

**Assistance League of Huntington Beach**

**Financial Statements**

May 31, 2015 and 2014

(With Independent Auditors' Report Thereon)

**Assistance League of Huntington Beach  
Financial Statements  
May 31, 2015 and 2014**

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<u>Table of Contents:</u>	<u>Page No.</u>
<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
<b>Notes to Financial Statements</b>	6

# McGinty, Knudtson & Associates, LLP

## Certified Public Accountants

### Independent Auditor's Report

Board of Directors  
Assistance League of Huntington Beach

We have audited the accompanying financial statements of Assistance League of Huntington Beach (a nonprofit organization), which comprise the statement of financial position as of May 31, 2015, and the related statements of activities, functional expense and cash flows for the year then ended, and the related notes to the financial statements.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assistance League of Huntington Beach as of May 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Report on Summarized Comparative Information

We have previously audited the Assistance League of Huntington Beach 2014 financial statements, and our report dated August 24, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*McGinty Knudtson & Associates, LLP*

McGinty, Knudtson & Associates, LLP  
Huntington Beach, CA

August 28, 2015

**Assistance League of Huntington Beach**  
**Statement of Financial Position**  
**May 31, 2015 (with comparative totals for 2014)**

<b>Assets</b>	<b>5/31/2015</b>	<b>5/31/2014</b>
Cash and cash equivalents (Note 2)	\$ 1,276,825	\$ 1,053,296
Promises to give (Note 3)	1,000	10,000
Accounts receivable	-	1,838
Prepaid expenses	2,634	1,124
Inventory (Note 4)	109,680	90,527
Investments (Note 5)	151,487	144,098
Property and equipment (Note 6)	1,080,560	1,110,294
<b>Total Assets</b>	<b>2,622,186</b>	<b>2,411,177</b>
<b>Liabilities</b>		
Accounts payable	26,041	-
Deferred dues revenue	23,565	22,915
Other payables	9,678	9,249
<b>Total Liabilities</b>	<b>59,283</b>	<b>32,164</b>
<b>Net Assets (Note 7)</b>		
Unrestricted	2,553,304	2,360,414
Temporarily restricted	9,599	18,599
Permanently restricted	-	-
<b>Total Net Assets</b>	<b>2,562,903</b>	<b>2,379,013</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,622,186</b>	<b>\$ 2,411,177</b>

**Assistance League of Huntington Beach**  
**Statement of Activities**  
**For Year Ended May 31, 2015 (with comparative totals for 2014)**

	Year Ended May 31, 2015			Year Ended May 31, 2014 Totals
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>Support and Revenues</b>				
Fundraising:				
Thrift shop revenue:				
Contributions of merchandise	\$ 648,192	\$ -	\$ -	\$ 648,192
Sales of donated merchandise	599,866	-	-	599,866
Less: Value of merchandise sold	(598,131)	-	-	(598,131)
Net revenue from thrift shop	<u>649,927</u>	<u>-</u>	<u>-</u>	<u>649,927</u>
Special events revenue	292,877	1,000	-	293,877
Less: Cost of direct benefits to attendees	(79,471)	-	-	(79,471)
Net revenue from special events	<u>213,406</u>	<u>1,000</u>	<u>-</u>	<u>214,406</u>
Contributions and grants	41,915	-	-	41,915
Oil royalty	3,578	-	-	3,578
Investment return	10,385	-	-	10,385
Membership	30,867	-	-	30,867
Rental income (net of expenses)	(11,142)	-	-	(11,142)
Net assets released from restrictions				
Satisfaction of program restrictions	10,000	(10,000)	-	-
Expiration of time restrictions	-	-	-	-
Net assets restricted for future expenses	-	-	-	-
Total support and revenues	<u>948,936</u>	<u>(9,000)</u>	<u>-</u>	<u>939,936</u>
<b>Expenses</b>				
<b>Program Services</b>				
Operation School Bell	231,708	-	-	231,708
Scholarships	120,521	-	-	120,521
Links to Learning HB	71,053	-	-	71,053
Operation New Beginnings	84,534	-	-	84,534
Other Programs	95,333	-	-	95,333
Total program service expenses	<u>603,149</u>	<u>-</u>	<u>-</u>	<u>603,149</u>
<b>Supporting services</b>				
Thrift shop	102,337	-	-	102,337
Special events	14,315	-	-	14,315
Management and general	13,945	-	-	13,945
Membership development	22,300	-	-	22,300
Total supporting service expenses	<u>152,897</u>	<u>-</u>	<u>-</u>	<u>152,897</u>
Total expenses	<u>756,046</u>	<u>-</u>	<u>-</u>	<u>756,046</u>
Change in net assets	192,890	(9,000)	-	183,890
Beginning net assets	2,360,414	18,599		2,379,013
Ending net assets	<u>\$ 2,553,304</u>	<u>\$ 9,599</u>	<u>\$ -</u>	<u>\$ 2,562,903</u>
				<u>\$ 2,379,013</u>

