

ASSISTANCE LEAGUE® OF IRVINE

FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2016

ASSISTANCE LEAGUE® OF IRVINE

FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2016

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Assistance League® of Irvine
Irvine, California

I have reviewed the accompanying financial statements of the Assistance League® of Irvine (a nonprofit corporation), which comprise the statement of financial position as of May 31, 2016, 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 Organization 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 taken as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility

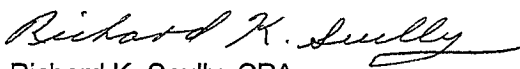
My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am 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.

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from the Organization's May 31, 2015 financial statements, and in my review report dated December 11, 2015, I was 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.



Richard K. Scully, CPA
September 26, 2016

ASSISTANCE LEAGUE® OF IRVINE
STATEMENT OF FINANCIAL POSITION
MAY 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	<u>TOTAL</u> <u>MAY 31, 2016</u>	<u>TOTAL</u> <u>MAY 31, 2015</u>
<u>ASSETS:</u>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 480,031	\$ 416,889
Receivables	765	-
Prepaid expenses	4,459	5,480
Inventory (Note 3)	<u>56,746</u>	<u>54,646</u>
Total Current assets	542,001	477,015
Net Land, Buildings, Property & Equipment (Note 4)	<u>1,183,070</u>	<u>1,193,320</u>
TOTAL ASSETS	<u>\$ 1,725,071</u>	<u>\$ 1,670,335</u>
 <u>LIABILITIES AND NET ASSETS:</u>		
Current liabilities:		
Deferred dues revenue	\$ 7,580	\$ 11,920
Deferred fundraising revenue	<u>5,263</u>	<u>6,343</u>
Total liabilities (all current)	12,843	18,263
Net Assets (Note 6):		
Unrestricted	1,658,306	1,621,929
Temporarily restricted	<u>53,922</u>	<u>30,143</u>
Total Net Assets	<u>1,712,228</u>	<u>1,652,072</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,725,071</u>	<u>\$ 1,670,335</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE
STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL MAY 31, 2016</u>	<u>TOTAL MAY 31, 2015</u>
<u>SUPPORT AND REVENUES:</u>				
Fundraising:				
Thrift shop revenue				
Contributed merchandise	\$ 251,719	\$ -	\$ 251,719	\$ 257,175
Sale of donated merchandise	250,714	-	250,714	247,794
Less: value of merchandise sold	<u>(250,714)</u>	<u>-</u>	<u>(250,714)</u>	<u>(247,794)</u>
Net Revenue from Thrift Shop	251,719	-	251,719	257,175
Special events income (Note 5)	3,541	-	3,541	2,977
Cost of direct benefits to attendees	<u>(2,325)</u>	<u>-</u>	<u>(2,325)</u>	<u>(43)</u>
Net special events	1,216	-	1,216	2,934
Contributions	21,155	54,625	75,780	37,999
Membership	20,951	-	20,951	21,367
Interest and dividend income	<u>24</u>	<u>-</u>	<u>24</u>	<u>31</u>
Support And Revenues	295,065	54,625	349,690	319,506
NET ASSETS RELEASED FROM RESTRICTIONS (Note 6)	<u>30,846</u>	<u>(30,846)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	325,911	23,779	349,690	319,506
<u>EXPENSES:</u>				
Program Services:				
Operation School Bell	133,123	-	133,123	131,687
Young Masters Art Show	19,351	-	19,351	19,714
Grants	37,500	-	37,500	34,500
Trauma kits	1,962	-	1,962	3,100
Other	<u>6,937</u>	<u>-</u>	<u>6,937</u>	<u>5,061</u>
Total Programs Services Expenses	198,873	-	198,873	194,062
SUPPORTING SERVICES:				
Fundraising:				
Thrift shop	56,154	-	56,154	41,768
Management & general	23,876	-	23,876	18,188
Membership development	<u>10,631</u>	<u>-</u>	<u>10,631</u>	<u>8,842</u>
Total Supporting Services Expenses	90,661	-	90,661	68,798
Total Programs and Supporting Expenses	<u>289,534</u>	<u>-</u>	<u>289,534</u>	<u>262,860</u>
TOTAL CHANGE IN NET ASSETS	36,377	23,779	60,156	56,646
NET ASSETS AT BEGINNING OF YEAR	<u>1,621,929</u>	<u>30,143</u>	<u>1,652,072</u>	<u>1,595,426</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,658,306</u>	<u>\$ 53,922</u>	<u>\$ 1,712,228</u>	<u>\$ 1,652,072</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

