

ASSISTANCE LEAGUE OF TUCSON, INC.

**REVIEWED FINANCIAL STATEMENTS
YEARS ENDED APRIL 30, 2017 AND 2016**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Assistance League of Tucson, Inc.
Tucson, Arizona

We have reviewed the accompanying financial statements of the Assistance League of Tucson, Inc. (the Chapter, an Arizona nonprofit corporation), which comprise the statements of financial position as of April 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years 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 Chapter 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountants' responsibility

Our 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 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.

Board of Directors
Assistance League of Tucson, Inc.
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Supplementary information

The supplementary information on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

HBL CPAs, P.C.

HBL CPAs, P.C.

November 20, 2017

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENTS OF FINANCIAL POSITION
APRIL 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 639,843	\$ 579,082
Certificates of deposit	400,000	400,000
Accounts receivable	227	4,871
Prepaid expenses	4,379	7,503
Inventories	167,571	196,654
Property and equipment, net	<u>1,351,678</u>	<u>1,399,297</u>
	<u>\$ 2,563,698</u>	<u>\$ 2,587,407</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 52,256	\$ 43,065
Deferred dues revenue	15,229	14,821
Other deferred revenue	<u>2,003</u>	<u>1,377</u>
	69,488	59,263
Net assets:		
Unrestricted:		
Designated for future operating needs	750,676	774,446
Designated for capital expenditures	24,490	28,501
Expended for property and equipment	1,351,678	1,399,297
Undesignated	<u>342,314</u>	<u>298,784</u>
	2,469,158	2,501,028
Temporarily restricted for purchase of property and equipment	<u>25,052</u>	<u>27,116</u>
Total net assets	<u>2,494,210</u>	<u>2,528,144</u>
Total liabilities and net assets	<u>\$ 2,563,698</u>	<u>\$ 2,587,407</u>

See independent accountants' review report.
The accompanying notes are an integral part of these financial statements.

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2017

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Support and revenues:			
Fundraising			
Thrift shop revenue:			
Contributions of merchandise	\$ 454,693	\$ -	\$ 454,693
Sales of donated merchandise	472,071	-	472,071
Less: value of merchandise sold	<u>(472,071)</u>	<u>-</u>	<u>(472,071)</u>
Net revenue from thrift shop	<u>454,693</u>	<u>-</u>	<u>454,693</u>
Fundraising events and activities:			
Revenue	91,837	-	91,837
Less: Direct costs	<u>(31,564)</u>	<u>-</u>	<u>(31,564)</u>
Net revenue from fundraising events and activities	<u>60,273</u>	<u>-</u>	<u>60,273</u>
Contributions and grants	195,898	-	195,898
Membership	28,341	-	28,341
Interest income	2,689	-	2,689
Other income	513	-	513
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>2,064</u>	<u>(2,064)</u>	<u>-</u>
Total support and revenues	<u>744,471</u>	<u>(2,064)</u>	<u>742,407</u>
Expenses:			
Program services:			
Operation School Bell®	421,654	-	421,654
Starting Over Supplies	135,899	-	135,899
Other programs	<u>33,767</u>	<u>-</u>	<u>33,767</u>
Total program service expense	<u>591,320</u>	<u>-</u>	<u>591,320</u>
Supporting services:			
Fundraising			
Thrift shop	69,244	-	69,244
Fundraising events and activities indirect costs	21,738	-	21,738
Management and general	76,565	-	76,565
Membership development	<u>17,474</u>	<u>-</u>	<u>17,474</u>
Total supporting services expenses	<u>185,021</u>	<u>-</u>	<u>185,021</u>
Total expenses	<u>776,341</u>	<u>-</u>	<u>776,341</u>
Changes in net assets	(31,870)	(2,064)	(33,934)
Net assets at beginning of year	<u>2,501,028</u>	<u>27,116</u>	<u>2,528,144</u>
Net assets at end of year	<u>\$ 2,469,158</u>	<u>\$ 25,052</u>	<u>\$ 2,494,210</u>

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ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2016

