

ASSISTANCE LEAGUE OF DALLAS, TEXAS

FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2016

ROBIN M CARAWAY, CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

ASSISTANCE LEAGUE OF DALLAS, TEXAS
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 Dallas, Texas

I have reviewed the accompanying financial statements of Assistance League of Dallas, Texas (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

October 4, 2016

ASSISTANCE LEAGUE OF DALLAS, TEXAS
Statement of Financial Position
May 31, 2016
(With comparative totals for 2015)

	2016	2015
<u>Assets</u>		
Current assets:		
Cash and cash equivalents (note 2)	\$ 65,015	\$ 79,866
Inventories (note 3)	11,518	11,517
Prepaid expenses	2,589	2,707
Total current assets	79,122	94,090
Property and equipment, net of accumulated depreciation of \$30 (note 1)	414	-
Long-term investments (note 4)	77,657	76,845
Deposits	1,073	1,073
Total assets	\$ 158,266	\$ 172,008
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 546	\$ -
Deferred revenue	2,020	2,550
Total current liabilities	2,566	2,550
Commitments (note 6)		
Net assets (note 5)		
Unrestricted	\$ 145,700	\$ 159,458
Temporarily restricted	10,000	10,000
Total net assets	155,700	169,458
Total liabilities and net assets	\$ 158,266	\$ 172,008

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF DALLAS, TEXAS
Statement of Activities
Year Ended May 31, 2016
(With summarized comparative totals for 2015)

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenues:				
Special events (note 7)				
Revenue	\$ 5,074	\$ -	\$ 5,074	\$ 17,544
Less: direct costs	-	-	-	(6,738)
Net revenue from special events	5,074	-	5,074	10,806
Contributions	8,395	19,112	27,507	39,711
Membership dues	2,838	-	2,838	3,160
Interest income	853	-	853	678
Other income	180	-	180	888
Net assets released from restrictions (note 5)	19,112	(19,112)	-	-
Total support and revenues	36,452	-	36,452	55,243
Expenses:				
Program services:				
Cheers for Children	13,426	-	13,426	15,613
Hand in Hand	-	-	-	456
Operation School Bell	10,853	-	10,853	12,257
Assault Survival Kit	5,700	-	5,700	1,732
Pedi Place	4,511	-	4,511	1,787
TLC	1,005	-	1,005	1,532
Visitation	596	-	596	713
Total program services	36,091	-	36,091	34,090
Fundraising:				
Other special events costs (note 7)	139	-	139	1,249
Other fund raising	642	-	642	921
Management and general	10,864	-	10,864	7,915
Membership development	2,474	-	2,474	3,844
Total support services	14,119	-	14,119	13,929
Total expenses	50,210	-	50,210	48,019
Change in net assets	(13,758)	-	(13,758)	7,224
Net assets at beginning of year	159,458	10,000	169,458	162,234
Net assets at end of year	<u>\$ 145,700</u>	<u>\$ 10,000</u>	<u>\$ 155,700</u>	<u>\$ 169,458</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF DALLAS, TEXAS
Statement of Cash Flows
Year Ended May 31, 2016
(With comparative totals for 2015)

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ (13,758)	\$ 7,224
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities:		
Depreciation	30	-
Net change in:		
Accrued interest receivable	-	-
Receivable from member	-	-
Inventories	-	(1,185)
Prepaid expenses	118	560
Deferred revenue-membership dues	(530)	(540)
Accounts payable	546	(600)
Net cash (used)/provided by operating activities	(13,594)	5,459
Cash flows from investing activities:		
Purchases of property and equipment	(445)	-
Reinvested earnings on investments	(812)	(631)
Net cash used by investing activities	(1,257)	(631)
Net change in cash	(14,851)	4,828
Cash and cash equivalents, beginning of year	79,866	75,038
Cash and cash equivalents, end of year	\$ 65,015	\$ 79,866

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF DALLAS, TEXAS
Statement of Functional Expenses
Year Ended May 31, 2016
(With summarized comparative totals for 2015)

