

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

FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2016 AND 2015

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

YEAR ENDED MAY 31, 2016

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**ASSISTANCE LEAGUE® OF BEND
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FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2016 AND 2015

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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, 2016, 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

Another CPA firm previously reviewed Assistance League[®] of Bend 2015 financial statements and in their conclusion dated November 30, 2015, they stated that based on their review, they were not aware of any material modifications that should be made to the 2015 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, 2015, for it to be consistent with the reviewed financial statements from which it has been derived.

SGA CPAs & Consultants, LLP

SGA CPAs & Consultants, LLP

December 29, 2016

FINANCIAL STATEMENTS

ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)

STATEMENT OF FINANCIAL POSITION

MAY 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets		
Cash (Note 2)	\$ 275,582	\$ 298,167
Prepaid expenses	<u>14,534</u>	<u>15,558</u>
Total Current Assets	290,116	313,725
Capital assets, net (Note 3)	<u>290,831</u>	<u>306,860</u>
TOTAL ASSETS	<u><u>\$ 580,947</u></u>	<u><u>\$ 620,585</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 2,537	\$ 6,143
Deferred revenue	<u>24,773</u>	<u>27,043</u>
Total Current Liabilities	<u>27,310</u>	<u>33,186</u>
Total Liabilities	<u>27,310</u>	<u>33,186</u>
Net Assets (Note 4)		
Temporarily restricted	3,000	11,100
Designated for future operations	288,221	310,196
Unrestricted	<u>262,416</u>	<u>266,103</u>
Total Net Assets	<u>553,637</u>	<u>587,399</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 580,947</u></u>	<u><u>\$ 620,585</u></u>

See accompanying notes and independent accountants' review report.

ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)

STATEMENT OF ACTIVITIES

**YEAR ENDED MAY 31, 2016 AND
SUMMARIZED TOTALS FOR YEAR ENDED MAY 31, 2015**

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Fundraising				
Special events	\$ 135,204	\$	\$ 135,204	\$ 133,381
Special events in-kind contributions	28,491		28,491	45,414
Less cost of direct benefit to attendees	(22,636)		(22,636)	(32,052)
Net revenue from special events (Note 5)	141,059		141,059	146,743
Contributions and grants	84,481	3,000	87,481	137,008
In-kind contributions (Note 1)	20,363		20,363	75,100
Membership revenue	12,909		12,909	11,554
Program service revenue	2,760		2,760	2,654
Investment income	247		247	229
Net assets released from restrictions				
Satisfaction of time restrictions	11,100	(11,100)		
Total Support and Revenue	272,919	(8,100)	264,819	373,288
EXPENSES				
Program Services				
Children's programs	181,602		181,602	236,352
Adult programs	28,033		28,033	28,811
Other	1,877		1,877	3,025
Total Program Services	211,512		211,512	268,188
Support Services				
Special events and fundraising (Note 5)	50,704		50,704	83,002
Management and general	29,124		29,124	22,790
Membership development	7,241		7,241	8,059
Total Support Services	87,069		87,069	113,851
Total Expenses	298,581		298,581	382,039
Change in Unrestricted Net Assets	(25,662)	(8,100)	(33,762)	(8,751)
Net Assets - beginning of year	576,299	11,100	587,399	596,150
Net Assets - end of year	\$ 550,637	\$ 3,000	\$ 553,637	\$ 587,399

See accompanying notes and independent accountants' review report.

ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES

**YEAR ENDED MAY 31, 2016 AND
SUMMARIZED TOTALS FOR YEAR ENDED MAY 31, 2015**

	Program Services				Supporting Services				Total	
	Children's Programs	Adult Programs	Other	Total Program Services	Fundraising	General and Administrative	Membership Development	Total Supporting Services	Total	
									2016	2015
Program supplies	\$ 174,219	\$ 15,179	\$ 1,877	\$ 191,275	\$	\$	\$	\$	\$ 191,275	\$ 187,969
Occupancy										
Utilities and telephone	430	2,151		2,581	1,345	1,452		2,797	5,378	5,545
Repairs and maintenance	213	1,066		1,279	667	720		1,387	2,666	2,135
Insurance	181	906		1,087	566	611		1,177	2,264	1,771
Depreciation and amortization	1,282	6,411		7,693	4,008	4,328		8,336	16,029	16,029
House supplies	46	228		274	141	153		294	568	591
Rental and facility costs					1,800			1,800	1,800	2,755
Supplies					22,479	269	567	23,315	23,315	43,117
Marketing and promotions	5,231	2,092		7,323	10,933	5,202		16,135	23,458	86,766
Professional services						7,542		7,542	7,542	6,800
Printing, reproduction, and postage					9,453	3,138		12,591	12,591	1,030
Grant writing					570			570	570	4,680
National Assistance League dues							5,904	5,904	5,904	5,543
Food and beverage					16,924		495	17,419	17,419	22,130
Entertainment					1,350			1,350	1,350	11,989
Conferences						2,498		2,498	2,498	2,588
Education						500	275	775	775	230
Insurance						1,373		1,373	1,373	1,780
Prizes					3,104			3,104	3,104	6,735
Other expenses						1,338		1,338	1,338	3,908
Total Expenses	181,602	28,033	1,877	211,512	73,340	29,124	7,241	109,705	321,217	414,091
Less expenses included in revenues					(22,636)			(22,636)	(22,636)	(32,052)
Expenses per Statement of Activities	\$ 181,602	\$ 28,033	\$ 1,877	\$ 211,512	\$ 50,704	\$ 29,124	\$ 7,241	\$ 87,069	\$ 298,581	\$ 382,039

See accompanying notes and independent accountants' review report.

