

ASSITANCE LEAGUE OF THE ANTELOPE VALLEY  
REVIEWED FINANCIAL STATEMENTS  
APRIL 30, 2016  
(With comparative numbers for April 30, 2015)

**Assistance League of Antelope Valley  
April 30, 2016 and 2015**

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## ACCOUNTANTS' REVIEW REPORT

The Board of Directors  
Assistance League of Antelope Valley  
Lancaster, California

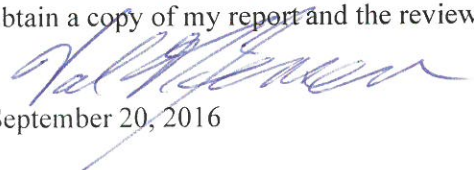
I have reviewed the accompanying Statement of financial position of the Assistance League of Antelope Valley. (a not-for-profit organization) as of April 30, 2016 and 2015 and the related statements of activities and net assets, functional expenses and cash flows and supplemental information for the years then ended. These financial statements are the responsibility of the Organization's Management. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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, I do not express such an opinion.

Management is responsible for the preparation and the fair presentation of the 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 financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements; I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements and supplemental information in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The financial statements for 2015 presented do not included all disclosures. The reader should obtain a copy of my report and the reviewed financial for the fiscal year 2015.

  
September 20, 2016

**Assistance League of Antelope Valley**  
**Statement of Financial Position April**  
**30, 2016**  
(With Comparative Totals for 2015)

	2016	2015
<b><u>Assets</u></b>		
<b>Assets</b>		
Cash and cash equivalents	\$ 275,935	\$ 265,270
Inventory	4,406	9,650
Prepaid expenses and other current assets	1,360	1,436
Property and equipment		
Net of accumulated depreciation	552,427	576,004
Total assets	<u>\$ 834,128</u>	<u>\$ 852,360</u>
<b><u>Current Liabilities</u></b>		
<b>Current Liabilities</b>		
Total current liabilities	<u>0</u>	<u>0</u>
Total liabilities	<u>0</u>	<u>0</u>
<b>Net Assets</b>		
Unrestricted funds	<u>834,128</u>	<u>852,360</u>
Total net assets	<u>834,128</u>	<u>852,360</u>
Total liabilities and net assets	<u>\$ 834,128</u>	<u>\$ 852,360</u>

Assistance League of Antelope Valley  
INCOME STATEMENT  
04/30/2016 and 2015

	2016	%	2015	%
<b>SUPPORT AND REVENUES</b>				
<b>FUNDRAISING</b>				
THRIFTS SHOP REVENUE				
Sales of donated merchandise	\$ 82,157	36.78	\$ 100,692	38.84
Contributions of donated merchandise	53,402	23.91	65,348	25.21
Less Value of Merchandise sold	(58,646)	(26.26)	(64,966)	(25.06)
Net revenue for Thrift Shop	<u>76,913</u>	<u>34.43</u>	<u>101,074</u>	<u>38.99</u>
 SPECIAL EVENTS REVENUE	 86,706	 38.82	 93,561	 36.09
Less: Direct Benefits to Attendees	(1,521)	(0.68)	(1,241)	(0.48)
Net revenue from Special Events	<u>85,185</u>	<u>38.14</u>	<u>92,320</u>	<u>35.61</u>
 <b>REVENUES</b>				
PROGRAM SERVICES				
Preschool	364	0.16	46,308	17.86
Contributions	2,859	1.28	4,486	1.73
Membership	9,531	4.27	8,671	3.34
Interest revenue	507	0.23	389	0.15
Rental income	48,000	21.49	6,000	2.31
Total revenue	<u>61,261</u>	<u>27.43</u>	<u>65,854</u>	<u>25.40</u>
Total support and revenues	<u>223,359</u>	<u>100.00</u>	<u>259,248</u>	<u>100.00</u>
 <b>FUNCTIONAL EXPENSES</b>				
PROGRAM SERVICES				
Preschool	10,722	4.80	160,844	62.04
Other program expenses	14,252	6.38	0	0.00
Operation school bell	25,007	11.20	0	0.00
Total Program services	<u>49,981</u>	<u>22.38</u>	<u>160,844</u>	<u>62.04</u>
 SUPPORTING SERVICES				
Thrift shop	62,344	27.91	59,410	22.92
Special events	36,608	16.39	32,494	12.53
Management and general	80,586	36.08	38,094	14.69
Membership development	12,072	5.40	10,164	3.92
Total Supporting services expense	<u>191,610</u>	<u>85.79</u>	<u>140,162</u>	<u>54.06</u>
Total functional expenses	<u>241,591</u>	<u>108.16</u>	<u>301,006</u>	<u>116.11</u>
Change in assets	(18,232)	(8.16)	(41,758)	(16.11)
NET ASSETS - Beginning of year	<u>852,360</u>	<u>381.61</u>	<u>894,118</u>	<u>344.89</u>
NET ASSETS - End of Year	<u>\$ 834,128</u>	<u>373.45</u>	<u>\$ 852,360</u>	<u>328.78</u>

