

ASSISTANCE LEAGUE OF TUCSON, INC
INDEX TO REVIEWED FINANCIAL STATEMENTS
APRIL 30, 2018 and 2017

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INDEPENDENT ACCOUNTANT’S REVIEW REPORT

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

We have reviewed the accompanying financial statements of Assistance League of Tucson, Inc. (a nonprofit organization), which comprise the statement of financial position as of April 30, 2018, and 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 entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements.

Accountant’s 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 consolidated 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.

Accountant’s 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 conformity with accounting principles generally accepted in the United States of America.

Report on 2017 Financial Statements

The financial statements of Assistance League of Tucson, Inc. as of April 30, 2017, were reviewed by other accountants whose report dated November 20, 2017, stated that based on their procedures, they are not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America

Supplementary Information

The supplementary information included on page 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

April 12, 2019

Addington & Associates, PLLC

ADDINGTON & ASSOCIATES, PLLC

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENTS OF FINANCIAL POSITION
April 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 716,495	\$ 639,843
Investments	400,000	400,000
Accounts receivable	-	227
Prepaid expenses	548	4,379
Inventories	172,784	167,571
Property and equipment, net	1,307,484	1,351,678
Total assets	\$ 2,597,311	\$ 2,563,698
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 56,563	\$ 52,256
Deferred dues revenue	11,005	15,229
Other deferred revenue	1,050	2,003
Total liabilities	68,618	69,488
Net assets:		
Unrestricted net assets:		
Designated for future operating needs	749,049	750,676
Designated for future capital expenditures	75,000	24,490
Expended for property and equipment	1,307,484	1,351,678
Undesignated	373,354	342,314
	2,504,887	2,469,158
Temporarily restricted for purchase of property and equipment	23,806	25,052
Total net assets	2,528,693	2,494,210
Total liabilities and net assets	\$ 2,597,311	\$ 2,563,698

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENT OF ACTIVITIES
For the year ended April 30, 2018

	Unrestricted	Temporarily restricted	Total
SUPPORT AND REVENUES:			
Fundraising			
Thrift shop revenue:			
Contributions of merchandise	\$ 570,529	\$ -	\$ 570,529
Sales of donated merchandise	555,641	-	555,641
Less: value of merchandise	(555,641)	-	(555,641)
Net revenue from thrift shop	570,529	-	570,529
Fundraising events and activities:			
Revenue	30,958	-	30,958
Less: Direct costs	(12,622)	-	(12,622)
Net revenue from fundraising events and activities	18,336	-	18,336
Contributions and grants	205,961	-	205,961
Membership	34,676	-	34,676
Interest income	4,348	-	4,348
Other income	2,204	-	2,204
Net assets released from restrictions:			
Satisfaction of purpose restrictions	1,246	(1,246)	-
Total support and revenues	837,300	(1,246)	836,054
EXPENSES:			
Program services			
Operation School Bell ®	403,192	-	403,192
Starting over supplies	114,407	-	114,407
Other programs	67,804	-	67,804
Total program services	585,403	-	585,403
Supporting services			
Fundraising events and activities:			
Thrift shop	89,361	-	89,361
Fundraising events and activities indirect costs	5,085	-	5,085
Management and general	102,019	-	102,019
Membership development	19,703	-	19,703
Total supporting services expenses	216,168	-	216,168
Total Expenses	801,571	-	801,571
Changes in net assets	35,729	(1,246)	34,483
NET ASSETS, BEGINNING OF YEAR	2,469,158	25,052	2,494,210
NET ASSETS, END OF YEAR	\$ 2,504,887	\$ 23,806	\$ 2,528,693