ASSISTANCE LEAGUE® OF BEND
(A Nonprofit Corporation)

STATEMENT OF CASH FLOWS

YEARS ENDED MAY 31,

	2016	2015
Cash flows from operating activities		
Change in net assets	\$ (33,762)	\$ (8,751)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	16,029	16,029
(Increase) decrease in		
Prepaid expenses	1,024	(8,158)
Increase (decrease) in		
Accounts payable	(3,606)	3,400
Deferred revenue	(2,270)	9,365
	(22,585)	11,885
Cash (used in) provided by operating activities	(22,585)	11,885
Net (decrease) increase in cash and cash equivalents	(22,585)	11,885
Cash and cash equivalents - beginning of year	298,167	286,282
Cash and cash equivalents - end of year	\$ 275,582	\$ 298,167

See accompanying notes and independent accountants' review report.

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2016 AND 2015

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 surrounding areas. Other programs include 'These Kids are Cookin' and 'Be There, Be Square'.
- 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 small charge 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. Certain of these amounts have been designated by the Board of Directors for various purposes, as explained in Note 1.
- *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
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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2016 AND 2015

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. The Chapter maintains cash balances at various high quality financial institutions located in Central Oregon. Accounts at these institutions are secured by the Federal Deposit Insurance Corporation (FDIC). At certain times, the Chapter's bank balances may exceed the amount secured by the FDIC. The Chapter has not experienced any losses on its cash or cash equivalents. As of May 31, 2016, balances did not exceed FDIC insurance limits.

Fixed Assets

Fixed assets consist of land, building, improvements, and furniture and equipment. Fixed assets are reported at cost or fair market value if donated. Expenditures in excess of \$1,000 are capitalized. Fixed 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 \$9,270 and deferred ticket sales of \$14,760 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
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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2016 AND 2015

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, 2016, volunteers donated approximately 19,613 hours with an estimated value of \$460,906. This value was computed using an estimated hourly rate of \$23.50, based upon the average hourly earnings of nonagricultural workers for the time period of \$20.99, 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>2016</u>	<u>2015</u>
Operating supplies	\$ 21,822	\$ 37,378
Program supplies	2,608	6,861
Advertising services	20,924	72,875
Professional services	<u>3,500</u>	<u>3,400</u>
Total non-cash donations	<u>\$ 48,854</u>	<u>\$ 120,514</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, 2016 AND 2015

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 \$23,458 for the year ended May 31, 2016. Of this amount, cash paid for advertising was \$2,534, and the remainder of \$20,924 was recorded as an in-kind contribution for the year ended May 31, 2016.

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 years ended May 31, 2016 and 2015, 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
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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2016 AND 2015

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, 2015, 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>2016</u>	<u>2015</u>
Umpqua Bank Business Checking	\$ 14,067	\$ 6,396
Umpqua Bank Money Market	185,884	216,253
High Desert Bank Money Market	<u>75,631</u>	<u>75,518</u>
	<u>\$ 275,582</u>	<u>\$ 298,167</u>

The Chapter paid no interest or income taxes during the years ended May 31, 2016 and 2015.

NOTE 3 – CAPITAL ASSETS

Capital assets consisted of the following as of May 31:

	<u>2016</u>	<u>2015</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>(187,098)</u>	<u>(171,069)</u>
Capital assets, net	<u>\$ 290,831</u>	<u>\$ 306,860</u>

Depreciation expense for the years ended May 31, 2016 and 2015 was \$16,029 and \$16,029, respectively.

**ASSISTANCE LEAGUE® OF BEND
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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2016 AND 2015

NOTE 4 – NET ASSETS

Net assets consisted of the following as of May 31:

	2016	2015
Unrestricted		
Undesignated	262,416	266,103
Designated for future operations	288,221	310,196
Total unrestricted	550,637	576,299
Temporarily restricted	3,000	11,100
Total Net Assets	\$ 553,637	\$ 587,399

Net assets designated for future operations include board approved budgeted expenses, not taking into account budgeted revenues, for the year ending May 31, 2017.

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, 2016 and the summarized information for May 31, 2015, were as follows:

	2016			2015	
	Revenue	Less Direct Benefit To Attendees	Less Event Costs	Net Revenue	Net Revenue
Gala of Trees	\$ 113,421	\$ (19,000)	\$ (4,408)	\$ 90,013	\$ 56,377
Kitchen Kaleidoscope	35,817	(2,433)	(3,416)	29,968	
Eagle Crest Event	14,457	(1,203)	(845)	12,409	8,450
A Christmas Memory					3,678
Kollectibles or Keepsakes					(84)
Total	\$ 163,695	\$ (22,636)	\$ (8,669)	\$ 132,390	\$ 68,421

Grant writing and related allocated costs of \$570 and \$4,680 are also included in Special Events and Fundraising total on the Statement of Functional Expenses for the year ended May 31, 2016 and 2015, respectively.

**ASSISTANCE LEAGUE® OF BEND
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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2016 AND 2015

NOTE 6– SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 29, 2016, which is the date the financial statements were available to be issued.

NOTE 7– RECLASSIFICATIONS

Certain period financial statement amounts have been reclassified to conform to the current period presentation.