

**ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)**

FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2017 AND 2016

**ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)**

YEAR ENDED MAY 31, 2017

BOARD OF DIRECTORS

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**ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)**

FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2017 AND 2016

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7-12



To the Board of Directors
Assistance League® of Bend
Bend, Oregon

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

We have reviewed the accompanying financial statements of Assistance League® of Bend (a nonprofit corporation), which comprise the statement of financial position as of May 31, 2017, the related statements of activities, functional expenses, 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 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, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review 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 us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are 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.

Summarized Comparative Information

We previously reviewed Assistance League® of Bend 2016 financial statements and in our report dated December 29, 2016, we stated that based on our review, we were not aware of any material modifications that should be made to the 2016 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended May 31, 2016, for it to be consistent with the reviewed financial statements from which it has been derived.

SGA CPAs & Consultants, LLP

SGA CPAs & Consultants, LLP
Bend, Oregon

September 5, 2017

FINANCIAL STATEMENTS

ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION

MAY 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	\$ 316,093	\$ 275,582
Prepaid expenses	<u>8,725</u>	<u>14,534</u>
Total current assets	324,818	290,116
Capital assets, net (Note 3)	<u>274,844</u>	<u>290,831</u>
TOTAL ASSETS	<u><u>\$ 599,662</u></u>	<u><u>\$ 580,947</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 2,244	\$ 2,537
Deferred revenue	<u>13,918</u>	<u>24,773</u>
Total current liabilities	<u>16,162</u>	<u>27,310</u>
Total liabilities	<u>16,162</u>	<u>27,310</u>
Net assets (Note 4)		
Temporarily restricted	7,500	3,000
Designated for future operations	244,558	288,221
Unrestricted	<u>331,442</u>	<u>262,416</u>
Total net assets	<u>583,500</u>	<u>553,637</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 599,662</u></u>	<u><u>\$ 580,947</u></u>

See accompanying notes and independent accountants' review report.

ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)

STATEMENT OF ACTIVITIES

**YEAR ENDED MAY 31, 2017 AND
SUMMARIZED TOTALS FOR YEAR ENDED MAY 31, 2016**

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Fundraising				
Special events	\$ 161,952	\$ -	\$ 161,952	\$ 135,204
Special events in-kind contributions	40,503	-	40,503	28,491
Less cost of direct benefit to attendees	(11,420)	-	(11,420)	(22,636)
Net revenue from special events (Note 5)	191,035	-	191,035	141,059
Contributions and grants	141,919	7,500	149,419	87,481
In-kind contributions (Note 1)	53,499	-	53,499	20,363
Membership revenue	11,422	-	11,422	12,909
Program service revenue	3,620	-	3,620	2,760
Investment income	230	-	230	247
Net assets released from restrictions				
Satisfaction of time restrictions	3,000	(3,000)	-	-
Total Support and Revenue	404,725	4,500	409,225	264,819
EXPENSES				
Program Services				
Children's programs	229,841	-	229,841	181,602
Adult programs	25,544	-	25,544	28,033
Other	4,599	-	4,599	1,877
Total Program Services	259,984	-	259,984	211,512
Support Services				
Special events and fundraising (Note 5)	89,526	-	89,526	50,704
Management and general	22,162	-	22,162	29,124
Membership development	7,690	-	7,690	7,241
Total Support Services	119,378	-	119,378	87,069
Total Expenses	379,362	-	379,362	298,581
Change in Unrestricted Net Assets	25,363	4,500	29,863	(33,762)
Net Assets - beginning of year	550,637	3,000	553,637	587,399
Net Assets - end of year	\$ 576,000	\$ 7,500	\$ 583,500	\$ 553,637

See accompanying notes and independent accountants' review report.

ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES

**YEAR ENDED MAY 31, 2017 AND
SUMMARIZED TOTALS FOR YEAR ENDED MAY 31, 2016**

	Program Services				Supporting Services				Total	
	Children's Programs	Adult Programs	Other	Total Program Services	Fundraising	General and Administrative	Membership Development	Total Supporting Services	Total	
									2017	2016
Program supplies	\$ 180,428	\$ 16,881	\$ 4,599	\$ 201,908	\$ -	\$ -	\$ -	\$ -	\$ 201,908	\$ 191,275
Occupancy										
Utilities and telephone	1,134	2,617	-	3,751	2,879	2,094	-	4,973	8,724	5,378
Repairs and maintenance	183	422	-	605	465	338	-	803	1,408	2,666
Insurance	294	679	-	973	747	543	-	1,290	2,263	2,264
Depreciation and amortization	2,078	4,796	-	6,874	5,276	3,837	-	9,113	15,987	16,029
House supplies	65	149	-	214	164	119	-	283	497	568
Rental and facility costs	-	-	-	-	3,415	-	-	3,415	3,415	1,800
Supplies	-	-	-	-	18,519	269	1,744	20,532	20,532	23,315
Marketing and promotions	45,659	-	-	45,659	28,581	1,216	-	29,797	75,456	23,458
Professional services	-	-	-	-	495	5,808	-	6,303	6,303	7,542
Printing, reproduction, and postage	-	-	-	-	8,158	2,721	-	10,879	10,879	12,591
Grant writing	-	-	-	-	5,213	-	-	5,213	5,213	570
National Assistance League dues	-	-	-	-	-	-	5,360	5,360	5,360	5,904
Food and beverage	-	-	-	-	17,617	-	-	17,617	17,617	17,419
Entertainment	-	-	-	-	1,500	-	-	1,500	1,500	1,350
Conferences	-	-	-	-	-	2,308	-	2,308	2,308	2,498
Education	-	-	-	-	-	500	446	946	946	775
Insurance	-	-	-	-	-	1,456	-	1,456	1,456	1,373
Prizes	-	-	-	-	7,917	-	-	7,917	7,917	3,104
Other expenses	-	-	-	-	-	953	140	1,093	1,093	1,338
Total expenses	229,841	25,544	4,599	259,984	100,946	22,162	7,690	130,798	390,782	321,217
Less expenses included in revenues	-	-	-	-	(11,420)	-	-	(11,420)	(11,420)	(22,636)
Expenses per Statement of Activities	\$ 229,841	\$ 25,544	\$ 4,599	\$ 259,984	\$ 89,526	\$ 22,162	\$ 7,690	\$ 119,378	\$ 379,362	\$ 298,581

See accompanying notes and independent accountants' review report.

ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)

STATEMENTS OF CASH FLOWS

YEARS ENDED MAY 31,

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$ 29,863	\$ (33,762)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	15,987	16,029
Decrease in prepaid expenses	5,809	1,024
Decrease in accounts payable	(293)	(3,606)
Decrease in deferred revenue	<u>(10,855)</u>	<u>(2,270)</u>
Cash provided by (used in) operating activities	<u>40,511</u>	<u>(22,585)</u>
Net increase (decrease) in cash and cash equivalents	40,511	(22,585)
Cash and cash equivalents, beginning of year	<u>275,582</u>	<u>298,167</u>
Cash and cash equivalents, end of year	<u>\$ 316,093</u>	<u>\$ 275,582</u>

See accompanying notes and independent accountants' review report.

**ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Assistance League® of Bend (the Chapter) is a nonprofit corporation and is a chartered chapter of National Assistance League®. The Chapter is committed to making positive changes within the community for those who may need a helping hand. This is done by providing the following programs:

- Children's Programs including Operation School Bell® which provides new clothing to students in the Bend-La Pine School District and Redmond School District. Other programs include 'These Kids are Cookin', 'Be There, Be Square' and 'My Life Story Books'.
- Adult Programs including 'Hats, Hats, Hats', which provides hats for cancer patients; Senior Caring and Secret Santa.
- Breakfast with Santa, a holiday breakfast in partnership with a local restaurant, is open to the public for a nominal fee and free to foster families.

The Chapter's support and revenues come primarily from contributions, grants and other fundraising efforts including special events.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, "Not for Profit Entities". Under ASC 958, the Chapter is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- *Unrestricted net assets* – represent expendable funds that are available for support to the Chapter's operations. A portion of these assets have been designated by the Board of Directors for various purposes, as explained in Note 4.
- *Temporarily restricted net assets* – consist of contributions that have been restricted by the donor for specific purposes or are not available for use until a specific time.
- *Permanently restricted net assets* – consist of contributions with donor restrictions that stipulate the resources be maintained permanently, but permit the Chapter to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

**ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Chapter's cash and cash equivalents include cash held in checking and money market accounts.

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Chapter to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and equivalents are maintained at two high-quality financial institutions located in Central Oregon. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At certain times, the Chapter's bank balances may exceed the amount secured by the FDIC. However, at May 31, 2017, the Chapter had no uninsured cash balances. The Chapter has not experienced any losses on its cash or cash equivalents.

Capital Assets

Capital assets consist of land, building, improvements, and furniture and equipment. Capital assets are stated at cost or at the fair market value in the case of donated assets. Acquisitions in excess of \$1,000 are capitalized. Capital assets are depreciated using the straight-line method over estimated useful lives of the assets, ranging from 5 to 31.5 years.

Deferred Revenues

Membership dues and other amounts collected prior to the fiscal year to which they apply are deferred and recognized over the periods earned. The current year deferred revenues consist of membership dues of \$11,218 and deferred ticket sales of \$2,700 for future events and programs.

Contributions

Contributions are reported as temporarily 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.

**ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Donated Materials and Services

A significant portion of the Chapter's program services, fundraising and administrative functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements because the services do not require specialized skills.

During the year ended May 31, 2017, volunteers donated approximately 18,620 hours with an estimated value of \$454,688. This value was computed using an estimated hourly rate of \$24.42, based upon the average hourly earnings of nonagricultural workers for the time period of \$21.80, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits.