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENT OF ACTIVITIES
For the 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	(472,071)	-	(472,071)
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	(31,564)	-	(31,564)
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	2,064	(2,064)	-
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 program	33,767	-	33,767
Total program services	<u>591,320</u>	<u>-</u>	<u>591,320</u>
Supporting services			
Fundraising events and activities:			
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	17,474	-	17,474
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, BEGINNING OF YEAR	<u>2,501,028</u>	<u>27,116</u>	<u>2,528,144</u>
NET ASSETS, END OF YEAR	<u>\$ 2,469,158</u>	<u>\$ 25,052</u>	<u>2,494,210</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENTS OF CASH FLOWS
For the years ended April 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 34,483	\$ (33,934)
Adjustments to reconcile change in net assets to cash and cash equivalents provided by operating activities:		
Depreciation	55,094	53,695
Change in asset and liability accounts		
(Increase) decrease in assets:		
Accounts receivable	227	4,644
Prepaid expenses	3,831	3,124
Inventories	(5,213)	29,083
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	4,307	9,191
Deferred dues revenue	(4,224)	408
Other deferred revenue	(953)	626
	<u>87,552</u>	<u>66,837</u>
Net cash and cash equivalents provided by operating activities		
Cash flows from investing activities:		
Purchase of fixed assets	(10,900)	(6,076)
	<u>(10,900)</u>	<u>(6,076)</u>
Net cash and cash equivalents (used) by investing activities		
	76,652	60,761
Increase in cash and cash equivalents		
Cash and cash equivalents, beginning	639,843	579,082
	<u>639,843</u>	<u>579,082</u>
Cash and cash equivalents, ending	\$ 716,495	\$ 639,843
	<u>\$ 716,495</u>	<u>\$ 639,843</u>
Supplemental disclosure of cash flow information:		
Cash paid for taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF TUCSON, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended April 30, 2018

	Program Services				Supporting Services					
	Operation School Bell	Starting Over Supplies	Other Programs	Total Program	Thrift Shop	Fundraising events	Manage- ment and general	Membership development	Total supporting services	Total expenses
Bank Charges	\$ -	\$ -	\$ -	\$ -	\$ 9,658	\$ 1,205	\$ 1,577	\$ -	\$ 12,440	\$ 12,440
Chapter dues	-	-	-	-	-	-	-	121	121	121
Depreciation	22,727	5,151	2,423	30,301	18,181	-	6,612	-	24,793	55,094
Conferences	692	-	3,169	3,861	-	453	3,018	1,944	5,415	9,276
Food	-	-	-	-	-	7,746	-	-	7,746	7,746
Hauling	-	-	-	-	2,497	-	94	-	2,591	2,591
Insurance	8,950	-	-	8,950	6,072	-	6,409	-	12,481	21,431
Member activities	-	-	-	-	-	-	458	301	759	759
Miscellaneous	74	-	956	1,030	5,064	544	9,837	60	15,505	16,535
National dues	-	-	-	-	-	-	-	11,650	11,650	11,650
Occupancy:				-					-	
Repairs and maintenance	4,131	1,878	298	6,307	8,140	-	2,035	-	10,175	16,482
Utilities and monthly	13,848	6,294	1,034	21,176	24,471	-	8,112	-	32,583	53,759
Office expenses	1,338	920	518	2,776	582	987	20,867	452	22,888	25,664
Officers and committees	-	-	-	-	-	-	-	1,337	1,337	1,337
Postage and printing	403	-	95	498	-	1,699	883	63	2,645	3,143
Professional services	8,089	3,677	490	12,256	4,085	-	22,815	709	27,609	39,865
Program expenses:										
Bears	-	-	20,899	20,899	-	-	-	-	-	20,899
Books	15,995	-	-	15,995	-	-	-	-	-	15,995
Clothing and personal items	320,682	-	19,544	340,226	-	-	-	-	-	340,226
Kits	-	96,487	-	96,487	-	-	-	-	-	96,487
Transportation	3,947	-	-	3,947	-	-	-	-	-	3,947
Other program expense	2,316	-	18,378	20,694	-	197	214	-	411	21,105
Public relations and advertising	-	-	-	-	1,140	-	18,927	3,066	23,133	23,133
Selling expenses	-	-	-	-	9,471	-	161	-	9,632	9,632
Cost of merchandise	-	-	-	-	555,641	4,876	-	-	560,517	560,517
Total functional expenses	403,192	114,407	67,804	585,403	645,002	17,707	102,019	19,703	784,431	1,369,834
Less expenses netted against revenue on statement of activities:										
Fundraising events and activities direct costs	-	-	-	-	-	(12,622)	-	-	(12,622)	(12,622)
Cost of merchandise sold	-	-	-	-	(555,641)	-	-	-	(555,641)	(555,641)
Total expenses per statement of activities	<u>\$ 403,192</u>	<u>\$ 114,407</u>	<u>\$ 67,804</u>	<u>\$ 585,403</u>	<u>\$ 89,361</u>	<u>\$ 5,085</u>	<u>\$ 102,019</u>	<u>\$ 19,703</u>	<u>\$ 216,168</u>	<u>\$ 801,571</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended April 30, 2017

