

**ASSISTANCE LEAGUE OF NORMAN**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MAY 31, 2016**  
**WITH REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

# PETERS & CHANDLER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Assistance League of Norman

We have audited the accompanying financial statements of Assistance League of Norman (a nonprofit organization), 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.

### *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 of 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 Norman as of May 31, 2016, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Report on Summarized Comparative Information*

We have previously audited the Assistance League of Norman's 2015 financial statements, and our report dated November 11, 2015, 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, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Ates + Chandler".

CERTIFIED PUBLIC ACCOUNTANTS

Oklahoma City, Oklahoma  
October 10, 2016

ASSISTANCE LEAGUE OF NORMANSTATEMENT OF FINANCIAL POSITIONMAY 31, 2016

	<u>2016</u>	<u>2015</u>
		<u>COMPARATIVE</u>
		<u>TOTAL</u>
<u>ASSETS</u>		
Cash and Cash Equivalents (Note 2)	\$ 593,060	\$ 416,977
Certificates of Deposit (Note 3)	72,816	72,816
Investments (Notes 4 and 7)	-	206,429
Accounts Receivable	4,956	1,645
Prepaid Expenses	28,403	28,331
Inventories (Note 5)	196,420	191,775
Property and Equipment, Net (Note 6)	1,527,254	1,572,964
Beneficial Interest in Assets Held by Others (Notes 7, 8, and 9)	<u>603,925</u>	<u>653,157</u>
<u>Total Assets</u>	<u>\$ 3,026,834</u>	<u>\$ 3,144,094</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accounts Payable	\$ 16,226	\$ 27,930
Deferred Dues Revenue	<u>30,675</u>	<u>34,235</u>
<u>Total Liabilities</u>	<u>\$ 46,901</u>	<u>\$ 62,165</u>
<u>Net Assets (Note 10)</u>		
Unrestricted	\$ 2,399,709	\$ 2,454,395
Temporarily Restricted	130,224	177,534
Permanently Restricted	<u>450,000</u>	<u>450,000</u>
<u>Total Net Assets</u>	<u>\$ 2,979,933</u>	<u>\$ 3,081,929</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 3,026,834</u>	<u>\$ 3,144,094</u>

ASSISTANCE LEAGUE OF NORMANSTATEMENT OF ACTIVITIESFOR THE YEAR ENDED MAY 31, 2016

	2016			2015	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	COMPARATIVE TOTAL
<u>Support and Revenue</u>					
Fundraising					
Special Events and Other Fundraising					
Activities Revenue (Note 11)					
Revenue	\$ 180,714	\$ -	\$ -	\$ 180,714	\$ 189,219
Less: Direct Costs	(51,786)	-	-	(51,786)	(63,961)
<u>Net Revenue from Special Events</u>	\$ 128,928	\$ -	\$ -	\$ 128,928	\$ 125,258
Program Service Revenue	37,045	-	-	37,045	40,946
Contributions and Grants	101,064	-	-	101,064	69,528
Membership	39,827	-	-	39,827	45,441
Interest	3,957	-	-	3,957	2,162
Investment Income	(47)	(16,327)	-	(16,374)	35,170
Net Assets Released from Restrictions					
Satisfaction of Purpose Restrictions	30,983	(30,983)	-	-	-
<u>Total Support and Revenue</u>	\$ 341,757	\$ (47,310)	\$ -	\$ 294,447	\$ 318,505
<u>Expenses</u>					
Program Services					
Operation School Bell	\$ 238,824	\$ -	\$ -	\$ 238,824	\$ 205,899
Bears for Children	721	-	-	721	1,938
May Fair Arts Festival	49,975	-	-	49,975	45,805
Care Kits	1,147	-	-	1,147	1,299
Book of My Own	6,511	-	-	6,511	9,155
Seniors R & R	720	-	-	720	427
Assault Survivor Kits	631	-	-	631	506
Outreach	1,959	-	-	1,959	1,742
<u>Total Program Service Expenses</u>	\$ 300,488	\$ -	\$ -	\$ 300,488	\$ 266,771
Supporting Services					
Fundraising					
Special Events and Other Fundraising					
Activities Costs (Note 11)	\$ 6,131	\$ -	\$ -	\$ 6,131	\$ 5,644
Management and General	55,150	-	-	55,150	73,893
Membership Development	34,674	-	-	34,674	33,569
<u>Total Supporting Services Expenses</u>	\$ 95,955	\$ -	\$ -	\$ 95,955	\$ 113,106
<u>Total Expenses</u>	\$ 396,443	\$ -	\$ -	\$ 396,443	\$ 379,877
<u>Change in Net Assets</u>	\$ (54,686)	\$ (47,310)	\$ -	\$ (101,996)	\$ (61,372)
<u>Net Assets - Beginning of Year</u>	2,454,395	177,534	450,000	3,081,929	3,143,301
<u>Net Assets - End of Year</u>	\$ 2,399,709	\$ 130,224	\$ 450,000	\$ 2,979,933	\$ 3,081,929

