

TACOMA CHAPTER OF THE LINKS

Reviewed Financial Statements

April 30, 2018

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Independent Accountant's Review Report

Board of Directors
Tacoma Chapter of the Links
Tacoma, Washington

We have reviewed the accompanying financial statements of Tacoma Chapter of the Links (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of April 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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, we do not express such an opinion.

Management's Responsibilities 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

JOHNSON, STONE & PAGANO, P.S.

December 11, 2018

REVIEWED FINANCIAL STATEMENTS

TACOMA CHAPTER OF THE LINKS
STATEMENT OF FINANCIAL POSITION
April 30, 2018

ASSETS

Cash	\$ 30,508
Prepaid expenses	23,104
Other assets	<u>5,538</u>

TOTAL ASSETS **\$ 59,150**

LIABILITIES AND NET ASSETS

LIABILITIES

Deferred revenue	\$ <u>55,458</u>
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TOTAL LIABILITIES 55,458

NET ASSETS

Unrestricted net assets	<u>3,692</u>
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TOTAL LIABILITIES AND NET ASSETS **\$ 59,150**

See independent accountant's review report and accompanying notes to financial statements.

TACOMA CHAPTER OF THE LINKS

STATEMENT OF ACTIVITIES

Year Ended April 30, 2018

REVENUES AND SUPPORT

Membership dues	\$ 4,810
Member meetings	4,348
Fundraising	13,687
Other income	<u>3,991</u>

Total Revenues and Support 26,836

EXPENSES

Advertising	12,278
Promotional	7,053
Dues	3,135
Travel	4,103
Rent	2,832
Meals and entertainment	5,854
Insurance	550
Scholarships	13,534
Supplies	516
Office	3,702
Miscellaneous	<u>1,308</u>

Total Expenses 54,865

DECREASE IN NET ASSETS (28,029)

Net Assets at Beginning of Year 31,721

NET ASSETS AT END OF YEAR \$ 3,692

See independent accountant's review report and accompanying notes to financial statements.

TACOMA CHAPTER OF THE LINKS

STATEMENT OF CASH FLOWS

Year Ended April 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (28,029)
(Increase) decrease in operating assets and increase (decrease) in operating liabilities	
Prepaid expenses	(23,104)
Other assets	(5,538)
Deferred revenue	<u>55,458</u>
Net Cash Used by Operating Activities	<u>(1,213)</u>
NET DECREASE IN CASH	(1,213)
Cash at Beginning of Year	<u>31,721</u>
CASH AT END OF YEAR	<u>\$ 30,508</u>

See independent accountant's review report and accompanying notes to financial statements.

TACOMA CHAPTER OF THE LINKS

NOTES TO FINANCIAL STATEMENTS

Year Ended April 30, 2018

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Tacoma Chapter of the Links (the "Organization") is a membership organization whose primary function is to identify local, national and international issues or problems that affect the local economy, and determine an action plan that will help improve the economy. Influencing the economy is accomplished through the following programs; health and human services, the arts, international, national and children services. Additionally, they provide scholarships to young women and men that display exceptional academic and leadership tendencies.

Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting and, accordingly, reflect certain assets and may reflect payables and liabilities on the statement of financial position from time to time.

Basis of Presentation

The Organization reports 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.

Unrestricted Net Assets

Unrestricted net assets include all Organization net assets on which there are no donor imposed restrictions for use, or on which donor imposed restrictions were temporary and have expired.

Temporarily Restricted Net Assets

Temporarily restricted net assets include all Organization net assets received by donations on which the donor imposed some restriction. There were no temporarily restricted net assets at April 30, 2018.

Permanently Restricted Net Assets

Permanently restricted net assets include net assets received by donations on which the donor imposed a permanent restriction on the use of the gift. There were no permanently restricted net assets at April 30, 2018.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

TACOMA CHAPTER OF THE LINKS

NOTES TO FINANCIAL STATEMENTS

Year Ended April 30, 2018

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Classification of Expenses

The statement of activities reports expenses as a whole rather than by functional classification. The total functional classification of expenses at April 30, 2018 include \$51,163 for program services and \$3,702 for supporting services.

Cash

The Organization considers cash to be cash in checking accounts and savings accounts.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Advertising

The Organization expenses advertising and marketing costs as they are incurred. Advertising costs totaled for the \$12,278 for the year ended April 30, 2018.

Contributed Services

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization in delivery of services. No amounts have been reflected in the financial statements for these donated services.

Deferred Revenue

Deferred revenue consists of sponsorships for fundraising events related to the next year and will be reported in income during the subsequent year.

Concentration of Credit Risk

The Organization may, at times, have balances that exceed federally insured deposit limits. Management has not experienced any losses and believes there is minimal risk associated with these cash balances. At April 30, 2018, cash balances did not exceeded federally insured limits.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TACOMA CHAPTER OF THE LINKS

NOTES TO FINANCIAL STATEMENTS

Year Ended April 30, 2018

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax

The Organization is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code.

New Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, to improve the presentation of net asset classifications and other information, presented or disclosed in the financial statements, regarding a not-for-profit entity's liquidity and availability of financial resources, board designations of net assets, financial performance and expenses on a functional basis. The ASU's requirements are broadly applicable, and will be effective for years beginning after December 15, 2017. Management is currently evaluating how the new requirements will affect the Organization's financial statements.

Subsequent Events

Management of the Organization has evaluated subsequent events for potential recognition and disclosure through December 11, 2018, the date of completion of the accountant's review procedures.

NOTE 2 - RELATED PARTY

The Tacoma Chapter of the Links is a member of The Links, Inc., an international not-for-profit. Benefits from contributions made to the Links Foundation. For the year ended April 30, 2018, dues paid to The Links, Inc. totaled \$457 and contributions to the foundation totaled \$2,550.