	Program Services				Supporting Services				Total supporting services	Total expenses
	Operation School Bell	Starting Over Supplies	Other Programs	Total Program	Thrift Shop	Fundraising events	Manage- ment and general	Membership development		
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	-	-	-	-	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	<u>\$ 421,654</u>	<u>\$ 135,899</u>	<u>\$ 33,767</u>	<u>\$ 591,320</u>	<u>\$ 69,244</u>	<u>\$ 21,738</u>	<u>\$ 76,565</u>	<u>\$ 17,474</u>	<u>\$ 185,021</u>	<u>\$ 776,341</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017

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 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), Southern Arizona Child Advocacy Center (SACAC), and EMERGE! Center Against Domestic Abuse 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.

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:

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017 - continued

2. Summary of significant accounting policies – continued

Financial statement presentation – continued

- *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.

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, 2018, based on their short maturities and/or the terms available to the Chapter in financial markets.

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017 - continued

2. Summary of significant accounting policies – continued

Investments - certificates of deposit

Investments consist solely of certificates of deposit and are carried at cost, which approximates fair value. Certificates of deposit are held at a brokerage and bear interest ranging from 1.15% to 1.95% at April 30, 2018. The certificates have laddered maturities ranging from May 2018 to February 2019 with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect to the financial statements. Investment income consists solely of interest income earned on the certificates of deposit totaling \$4,348 and \$2,689 for the years ended April 30, 2018 and 2017, respectively.

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 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.

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, 2018, 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

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017 - continued

2. Summary of significant accounting policies – continued

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, 2018, these volunteers donated approximately 51,519 hours with an estimated value of \$1,282,823. This value was computed using an estimated hourly rate of \$24.90, 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.

Advertising

The Chapter expenses all advertising costs as incurred. Purchased advertising expenses totaled \$22,362 and \$21,210 for the years ended April 30, 2018 and 2017, respectively. Additionally, the Chapter expensed donated advertising totaling \$0 and \$5,995, 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 qualifies 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 Chapter is also exempt from Arizona income taxes under Section 43-1201 of the Arizona Revised Statutes.

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017 - continued

2. Summary of significant accounting policies – continued

Income tax status - continued

The Chapter has applied the provisions of the FASB's ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Under ASC 740-10, nonpublic enterprises, including nonprofit organizations, are required to record a tax liability when substantial uncertainties exist as to whether certain income is exempt from federal, state and local income tax. As of April 30, 2018 and 2017, the chapter had no substantial uncertain income tax positions. The Chapter's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, from the date the returns are filed.

Expense allocation

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

3. Cash and cash equivalents

Cash and cash equivalents at April 30, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Petty Cash	\$ 640	\$ 640
Paypal	4,115	5,113
Cash and checks on hand	120,000	-
Checking:		
Bank of Tucson	72,089	125,064
Chase Bank	66,633	59,180
Northern Trust	193,894	226,329
Wells Fargo	-	17,427
Total Checking accounts	<u>332,616</u>	<u>428,000</u>
Savings:		
Bank of Tucson	144,607	94,402
Chase Bank	80,954	59,885
Merrill Lynch	33,563	29,747
Wells Fargo	-	22,056
Total savings accounts	<u>259,124</u>	<u>206,090</u>
Total cash and cash equivalents	<u>\$ 716,495</u>	<u>\$ 639,843</u>

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017 - continued

4. Leases

The Chapter has a lease for office equipment that expires in January 2022. Rental expense under the lease was \$2,131 and \$1,603 for the years ended April 30, 2018 and 2017, respectively. Future minimum payments for the years ending April 30, 2019, 2020 and 2021 are \$1,908 each year and for the year ended April 30, 2022 are \$1,431.