The accompanying notes are an integral part of these financial statements.

ASSISTANCE LEAGUE OF NORMAN

FOR YEAR ENDED MAY 31, 2016

STATEMENT OF FUNCTIONAL EXPENSES

	2016												2015 COMPARATIVE TOTAL		
	PROGRAM SERVICES						SUPPORTING SERVICES								
	OPERATION SCHOOL BELL	BEARS FOR CHILDREN	MAY FAIR ARTS FESTIVAL	CARE KITS	BOOK OF MY OWN	SENIORS R & R	ASSAULT SURVIVOR KITS	COMMUNITY OUTREACH	TOTAL PROGRAM SERVICES	FUNDRAISING ACTIVITIES	MANAGEMENT AND GENERAL	MEMBERSHIP DEVELOPMENT		TOTAL SUPPORTING SERVICES	
Program Supplies	\$ 159,513	\$ 255	\$ 34,446	\$ 681	\$ 3,724	\$ 254	\$ 165	\$ 1,959	\$ 200,997	\$ -	\$ -	\$ -	\$ -	\$ 200,997	\$ 174,720
Occupancy	12,319	72	793	72	433	72	72	-	13,833	932	2,525	-	3,477	17,310	16,248
Utilities	1,967	12	127	12	69	12	12	-	2,211	152	401	-	553	2,764	2,430
Telephone	784	5	50	5	28	5	5	-	882	61	158	-	219	1,101	2,166
Technology	11,694	68	749	68	409	68	68	-	13,064	900	12,387	-	13,287	26,351	18,144
Repairs and Maintenance	11,216	66	722	66	394	66	66	-	12,596	866	5,376	-	6,242	18,838	18,642
Insurance	36,330	213	2,340	213	1,276	213	213	-	40,798	2,809	7,442	-	10,251	51,049	51,709
Depreciation	-	-	-	-	-	-	-	-	-	3,957	1,552	40	5,549	5,549	6,529
Postage and Printing	-	-	8,760	-	-	-	-	-	8,760	-	388	-	388	9,148	18,043
Public Relations and Advertising	-	-	-	-	-	-	-	-	-	-	23,235	-	23,235	23,235	22,650
Professional Services	-	-	-	-	-	-	-	-	-	754	-	-	754	754	1,073
Office Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
National Dues	-	-	-	-	-	-	-	-	-	-	-	16,590	16,590	16,590	15,380
National Conferences and Meetings	5,061	30	326	30	178	30	30	-	5,685	391	1,036	7,112	8,539	14,224	11,035
Education	-	-	-	-	-	-	-	-	-	-	43	1,893	1,936	1,936	4,289
Food and Entertainment	-	-	1,662	-	-	-	-	-	1,662	27,021	-	-	27,021	28,683	28,328
Cost/Value of Merchandise Sold	-	-	-	-	-	-	-	-	-	13,155	-	-	13,155	13,155	13,661
Other	-	-	-	-	-	-	-	-	-	7,653	(1,147)	9,039	15,545	15,545	37,791
Bad Debt	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000	1,000	1,000
<b>Total Expenses</b>	\$ 238,824	\$ 721	\$ 49,975	\$ 1,147	\$ 6,511	\$ 720	\$ 631	\$ 1,959	\$ 300,488	\$ 57,917	\$ 55,150	\$ 34,674	\$ 147,741	\$ 448,229	\$ 445,838
Less: Expenses Included With Revenue on Statement of Activities	-	-	-	-	-	-	-	-	-	(51,786)	-	-	(51,786)	(51,786)	(63,961)
<b>Total Expenses Per Statement of Activities</b>	\$ 238,824	\$ 721	\$ 49,975	\$ 1,147	\$ 6,511	\$ 720	\$ 631	\$ 1,959	\$ 300,488	\$ 6,131	\$ 55,150	\$ 34,674	\$ 95,955	\$ 396,443	\$ 379,877

The accompanying notes are an integral part of these financial statements.