Various individuals, corporations and other organizations donate significant services, program materials and fundraising supplies to the Chapter. Services recognized are those that would typically need to be purchased by the Chapter if they had not been contributed and require specialized skills. Non-cash donations consist of the following:

	<u>2017</u>	<u>2016</u>
Operating supplies	\$ 17,156	\$ 21,822
Program supplies	6,340	2,608
Advertising services	69,007	20,924
Professional services	<u>1,500</u>	<u>3,500</u>
Total non-cash donations	<u>\$ 94,003</u>	<u>\$ 48,854</u>

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services. The Chapter allocates indirect expenses of administrative overhead and other allocable costs to supporting service departments based on various direct costs and other information. The Chapter's management reviews and updates these allocations on an annual basis.

**ASSISTANCE LEAGUE® OF BEND
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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Advertising

The Chapter uses advertising to promote the Chapter and its programs and special events to the community. The cost of advertising is expensed as incurred. Advertising expense totaled \$75,456 for the year ended May 31, 2017. Of this amount, cash paid for advertising was \$6,449, and the remainder of \$69,007 was recorded as an in-kind contribution for the year ended May 31, 2017.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, revenues, expenses and some disclosures as presented in these financial statements. Actual results could differ from these estimates.

Income Taxes

The Chapter is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Regarding uncertain tax positions, the Chapter will recognize in its financial statements the benefit of a tax position when it believes that tax position will more likely than not be sustained on the technical merits of that position. For an exempt organization, uncertain tax positions could result from unrelated business income activities or actions that jeopardize its status as tax-exempt, such as political activity, substantial lobbying expenditures or excessive unrelated business activities.

The Chapter did not conduct unrelated business activities for the year ended May 31, 2017, and it has no tax positions for which it estimates a significant change over the next twelve months. As such, no provision for income taxes has been made in the accompanying financial statements.

In addition, the Chapter qualified for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The State of Oregon does not impose income taxes on non-profit organizations with no unrelated business income. However, there is a filing fee charge that is based on total revenue and net assets.

The federal and state tax returns are generally open for examination for three years following the date filed.

**ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Comparative Financial Statements

The 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Chapter's financial statements for the year ended May 31, 2016, from which the summarized information was derived.

NOTE 2 - SUMMARY OF CASH AND CASH EQUIVALENTS

Cash consisted of the following as of May 31:

	<u>2017</u>	<u>2016</u>
Umpqua Bank Business Checking	\$ 11,053	\$ 14,067
Umpqua Bank Money Market	210,791	185,884
High Desert Bank Money Market	<u>94,249</u>	<u>75,631</u>
 Total cash	 <u>\$ 316,093</u>	 <u>\$ 275,582</u>

The Chapter paid no interest or income taxes during the years ended May 31, 2017 and 2016.

NOTE 3 – CAPITAL ASSETS

Capital assets consisted of the following as of May 31:

	<u>2017</u>	<u>2016</u>
Land	\$ 25,000	\$ 25,000
Building	402,586	402,586
Furniture and equipment	3,144	3,144
Improvements	<u>47,199</u>	<u>47,199</u>
	477,929	477,929
Less accumulated depreciation	<u>(203,085)</u>	<u>(187,098)</u>
 Total capital assets, net	 <u>\$ 274,844</u>	 <u>\$ 290,831</u>

Depreciation expense for the years ended May 31, 2017 and 2016 was \$15,987 and \$16,029, respectively.

**ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2017 AND 2016

NOTE 4 – NET ASSETS

Net assets consisted of the following as of May 31:

	2017	2016
Unrestricted		
Undesignated	\$ 331,442	\$ 262,416
Designated for future operations	244,558	288,221
Total unrestricted	576,000	550,637
Temporarily restricted	7,500	3,000
Total net assets	\$ 583,500	\$ 553,637

Net assets designated for future operations include board approved budgeted expenses, not taking into account budgeted revenues, for the year ending May 31, 2018.

NOTE 5 – SPECIAL EVENTS

The Chapter has various fundraising events to help fund current operations. The revenue and related expenses from such events for the year ended May 31, 2017 and the summarized information for May 31, 2016, were as follows:

	2017			2016	
	Revenue	Less Direct Benefit To Attendees	Less Event Costs	Net Revenue	Net Revenue
Gala of Trees	\$ 140,015	\$ (9,752)	\$ (19,104)	\$ 111,159	\$ 90,013
Kitchen	50,997	(1,315)	(6,073)	43,609	29,968
Kaleidoscope					
Eagle Crest Event	11,443	(353)	(1,003)	10,087	12,409
Total	\$ 202,455	\$ (11,420)	\$ (26,180)	\$ 164,855	\$ 132,390

Grant writing and related costs of \$5,213 and \$570 are also included in special events and fundraising totals on the Statement of Functional Expenses for the years ended May 31, 2017 and 2016, respectively.

NOTE 6– SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 5, 2017, which is the date the financial statements were available to be issued.