

ASSISTANCE LEAGUE® OF EL PASO

**FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2014**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Assistance League® of El Paso
El Paso, Texas

We have audited the accompanying financial statements of Assistance League® of El Paso (the Chapter) (a non profit corporation,) which comprise the statement of financial position as of May 31, 2014, and the related statements of activities, 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.

Auditors' 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.

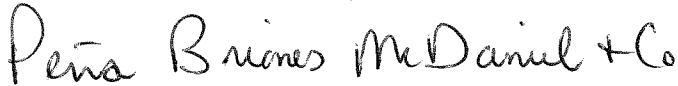
Opinion

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of the Chapter as of May 31, 2014, 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The prior year (2013) summarized comparative information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Peña Briones McDaniel & Co., P.C.

A handwritten signature in cursive script that reads "Peña Briones McDaniel & Co".

El Paso, Texas

October 2, 2014

ASSISTANCE LEAGUE® OF EL PASO

STATEMENT OF FINANCIAL POSITION
MAY 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents (Note 2)	\$ 750,407	\$ 1,107,176
Accounts receivable (Note 3)	12,550	15,000
Investment (Note 5)	414,153	316,965
Inventory (Note 4)	126,760	113,138
Deposits, prepaid expenses, and other assets	<u>6,144</u>	<u>474</u>
Total current assets	1,310,014	1,552,753
 PROPERTY AND EQUIPMENT, net (Note 6)	 <u>717,263</u>	 <u>452,881</u>
 TOTAL	 <u>\$ 2,027,277</u>	 <u>\$ 2,005,634</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 52,668	\$ 4,131
Deferred membership dues	<u>5,110</u>	<u>5,510</u>
Total liabilities	<u>57,778</u>	<u>9,641</u>
 NET ASSETS (Note 7)		
Unrestricted	1,777,343	1,694,978
Temporarily restricted	<u>192,156</u>	<u>301,014</u>
Total net assets	<u>1,969,499</u>	<u>1,995,992</u>
 TOTAL	 <u>\$ 2,027,277</u>	 <u>\$ 2,005,634</u>

See notes to financial statements.

ASSISTANCE LEAGUE® OF EL PASO

STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	<u>2014</u>	<u>2013</u>
UNRESTRICTED NET ASSETS		
Fundraising:		
Thrift Shop revenue:		
Sales of donated merchandise	\$ 130,509	\$ 127,007
Contributions of merchandise	65,102	63,077
Less: Value of merchandise sold	<u>(65,102)</u>	<u>(63,077)</u>
Net revenue from thrift shop	<u>130,509</u>	<u>127,007</u>
Special events revenue: (Note 8)	32,009	37,189
Less: cost of direct benefits to attendees	<u>-</u>	<u>(5,607)</u>
Net revenue from special events	<u>32,009</u>	<u>31,582</u>
Contributions and Grants	198,938	120,586
Membership	3,732	3,303
Investment return (Note 5)	4,629	6,854
In-kind professional services	<u>3,000</u>	<u>2,731</u>
TOTAL UNRESTRICTED REVENUES AND SUPPORT	372,817	292,063
Net assets released from restriction satisfaction of program restriction	<u>108,858</u>	<u>174,298</u>
TOTAL UNRESTRICTED REVENUES AND SUPPORT	481,675	466,361
EXPENSES		
Program services:		
OPERATION SCHOOL BELL®	299,476	302,743
PASO Bear	11,498	10,072
Assault Survivor Kits (ASK)®	11,050	10,631
We Help Others (WHO)	<u>14,510</u>	<u>4,511</u>
Total program services expenses	<u>336,534</u>	<u>327,957</u>

See notes to financial statements.