	Year Ended May 31, 2016														Year Ended May 31, 2016 Total Expenses	Year Ended May 31, 2015 Total Expenses
	Program Services							Supporting Services								
	Cheers for Children	Hand in Hand	Operation School Bell	Assault Survival Kit	Pedi Place	TLC	Visitation	Total Program Services	Fundraising Other Special Events Costs	Fundraising Other Fund Raising	Management and General	Membership Development	Total Supporting Services			
Program inventory and supplies	\$ 9,383	\$ -	\$ 9,988	\$ 3,728	\$ 4,011	\$ 376	\$ 196	\$ 27,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,682	\$ 24,364	
Occupancy:																
Facilities rent (note 6)	3,485	-	379	1,515	76	239	-	5,694	-	-	2,312	-	2,312	8,006	9,620	
Insurance	347	-	140	166	160	126	136	1,075	-	-	299	-	299	1,374	1,473	
Conferences and conventions	211	-	346	291	264	264	264	1,640	-	-	1,772	309	2,081	3,721	3,349	
National Dues	-	-	-	-	-	-	-	-	-	-	1,660	-	1,660	1,660		
Facility costs and food	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,738	
Depreciation	-	-	-	-	-	-	-	-	-	30	-	30	30	30	-	
Office supplies and expenses	-	-	-	-	-	-	-	-	120	107	3,038	283	3,548	3,548	1,548	
Printing	-	-	-	-	-	-	-	-	-	460	-	-	460	460	714	
Professional services	-	-	-	-	-	-	-	-	-	3,178	-	-	3,178	3,178	3,025	
Other	-	-	-	-	-	-	-	-	19	75	235	222	551	551	2,158	
Total expenses	13,426	-	10,853	5,700	4,511	1,005	596	36,091	139	642	10,864	2,474	14,119	50,210	54,757	
Less expenses included with revenue in the statement of activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,738)	
Total expenses per statement of activities	\$ 13,426	-	\$ 10,853	\$ 5,700	\$ 4,511	\$ 1,005	\$ 596	\$ 36,091	\$ 139	\$ 642	\$ 10,864	\$ 2,474	\$ 14,119	\$ 50,210	\$ 48,019	

ASSISTANCE LEAGUE OF DALLAS, TEXAS
Notes to Financial Statements
May 31, 2016
(With summarized comparative information for 2015)

(1) General Information and Summary of Significant Accounting Policies

General Information

Assistance League of Dallas, Texas (the Organization) is a Texas nonprofit corporation formed February 3, 1967 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 accompanying financial statements include the activities of Assistance League of Dallas, TX and its auxiliary Pegasus Auxiliary (collectively, the Organization). Effective January 1, 2014, Pegasus Auxiliary was merged into the Organization and is no longer a separate entity. The Organization operates or supports the following philanthropic projects:

- Cheers for Children (CFC) provides craft therapy, surprise gifts and reading materials for inpatients at Children's Medical Center of Dallas.
- Operation School Bell® (OSB) provides new clothing and toiletries to children in need from selected elementary schools in Dallas. National Day of Giving is observed at the same schools by donating books for children's personal ownership.
- Assault Survival Kit provides new clothing, hygiene items and sandals to assault victims at Parkland, Texas Health Resources and Methodist Hospitals in Dallas.
- Pedi Place is a program in which members participate at a medical clinic which provides services for uninsured children.
- Tender Loving Care Dolls (TLC) provides handcrafted dolls to comfort individuals with memory loss.
- Senior Home Visitation (Visitation) is a group of volunteers committed to providing seniors with personal attention such as games, conversation, and help with correspondence in addition to assisting the facility with group activities. Lap blankets are knitted by members for patients in wheel chairs.

ASSISTANCE LEAGUE OF DALLAS, TEXAS
Notes to Financial Statements
May 31, 2016
(With summarized comparative information for 2015)

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

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 5). 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, 2015 and 2014 and for the years then ended, the Organization held no permanently restricted net assets.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. This information does not include sufficient detail to constitute a complete presentation in conformity with GAAP. Accordingly, the prior year information should be read in conjunction with the Organization's reviewed financial statements for the year ended May 31, 2015, from which the 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. Cash designated by the Board for a new facility is classified as a noncurrent long-term investment.

ASSISTANCE LEAGUE OF DALLAS, TEXAS
Notes to Financial Statements
May 31, 2016
(With summarized comparative information for 2015)

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

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 expenditures in excess of \$250 are capitalized at cost. At May 31, 2016, property and equipment consists solely of a computer purchased for \$445. Depreciation is being provided over five years, the estimate useful life of the computer. During the year ending May 31, 2016, depreciation expense of \$30 was recognized.