**Assistance League of Antelope Valley**  
**STATEMENT OF CASH FLOWS**  
**For the year ended April 30, 2016**  
(With comparative totals for 2015)

	2016	2015
Cash flows from operating activities		
Change in Net Assets	\$ (18,232)	\$ (41,757)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23,577	23,747
(Increase) decrease in prepaid expenses	76	2,786
(Increase) decrease in inventories	5,244	(1,546)
Increase (decrease) in accounts payable	0	(4,518)
Increase (decrease) in accrued liabilities	0	(1,052)
(Increase) decrease in other assets	0	0
Total adjustments	28,897	19,417
Net cash provided (used) by operating activities	10,665	(22,340)
Cash flow from investing activities:		
Cash payments for the purchase of property	0	(10,400)
Net cash provided (used) by investing activities	0	(10,400)
Net increase (decrease) in cash and equivalents	10,665	(32,740)
Cash and equivalents, beginning of year	265,270	298,010
Cash and equivalents, end of year	\$ 275,935	\$ 265,270

See Accountant's Review Report.

The accompanying Notes to Financial Statements are an integral part of these statements.

ASSISTANCE LEAGUE OF ANTELOPE VALLEY  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Assistance League of Antelope Valley (the Chapter) is a nonprofit corporation and is a chartered chapter of National Assistance League. The accompanying financial statements include the activities of Assistance League of Antelope Valley and its auxiliaries: Models and Heartline, Auxiliary 1 and Auxiliary 2 (collectively, the Chapter). The Chapter provides the following programs:

- **Preschool:** The chapter owns a preschool facility located in Lancaster, California. The Chapter leases this facility to a not-for-profit facility which provides low-cost daycare to families in the Antelope Valley. This lease is at less than fair market value for the area – providing a charitable benefit to the low income families of the local area.
- **Operation School Bell:** This is Assistance League's national philanthropic program that provides clothing and supplies to children. Chapters research specific needs in their local communities; then develop, fund and implement programs that support children in need. ALAV provides backpacks w/ school supplies to children in K-12, 4000+ bags in this past year. Additionally, gift cards (\$50-\$100) are given to children with their parent(s) at various local stores with member oversight. This was several events in the past year helping over 200 children identified by schools as needing assistance.
- **Assault Survivor Kits:** ALAV is working with the Antelope Valley Hospital Forensic Sciences Unit to meet the needs of victims of assault. For example, when a victim's clothing must be gathered as evidence, this program provides clothing, shoes and other necessities including hygiene/toiletries. We also provide an educational forum with experts on various subjects relating to victim's needs, for the community. This provides information to local citizens, law enforcement, healthcare providers and other first responders.
- **Winter Coat Program:** This is a community effort in which ALAV collects winter coats throughout the year with the help of retail collection boxes. We are assisted by a local dry cleaner once collected and then deliver them to the local homeless shelter, Forensic Sciences Unit or any other community group that serves the homeless.
- **One and Done Projects:** When a community need arises unexpectedly ALAV membership reviews requests for single assistance programs. For example, local schools music departments having no budget for instruments would provide a list of needs. We would shop for those items with a specific budget and present them to the individual schools. Each request would be reviewed by committee, board and general membership.
- The Chapter's support and revenues come primarily from contributions, real estate leasing, and other fundraising efforts including special events and operation of a thrift shop located in Lancaster, California

