

FINANCIAL COMPLIANCE REPORT

Assistance League of Capistrano Valley Year ended 5/31/17

Please read the attached *Instructions for Financial Compliance Report* carefully before completing this form. The information inserted below should be the combined information for the chapter and its auxiliaries.

If completing this form on a computer, the shaded boxes are fields that can be filled in or check boxes that may be selected. Click on a shaded box and type the information requested, or click the check box to activate it. Move between fields using the Tab key or the arrow keys.

This form has been completed by the Treasurer <input checked="" type="checkbox"/> or by another chapter member <input type="checkbox"/> .	
Any questions the National Finance Committee may have should be directed to (please insert the name of a chapter member who completed or reviewed this form and who is familiar with the chapter's financial statements):	
Name: <u>Denise O'Donnell</u> Position <u>Treasurer</u> Phone: _____	
Email: _____ Fax: _____	

	In Compliance?		
	Yes	No	
Note: Amounts to be inserted below are to be from the audited/reviewed financial statements unless otherwise noted.			
1. Audit/Review Report from CPA: a. The financial statements have been reviewed <input checked="" type="checkbox"/> or audited <input type="checkbox"/> by a CPA. (Audit required if gross receipts exceed \$750,000 averaged over three (3) years.) b. Please note any exceptions or departures from GAAP noted in the audit or review report: _____ _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2. Notes to Financial Statements include: a. Disclosure of the number of members' volunteer hours donated but not recognized # of Hours disclosed in Notes to Financial Statements: <u>21,937</u> b. Estimated value of members' volunteer hours donated (recommended, but not required) Value disclosed in Notes to Financial Statements: \$ <u>535,702</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
3. The chapter's total deposits (including auxiliaries) in any one financial institution do not exceed the maximum insured amount.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4. Costs of direct benefits to attendees of fundraising events and cost of merchandise sold are reported as line items deducted from related revenue.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5. Program service expenses are at least 65% of total expenses. <i>Note: Deduct cost of direct benefits to attendees of fundraising events and cost of merchandise sold from total expenses, if those items were reported in the expense section of the Statement of Activities (e.g., answer to #4 above is "No").</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Column 1 Total program service expense	Column 2 Total expenses	Column 3 % spent on program activities (Col 1 ÷ by Col 2)	Column 4 Is Column 3 greater than or equal to 65%?
160,490	245,707	65%	Yes

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Note: Amounts to be inserted below are to be from the audited/ reviewed financial statements, unless otherwise noted.				In Compliance?	
				Yes	No
6. Fundraising expenses are no more than thirty-five percent (35%) of support and revenue. <i>Note: Support and revenue shall be reduced by program service revenue and investment income. Cost of direct benefits to attendees of fundraising events and cost of merchandise sold should be deducted from fundraising expenses and support and revenue, if those items were reported in the Expense section of the Statement of Activities (e.g., answer to #4 above is "No").</i>				<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Column 1		Column 2		
a Total support and revenue	256,882	e Thrift shop expenses	44,476		
Less:		f Activity/Event expenses (Note 10)			
b Program service revenue	()	g Other fundraising expenses			
c Investment income	(48)	h Total fundraising expenses	44,476		
d Adjusted support and revenue	256,834	i Column 2 ÷ Column 1 =	17%		
<i>(should be less than 35%)</i>					
7. Reserve Funds: The chapter has <u>unrestricted</u> cash and cash equivalents, investments or other current assets (which may include program service and thrift shop inventories, promises to give and prepaid expenses) sufficient for one (1) year's total operating expenses.				<input checked="" type="checkbox"/>	<input type="checkbox"/>
a Cash and cash equivalents	265,550	g Total operating expenses per approved budget for next fiscal year	287,546		
b Investments		<i>(Line g should be less than or equal to Line f)</i>			
c Program service inventory	37,938				
d Thrift shop inventory	34,078				
e Other current assets	9,986				
f Total current assets available for use	347,552				
8. Unrestricted net assets are not more than three (3) times the size of the past year's total operating expenses or three (3) times the size of the current year's total operating expenses, whichever is higher. <i>Note: If this ratio is greater than three (3), unrestricted net assets may be adjusted by subtracting the value of any fixed assets (e.g., land, buildings, equipment, etc.), net of any related indebtedness, and the ratio recalculated.</i>				<input checked="" type="checkbox"/>	<input type="checkbox"/>
a Total expenses per audited or reviewed financial statements	245,707	f Unrestricted net assets			
b Total expenses per approved budget for next fiscal year	287,546	g Less: property & equipment, net of accumulated depreciation	()		
c Greater of Line a or Line b	287,546	h Plus: mortgages and other debt related to property & equipment			
d Unrestricted net assets	470,487	i Adjusted unrestricted net assets			
e Ratio (Line d ÷ Line c)	1.6	j Adjusted Ratio (Line i ÷ Line c)			
<i>If Line e is equal to 3 or less, chapter is in compliance. If Line e is greater than 3, go to Line f.</i>		<i>If Line j is equal to 3 or less, chapter is in compliance. If line j is greater than 3, chapter is <u>not</u> in compliance.</i>			