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Support and revenues:			
Fundraising			
Thrift shop revenue:			
Contributions of merchandise	\$ 518,653	\$ -	\$ 518,653
Sales of donated merchandise	446,901	-	446,901
Less: value of merchandise sold	<u>(446,901)</u>	<u>-</u>	<u>(446,901)</u>
Net revenue from thrift shop	<u>518,653</u>	<u>-</u>	<u>518,653</u>
Fundraising events and activities:			
Revenue	141,043	-	141,043
Less: Direct costs	<u>(66,731)</u>	<u>-</u>	<u>(66,731)</u>
Net revenue from fundraising events and activities	<u>74,312</u>	<u>-</u>	<u>74,312</u>
Contributions and grants	166,233	-	166,233
Membership	29,838	-	29,838
Interest income	509	-	509
Other income	3,470	-	3,470
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>330</u>	<u>(330)</u>	<u>-</u>
Total support and revenues	<u>793,345</u>	<u>(330)</u>	<u>793,015</u>
Expenses:			
Program services:			
Operation School Bell®	364,873	-	364,873
Starting Over Supplies	118,541	-	118,541
Pass It On	50,140	-	50,140
Other programs	<u>54,495</u>	<u>-</u>	<u>54,495</u>
Total program service expense	<u>588,049</u>	<u>-</u>	<u>588,049</u>
Supporting services:			
Fundraising			
Thrift shop	68,220	-	68,220
Fundraising events and activities indirect costs	33,376	-	33,376
Management and general	76,875	-	76,875
Membership development	<u>19,949</u>	<u>-</u>	<u>19,949</u>
Total supporting services expenses	<u>198,420</u>	<u>-</u>	<u>198,420</u>
Total expenses	786,469	-	786,469
Loss on unspent grant funds		454	454
Total expenses and losses	<u>786,469</u>	<u>454</u>	<u>786,923</u>
Changes in net assets	6,876	(784)	6,092
Net assets at beginning of year	<u>2,494,152</u>	<u>27,900</u>	<u>2,522,052</u>
Net assets at end of year	<u>\$ 2,501,028</u>	<u>\$ 27,116</u>	<u>\$ 2,528,144</u>

See independent accountants' review report.
The accompanying notes are an integral part of these financial statements.

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED APRIL 30, 2017

	Program services				Supporting services					Total expenses
	Operation School Bell	Starting Over Supplies	Other programs	Total program services	Thrift shop	Fundraising events	Management and general	Membership development	Total supporting services	
Depreciation	\$ 22,149	\$ 5,020	\$ 2,363	\$ 29,532	\$ 17,719	\$ -	\$ 6,444	\$ -	\$ 24,163	\$ 53,695
Education and conferences	3,274	-	-	3,274	-	-	4,911	-	4,911	8,185
Food and staging	-	-	-	-	-	28,064	-	-	28,064	28,064
Insurance	6,803	2,267	-	9,070	5,443	-	5,404	-	10,847	19,917
Member activities	-	-	-	-	-	-	-	1,263	1,263	1,263
Miscellaneous	-	-	-	-	-	125	5,361	-	5,486	5,486
National dues	-	-	-	-	-	-	-	13,032	13,032	13,032
Occupancy:										
Repairs and maintenance	1,967	894	119	2,980	4,115	-	1,176	-	5,291	8,271
Utilities and monthly	18,696	8,498	1,133	28,327	22,543	-	4,212	-	26,755	55,082
Office expenses	3,312	751	353	4,416	442	-	3,973	-	4,415	8,831
Officers and committees	-	-	-	-	-	-	-	2,179	2,179	2,179
Postage and printing	-	-	-	-	-	4,815	7,379	-	12,194	12,194
Professional services	1,411	641	86	2,138	2,138	3,500	23,604	-	29,242	31,380
Program expenses	364,042	117,828	29,713	511,583	-	-	-	-	-	511,583
Public relations and advertising	-	-	-	-	619	16,798	14,101	1,000	32,518	32,518
Selling expenses	-	-	-	-	16,225	-	-	-	16,225	16,225
Cost of merchandise sold	-	-	-	-	472,071	-	-	-	472,071	472,071
Total functional expenses	421,654	135,899	33,767	591,320	541,315	53,302	76,565	17,474	688,656	1,279,976
Less expenses netted against revenue on statement of activities:										
Fundraising events and activities direct costs	-	-	-	-	-	(31,564)	-	-	(31,564)	(31,564)
Cost of merchandise sold	-	-	-	-	(472,071)	-	-	-	(472,071)	(472,071)
Total expenses per statement of activities	\$ 421,654	\$ 135,899	\$ 33,767	591,320	\$ 69,244	\$ 21,738	\$ 76,565	\$ 17,474	\$ 185,021	\$ 776,341

See independent accountants' review report.
The accompanying notes are an integral part of these financial statements.

