

## FINANCIAL COMPLIANCE REPORT

Assistance League of Pueblo Year ended May 31, 2022

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>Carol Callahan</u>	Position <u>Treasurer</u>	Phone: <u>719-544-1528</u>	
Email: <u>Alpco1@live.com</u>		Fax:	

	In Compliance?		
	Yes	No	
<b>Note:</b> 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>16,642</u> b. Estimated value of members' volunteer hours donated (recommended, but not required) Value disclosed in Notes to Financial Statements: \$ <u>524,389</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"/>	
<b>Column 1</b> Total program service expense	<b>Column 2</b> Total expenses	<b>Column 3</b> % spent on program activities (Col 1 ÷ by Col 2)	<b>Column 4</b> Is Column 3 greater than or equal to 65%?
124,070	186,169	67%	Yes

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<b>Note:</b> 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"/>
	<b>Column 1</b>		<b>Column 2</b>		
<b>a</b> Total support and revenue	206,660	<b>e</b> Thrift shop expenses	48,676		
Less:		<b>f</b> Activity/Event expenses (Note 10)	1,252		
<b>b</b> Program service revenue	( 0 )	<b>g</b> Other fundraising expenses	0		
<b>c</b> Investment income	( -2,745 )	<b>h</b> Total fundraising expenses	49,928		
<b>d</b> Adjusted support and revenue	209,405	<b>i</b> Column 2 ÷ Column 1 =	24%		
<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"/>
<b>a</b> Cash and cash equivalents	384,596	<b>g</b> Total operating expenses per approved budget for next fiscal year	282,595		
<b>b</b> Investments	622,606	<i>(Line g should be less than or equal to Line f)</i>			
<b>c</b> Program service inventory	4,585				
<b>d</b> Thrift shop inventory	61,009				
<b>e</b> Other current assets	5,943				
<b>f</b> Total current assets available for use	1,078,739				
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 type="checkbox"/>	<input checked="" type="checkbox"/>
<b>a</b> Total expenses per audited or reviewed financial statements	186,169	<b>f</b> Unrestricted net assets	1,056,242		
<b>b</b> Total expenses per approved budget for next fiscal year	282,595	<b>g</b> Less: property & equipment, net of accumulated depreciation	( 62,778 )		
<b>c</b> Greater of Line a or Line b	282,595	<b>h</b> Plus: mortgages and other debt related to property & equipment	0		
<b>d</b> Unrestricted net assets	1,056,242	<b>i</b> Adjusted unrestricted net assets	993,464		
<b>e</b> Ratio (Line d ÷ Line c)	3.74	<b>j</b> Adjusted Ratio (Line i ÷ Line c)	3.52		
<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>			

**FINANCIAL COMPLIANCE REPORT**

<b>Note:</b> Amounts to be inserted below are to be from the audited/ reviewed financial statements, unless otherwise noted.							<b>In Compliance?</b>	
							<b>Yes</b>	<b>No</b>
<p>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.</p> <p><b>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 plus the Sales of Donated Merchandise and Column 2 is the Value of Merchandise Sold from the Statement of Activities.</b></p> <p><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></p>								
	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>	<b>Column 5</b>	<b>Column 6</b>		
<b>Retail Activities:</b>	Revenue	Cost of Merchandise Sold	Gross Surplus (Col 1 less Col 2)	Other Expenses	Net Surplus (Col 3 less Col 4)	% Realized (Col 5 ÷ Col 3)		
<b>Line</b>								
<b>a</b> Thrift shop	249,836	119,066	130,770	48,676	82,094	63%	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>b</b>						%	<input type="checkbox"/>	<input type="checkbox"/>
<b>c</b>						%	<input type="checkbox"/>	<input type="checkbox"/>
<b>d</b>						%	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Column 7</b>	<b>Column 8</b>	<b>Column 9</b>	<b>Column 10</b>	<b>Column 11</b>	<b>Column 12</b>		
<b>Fundraising events &amp; activities (list):</b>	Revenue	Cost of Direct Benefits *	Gross Surplus (Col 7 less Col 8)	Other Expenses	Net Surplus (Col 9 less Col 10)	% Realized (Col 11 ÷ Col 7)		
<b>Line</b>								
<b>e</b> Fashion Preview	83,000	39,582	43,418	1,252	42,166	51%	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>f</b>						%	<input type="checkbox"/>	<input type="checkbox"/>
<b>g</b>						%	<input type="checkbox"/>	<input type="checkbox"/>
<b>h</b>						%	<input type="checkbox"/>	<input type="checkbox"/>
<b>i</b>						%	<input type="checkbox"/>	<input type="checkbox"/>
<b>j</b>						%	<input type="checkbox"/>	<input type="checkbox"/>
<b>k</b>						%	<input type="checkbox"/>	<input type="checkbox"/>
<b>Fundraising events &amp; activities totals**</b>	86,366	30,012	56,354	23,213	33,141			
* 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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<b>Note:</b> Amounts to be inserted below are to be from the audited/ reviewed financial statements, unless otherwise noted.		<b>In Compliance?</b>	
		<b>Yes</b>	<b>No</b>
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"/>
<b>a</b> Thrift shop/pass-through program expense	0		
<b>b</b> Total program service expense	124,070		
<b>c</b> Thrift shop gross surplus	130,770		
<b>d</b> 10% of the lesser of Line b or Line c	12,407		
<b>e</b> Ratio (Line a ÷ Line d)	0		
<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.	The value of the merchandise donated is equal to the dollar amount that the merchandise is sold for.		
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.			
	<b>Revenue</b>	<b>Expenses</b>	
<b>a</b> Direct mail solicitations			
<b>b</b> Online solicitations			
<b>c</b> Grants	26,055		
<b>d</b> Capital campaigns			
<b>d</b> Planned giving			
<b>e</b> Bequests and memorials	445		
<b>e</b> Endowments			
<b>f</b> Other *			Description
1. Contributions	14,252		Other contributions
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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<b>Explanation of items checked off as “not in compliance” (attach another page if more room is needed):</b>
Unrestricted net assets include monies received from the sale of building and land. The money is currently being held in an investment account while a new building to accommodate The Bargain Box Thrift Store is being sought. These funds are designated for the purchase of facilities, but are unrestricted in nature.

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

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