5. Inventories

Inventories at April 30, 2018 and 2017 consisted of the following:

	2018	2017
New clothing and shoes for use in Operation School Bell Program	\$ 48,822	\$ 63,618
Household goods and supplies for use in SOS program	23,704	16,893
Stuffed bears for use in Teddy Bear program	-	1,690
Used clothing and household items held for sale at thrift shop	<u>100,258</u>	<u>85,370</u>
Total inventories	<u>\$ 172,784</u>	<u>\$ 167,571</u>

6. Property and equipment

Property and equipment consisted of the following at April 30, 2018 and 2017:

	2018	2017
Land	\$ 436,616	\$ 436,616
Buildings and improvements	2,165,694	2,165,694
Furniture and equipment	93,274	82,374
Less accumulated depreciation	<u>(1,388,100)</u>	<u>(1,333,006)</u>
Property and equipment, net	<u>\$ 1,307,484</u>	<u>\$ 1,351,678</u>

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, 2018 were as follows:

Event/Activity	Revenue	Cost of Direct benefits to attendees	Other costs	Net revenue
Fashion Show-Asisteens	\$ 30,958	\$ 12,622	\$ 1,913	\$ 16,423
Total fundraising events and activities	<u>\$ 30,958</u>	<u>\$ 12,622</u>	<u>\$ 1,913</u>	<u>\$ 16,423</u>

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017 - continued

7. Fundraising events and activities, continued

The revenue and related expenses from such events and other fundraising activities for the year ended April 30, 2017 were as follows:

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

8. Other programs

The other program services included in the Statement of Functional Expenses for the years ended April 30, 2018 and 2017 are as follows:

	2018	2017
Assault Survivor Kits ®	\$ 22,528	\$ 10,575
Assisteen Programs	21,185	19,834
Teddy Bear Program	24,091	3,358
	<u>\$ 67,804</u>	<u>\$ 33,767</u>

9. Noncash contributions

During the years ended April 30, 2018 and 2017, in addition to contributions of merchandise to the Chapter's thrift shop, the Chapter received other noncash contributions of services and materials as follows:

	2018	2017
Fundraising events	\$ 4,786	\$ 5,995
Assault Survivor Kits ®	-	290
Operation School Bell supplies	2,316	9,411
	<u>\$ 7,102</u>	<u>\$ 15,696</u>

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

	2018	2017
Fundraising events and activities revenue	\$ 4,786	\$ 5,995
Contributions	2,316	9,701
	<u>\$ 7,102</u>	<u>\$ 15,696</u>

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017 - continued

10. Subsequent events

Management has evaluated subsequent events through April 12, 2019 which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

ASSISTANCE LEAGUE OF TUCSON, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended April 30, 2018

	<u>Chapter</u>	<u>Assistees</u>	<u>Eliminations</u>	<u>Total</u>
SUPPORT AND REVENUES:				
Fundraising				
Thrift shop revenue:				
Contributions of merchandise	\$ 570,529	\$ -	\$ -	\$ 570,529
Sales of donated merchandise	555,641	-	-	555,641
Less: value of merchandise	(555,641)	-	-	(555,641)
Net revenue from thrift shop	<u>570,529</u>	<u>-</u>	<u>-</u>	<u>570,529</u>
Fundraising events and activities:				
Revenue	-	30,958	-	30,958
Less: Direct costs	-	(12,622)	-	(12,622)
Net revenue from fundraising events and activities	<u>-</u>	<u>18,336</u>	<u>-</u>	<u>18,336</u>
Contributions and grants	205,250	711	-	205,961
Membership	29,391	5,285	-	34,676
Interest income	4,348	-	-	4,348
Other income	2,019	185	-	2,204
Total support and revenues	<u>811,537</u>	<u>24,517</u>	<u>-</u>	<u>836,054</u>
EXPENSES:				
Program services				
Operation School Bell ®	403,192	-	-	403,192
Starting over supplies	114,407	-	-	114,407
Other program	49,331	18,473	-	67,804
Total program services	<u>566,930</u>	<u>18,473</u>	<u>-</u>	<u>585,403</u>
Supporting services				
Fundraising events and activities:				
Thrift shop	89,361	-	-	89,361
Fundraising events and activities indirect costs	3,172	1,913	-	5,085
Management and general	101,194	825	-	102,019
Membership development	14,973	4,730	-	19,703
Total supporting services expenses	<u>208,700</u>	<u>7,468</u>	<u>-</u>	<u>216,168</u>
Total Expenses	<u>775,630</u>	<u>25,941</u>	<u>-</u>	<u>801,571</u>
Changes in net assets	35,907	(1,424)	-	34,483
NET ASSETS, BEGINNING OF YEAR	<u>2,439,069</u>	<u>55,141</u>	<u>-</u>	<u>2,494,210</u>
NET ASSETS, END OF YEAR	<u>\$ 2,474,976</u>	<u>\$ 53,717</u>	<u>\$ -</u>	<u>\$ 2,528,693</u>

See accompanying notes and independent accountant's review report.