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED APRIL 30, 2016

	Program services				Supporting services						Total expenses
	Operation School Bell	Starting Over Supplies	Pass It On	Other programs	Total program services	Thrift shop	Fundraising events	Management and general	Membership development	Total supporting services	
Depreciation	\$ 21,500	\$ 4,874	\$ -	\$ 2,293	\$ 28,667	\$ 17,643	\$ -	\$ 6,191	\$ -	\$ 23,834	\$ 52,501
Education and conferences	3,246	-	-	-	3,246	-	-	4,870	-	4,870	8,116
Food and staging	-	-	-	-	-	-	43,631	-	-	43,631	43,631
Insurance	6,666	2,221	-	-	8,887	5,333	-	5,342	-	10,675	19,562
Member activities	-	-	-	-	-	-	-	-	1,590	1,590	1,590
Miscellaneous	-	-	-	-	-	-	3,165	570	2,357	6,092	6,092
National dues	-	-	-	-	-	-	-	-	12,060	12,060	12,060
Occupancy:											
Repairs and maintenance	3,209	1,458	-	194	4,861	2,855	-	816	-	3,671	8,532
Utilities and monthly	19,543	8,883	-	1,183	29,609	24,098	-	4,489	-	28,587	58,196
Office expenses	3,639	825	-	388	4,852	485	-	4,368	-	4,853	9,705
Officers and committees	-	-	-	-	-	-	-	-	1,880	1,880	1,880
Postage and printing	12	-	-	-	12	-	4,792	8,747	-	13,539	13,551
Professional services	1,221	555	-	74	1,850	1,850	7,833	21,126	-	30,809	32,659
Program expenses	305,837	99,725	50,140	50,363	506,065	-	-	-	-	-	506,065
Public relations and advertising	-	-	-	-	-	1,095	25,418	20,356	2,062	48,931	48,931
Raffle and silent auction prizes	-	-	-	-	-	-	15,268	-	-	15,268	15,268
Selling expenses	-	-	-	-	-	14,861	-	-	-	14,861	14,861
Cost of merchandise sold	-	-	-	-	-	446,901	-	-	-	446,901	446,901
Total functional expenses	364,873	118,541	50,140	54,495	588,049	515,121	100,107	76,875	19,949	712,052	1,300,101
Less expenses netted against revenue on statement of activities:											
Fundraising events and activities direct costs	-	-	-	-	-	-	(66,731)	-	-	(66,731)	(66,731)
Cost of merchandise sold	-	-	-	-	-	(446,901)	-	-	-	(446,901)	(446,901)
Total expenses per statement of activities	\$ 364,873	\$ 118,541	\$ 50,140	\$ 54,495	588,049	\$ 68,220	\$ 33,376	\$ 76,875	\$ 19,949	\$ 198,420	\$ 786,469

See independent accountants' review report.
The accompanying notes are an integral part of these financial statements.

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED APRIL 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ (33,934)	\$ 6,092
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	53,695	52,501
(Increase) decrease in operating assets:		
Accounts receivable	4,644	(4,871)
Prepaid expenses	3,124	28,823
Inventories	29,083	(54,806)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	9,191	10,024
Deferred dues revenue	408	(4,722)
Other deferred revenue	626	(265)
Net cash provided by operating activities	<u>66,837</u>	<u>32,776</u>
Cash flows from investing activities:		
Purchases of certificates of deposit	-	(400,000)
Purchases of property and equipment	<u>(6,076)</u>	<u>(34,739)</u>
Net cash (used in) investing activities	<u>(6,076)</u>	<u>(434,739)</u>
Change in cash and cash equivalents	60,761	(401,963)
Cash and cash equivalents at beginning of year	<u>579,082</u>	<u>981,045</u>
Cash and cash equivalents at end of year	<u>\$ 639,843</u>	<u>\$ 579,082</u>

Supplementary cash flow information:

No cash paid for interest or income taxes in 2017 or 2106

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017 AND 2016

NOTE 1 – Organization

Assistance League of Tucson, Inc. (the Chapter) is an Arizona nonprofit corporation and is a chartered chapter of National Assistance League®. The accompanying financial statements include the activities of Assistance League of Tucson and its auxiliary Assisteens® (collectively, the Chapter). The Chapter provides the following programs:

- **Operation School Bell®** provides disadvantaged children in Tucson with appropriate clothing to encourage regular school attendance and increase self-esteem. Students from Tucson area Title 1 elementary and middle schools receive new school clothing, shoes, and books.
- **Hooked on Books**, part of Operation School Bell, works with several Tucson Title 1 schools to provide libraries and classrooms with books and literacy supplies needed to support their classes.
- **Starting Over Supplies** enables people leaving shelters or abusive home situations to live independently again. Working with social service agencies, this program provides new basic household supplies to individuals and families who are starting over.
- **Assault Survivor Kits®** works to reduce some of the trauma of sexual assault in our community, to help restore dignity to the victim and to allow the healing process to begin by providing a change of clothes, toiletries and snacks to victims. Assistance League joins with the Southern Arizona Center Against Sexual Assault (SACASA) and Southern Arizona Child Advocacy Center (SACAC) to respond to the needs of victims of sexual assault in our community.
- **Teddy Bear Program** provides child-safe teddy bears to comfort children in emotional or physical crisis through service organizations, such as law enforcement, grief counseling and hospitals.
- **Assisteens® Helping Tucson Teens** provides support to Title 1 middle schools through donations of supplies to the arts, music and physical education departments of selected schools in the Tucson area.

NOTE 2 – Summary of significant accounting policies

Basis of accounting

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

Financial statement presentation

The financial statements are presented in accordance with the provisions 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 in three classes of net assets:

- *Unrestricted net assets* are net assets not subject to donor-imposed restrictions or law.
- *Temporarily restricted net assets* 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. Temporarily restricted resources whose restrictions are met in the same reporting periods are recorded as unrestricted.
- *Permanently restricted net assets* are net assets subject to donor-imposed restrictions that the gift cannot be wholly expended on a current basis. The Chapter does not have any permanently restricted net assets.

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
APRIL 30, 2017 AND 2016

NOTE 2 – Summary of significant accounting policies, continued

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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash held in checking and money market accounts, time deposits, and all highly liquid investments with original maturities of three months or less.

Fair value measurements

The Chapter follows guidance issued by the 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 Chapter has determined that the fair values of its financial instruments, which include cash equivalents and certificates of deposits, approximate the carrying values at April 30, 2017, based on their short maturities and/or the terms available to the Chapter in financial markets.

Certificates of deposit

Certificates of deposit are held at a brokerage and bear interest ranging from 0.75% to 0.95% at April 30, 2017. The certificates have laddered maturities ranging from May 2017 to February 2018 with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect to the financial statements.

Promises to give

Unconditional promises to give are recognized as contributions in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Promises to give are recorded at net realizable value if they are expected to be collected within one year and at net present value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Inventories

The Chapter maintains an inventory of new clothing and shoes for use in Operation School Bell®, household items for Starting Over Supplies (SOS), and various items for use by other programs. These inventories are stated at the lower of cost or market determined by the first-in, first-out method. Inventory held for sale in the Chapter's thrift shop is valued at its estimated fair value.

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
APRIL 30, 2017 AND 2016

NOTE 2 – Summary of significant accounting policies, continued

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 certificates of deposit. Cash and cash equivalents 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 April 30, 2017, the Chapter had no uninsured balances at these institutions. The Chapter has not experienced any losses on its cash or cash equivalents.

Property and equipment

The Chapter capitalizes expenditures for property and equipment in excess of \$500 and with a useful life greater than one year. Property and equipment are stated at cost or at the fair value at the date of donation in the case of donated assets. The Chapter provides for depreciation and amortization of property and equipment by use of the straight-line method over the estimated useful lives as follows:

Buildings and improvements	10 to 39 years
Furniture and equipment	5 to 10 years

Contributions of long-lived assets, or of cash or other assets that must be used to acquire long-lived assets, are reported as increases in temporarily restricted net assets. Restrictions are considered met, and an appropriate amount reclassified to unrestricted net assets, over the useful life of the long-lived assets as determined by the Chapter's depreciation policy.

Deferred revenue

Membership dues collected and program service fees collected prior to the fiscal year to which they apply are deferred and recognized over the periods to which the dues and fees relate.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Donated materials, services and free use of facilities

Significant materials, services and free use of facilities are donated to the Chapter by various individuals, corporations and other organizations, and are reflected in the accompanying financial statements at their fair values at the date of donation.