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.

ASSISTANCE LEAGUE OF DALLAS, TEXAS
Notes to Financial Statements
May 31, 2016
(With summarized comparative information for 2015)

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

Contributed Materials and Services

During fiscal 2016 and 2015, 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 6,170 in fiscal 2016 and 7,557 in fiscal 2015. The value of a donated hour, as determined by the U.S. Department of Labor, was approximately \$23.50 for fiscal 2016 and \$23.26 for fiscal 2015, giving a total estimated value of these unrecorded services of \$144,995 in fiscal 2016 and \$176,200 in fiscal 2015.

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 or fiscal 2015. 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 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, accounts receivable and accounts payable, approximate the carrying values at May 31, 2016 and 2015, based on their short maturities and/or terms available to the Organization in financial markets.

ASSISTANCE LEAGUE OF DALLAS, TEXAS
Notes to Financial Statements
May 31, 2016
(With summarized comparative information for 2015)

(2) **Cash and cash equivalents**

Cash and cash equivalents consist of the following:

	2016	2015
Checking accounts:		
North Dallas Bank & Trust Co. (Pegasus Auxiliary)	\$ 28,473	\$ 43,348
Total checking accounts	28,473	43,348
Savings accounts:		
North Dallas Bank & Trust Co.	36,543	-
JP Morgan Chase Bank, N.A.	-	36,518
Total savings accounts	36,543	36,518
Total cash	\$ 65,016	\$ 79,866

(3) **Inventories**

Inventories consist of the following:

	2016	2015
Program supplies:		
Toys and books-CFC program	\$ 7,860	\$ 7,987
New clothing-OSB program	546	350
ASK, TLC & PediPlace programs	3,112	3,180
Total inventories	\$ 11,518	\$ 11,517

(4) **Long-term Investments**

Investments are stated at current cost basis and consist solely of a certificate of deposit held at Nexbank. The certificate of deposit is for a one year term each year and matures annually in July. Current interest rate in effect at May 31, 2016 was 1.1% annually, and is paid to the account quarterly.

ASSISTANCE LEAGUE OF DALLAS, TEXAS
Notes to Financial Statements
May 31, 2016
(With summarized comparative information for 2015)

(5) **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 each fiscal year ending:

	<u>2016</u>	<u>2015</u>
Unrestricted:		
Undesignated	\$ 27,644	\$ 33,913
Board designated:		
Program and facility expansion	77,657	76,845
Future operating needs	40,400	48,700
Total net assets-unrestricted	<u>\$ 145,700</u>	<u>\$ 159,458</u>

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

	<u>2016</u>	<u>2015</u>
Cheers for Children	\$ 1,232	\$ 11,630
Operation School Bell	10,882	3,609
Other	6,998	1,055
Total net assets released from restrictions	<u>\$ 19,112</u>	<u>\$ 16,294</u>

(6) **Leases**

The Organization leases office space under a non-cancelable agreement that expires April, 2018. Rent expense totaled \$8,006 in fiscal 2016 and \$9,620 in fiscal 2015. Minimum future rentals due under the lease are as follows:

FYE 17	\$ 10,396
FYE 18	9,790
Total	<u>\$ 20,186</u>

ASSISTANCE LEAGUE OF DALLAS, TEXAS
Notes to Financial Statements
May 31, 2016
(With summarized comparative information for 2015)

(7) Special Events

The Organization has fundraising events to support current operations. The revenues and expenses for each event for fiscal 2016 and fiscal 2015 are summarized as follows:

Fiscal 2016:

<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>
Spring Fund Raiser	\$ 5,074	\$ -	\$ 5,074	\$ 139	\$ 4,935
Totals	\$ 5,074	\$ -	\$ 5,074	\$ 139	\$ 4,935

Fiscal 2015:

<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>
Bunko Fund Raiser	\$ 17,544	\$ 6,738	\$ 10,806	\$ 1,249	\$ 9,557
Totals	\$ 17,544	\$ 6,739	\$ 10,806	\$ 1,249	\$ 9,558

(8) Subsequent Events

The Organization has evaluated subsequent events through October 4, 2016, the date which the financial statements were available to be issued.