B. 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.

C. Financial Statement Presentation

The statements are presented in accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) {958-205-45-2}, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC {958-205-45-2}, the Chapter is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### D. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose of restrictions.

#### E. 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 of the year ended April 30, 2015, from which the summarized information was derived.

#### F. Property, Equipment and Depreciation

Property and equipment are stated at cost or at the fair value at the date of donation for donated assets. The capitalization policy is to capitalize assets with a value of \$400 or more. The Chapter uses the straight-line method to determine depreciation and amortization expense for property and equipment over the estimated useful lives as follows:

Building and Improvements	10- 45 years
Furniture and Equipment	5 - 10 years
Equipment under Capital Lease	6 years
Vehicles	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. Depreciation expense was \$23,577 and \$23,747 for the years ended April 30, 2016 and 2015, respectively.

#### G. Use of Estimates

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

#### H. Functional Expenses

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



#### I. Donated Materials and Services

Significant materials and services are donated to the Chapter by various individuals, Chapters, and other organizations. Donated materials of \$53,402 and \$65,348 in 2016 and 2015, respectively, are reflected in the accompanying financial statements at their fair values at the date of donation. The donated materials consist primarily of used clothing and household items donated by Chapter members and others for resale by a thrift shop operated by the Chapter.

In addition, a significant portion of the Chapter's functions and programs is conducted by unpaid volunteers. The value of this contributed time which does require specialized skills is not reflected in the accompanying financial statements. During the year ended April 30, 2016 and 2015, volunteers donated approximately 3,630 and 12,320 hours with an estimated value of \$85,305 and \$286,022, respectively. This value was computed by using an estimated hourly rate of \$23.50 and \$23.25 based upon the average hourly earnings of non-agricultural workers for the year ended April 30, 2016 and 2015, respectively, as determined by the U.S. Department of Labor Statistics, plus 12% for estimated fringe benefits.

#### J. Restricted and Unrestricted 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 the donor's 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 is reported as unrestricted support.

#### K. Income Taxes

The Chapter is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). 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 California Revenue and Taxation Code Section 23701d.

#### L. Cash and Cash Equivalents

For purposes of reporting cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less are considered to be cash equivalents.

#### M. Compensated Absences

Accumulated vacation benefits are recorded as liabilities on the books of the Chapter. The Chapter's policy is to record sick and holiday pay as operating expenses in the period sick leave or holiday is taken. As of April 30, 2016, the total compensated absence liability for accumulated vacations was \$0.

#### N. 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, accounts receivable and accounts payable, approximate the carrying values at April 30, 2016, and 2015, based on their short maturities and/or the terms available to the chapter in financial markets.

#### O. 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. The balance of deferred revenue at April 30, 2016 and 2015 was -0- and -0-, respectively.