Program Service

	Operation School <u>Bell</u>	Young Masters <u>Art Show</u>	<u>Grants</u>	Trauma <u>Kits</u>	Other <u>Programs</u>
Accounting	\$ 52	\$ -	\$ -	\$ -	\$ -
Advertising	-	1,298	-	-	-
Assistees recognition	-	-	-	-	-
Bank Charges	-	-	-	-	-
Clothing	113,902	-	-	248	-
National conferences and meetings	3,592	-	-	-	-
Depreciation	3,765	-	-	-	-
Equipment rental	-	5,115	-	-	-
Insurance	1,951	-	-	-	-
Meals and entertainment	-	1,950	-	-	-
NAL dues	-	-	-	-	-
Occupancy:					
Rent	-	2,847	-	-	-
Association dues	3,129	-	-	-	-
Utilities	1,520	-	-	-	-
Maintenance	2,784	-	-	-	-
Public relations	1,049	-	-	-	-
Circle	-	-	-	-	-
Other	-	1,654	-	-	-
Postage and printing	20	3,360	-	-	-
Refreshment	-	644	-	-	-
Scholarships	-	-	37,500	-	-
Supplies	928	2,483	-	1,714	6,937
Telephone	431	-	-	-	-
Value of merchandise sold	-	-	-	-	-
	<u>133,123</u>	<u>19,351</u>	<u>37,500</u>	<u>1,962</u>	<u>6,937</u>
Less: expenses included with revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>\$ 133,123</u>	<u>\$ 19,351</u>	<u>\$ 37,500</u>	<u>\$ 1,962</u>	<u>\$ 6,937</u>

See accompanying notes and independent accountant's review report.

Supporting Services

Total Program <u>Services</u>	Thrift <u>Shop</u>	Management <u>and General</u>	Membership <u>Development</u>	Total Supporting <u>Services</u>	Total <u>2016</u>	Total <u>2015</u>
\$ 52	\$ 90	\$ 3,146	\$ -	\$ 3,236	\$ 3,288	\$ 3,215
1,298	13,805	-	-	13,805	15,103	5,469
-	-	-	1,047	1,047	1,047	655
-	4,282	250	-	4,532	4,532	4,035
114,150	-	-	-	-	114,150	116,930
3,592	6,204	2,788	7,105	16,097	19,689	13,587
3,765	6,504	1,141	-	7,645	11,410	11,270
5,115	-	-	-	-	5,115	4,311
1,951	3,369	1,282	-	4,651	6,602	5,466
1,950	-	-	-	-	1,950	1,550
-	-	-	1,210	1,210	1,210	5,085
2,847	1,144	859	-	2,003	4,850	3,927
3,129	5,404	948	-	6,352	9,481	9,479
1,520	2,768	461	-	3,229	4,749	4,770
2,784	5,463	844	-	6,307	9,091	5,970
1,049	1,813	8,535	-	10,348	11,397	925
-	-	540	-	540	540	500
1,654	25	264	869	1,158	2,812	4,054
3,380	34	1,515	400	1,949	5,329	4,740
644	-	-	-	-	644	840
37,500	-	-	-	-	37,500	34,500
12,062	4,505	1,173	-	5,678	17,740	20,277
431	744	130	-	874	1,305	1,305
-	250,714	-	-	250,714	250,714	247,794
198,873	306,868	23,876	10,631	341,375	540,248	510,654
-	(250,714)	-	-	(250,714)	(250,714)	(247,794)
<u>\$ 198,873</u>	<u>\$ 56,154</u>	<u>\$ 23,876</u>	<u>\$ 10,631</u>	<u>\$ 90,661</u>	<u>\$ 289,534</u>	<u>\$ 262,860</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE
STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	YEAR ENDED MAY 31,	
	2016	2015
<u>OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 60,156	\$ 56,646
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,410	11,270
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Receivables	(765)	-
Prepaid expenses	1,021	(1,527)
Inventory	(2,100)	(10,422)
Increase (decrease) in accounts payable and other		
Deferred dues revenue	(4,340)	(10,460)
Deferred fundraising revenue	(1,080)	1,400
Net cash provided by operating activities	64,302	46,907
<u>INVESTING ACTIVITIES:</u>		
Purchase furniture and equipment	(1,160)	(1,229)
Net cash used in investing activities	(1,160)	(1,229)
<u>FINANCING ACTIVITIES:</u>		
Payments on note payable	-	-
Net cash provided by financing activities	-	-
Net increase (decrease) in cash and cash equivalents	63,142	45,678
Cash and cash equivalents at beginning of year	416,889	371,211
Cash and cash equivalents at end of year	\$ 480,031	\$ 416,889