**Assistance League of Huntington Beach  
Statement of Cash Flows  
For Year Ended May 31, 2015 and 2014**

	<u>5/31/2015</u>	<u>5/31/2014</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 183,890	\$ 212,917
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	36,973	36,548
Loss/(gain) on fixed asset disposal	4,932	-
Net realized and unrealized (gains)/losses on investments	(3,569)	(12,755)
(Increase) decrease in accounts receivable	1,838	(910)
(Increase) decrease in prepaid expenses	(1,510)	(1,086)
(Increase) decrease in inventory	(19,153)	(9,685)
Increase (decrease) in accounts payable	26,041	-
Increase (decrease) in deferred dues	650	2,770
Increase (decrease) in other payables	429	(3,751)
Net cash provided (used) by operating activities	<u>230,520</u>	<u>224,048</u>
<b>Cash flows from investing activities:</b>		
Purchases of investments	(76,225)	(78,620)
Proceeds from sale of investments	81,405	68,971
Proceeds from CDs	-	246,609
Purchase of property and equipment	(12,171)	(11,582)
Net cash provided (used) by investing activities	<u>(6,991)</u>	<u>225,378</u>
<b>Cash flow from financing activities:</b>		
Net cash provided (used) by financing activities	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	223,529	449,426
Cash and cash equivalents at beginning of year	<u>1,053,296</u>	<u>603,870</u>
Cash and cash equivalents at end of year	<u>\$ 1,276,825</u>	<u>\$ 1,053,296</u>

**Assistance League of Huntington Beach  
Statement of Functional Expenses  
For Year Ended May 31, 2015 (with comparative totals for 2014)**

	Program Services						Supporting Services						Year Ended May 31, 2015 Total Expenses	Year Ended May 31, 2014 Total Expenses
	Operation School Bell	Scholarships	Links to Learning HB	New Beginnings	Other Programs	Total Program Services	Thrift Shop	Special Events	Management & General	Membership Development	Total Supporting Services			
Accounting services	\$ 1,105	\$ 368	\$ 368	\$ 737	\$ 1,105	\$ 3,685	\$ 3,685	\$ -	\$ -	\$ -	\$ 3,685	\$ 7,369	\$ 6,629	
Bank charges	14	5	5	10	14	48	14,242	5,610	-	-	19,852	19,900	18,064	
Convention/conference	579	193	193	386	1,872	3,222	1,929	-	-	-	1,929	5,151	5,035	
Depreciation	1,109	739	739	1,479	1,849	5,916	14,419	1,109	15,528	-	31,057	36,973	36,548	
Education	1,411	470	470	941	1,411	4,703	4,703	-	-	-	4,703	9,405	6,675	
Food & entertainment	-	-	-	-	-	-	-	61,334	-	-	61,334	61,334	71,696	
Loss on asset disposal	20	14	14	27	34	109	4,517	20	286	-	4,823	4,932	-	
Membership efforts	-	-	-	-	-	-	192	-	-	1,701	1,893	1,893	1,032	
Miscellaneous	-	-	-	-	-	-	1,560	1,651	-	35	3,245	3,245	3,313	
National dues	-	-	-	-	-	-	-	-	-	13,590	13,590	13,590	11,738	
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	
Utilities	1,351	780	780	1,559	2,009	6,479	15,770	988	3,950	-	20,707	27,186	25,973	
Insurance	533	355	355	711	889	2,843	6,931	533	2,837	-	10,301	13,144	6,092	
Property taxes	290	193	193	387	483	1,546	3,769	290	1,160	-	5,219	6,766	6,684	
Printing	-	-	-	-	-	-	-	5,305	-	2,015	7,320	7,320	6,123	
Program supplies/services	220,357	116,055	66,766	75,781	81,566	560,524	-	-	-	-	560,524	523,080	523,080	
Professional services	1,430	179	-	179	583	2,371	-	3,333	-	-	3,333	5,704	6,890	
Public relations and advertising	2,405	802	802	1,603	2,405	8,015	12,186	800	-	-	12,986	21,001	14,091	
Repairs & maintenance	475	158	158	316	475	1,582	3,945	-	-	-	3,945	5,527	6,110	
Supplies	629	210	210	419	639	2,107	14,068	12,273	1,479	4,960	32,780	34,887	32,637	
Taxes & licenses	-	-	-	-	-	-	421	-	-	-	421	421	311	
Fundraising expenses	-	-	-	-	-	-	-	539	-	-	539	539	118	
<b>Total expenses</b>	<b>231,708</b>	<b>120,521</b>	<b>71,053</b>	<b>84,534</b>	<b>95,333</b>	<b>603,149</b>	<b>102,337</b>	<b>93,786</b>	<b>25,241</b>	<b>22,300</b>	<b>243,664</b>	<b>846,813</b>	<b>788,839</b>	
Less: expenses included with revenue on Statement of Activities	-	-	-	-	-	-	-	79,471	11,296	-	90,767	90,767	96,314	
<b>Total expenses per Statement of Activities</b>	<b>\$231,708</b>	<b>\$ 120,521</b>	<b>\$71,053</b>	<b>\$ 84,534</b>	<b>\$95,333</b>	<b>\$ 603,149</b>	<b>\$102,337</b>	<b>\$ 14,315</b>	<b>\$ 13,945</b>	<b>\$ 22,300</b>	<b>\$ 152,897</b>	<b>\$ 756,046</b>	<b>\$ 692,525</b>	