ASSISTANCE LEAGUE OF NORMANSTATEMENT OF CASH FLOWSFOR THE YEAR ENDED MAY 31, 2016

	<u>2016</u>	<u>2015</u>
		<u>COMPARATIVE</u>
		<u>TOTAL</u>
<u>Operating Activities:</u>		
Change in Net Assets	\$ (101,996)	\$ (61,372)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	51,049	51,709
Net Investment Return	(609)	(2,661)
Beneficial Interest in Assets Held By Others	49,232	(1,625)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(3,311)	4,307
Prepaid Expenses	(72)	1,644
Inventories	(4,645)	(8,067)
Accounts Payable	(11,704)	904
Deferred Dues Revenue	<u>(3,560)</u>	<u>(8,507)</u>
 <u>Net Cash Used in Operating Activities</u>	 <u>\$ (25,616)</u>	 <u>\$ (23,668)</u>
 <u>Investing Activities:</u>		
Proceeds from Sales of Investments	\$ 207,038	\$ -
Purchase of Property and Equipment	<u>(5,339)</u>	<u>(1,110)</u>
 <u>Net Cash Provided by (Used in) Investing Activities</u>	 <u>\$ 201,699</u>	 <u>\$ (1,110)</u>
 <u>Net Change in Cash and Cash Equivalents</u>	 <u>\$ 176,083</u>	 <u>\$ (24,778)</u>
 <u>Cash and Cash Equivalents - Beginning of Year</u>	 <u>416,977</u>	 <u>441,755</u>
 <u>Cash and Cash Equivalents - End of Year</u>	 <u>\$ 593,060</u>	 <u>\$ 416,977</u>

ASSISTANCE LEAGUE OF NORMANNOTES TO FINANCIAL STATEMENTSMAY 31, 2016NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESNATURE OF ACTIVITIES

Assistance League of Norman (the Chapter) is a nonprofit corporation and is a chartered chapter of National Assistance League. The accompanying financial statements include the activities of the Chapter and its auxiliary, the Assisteens. The Chapter provides the following philanthropic programs in the community:

Operation School Bell

Established in 1978, Operation School Bell provides clothing and grooming kits to eligible children in kindergarten through grade 12 in the Norman and Little Axe Public Schools in Oklahoma.

Bears for Children

Established in 1988, Bears for Children provides stuffed animals to children involved in accidents or other traumatic situations through the Norman Police Department and eleven other local agencies.

May Fair Arts Festival

The Chapter sponsors this annual arts festival featuring more than 50 artists and crafts people. Established in 1974, the festival allows people to enjoy quality fine art, children's art activities, a student art show, restaurant specialties, entertainment, and special events, in addition to providing a venue for Norman philanthropic organizations to promote their activities. Run in conjunction with the festival is the Art & Sole 5k Run, established in 2012.

Care Kits

Established in 1991, Care Kits not only supplies grooming kits to women and children temporarily residing in the Women's Shelter of the Women's Resource Center, but also supplies housekeeping kits when they first move to their own home. The program also provides 80 kits to the Independent Living Students who attend Norman Public Schools.

Book of My Own

Established in 2000, Book of My Own allows the children who participate in Operation School Bell to choose a new book to go along with their new clothing and grooming kits. In 2014, Book of My Own was separated from Operation School Bell as an individual program to increase the distribution of books to include children under five years old.

Seniors R & R

Established in 1981, Seniors R & R provides recreation and companionship to those in the participating facility by playing bingo, providing prizes and entertainment, and serving refreshments.



ASSISTANCE LEAGUE OF NORMANNOTES TO FINANCIAL STATEMENTSMAY 31, 2016NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)NATURE OF ACTIVITIES (Continued)Assault Survivor Kits (ASK)

Established in 1999, Assault Survivor Kits provides clothing and other items to victims of assault to help them leave the participating facility more comfortably and with dignity.

Community Outreach

Established in 2011, Community Outreach provides a flexible, quick response strategy by which the Chapter can respond to specific community needs that do not fit within currently existing programs and that can be addressed on a one-time-only or short-term basis.