ASSISTANCE LEAGUE® OF EL PASO

STATEMENTS OF ACTIVITIES (Continued)
 YEAR ENDED MAY 31, 2014
 (WITH COMPARATIVE TOTALS FOR 2013)

	<u>2014</u>	<u>2013</u>
Supporting services		
Thrift Shop	39,674	35,937
Special events cost (Note 8)	630	732
Management and general	21,959	22,146
Membership and development	<u>513</u>	<u>823</u>
Total supporting services expenses	<u>62,776</u>	<u>59,638</u>
 TOTAL EXPENSES	 <u>399,310</u>	 <u>387,595</u>
 INCREASE IN UNRESTRICTED NET ASSETS	 <u>82,365</u>	 <u>78,766</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contribution	-	53,000
Net assets released from restriction satisfaction of program restriction	 <u>(108,858)</u>	 <u>(174,298)</u>
 INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	 <u>(108,858)</u>	 <u>(121,298)</u>
 INCREASE (DECREASE) IN NET ASSETS	 (26,493)	 (42,532)
NET ASSETS AT BEGINNING OF YEAR	<u>1,995,992</u>	<u>2,038,524</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,969,499</u>	<u>\$ 1,995,992</u>

See notes to financial statements.

ASSISTANCE LEAGUE® OF EL PASO

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	OPERATION SCHOOL BELL®				Program Services				Supporting Services				Year Ended May 31, 2014 Total Expenses	Year Ended May 31, 2013 Total Expenses
	Paso Bear	ASK®	We Help Others	Total Program Services	Fundraising		Management and General	Membership Development	Total Supporting Services					
					Special Events	Just a Second								
Accountant - audit	\$ 2,970	\$ 990	\$ 1,180	\$ 800.00	\$ 5,940	\$ -	\$ 2,970	\$ 990	\$ -	\$ -	\$ 3,960	\$ 9,900	\$ 9,631	
Administrative	-	-	-	-	-	-	2,424	14	-	-	2,438	2,270	2,270	
Advertising and public relations	-	-	-	-	-	-	3,011	530	-	-	3,541	3,541	2,548	
Bag items	3,480	-	-	-	3,480	-	-	3,480	-	-	-	3,480	1,874	
Book bags and school supplies	23,403	-	-	-	23,403	-	-	-	-	-	-	23,403	21,227	
Clothing	237,714	-	999	-	238,713	-	-	-	-	-	-	238,713	247,084	
Cost of goods sold	-	-	-	-	-	-	65,102	-	-	-	65,102	65,102	63,077	
Depreciation	6,977	2,326	2,326	2,326	13,955	-	6,977	2,326	-	9,303	23,258	23,258	25,680	
Fundraiser	-	-	-	-	-	-	-	-	-	-	-	-	5,607	
Insurance	2,869	956	956	956	5,737	-	2,869	956	-	3,825	9,562	9,562	8,449	
Miscellaneous	-	-	-	31	31	-	(10)	349	-	339	370	370	478	
NAL convention and seminars	3,379	-	-	-	3,379	-	3,529	7,779	-	11,308	14,687	14,687	11,589	
Newsletter	-	-	-	-	-	-	-	127	-	127	127	127	118	
Postage and freight	-	-	-	-	-	-	-	-	-	-	-	-	-	
Printing	489	16	16	-	521	-	-	1,188	513	1,701	2,222	2,222	1,855	
Professional services	2,340	780	780	780	4,680	-	2,340	780	-	3,120	7,800	7,800	7,325	
Repairs and maintenance	8,029	2,658	2,658	2,658	16,003	-	7,975	2,658	-	10,633	26,636	26,636	15,645	
Stock IT to 'em	-	-	-	-	-	630	-	-	-	630	630	630	732	
Supplies	1,420	1,637	-	4,824	7,881	-	1,190	1,892	-	3,082	10,963	10,963	10,282	
Utilities	6,406	2,135	2,135	2,135	12,811	-	6,399	2,143	-	8,542	21,353	21,353	20,538	
Year book & bylaws	-	-	-	-	-	-	-	227	-	227	227	227	270	
Total expenses	299,476	11,498	11,050	14,510	336,534	630	104,776	21,959	513	127,878	464,412	464,412	456,279	
Less expenses included with revenues on Statement of Activities	-	-	-	-	-	-	(65,102)	-	-	(65,102)	-	(65,102)	(68,684)	
Total expenses included in expense section on Statement of Activities	\$ 299,476	\$ 11,498	\$ 11,050	\$ 14,510	\$ 336,534	\$ 630	\$ 39,674	\$ 21,959	\$ 513	\$ 62,776	\$ 399,310	\$ 399,310	\$ 387,595	