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Note: Amounts to be inserted below are to be from the audited/ reviewed financial statements, unless otherwise noted.							In Compliance?	
							Yes	No
9. Each fundraising activity and event realized a surplus of at least fifty percent (50%). Retail activities (e.g., thrift, consignment, gift and costume shops and resale of purchased items) realized a surplus of at least fifty percent (50%) of gross surplus (sales less cost of merchandise sold). Items whose selling price is restricted by the supplier (e.g., scrip, candies, etc.) realized a reasonable surplus. Amounts inserted below should be the <u>unrestricted</u> amounts from the Statement of Activities. When inserting amounts for thrift shops, Column 1 is Contributions of Merchandise <u>plus</u> the Sales of Donated Merchandise and Column 2 is the Value of Merchandise Sold from the Statement of Activities. <i>(If more lines are needed for listing fundraising activities, attach an additional schedule using a similar format and include totals from the schedule on Line k.)</i>								
	Column 1	Column 2 Cost of Merchandise Sold	Column 3 Gross Surplus (Col 1 less Col 2)	Column 4 Other Expenses	Column 5 Net Surplus (Col 3 less Col 4)	Column 6 % Realized (Col 5 ÷ Col 3)		
Retail Activities:	Revenue							
Line								
a Thrift shop	325,555	164,778	160,777	44,476	116,301	72%	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Sees Candy	23,762	16,007	7,755		7,755	100%	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c						%	<input type="checkbox"/>	<input type="checkbox"/>
d						%	<input type="checkbox"/>	<input type="checkbox"/>
	Column 7	Column 8 Cost of Direct Benefits *	Column 9 Gross Surplus (Col 7 less Col 8)	Column 10 Other Expenses	Column 11 Net Surplus (Col 9 less Col 10)	Column 12 % Realized (Col 11 ÷ Col 7)		
Fundraising events & activities (list):	Revenue							
Line								
e Fall Event	37,492	7,753	29,739		29,739	79%	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f Other Events	6,365	7	6,358		6,358	99.9%	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g						%	<input type="checkbox"/>	<input type="checkbox"/>
h						%	<input type="checkbox"/>	<input type="checkbox"/>
i						%	<input type="checkbox"/>	<input type="checkbox"/>
j						%	<input type="checkbox"/>	<input type="checkbox"/>
k						%	<input type="checkbox"/>	<input type="checkbox"/>
Fundraising events & activities totals**								
* Cost of direct benefits to attendees of fundraising events and cost of merchandise sold. ** Totals should agree to financial statement note.								
10. Member <u>social</u> activity expenses were funded only by member <u>social</u> revenues.							<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. A digital copy of the completed IRS Form 990 has been submitted to FCRreview@assistanceleague.org along with digital copies of the audited or reviewed financial statements, the completed Financial Compliance Report and, if an audit is performed, the management letter from the CPA, by the due date.							<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Note: Amounts to be inserted below are to be from the audited/ reviewed financial statements, unless otherwise noted.		In Compliance?	
		Yes	No
12. Thrift shop/pass-through program expense may not be more than 10% of all dollars expended for philanthropic programs (including allocations) or 10% of all dollars reported as thrift shop gross surplus.		<input checked="" type="checkbox"/>	<input type="checkbox"/>
a Thrift shop/pass-through program expense			
b Total program service expense	160,490		
c Thrift shop gross surplus	160,777		
d 10% of the lesser of Line b or Line c	16,049		
e Ratio (Line a ÷ Line d)			
<i>If Line e is less than 1, chapter is in compliance.</i>			
Describe how the program is operated and how the value of those items is determined. _____			
13. Additional information about fundraising activities to be provided. Information necessary to complete the following should be available in the audited or reviewed financial statements and/or other chapter financial records. The purpose of this information is to have accurate information regarding chapter and auxiliary fundraising activities to enter into a database which will benefit all chapters.			
	Revenue	Expenses	
a Direct mail solicitations			
b Online solicitations			
c Grants			
d Capital campaigns			
d Planned giving			
e Bequests and memorials			
e Endowments			
f Other *			Description
1.			
2.			
3.			
* List any other fundraising revenue that does not fit into any of the above categories and is not listed under Item #9.			

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Explanation of items checked off as "not in compliance" (attach another page if more room is needed):

Email completed form to FCRreview@assistanceleague.org along with the other items required to be sent (see Item 11 for items required).

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