In addition, the chapter's functions and programs are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. During the year ended April 30, 2017, these volunteers donated approximately 56,199 hours with an estimated value of \$1,312,247. This value was computed using an estimated hourly rate of \$23.35, based upon the average hourly earnings of nonagricultural workers for the prior twelve months, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits.

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
APRIL 30, 2017 AND 2016

NOTE 2 – Summary of significant accounting policies, continued

Advertising

The Chapter expenses all advertising costs as incurred. Purchased advertising expenses totaled \$21,210 and \$31,368 for the years ended April 30, 2017 and 2016, respectively. Additionally, the Chapter expensed donated advertising totaling \$5,995 and \$9,079, respectively, for the years then ended.

Income tax status

The Chapter is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. 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).

Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 3 – Cash and cash equivalents

Cash and cash equivalents at April 30, 2017 and 2016 consisted of the following:

	2017	2016
Petty cash	\$ 640	\$ 640
Paypal	5,113	10,117
Checking:		
Bank of Tucson	125,064	95,759
Chase Bank	59,180	60,682
Northern Trust	226,329	198,029
Wells Fargo	17,427	24,535
Total checking accounts	<u>428,000</u>	<u>379,005</u>
Savings:		
Bank of Tucson	94,402	94,260
Chase Bank	59,885	46,101
Merrill Lynch	29,747	26,910
Wells Fargo	22,056	22,049
Total savings accounts	<u>206,090</u>	<u>189,320</u>
Total cash and cash equivalents	<u>\$ 639,843</u>	<u>\$ 579,082</u>

NOTE 4 – Leases

The Chapter has a lease for office equipment that expires in January 2022. Rental expense under the lease was \$1,603 and \$1,245 for the years ended April 30, 2017 and 2016, respectively. Future minimum payments for the years ending April 30, 2018, 2019, 2020 and 2021 are \$1,908 each year and for the year ended April 30, 2022 are \$1,431.

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
APRIL 30, 2017 AND 2016

NOTE 5 – Inventories

Inventories at April 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
New clothing and shoes for use in Operation School Bell program	\$ 63,618	\$ 64,433
Household goods and supplies for use in SOS program	16,893	25,423
Stuffed bears for use in Teddy Bear program	1,690	4,050
Used clothing and household items held for sale at thrift shop	<u>85,370</u>	<u>102,748</u>
Total inventories	<u>\$ 167,571</u>	<u>\$ 196,654</u>

NOTE 6 – Property and equipment

Property and equipment consisted of the following at April 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Land	\$ 436,616	\$ 436,616
Buildings and improvements	2,165,694	2,161,132
Furniture and equipment	<u>82,374</u>	<u>80,860</u>
	2,684,684	2,678,608
Less accumulated depreciation	<u>(1,333,006)</u>	<u>(1,279,311)</u>
Total property and equipment, net	<u>\$ 1,351,678</u>	<u>\$ 1,399,297</u>

NOTE 7 – Fundraising events and activities

The Chapter conducts various fundraising events and activities to help fund current operations. The revenue and related expenses from such events and other fundraising activities for the year ended April 30, 2017 were as follows:

<u>Event/Activity</u>	<u>Revenue</u>	<u>Cost of direct benefits to attendees</u>	<u>Other costs</u>	<u>Net revenue</u>
Whatz It Worth	\$ 39,364	\$ 7,840	\$ 17,949	\$ 13,575
High Tea	20,020	8,649	1,549	9,822
Fashion Show-Assisteens	<u>32,453</u>	<u>15,075</u>	<u>2,240</u>	<u>15,138</u>
Total fundraising events and activities	<u>\$ 91,837</u>	<u>\$ 31,564</u>	<u>\$ 21,738</u>	<u>\$ 38,535</u>

The revenue and related expenses from such events and other fundraising activities for the year ended April 30, 2016 were as follows:

<u>Event/Activity</u>	<u>Revenue</u>	<u>Cost of direct benefits to attendees</u>	<u>Other costs</u>	<u>Net revenue</u>
Whatz It Worth	\$ 84,156	\$ 43,364	\$ 27,394	\$ 13,398
PAWS High Tea	24,241	10,368	3,629	10,244
Fashion Show-Assisteens	<u>32,646</u>	<u>12,999</u>	<u>2,353</u>	<u>17,294</u>
Total fundraising events and activities	<u>\$ 141,043</u>	<u>\$ 66,731</u>	<u>\$ 33,376</u>	<u>\$ 40,936</u>