ASSISTANCE LEAGUE® OF EL PASO

STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (26,493)	\$ (42,532)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	23,258	25,680
(Increase) decrease in operating assets:		
Inventories	(13,622)	26,501
Accounts receivable	2,450	-
Deposits, prepaid expenses, and other assets	(5,670)	(169)
Increase (decrease) in operating liabilities:		
Accrued expenses	48,537	(6,224)
Deferred membership dues	<u>(400)</u>	<u>500</u>
Net cash provided by operating activities	<u>28,060</u>	<u>3,756</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificate of deposit	(97,188)	(2,568)
Purchase of property and equipment	<u>(287,639)</u>	<u>-</u>
Net cash used in investing activities	<u>(384,827)</u>	<u>(2,568)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(356,769)	1,188
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,107,176</u>	<u>1,105,988</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 750,407</u>	<u>\$ 1,107,176</u>
SUPPLEMENTAL INFORMATION		
Merchandise contributed for thrift store	\$ 65,102	\$ 63,077
Professional services	\$ 3,000	\$ 2,731

See notes to financial statements.

ASSISTANCE LEAGUE® OF EL PASO

**NOTES TO FINANCIAL STATEMENTS
MAY 31, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Assistance League® of El Paso (the Chapter), is presented to assist in understanding these financial statements. The financial statements and notes are representations of the Chapter's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Activities

Assistance League® of El Paso is a nonprofit corporation and is chartered chapter of National Assistance League. The Chapter provides the following programs:

- Operation School Bell provides clothing, shoes and school supplies to elementary school students in School Districts of El Paso and the surrounding area.
- Paso Bear provides stuffed animals for children in stressful situations in El Paso and the surrounding area.
- Assault Survivor Kits (ASK) provides clothing to assault child victims and mothers of the victims in stressful situations in El Paso and the surrounding area.
- We Help Others (WHO), formerly La Posada Project, provides care packages to women living at La Posada Home Inc., a shelter for homeless women and their children. The children receive tutoring, reading sessions, and mentoring from "Assisteens," a group of junior high and high school students from various local schools.

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 and Presentation

The accompanying financial statements are presented on the accrual basis of accounting. The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in ASC 958, Financial Statements of Not-for-Profit Organizations. 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, temporarily restricted net assets, and permanently restricted net assets.

ASSISTANCE LEAGUE® OF EL PASO

**NOTES TO FINANCIAL STATEMENTS
MAY 31, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted Net Assets

Unrestricted net assets represent resources that are not subject to donor-imposed stipulations and over which the Board of Directors has discretionary control. Net assets received and expanded within the reporting period are reported in the Statements of Activities as unrestricted support or revenue.

Board-Designated Net Assets

Board designated net assets are board approved segregations of unrestricted net assets for specific purposes or projects. Board-designated for future operating needs are designations for direct program expenses of Operation School Bell ®, Paso Bear and Assault Survivor Kits(ASK)®.

Temporarily Restricted Net Assets

Temporarily restricted net assets represent funds that are subject to amount or time-sensitive restrictions. Absent explicit donor restrictions as to how long these funds must be maintained, the Chapter reclassifies the temporarily restricted net assets at the time donor instructions permit to do so.

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, 2013, from which the summarized information was derived.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Chapter considers all short-term investments with an initial maturity of three months or less to be cash equivalents. There are no cash equivalents.

Inventory

Inventory consists of clothing, book bags, hygiene items, and stuffed animals, which if purchased by the Chapter, are recorded at the lower of cost (first-in, first-out) or market. Donated items received from individual and retail donors, which are sold through the Just A Second Thrift and Gift Shop, are recorded at estimated fair market value annually on May 31.

ASSISTANCE LEAGUE® OF EL PASO

**NOTES TO FINANCIAL STATEMENTS
MAY 31, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment

As of May 31, 2014 and 2013, the investment portfolio was comprised of nine certificates of deposits (CD) with original maturities of six months to two years. CD are valued at cost which appropriates fair value.

Fair Value Measurement

ASC 810 *Fair Value Measurements*, defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)

Level 3: Significant unobservable inputs (including the Chapter's own assumptions in determining the fair value of investments).

The inputs and methodology used for valuing the Chapter's financial assets and liabilities are not indicators of the risks associated with those instruments. There have been no changes in the methodologies used at May 31, 2014.

