 105,751

The components of investment income for the year ended May 31, 2019 are summarized as follows:

Interest income	\$ 2,437
Dividend income	-
Unrealized gains (losses)	6
	\$ 2,443

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2019

(7) **Net Assets**

At May 31, 2019, net assets were restricted by donors or designated for non-operating needs by the Board of Directors as follows:

	2019
Net assets without donor restrictions	
Undesignated	\$ 420,290
Net assets with donor restrictions	
Operation School Bell	15,000
Total net assets	\$ 435,290

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time by the donors as follows:

	2019
Operation School Bell	\$ 43,299
Network for Good	714
Caring in Action	40
Pass the Word	38
Total net assets released from restrictions	\$ 44,091

(8) **Liquid Resource Management**

The Chapter regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Chapter considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

At May 31, 2019, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Financial assets at year-end:	
Cash and cash equivalents	\$ 248,393
Grant receivable	15,000
Investments not encumbered by donor restrictions	105,751
Less amounts unavailable due to:	
Contracts and leases	(25,205)
Financial assets available for general expenditures over the next year	\$ 343,939

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
Notes To Financial Statements
May 31, 2019

(8) Liquid Resource Management (continued)

To build upon its past achievements and ensure future sustainability, the Organization has a long-standing policy that requires the Board of Directors to maintain net assets without donor restrictions sufficient for one year's operating expenses. Assets received with donor restrictions to be used in the next fiscal for operating purposes are considered to be available for general expenditure spending as of May 31, 2019.

In addition to the financial assets available to meet general expenditures over the next 12-months noted above, the Organization has other current assets and deferred revenue that will likely be converted to cash or available for general expenditures during the normal course of next year's operations. Such current assets include the Organization's program inventories and prepaid expenses.

(9) 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 \$37,653 in fiscal 2019. Minimum future base rentals due under the remaining lease are as follows for fiscal years ending May 31:

2020	25,205
2021	2,106
	\$ 51,701

(10) Special Events

The Organization has fundraising events to support current operations. The revenues and expenses for each event for fiscal 2019 are summarized as follows:

<u>Event</u>	<u>Revenue</u>	<u>Benefits to Attendees</u>	<u>Gross Surplus</u>	<u>Event Costs</u>	<u>Net Surplus</u>
Golf Tournament	\$ 46,261	\$ 887	\$ 45,374	\$ -	\$ 45,374
Spring Fundraiser	11,609	5,380	6,229	-	6,229
Other Fundraisers	7,772	1,047	6,725	-	6,725
Totals	\$ 65,642	\$ 7,314	\$ 58,328	\$ -	\$ 58,328