Pay It Forward

Established in 2014, Pay It Forward allows the Chapter to pass on donated items not appropriate for any of its other programs to other organizations that can use them.

The Chapter's support and revenues come primarily from membership dues, contributions, and other fundraising efforts, including special events.

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 (U.S. GAAP) on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

BASIS OF 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:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations. These funds represent resources over which the Board of Directors has discretionary control and are used to carry out operations in accordance with its bylaws.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that will be met, either by actions of the Chapter and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

ASSISTANCE LEAGUE OF NORMANNOTES TO FINANCIAL STATEMENTSMAY 31, 2016NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)BASIS OF PRESENTATION (Continued)

Permanently Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that neither expire with time nor can be fulfilled or otherwise removed by the actions of the Chapter.

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 (GAAP). 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 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 May 31, 2016, based on their short maturities and/or the terms available to the Chapter in financial markets.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash held in checking and money market accounts, time deposits, certificates of deposit and all highly liquid investments with original maturities of three months or less.

ASSISTANCE LEAGUE OF NORMANNOTES TO FINANCIAL STATEMENTSMAY 31, 2016NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)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.

ACCOUNTS RECEIVABLE

Accounts receivable are comprised of receivables from programs and special events and are carried at their estimated collectible amounts. Management closely monitors outstanding accounts receivable and writes off any balances that are determined to be uncollectible. At May 31, 2016, the Chapter considers all accounts receivable to be fully collectible. Accordingly, there is no allowance for doubtful accounts.

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 its Operation School Bell Program which is stated at the lower of cost or market determined by the average cost method. The Chapter also maintains other small amounts of inventory related to various programs. These inventories are stated at cost.

CONCENTRATIONS OF CREDIT AND MARKET RISK

Financial instruments that potentially expose the Chapter to concentrations of credit risk consist primarily of cash, cash equivalents, and investments. 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 May 31, 2016, the Chapter had no uninsured balances at these institutions. The Chapter has not experienced any losses on its cash and cash equivalents. The Chapter's investments do not represent significant concentrations of market risk inasmuch as the Chapter's investment portfolio is adequately diversified among issuers.

ASSISTANCE LEAGUE OF NORMAN

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY AND EQUIPMENT

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	40 Years
Sidewalks, Drainage, Fences, and Landscaping	15 Years
Information Systems	5 Years
Office Furniture and Fixtures	10 Years
Equipment	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 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 and program service fees collected prior to the fiscal year in 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. Contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

DONATED MATERIALS AND SERVICE

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.

ASSISTANCE LEAGUE OF NORMANNOTES TO FINANCIAL STATEMENTSMAY 31, 2016NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)DONATED MATERIALS AND SERVICE (Continued)

In addition, a significant portion of the Chapter's functions and programs are conducted by unpaid member 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 15,000 hours with an estimated value of \$352,500. 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 of \$20.98, 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 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 Title 68 O.S. 1991 §2359 of the State of Oklahoma.

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 May 31, 2016, the Chapter had no substantial uncertain income tax positions. Generally, the Chapter is no longer subject to income tax examination by federal, state, or local authorities for years prior to 2012.

USE OF ESTIMATES

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

EXPENSE ALLOCATION

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.

RECENT ACCOUNTING PRONOUNCEMENT

On August 19, 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This ASU will result in significant changes to the way all not-for-profits classify net assets and to financial reporting and disclosures. ASU 2016-14 is effective for the Chapter for the year ended May 31, 2019. Earlier application is permitted. Implementation of ASU 2016-14 is expected to result in significant changes to the Chapter's financial statements.

ASSISTANCE LEAGUE OF NORMANNOTES TO FINANCIAL STATEMENTSMAY 31, 2016NOTE 2 – CASH AND CASH EQUIVALENTS

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

<u>Checking Accounts</u>	
McClain Bank	\$ 30,826
First United Bank	129,223
First Bank & Trust Co.	41,055
Oklahoma State Bank	50,288
Republic Bank	<u>239,948</u>
<u>Total Checking Accounts</u>	<u>\$ 491,340</u>
<u>Savings Accounts</u>	
Arvest Bank - Money Market Savings	\$ 51,036
BancFirst - Money Market Savings	<u>50,684</u>
<u>Total Savings Accounts</u>	<u>\$ 101,720</u>
<u>Total Cash and Cash Equivalents</u>	<u>\$ 593,060</u>