Allowance for Doubtful Accounts

Accounts receivable are evaluated by management and amounts deemed to be uncollectible are charged against the allowance for doubtful accounts. The allowance is then adjusted to reflect an estimated reserve for future losses. At May 31, 2014 and 2013, no allowance was provided since management determined that no material losses were anticipated.

Investment in Property and Equipment

Investment in property and equipment is used to accumulate the net investment in property and equipment. The purchase (sale) of property and equipment is recognized as an (increase) reduction of available net assets and is recorded as property and equipment as an increase (reduction) in net assets.

ASSISTANCE LEAGUE® OF EL PASO

NOTES TO FINANCIAL STATEMENTS
MAY 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

The Chapter maintains cash balances at several banks and thrift institutions. Cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration up to \$250,000. The Chapter's cash and investments (certificate of deposits) fluctuate during the year. As of May 31, 2014, the Chapter exceed the insured amount by \$32,623. The Chapter has not experienced any losses on its cash or investments.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the estimated market value at the time of donation. Depreciation is computed by using the straight-line basis over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is recognized as revenue or expense for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Deferred Membership Dues

Income from membership dues is 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. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the restricted net assets are reclassified to unrestricted net assets and are reported in the Statements of Activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

ASSISTANCE LEAGUE® OF EL PASO

NOTES TO FINANCIAL STATEMENTS
MAY 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials and Services

Significant materials are donated to the Chapter by various individuals, corporations and organizations. Donated materials of \$65,102 and \$63,077 for the years ended May 31, 2014 and 2013, respectively, are reflected in the accompanying financial statements at their fair values at the date of donation. The donated materials consisted primarily of clothing from manufacturers for the Operation School Bell program and used clothing and household items donated by Chapter members and others for resale by a thrift shop operated by the Chapter.

A significant portion 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, 2014, these volunteers donated approximately 20,230 hours with an estimated value of \$460,367.10. This value was computed using an estimated hourly rate of \$22.77 based upon the average hourly earnings of nonagricultural workers for the time period of \$20.37, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits.

Certain professional services such as independent accounting services which require specific expertise are recorded as in-kind professional hours. In fiscal years ended 2014 and 2013, \$3,000 and \$2,731 of auditing services are recorded as in-kind professional services in the Statement of Activities, respectively.

Tax Status

The Assistance League® of El Paso is a nonprofit organization exempt from federal and state 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 private foundation under Section 509(a)(2). The Chapter believes that it has appropriate support for any tax position taken, and as such, does not have any uncertainty tax positions that are material to the financial statements. Tax returns are open to tax jurisdiction for 3 years after they have been filed.

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 and disclosure of contingent 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.

ASSISTANCE LEAGUE® OF EL PASO

**NOTES TO FINANCIAL STATEMENTS
MAY 31, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expense Allocation

Functional expenses are allocated to Operation School Bell® and other program and supporting services based on direct expense allocation.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at May 31, 2014 and 2013 consist of the following:

	<u>2014</u>	<u>2013</u>
Cash on hand	\$ 255	\$ 275
Checking Accounts:		
Bank of America	26,206	185,962
BBVA Compass Bank	30,500	98,174
United Bank	<u>82,593</u>	<u>66,360</u>
Total Checking Accounts	<u>139,299</u>	<u>350,496</u>
Savings Accounts:		
Bank of America - Money Market	22,826	56,988
West Star - Money Market	211,886	213,322
BBVA Compass Bank - Money Market	58,246	76,218
First Light Federal Credit Union - Savings	150,573	175,325
Government Employees Credit Union - Savings	96	95
Evolve Credit Union - Savings	19	29
Evolve Credit Union - Money Market	495	54,002
United Bank - Money Market	<u>166,712</u>	<u>180,426</u>
Total Savings Account	<u>610,853</u>	<u>756,405</u>
Total Cash And Cash Equivalents	<u>\$ 750,407</u>	<u>\$ 1,107,176</u>

ASSISTANCE LEAGUE® OF EL PASO

**NOTES TO FINANCIAL STATEMENTS
MAY 31, 2014**

3. ACCOUNTS RECEIVABLE

Accounts receivable represents amounts due from grants awarded. Accounts receivable as of May 31, 2014 and 2013 include the following:

	<u>2014</u>	<u>2013</u>
Price's Creameries	\$ 12,500	\$ 15,000
Miscellaneous	<u>50</u>	<u>-</u>
Total	<u>\$ 12,550</u>	<u>\$ 15,000</u>

4. INVENTORY

Inventory at May 31, 2014 and 2013 consists of the following:

	<u>2014</u>	<u>2013</u>
Operation School Bell	\$ 97,127	\$ 85,360
PASO Bear	1,125	207
Just A Second Thrift and Gift Shop	26,629	26,053
La Posada Project	344	127
A.S.K.	<u>1,535</u>	<u>1,391</u>
Total	<u>\$ 126,760</u>	<u>\$ 113,138</u>

5. INVESTMENTS

Investments are stated at cost which approximates fair value (Level 1) and consist of the following at May 31, 2014 and 2013:

	<u>Unrestricted</u>	
	<u>2014</u>	<u>2013</u>
Evolve Federal Credit Union		
Certificates of Deposit	\$ 184,153	\$ 83,209
Government Employees Credit Union		
Certificates of Deposit	230,000	170,000
First Light Federal Credit Union		
Certificate of Deposit	<u>-</u>	<u>63,756</u>
Total	<u>\$ 414,153</u>	<u>\$ 316,965</u>

Investment return for the years ended May 31, 2014 and 2013 was unrestricted interest income in the amounts of \$4,629 and \$6,854, respectively.

ASSISTANCE LEAGUE® OF EL PASO

NOTES TO FINANCIAL STATEMENTS
MAY 31, 2014

6. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost or, if donated, at the estimated market value at the time of donation, and consist of the following:

	<u>Useful Lives</u>	<u>2014</u>	<u>2013</u>
Land		\$ 270,817	\$ 41,500
Buildings	40 years	374,550	373,500
Improvement and renovation	15 - 30 years	390,449	333,178
Furniture and fixtures	5 - 20 years	<u>32,884</u>	<u>32,884</u>
Total		1,068,700	781,062
Less accumulated depreciation		<u>351,437</u>	<u>328,181</u>
Property and equipment, net		<u>\$ 717,263</u>	<u>\$ 452,881</u>

The amount of depreciation expense for the years ended May 31, 2014 and 2013 was \$23,256 and \$25,680, respectively. The Chapter reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

7. NET ASSETS

At May 31, 2014 and 2013, net assets were restricted by donors or designated by the Chapter as follows:

	<u>2014</u>	<u>2013</u>
Unrestricted net assets:		
Board designated		
Designated for future operating needs	\$ 423,738	\$ 443,440
Investment in property and equipment	590,463	452,881
Undesignated	<u>763,142</u>	<u>798,657</u>
Total unrestricted net assets	1,777,343	1,694,978
Temporarily restricted net assets:		
Operation School Bell	<u>192,156</u>	<u>301,014</u>
Total net assets	<u>\$ 1,969,499</u>	<u>\$ 1,995,992</u>

ASSISTANCE LEAGUE® OF EL PASO

NOTES TO FINANCIAL STATEMENTS
MAY 31, 2014

8. SPECIAL EVENTS

The Chapter had one fundraising event during year ended May 31, 2014 to help fund current operations. The revenue and related expenses from such events for the year ending May 31, 2014 are as follows:

<u>Event</u>	<u>Revenue</u>	<u>Direct Benefits to Attendees</u>	<u>Event Cost</u>	<u>Net Revenue</u>
Sock-it-to-em	\$ 32,009	\$ -	\$ 630	\$ 31,379
		-		-
Total Special Events	<u>\$ 32,009</u>	<u>\$ -</u>	<u>\$ 630</u>	<u>\$ 31,379</u>

9. IN-KIND DONATIONS

During the year ended May 31, 2014 and 2013, in addition to the unpaid volunteers service, the Chapter received non cash donations of material and services that were reflected in the financial statements of the Chapter. Those in-kind donations are summarized below for years ended May 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Clothing and household goods	\$ 65,102	\$ 63,077
Professional services	<u>3,000</u>	<u>2,731</u>
Total net assets	<u>\$ 68,102</u>	<u>\$ 65,808</u>

10. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 2, 2014 which is the date the financial statements were available to be issued. No matters were noted for disclosure.