Assistance League of Huntington Beach  
Notes to Financial Statements  
May 31, 2015 (with comparative totals for 2014)

**Note 1 – Summary of Significant Accounting Policies**

**Nature of Activities** - The Assistance League of Huntington Beach, a California nonprofit corporation, was organized as a chartered chapter of the National Assistance League to carry on a program of philanthropic work in the community and to control and administer at least one major philanthropic project.

The accompanying financial statements include the activities of the League and its auxiliaries, Dreamcatchers and Assisteens (collectively, the Chapter). The Chapter provides the following programs:

1. Operation School Bell provides children referred by local schools with new age-appropriate clothes and shoes.
2. Nursing scholarships provide funds to students enrolled in the nursing program at Golden West College.
3. Links to Learning HB provides grants to teachers for education materials the state does not supply.
4. Operation New Beginnings provides assistance to abused women and children in the community, assistance to returning veterans enrolled at Golden West College, and scholarships through Project Self Sufficiency.
5. El Viento provides education expenses for college students as well as sponsoring the participation of one class of 4<sup>th</sup> graders through their senior year of high school in rigorous programs of study, leadership and enrichment.
6. Other Programs include Dental screenings and education, sponsorships to the Junior Lifeguards Program, Screening Eyes Early, Operation Bear Hug, Operation Share, Glass Slipper, Save Our Seniors, Teachers Assistance Program, Therapeutic Riding Center, South Coast Alliance to the Mentally Impaired, Beach Clean-up, Make a Difference Day, and Birthday in a Bag.

The Chapter's support and revenues come primarily from contributions and other fundraising efforts, as well as operation of a thrift shop.

**Basis of Accounting** – The financial statements of the Chapter have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

**Basis of Presentation** - The financial statement presentation follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit Organizations*. Under this guidance, the Chapter is required to report information regarding its financial position and activities in three classes of net assets as follows:

- Unrestricted net assets are net assets not subject to donor-imposed restrictions or laws.
- Temporarily restricted net assets are net assets subject to donor-imposed restrictions that can be fulfilled by the 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. Investment returns generated from these funds are available for general support of the Chapter's programs and operations unless otherwise stipulated by the donor.

**Comparative Financial Information** - 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Chapter's financial statements for the year ended May 31, 2014, from which the summarized information was derived.



Assistance League of Huntington Beach  
Notes to Financial Statements  
May 31, 2015 (with comparative totals for 2014)

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Fair Value Measurement** – The Chapter measures fair value in accordance with FASB ASC 820, Fair Value Measurements and Disclosures, which applies to all financial instruments that are being measured and reported at fair value. ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy consists of three broad levels: Level 1 measurements consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 measurements consist of observable inputs other than quoted prices for identical assets, and Level 3 measurements are unobservable and significant to the fair value measurement. Level 1 measurements are given the highest priority and Level 3 inputs are the lowest priority.