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

- * Operation School Bell provides new clothing and shoes, school supplies and hygiene kits to children in Irvine schools, and children referred from Irvine's Families Forward and Human Options.
- * Young Masters Art Show was established by the Chapter to exhibit exceptional works of art by Irvine elementary school students. The Art Show is held each spring in conjunction with Imagination Celebration and the Irvine Unified School District and culminates with an afternoon of music, hands-on art projects and fun.
- * Grants are Scholarships for deserving students at Irvine Valley College.
- * Trauma kits provide emergency clothing for victims of domestic violence.

The Chapter's support and revenues come primarily from contributions and other fundraising efforts including special events and 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 recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (FASB ASC 958-205), Financial Statements of Not-for-profit Organizations. Under (FASB ASC 958-205), the Chapter is required to report information regarding its financial position and activities in three classes of net assets, unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Chapter does not have any permanently restricted net assets at May 31, 2016.

See independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Chapter's financial statements for the year ended May 31, 2015, from which the summarized information was derived.

Fair Value Measurements

The Chapter follows FASB ASC 820-10, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in the active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Chapter did not have any investments during the year or at year end. Accordingly, within the fair value hierarchy, the Chapter's investments at fair value as of May 31, 2016 in each of the three levels was \$ -0-.

Cash and Cash Equivalents

Cash and cash equivalents include cash held in checking and money market accounts and certificates of deposit with original maturities of less than 90 days.

See independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016

NOTE 1 - 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 investments. Cash and cash equivalents are maintained at high-quality financial institutions and accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At May 31, 2016, all of the balances were fully insured.

Inventory

The Chapter maintains an inventory of school supplies and backpacks for use in its Operation School Bell program, which is stated at lower of cost or market determined by the first in, first out method. The Chapter also maintains an inventory of used clothing and household items donated by chapter members and others for resale by a thrift shop operated by the Chapter. The value of these donated items is reflected as revenue at the time of sale. The value of the thrift shop inventory held for sale at year-end is determined by a physical count and is reflected as non-cash donations at its fair market value.

Property and Equipment

Property and equipment exceeding \$500 and estimated useful life of 3 years or more are stated at cost or at the fair value of the date of donation in the case of donated assets. The Chapter provides for depreciation of property and equipment by use of the straight-line and double declining balance methods over the estimated useful lives as follows:

Computer equipment	5 years
Office equipment	5 years
Store fixtures	5 years
Warehouse equipment	5 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.

See independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted and Unrestricted Support and Revenue

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

Almost all of the Chapter's program service, fundraising and administrative functions 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 May 31, 2016, these volunteers donated approximately 28,689 hours with an estimated value of \$674,192. This value was computed using an estimated hourly rate of \$23.50, based upon the average hourly earnings of nonagricultural workers for the time period as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits.