NOTE 3 – CERTIFICATES OF DEPOSIT

Certificates of deposit at May 31, 2016 consist of the following:

<u>Certificates of Deposit (Maturity Less Than 1 Year)</u>	
First Fidelity Bank	<u>\$ 72,816</u>
<u>Total Certificates of Deposit</u>	<u>\$ 72,816</u>

NOTE 4 – INVESTMENTS

During 2016, the Chapter sold all of the investments that it held and moved the proceeds to alternative investments. For the year ended May 31, 2016, the Chapter received proceeds from the sale of investments of \$207,038, with a recognized net investment return of \$609 included in investment income in the statement of activities.

ASSISTANCE LEAGUE OF NORMANNOTES TO FINANCIAL STATEMENTSMAY 31, 2016NOTE 5 – INVENTORIES

Inventories at May 31, 2016 consist of the following:

Clothing for Use in the Operation School Bell Program	\$ 182,866
Stuffed Animals for Use in the Bears for Children Program	1,124
Books for Use in the Book of My Own Program	<u>12,430</u>
<u>Total Inventories</u>	<u>\$ 196,420</u>

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at May 31, 2016:

Land	\$ 282,229
Buildings and Improvements	1,839,064
Furniture and Equipment	<u>173,321</u>
	 \$ 2,294,614
Less Accumulated Depreciation	<u>767,360</u>
<u>Total Property and Equipment, Net</u>	<u>\$ 1,527,254</u>

NOTE 7 – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Chapter participates in an endowment fund through the Communities Foundation of Oklahoma (CFO). CFO is a not-for-profit entity that provides for endowed contributions to be pooled to maximize return on investments for the benefit of area not-for-profit organizations. Contributions into the endowment fund are permitted by the not-for-profit entities, as well as individual donors in the community who designate the beneficiary of their contributions. Earnings on these endowed funds are paid annually to the beneficiary organization for unrestricted use. The Board of Trustees of CFO has have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served. The endowed funds contributed by the Chapter and the earnings thereon, net of distributions received, are reflected as beneficial interest in assets held by others in the amount of \$603,925 at May 31, 2016. The endowed funds contributed by third party donors held by CFO designated for the benefit of the Chapter were \$12,251 at May 31, 2016, and are not reflected in the Chapter's statement of financial position.

ASSISTANCE LEAGUE OF NORMANNOTES TO FINANCIAL STATEMENTSMAY 31, 2016NOTE 8 – ENDOWMENT ASSETS

The Chapter's endowments consist of three individual funds established for a variety of purposes. Its endowments include both donor-restricted funds and funds designated by the Chapter to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Chapter to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Chapter has interpreted the Uniform Prudent Management of Institutional Funds Act (the "Act") as requiring the preservation of the fair value of a donation as of the date on which the donation was made, except where the donor provides different instructions or conditions in connection with the donation. Consistent with this interpretation, the Chapter has classified its permanently restricted net assets in the amount of the original value of donations made to the permanent endowment as well as the original value of subsequent donations made to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are approved for distribution by the Chapter in a manner consistent with the standards set forth in the Act. In accordance with the Act, the Chapter considers the following factors in making a determination to maintain or distribute donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation/depreciation of investments, (6) other resources of the Chapter, and (7) the investment policies of the Chapter.

The Chapter invests its endowment funds with the Communities Foundation of Oklahoma (CFO). In doing so, the Chapter has inherently accepted the investment policies of the CFO. The Chapter believes the investment policies of the CFO, when applied to the endowment funds, facilitate the Chapter's ability to provide funding for programs and provide adequate returns for invested funds. Endowment assets include those assets of donor-restricted funds that the Chapter must hold in perpetuity or for a donor-specified period as well as board designated funds. Under the CFO's investment policy, the endowment assets are invested in a manner that is intended to provide acceptable investment returns, while assuming a moderate level of investment risk. This investment policy expects its endowment funds, over time, to provide an average rate of return that is consistent with historical returns of assets allocated 60% equity and 40% fixed income and non-equity investments. Actual returns in any given year are dependent on market conditions and other factors, and they may vary from the expected investment return. To satisfy its long-term rate-of-return objectives, the Chapter relies on the CFO's investment policy, which has a strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).