The Chapter's financial instruments consist primarily of cash, temporary cash investments, inventory, investments, property and equipment, deferred revenue, and payables. The carrying amount of cash, temporary cash investments, inventory, investments, deferred revenue, and payables approximate their fair value at May 31, 2015 and 2014 due to the short-term nature of such instruments.

**Cash and Cash Equivalents** – For purposes of the statement of cash flows, the Chapter considers all highly liquid investments purchased with initial maturity of three months or less to be cash equivalents.

**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 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 gift cards for use in its Operation School Bell and Operation New Beginnings programs, which is stated at market value. The Chapter also maintains an inventory of used clothing and household items donated for resale by a thrift shop operated by the Chapter which is stated at its estimated fair value.

**Investments** – The Chapter carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Restricted gains and investment income whose restrictions are met in the same period the gains or income are recognized are reported as unrestricted revenue.

**Concentration of Credit Risk** – The Chapter may be subject to credit risk to its cash and cash equivalent investments, which are placed with high credit-quality financial institutions. From time to time, the Chapter may have amounts on deposit in excess of the FDIC limits. At May 31, 2015 and 2014, the Chapter's uninsured balances at these institutions total \$167,735 and \$0, respectively. The Chapter has not experienced any losses on its cash or cash equivalents.

**Property and Equipment** – Property and equipment is recorded at cost, or if donated, at approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset as follows:

Buildings and improvements	7 to 39 years
Furniture and equipment	5 to 10 years
Land improvements	15 years

**Deferred Revenue** – Membership dues 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.

Assistance League of Huntington Beach  
Notes to Financial Statements  
May 31, 2015 (with comparative totals for 2014)

**Note 1 – Summary of Significant Accounting Policies (continued)**

**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.

**Donated Services** – No amounts have been reflected in the financial statements for donated services because the criteria for recognition under Accounting Standards Codification (ASC) 958 have not been satisfied. The Chapter pays for most services requiring specific expertise. Donated materials consisted primarily of used clothing and household items donated for resale by the Bargain Box operated by the chapter.

In addition, many individuals volunteer their time and conduct a significant portion of the Chapter's functions and programs. 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 May 31, 2015, these volunteers donated approximately 70,437 hours with an estimated value of \$1,638,365. This value was computed using an estimated hourly rate of \$23.26, based on statistical information for the U.S. Department of Labor. During the year ended May 31, 2014, these volunteers donated approximately 58,052 hours with an estimated value of \$1,321,844. This value was computed using an estimated hourly rate of \$22.77, based on statistical information for the U.S. Department of Labor.

**Tax Status** – The Chapter is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and Revenue and Taxation Code Section 23701d, respectively. Furthermore, the Chapter has been determined not to be a private foundation under Code Section 509(a)(2), and is deemed qualified for the charitable contribution deduction under Section 170(b)(1)(a). The Chapter is subject to tax on unrelated business income, which is generated from its rental activity and investment income not related to their stated exempt purposes. The Chapter had no significant deferred income tax assets or liabilities as of May 31, 2015 and 2014.

The Chapter has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the 2014, 2013 and 2012 tax years, and 2014, 2013, 2012, and 2011 for the California's Franchise Tax Board. However, the Chapter is not currently under audit nor have they been contacted by any jurisdiction. Based on the evaluation of the Chapter's tax positions, the Chapter believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the fiscal years ended May 31, 2015 and 2014.

**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 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.

**Expense allocation** – Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services accordingly.

**Reclassifications** – Some reclassifications have been made to the May 31, 2014 financial statements in order to conform to the May 31, 2015 presentation.

Assistance League of Huntington Beach  
Notes to Financial Statements  
May 31, 2015 (with comparative totals for 2014)

**Note 2 – Cash and Cash Equivalents**

Cash and cash equivalents consist of the following as of May 31:

	2,015	2014
Petty cash	\$ 1,050	\$ 1,050
Checking accounts:		
Comerica Bank	101,912	93,793
American Security Bank	-	13,678
Farmers & Merchants Bank	50,185	17,084
Total checking accounts	152,097	124,554
Savings accounts:		
Comerica Bank - money market	129,635	109,480
Chase - savings	245,580	240,496
Farmers & Merchants Bank - money market	82,088	102,036
Independence Bank - money market	248,639	247,633
Wells Fargo Bank - high yield savings	215,695	155,349
Wells Fargo Bank - money market	202,040	72,698
Total savings accounts	1,123,678	927,692
Total cash and cash equivalents	\$ 1,276,825	\$ 1,053,296

**Note 3 – Promises to Give**

Promises to give consist of the following as of May 31:

	2015	2014
Clothe A Child	\$ 1,000	\$ 10,000

All promises to give are due within one year.