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 state income taxes under Section 23701 (d) of the Revenue and Taxation Code of the State of California.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

See independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Expenses

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 benefited.

Deferred Revenue

Membership dues and special event revenue collected prior to the fiscal year to which they apply are deferred and recognized over the periods to which the dues and the revenues relate.

Financial Instruments

The Chapter's financial instruments, none of which are held for trading purposes, include cash, cash equivalents and investments. The Chapter estimates that the fair value of all financial instruments at May 31, 2016 does not differ materially from the aggregate carrying values of the financial instruments recorded in accompanying Statement of Financial Position.

Subsequent Events

Subsequent events have been evaluated by management through September 26, 2016, which is the date the financial statements were available to be issued.

See independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016

NOTE 2- CASH AND CASH EQUIVALENTS

Cash and cash equivalents at May 31, 2016 consist of the following:

Cash on hand	\$ 255
Checking accounts:	
Bank of America	191,432
Wells Fargo	32,366
Union Bank of California	215,408
Savings accounts:	
Wells Fargo	<u>40,570</u>
Total Cash and Cash Equivalents	<u>\$ 480,431</u>

As of May 31, 2015, cash and cash equivalents are \$53,922 restricted and \$426,109 unrestricted.

NOTE 3 - INVENTORY

Inventories at May 31, 2016 consisted of the following:

Used clothing and household items held for resale at thrift shop	\$ 53,419
School supplies and backpacks for use in its Operation School Bell program	<u>3,327</u>
Total inventories	<u>\$ 56,746</u>

See independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE
 NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at May 31, 2015:

Land	\$ 832,318
Building	416,384
Furniture & fixtures	9,486
Equipment	<u>6,654</u>
	1,264,842
Less accumulated depreciation	<u>(81,772)</u>
 TOTAL PROPERTY AND EQUIPMENT	 <u>\$ 1,183,070</u>

Depreciation expense was \$ 11,410 for May 31, 2016.

NOTE 5 – FUNDRAISING ACTIVITIES

The Chapter held one fundraising activity during the year. Income and expense for the major fund-raiser for the year ended May 31, 2016 consisted of:

	<u>Revenues</u>	Cost of Direct Benefits to <u>Attendees</u>	Other Event <u>Costs</u>	<u>Net Revenue</u>
Sees Candy sales	<u>\$ 3,541</u>	<u>\$ 2,325</u>	<u>\$ -0-</u>	<u>\$ 1,216</u>
	<u>\$ 3,541</u>	<u>\$ 2,325</u>	<u>\$ -0-</u>	<u>\$ 1,216</u>

See independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE
 NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016

NOTE 6 – NET ASSETS

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors.

Purpose restrictions fulfilled:

Operation School Bell	\$ 24,625
Capital Campaign	3,221
Young Masters Art Show	<u>3,000</u>
Total released from restrictions	<u>\$ 30,846</u>

At May 31, 2016, net assets were restricted by donors or designated by the Chapter as follows:

Unrestricted net assets:	
Designated for future operating needs	\$ 292,160
Undesignated	<u>1,366,146</u>
Total unrestricted net assets	<u>1,658,306</u>
Temporarily restricted net assets:	
Restricted for philanthropic projects by	
Capital Campaign	46,779
UUMC Scholarship grant	2,000
The Assisteens auxiliary	<u>5,143</u>
Total temporarily restricted net assets	<u>53,922</u>
Total net assets	<u>\$ 1,712,228</u>

NOTE 7 – NONCASH CONTRIBUTIONS

During the year ended May 31, 2016, in addition to contributions of merchandise to the Chapter's thrift shop, the Chapter received other noncash contributions of materials that have been reflected in the financial statements of the Chapter as follows:

Program supplies	\$ 5,945
Advertising	<u>9,129</u>
Total noncash contributions	<u>\$ 15,074</u>

See independent accountant's review report.