ASSISTANCE LEAGUE OF NORMANNOTES TO FINANCIAL STATEMENTSMAY 31, 2016NOTE 8 – ENDOWMENT ASSETS (Continued)

Endowment net asset composition by type of fund as of May 31, 2016 is as follows:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
<u>Endowment Net Assets by Type of Fund</u>				
Donor-Restricted Endowment Funds	\$ -	\$ 130,224	\$ 450,000	\$ 580,224
Board-Designated Endowment Funds	<u>23,701</u>	<u>-</u>	<u>-</u>	<u>23,701</u>
<u>Total Endowment Net Assets by Type of Fund</u>	<u>\$ 23,701</u>	<u>\$ 130,224</u>	<u>\$ 450,000</u>	<u>\$ 603,925</u>

Changes in endowment net assets for the year ended May 31, 2016 are as follows:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
<u>Endowment Net Assets, Beginning of Year</u>	<u>\$ 25,623</u>	<u>\$ 177,534</u>	<u>\$ 450,000</u>	<u>\$ 653,157</u>
<u>Investment Return:</u>				
Investment Income	\$ 284	\$ 7,014	\$ -	\$ 7,298
Net Appreciation (Realized and Unrealized)	<u>(940)</u>	<u>(23,341)</u>	<u>-</u>	<u>(24,281)</u>
<u>Total Investment Return</u>	<u>\$ (656)</u>	<u>\$ (16,327)</u>	<u>\$ -</u>	<u>\$ (16,983)</u>
Release from Restriction	-	-	-	-
Appropriation of Endowment Assets for Expenditure	<u>(1,266)</u>	<u>(30,983)</u>	<u>-</u>	<u>(32,249)</u>
	<u>\$ (1,922)</u>	<u>\$ (47,310)</u>	<u>\$ -</u>	<u>\$ (49,232)</u>
<u>Total Endowment Funds at May 31, 2015</u>	<u>\$ 23,701</u>	<u>\$ 130,224</u>	<u>\$ 450,000</u>	<u>\$ 603,925</u>

NOTE 9 – FAIR VALUE MEASUREMENTS

The Chapter's assets reported at fair value on a recurring basis are summarized as follows:

	<u>LEVEL 1 INPUTS</u>	<u>LEVEL 2 INPUTS</u>	<u>LEVEL 3 INPUTS</u>
Beneficial Interest in Assets Held by Others	\$ -	\$ 603,925	\$ -

ASSISTANCE LEAGUE OF NORMANNOTES TO FINAPIAL STATEMENTSMAY 31, 2016NOTE 10 – NET ASSETS

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

Unrestricted Net Assets

Net Investment in Property and Equipment	\$ 1,527,254
Designated for Future Operating Needs	378,095
Designated for Building Improvements and Maintenance	12,414
Designated for Patti Gipson Memorial	11,287
Capital Improvements	100,345
Undesignated	<u>370,314</u>
<u>Total Unrestricted Net Assets</u>	<u>\$ 2,399,709</u>

Temporarily Restricted Net Assets

Program Endowment Fund - With Income Restricted for Programs	130,224
--	---------

Permanently Restricted Net Assets

Program Endowment Fund - With Income Restricted for Programs	<u>450,000</u>
--	----------------

\$ 2,979,933

NOTE 11 – SPECIAL EVENTS

The Chapter has various fundraising events to help fund operations. The revenue and related expenses from such events for the year ended May 31, 2016 are as follows:

	REVENUE	DIRECT COSTS			NET REVENUE
		COST OF MERCHANDISE SOLD	COST OF DIRECT BENEFITS TO ATTENDEES	OTHER EVENT COSTS	
Gala	\$ 162,006	\$ 11,385	\$ 26,063	\$ 9,724	\$ 114,834
OSBee	8,768	-	958	617	7,193
Assisteen Sunday with Santa	5,365	-	-	464	4,901
Assisteen Style Show	4,440	-	-	805	3,635
Other Fundraisers	135	1,770	-	-	(1,635)
	<u>\$ 180,714</u>	<u>\$ 13,155</u>	<u>\$ 27,021</u>	<u>\$ 11,610</u>	<u>\$ 128,928</u>

ASSISTANCE LEAGUE OF NORMAN

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016

NOTE 12 – SUBSEQUENT EVENTS

The Chapter has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through October 10, 2016, the date the financial statements were available to be issued.