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
APRIL 30, 2017 AND 2016

NOTE 8 – Other programs

The other program services included in the Statement of Functional Expenses for the years ended April 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Assault Survivor Kits®	\$ 10,575	\$ 3,218
Assisteen programs	19,834	18,813
Teddy Bear program	3,358	19,986
Education Project/Child Advocacy (PAWS)	-	12,478
	<u>\$ 33,767</u>	<u>\$ 54,495</u>

NOTE 9 – Noncash contributions

During the years ended April 30, 2017 and 2016, in addition to contributions of merchandise to the Chapter's thrift shop, the Chapter received other noncash contributions of services and materials as follows:

	<u>2017</u>	<u>2016</u>
Advertising for fundraising events	\$ 5,995	\$ 9,079
Assault Survivor Kits® supplies	290	-
Operation School Bell supplies	9,411	2,218
Products donated for raffles and silent auctions	-	15,268
Use of facilities and equipment	-	28,778
Travel	-	4,333
Other fundraising expenses	-	302
	<u>\$ 15,696</u>	<u>\$ 59,978</u>

The related contributions revenue were reported on the Statement of Activities in the following line items:

	<u>2017</u>	<u>2016</u>
Fundraising events and activities revenue	\$ 5,995	\$ 57,760
Contributions	9,701	2,218
	<u>\$ 15,696</u>	<u>\$ 59,978</u>

NOTE 10 – Subsequent events

Management has evaluated subsequent events through November 20, 2017, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

ASSISTANCE LEAGUE OF TUCSON, INC.
SUPPLEMENTAL CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2017

	<u>Chapter</u>	<u>Assistees</u>	<u>Eliminations</u>	<u>Totals</u>
Public support and revenues:				
Fundraising				
Thrift shop revenue:				
Contributions of merchandise	\$ 454,693	\$ -	\$ -	\$ 454,693
Sales of donated merchandise	472,071	-	-	472,071
Less: value of merchandise sold	<u>(472,071)</u>	<u>-</u>	<u>-</u>	<u>(472,071)</u>
Net revenue from thrift shop	<u>454,693</u>	<u>-</u>	<u>-</u>	<u>454,693</u>
Fundraising events and activities:				
Revenue	59,384	32,453	-	91,837
Less: Direct costs	<u>(16,489)</u>	<u>(15,075)</u>	<u>-</u>	<u>(31,564)</u>
Net revenue from fundraising events and activities	<u>42,895</u>	<u>17,378</u>	<u>-</u>	<u>60,273</u>
Unrestricted contributions and grants	195,398	500	-	195,898
Membership	21,776	6,565	-	28,341
Interest income	2,689	-	-	2,689
Other income	<u>513</u>	<u>-</u>	<u>-</u>	<u>513</u>
Total public support and revenues	<u>717,964</u>	<u>24,443</u>	<u>-</u>	<u>742,407</u>
Expenses:				
Program services:				
Operation School Bell®	421,654	-	-	421,654
Starting Over Supplies	135,899	-	-	135,899
Other programs	<u>13,933</u>	<u>19,834</u>	<u>-</u>	<u>33,767</u>
Total program service expense	<u>571,486</u>	<u>19,834</u>	<u>-</u>	<u>591,320</u>
Supporting services:				
Fundraising				
Thrift shop	69,244	-	-	69,244
Fundraising events and activities indirect costs	19,498	2,240	-	21,738
Management and general	76,565	-	-	76,565
Membership development	<u>14,793</u>	<u>2,681</u>	<u>-</u>	<u>17,474</u>
Total supporting services expenses	<u>180,100</u>	<u>4,921</u>	<u>-</u>	<u>185,021</u>
Total expenses	<u>751,586</u>	<u>24,755</u>	<u>-</u>	<u>776,341</u>
Changes in net assets	(33,622)	(312)	-	(33,934)
Net assets at beginning of year	<u>2,472,691</u>	<u>55,453</u>	<u>-</u>	<u>2,528,144</u>
Net assets at end of year	<u>\$ 2,439,069</u>	<u>\$ 55,141</u>	<u>\$ -</u>	<u>\$ 2,494,210</u>