#### NOTE 2-CASH

Cash and cash equivalents at April 30, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Cash on Hand	\$ <u>460</u>	\$ <u>460</u>
Checking Accounts:		
California Bank & Trust	177,015	155,796
Wells Fargo	<u>1,635</u>	<u>12,435</u>
Total Checking Accounts	<u>\$178,650</u>	<u>\$ 168,231</u>
Savings Accounts:		
American Securities Bank CD	70,368	70,122
I Huiatt Bank CD	<u>26,457</u>	<u>26,457</u>
Total Savings Accounts	<u>96,825</u>	<u>96,579</u>
Total	<u>\$ 275,935</u>	<u>\$ 265,275</u>

All cash and certificates of deposit are deposited into institutions that are insured or collateralized by the Federal Deposit Insurance Chapter (FDIC). Under FDIC guidelines each depositor's accounts are insured to an aggregate of \$250,000. The Chapter did not have deposits in any financial institution in excess of the insured amount.

#### NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment as of April 30, 2016 and 2015 is as follows:

Balance April 30,	<u>2016</u>	<u>2015</u>
Land	\$84,099	\$ 84,099
Buildings and Improvements	882,072	882,072
Equipment	80,155	80,155
Other	<u>3,445</u>	<u>3,445</u>
Totals	1,049,771	1,049,771
Accumulated Depreciation	( <u>497,344</u> )	( <u>473,767</u> )
Net Property and Equipment	<u>\$ 552,427</u>	<u>\$ 576,004</u>

#### NOTE 4 - INVENTORIES

Inventories at April 30, 2016 and 2015 consisted of the following:

<u>2016</u>	<u>2015</u>
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Used clothing and household items held for sale at the thrift shop:	\$ 4,406	\$ 9,650
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#### NOTE 5 - NET ASSETS

At April 30, 2016 and 2015 net assets were designated by the Chapter as follows:

##### Unrestricted Net Assets:

	<u>2016</u>	<u>2015</u>
Designated for future Operating Needs	\$ 220,000	\$ 220,000
Designated for Building Improvements	-0-	-0-
Undesignated	<u>614,128</u>	<u>632,360</u>
Total Unrestricted Net Assets	<u>\$ 834,128</u>	<u>\$852,360</u>

### SUPPLEMENTARY INFORMATION

#### NOTE 6 - SPECIAL EVENTS

The Chapter has various fundraising events to help fund current operations. The revenue and related expenses from such events for the year ending April 30, 2016 and 2015 are as follows:

<u>2016 Events</u>	<u>Revenues</u>	<u>Attendees</u>	<u>Costs</u>	<u>Revenue</u>
Designer Showcase	\$ 30,820	\$ -0-	\$13,213	\$ 17,607
Golf Tournament	48,175	1,521	17,219	29,435
Aven's Show - Auxiliary	3,650	-0-	4,345	( 695)
Auctions and other events	<u>4,061</u>	<u>-0-</u>	<u>1,831</u>	<u>2,230</u>
Total Special Events	<u>\$ 86,706</u>	<u>\$ 1,521</u>	<u>\$36,608</u>	<u>\$ 48,577</u>

<u>2015 Events</u>	<u>Revenues</u>	<u>Attendees</u>	<u>Costs</u>	<u>Revenue</u>
Designer Showcase	\$ 35,102	\$ -0-	\$11,945	\$ 23,187
Golf Tournament	41,408	1,214	12,531	27,636
Aven's Show - Auxiliary	5,899	-0-	2,638	3,261
Auctions and other events	<u>11,151</u>	<u>-0-</u>	<u>5,410</u>	<u>5,741</u>
Total Special Events	<u>\$ 93,561</u>	<u>\$ 1,214</u>	<u>\$32,494</u>	<u>\$59,825</u>

#### NOTE 7 - LEASE COMMITMENTS

##### A. Operating Leases

As of April 30, 2016 the Chapter had not entered into an operating lease for office space with a period extending longer than twelve months. The minimum future rental commitments under this non-cancelable operating lease for the Chapter's office space are as follows:

##### B. Capital Leases

The Chapter has not entered into any capital leases, providing the title to pass to the Chapter at the end of the lease period.

#### **NOTE 8 – SUBSEQUENT EVENTS**

Subsequent to the year end, the Chapter discontinued operating the thrift shop. Remaining inventory was donated to other charities.