**Note 4 – Inventories**

Inventories consist of the following as of May 31:

	2015	2014
Used clothing and household items held for sale at Thrift Shop	\$ 105,437	\$ 81,758
Gift cards for use in New Beginnings Program	3,270	8,027
Gift cards for use in Operation School Bell Program	-	140
Bears for Project Bear Hug	974	603
Total inventory	\$ 109,680	\$ 90,527

Assistance League of Huntington Beach  
Notes to Financial Statements  
May 31, 2015 (with comparative totals for 2014)

**Note 5 – Investments**

Investments are stated at fair value and consist of the following as of May 31:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
TD Ameritrade:					
Money market	\$ 8,125	\$ -	\$ -	\$ 8,125	\$ 146
Stocks	105,980	-	-	105,980	121,235
Mutual funds	<u>37,382</u>	<u>-</u>	<u>-</u>	<u>37,382</u>	<u>22,716</u>
Total investments	<u>\$ 151,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,487</u>	<u>\$ 144,098</u>

Investment return is summarized as follows for the year ended May 31:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
Interest income	\$ 1,517	\$ -	\$ -	\$ 1,517	\$ 2,452
Dividends	5,299	-	-	5,299	3,399
Net realized gains(losses)	7,101	-	-	7,101	2,618
Net unrealized gains(losses)	<u>(3,532)</u>	<u>-</u>	<u>-</u>	<u>(3,532)</u>	<u>10,136</u>
Total investment return	<u>\$ 10,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,385</u>	<u>\$ 18,605</u>

**Note 6 – Property and Equipment**

Property and equipment consist of the following as of May 31:

	<u>2015</u>	<u>2014</u>
Land	\$ 312,000	\$ 312,000
Land improvements	65,075	65,075
Buildings	653,595	653,595
Building improvements	376,880	376,923
Furniture and equipment	<u>61,636</u>	<u>81,780</u>
	1,469,186	1,489,373
Less: accumulated depreciation	<u>(388,626)</u>	<u>(379,079)</u>
Total property and equipment, net	<u>\$ 1,080,560</u>	<u>\$ 1,110,294</u>

Total depreciation expense for May 31, 2015 and 2014 is \$36,973 and \$36,548, respectively.

Assistance League of Huntington Beach  
Notes to Financial Statements  
May 31, 2015 (with comparative totals for 2014)

**Note 7 – Net Assets**

Net assets were restricted by donors or designated by the Chapter as follows for May 31:

	<u>2015</u>	<u>2014</u>
Unrestricted		
Designated for future operating needs	\$ 1,082,350	\$ 832,800
Designated for capital improvements	100,000	35,000
Designated for philanthropic program expansions	50,000	50,000
Undesignated	<u>1,320,954</u>	<u>1,442,614</u>
Total unrestricted net assets	2,553,304	2,360,414
Temporarily restricted net assets		
Donor restricted	9,599	18,599
Permanently restricted net assets	<u>-</u>	<u>-</u>
 Total net assets	 <u>\$ 2,562,903</u>	 <u>\$ 2,379,013</u>

**Note 8 – Special Events**

The Chapter has one major fundraising event to help fund current operations. The revenue and related expenses from this event for the year ending May 31 are as follows:

	<u>Revenue</u>	<u>Cost of Direct Benefits to Attendees</u>	<u>Other Event Costs</u>	<u>2015 Net Revenue</u>	<u>2014 Net Revenue</u>
Spring Luncheon	\$ 293,877	\$ 79,471	\$ 15,816	\$ 198,590	\$ 182,289
Total Special Events	<u>\$ 293,877</u>	<u>\$ 79,471</u>	<u>\$ 15,816</u>	<u>\$ 198,590</u>	<u>\$ 182,289</u>

**Note 9 – Noncash Contributions**

During the year ended May 31, 2015, the Chapter received contributions of merchandise to the Thrift Shop. The Chapter received a few noncash contributions during the year totaling approximately \$509.

During the year ended May 31, 2014, the Chapter received contributions of merchandise to the Thrift Shop. The Chapter received a few noncash contributions during the year totaling approximately \$15.

**Note 10 – Subsequent Events**

The Chapter has evaluated all subsequent events from May 31, 2015 through the date of this report, August 28, 2015, and noted no events that would have a significant impact on the financial statements.