

**ALANO CLUB OF KENT COUNTY**  
**REVIEWED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDING**  
**SEPTEMBER 30, 2016 and 2015**

ALANO CLUB OF KENT COUNTY

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board Members  
Alano Club of Kent County  
Grand Rapids, Michigan

We have reviewed the accompanying financial statements of Alano Club of Kent County (a non-profit organization), which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years 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 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.

### **Accountants' 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 AICPA. 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.

### **Accountants' 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.

### **Reclassifications to the September 30, 2015 Financial Statements**

Certain reclassifications were made to the September 30, 2015 financial statements in order for them to conform to the presentation of the September 30, 2016 financial statements. Such reclassifications had no effect on the change in net assets as previously reported.

Snyder & Associates

December 7, 2016

**Alano Club of Kent County**  
**Statements of Financial Position**  
Years Ended September 30, 2016 and 2015

	<b>09/30/16</b>	<b>09/30/15</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents (Note 2)	32,739	209,404
Inventory	5,050	2,689
Other Assets (Note 3)	2,861	3,026
<b>Total Current Assets</b>	40,650	215,119
<b>Property and Equipment</b>		
Land	100,000	100,000
Building	1,928,301	1,868,643
Kitchen Equipment	4,202	1,417
Other Equipment	17,245	20,275
New Building Equipment	64,299	47,614
Technology	3,247	-
Artwork	3,000	-
	2,120,294	2,037,949
Less Accumulated Depreciation	(696,896)	(648,388)
<b>Total Property and Equipment</b>	1,423,398	1,389,561
<b>Total Assets</b>	1,464,048	1,604,680
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	3,062	45,901
Credit Cards	1,040	80
Deferred Membership Dues (Note 4)	6,919	4,250
Accrued Payroll	5,635	2,801
Payroll Tax Liability	3,277	2,182
Sales Tax Liability	306	211
<b>Total Current Liabilities</b>	20,239	55,425
<b>Total Liabilities</b>	20,239	55,425
<b>Net Assets</b>		
Unrestricted Net Assets	1,431,501	1,428,276
Temporarily Restricted Net Assets (Note 5)	12,308	120,979
<b>Total Net Assets</b>	1,443,809	1,549,255
<b>Total Liabilities and Net Assets</b>	1,464,048	1,604,680

**Alano Club of Kent County**  
**Statement of Activities**  
Year Ended September 30, 2016

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets
<b>Revenue</b>			
General Contributions	26,146	18,467	44,613
Grant Contributions	21,267	18,100	39,367
In-Kind Contributions	21,195		21,195
Food Sales	42,864		42,864
Room Rental	120,111		120,111
Literature Sales	15,957		15,957
Membership Dues	24,676		24,676
Special Events	72,502		72,502
Interest Income		34	34
Other Income	1,012		1,012
Gain on Sale of Assets			-
Loss on Sale of Securities	(118)		(118)
Net Assets Released from Restriction	145,272	(145,272)	-
<b>Total Revenue</b>	<b>490,884</b>	<b>(108,671)</b>	<b>382,213</b>
<b>Expenses</b>			
Program Services	380,589	-	380,589
General and Administrative	87,627	-	87,627
Fundraising	19,443	-	19,443
<b>Total Expenses</b>	<b>487,659</b>	<b>-</b>	<b>487,659</b>
<b>Net Increase (Decrease) in Net Assets:</b>	<b>3,225</b>	<b>(108,671)</b>	<b>(105,446)</b>
<b>Net Assets at Beginning of Year</b>	<b>1,428,276</b>	<b>120,979</b>	<b>1,549,255</b>
<b>Net Assets at End of Year</b>	<b>1,431,501</b>	<b>12,308</b>	<b>1,443,809</b>

**Alano Club of Kent County**  
**Statement of Activities**  
Year Ended September 30, 2015

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Total Net Assets</u>
<b>Revenue</b>			
General Contributions	10,721	32,003	42,724
Grant Contributions	38,700	155,000	193,700
In-Kind Contributions	9,716	7,125	16,841
Food Sales	44,752		44,752
Room Rental	120,594		120,594
Literature Sales	13,107		13,107
Membership Dues	23,987		23,987
Special Events	37,168	16,058	53,226
Interest Income	26		26
Other Income	597		597
Gain on Sale of Assets	850		850
Loss on Sale of Securities			-
Net Assets Released from Restriction	103,906	(103,906)	-
<b>Total Revenue</b>	<u>404,124</u>	<u>106,280</u>	<u>510,404</u>
<b>Expenses</b>			
Program Services	319,446	-	319,446
General and Administrative	69,870	-	69,870
Fundraising	32,681	-	32,681
<b>Total Expenses</b>	<u>421,997</u>	<u>-</u>	<u>421,997</u>
<b>Net Increase (Decrease) in Net Assets:</b>	(17,873)	106,280	88,407
<b>Net Assets at Beginning of Year</b>	<u>1,446,149</u>	<u>14,699</u>	<u>1,460,848</u>
<b>Net Assets at End of Year</b>	<u><u>1,428,276</u></u>	<u><u>120,979</u></u>	<u><u>1,549,255</u></u>

**Alano Club of Kent County**  
**Statement of Functional Expenses**  
Year Ended September 30, 2016

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
<b>Expenses</b>				
Food and Kitchen	23,198			23,198
Literature	11,662			11,662
Membership	37,806			37,806
Personnel	64,433	57,146		121,579
Office Supplies	17,125	812		17,937
Operational Expenses	9,605	449		10,054
Repair and Maintenance	95,168	4,997		100,165
Building Supplies	10,986	562		11,548
Utilities	23,969	2,086		26,055
Professional Fees	21,668	1,140		22,808
Insurance	8,433	2,592		11,025
Development and Training	7,500	12,394		19,894
Depreciation	49,036	5,449		54,485
Fundraising			19,443	19,443
<b>Total Expenses</b>	<u>380,589</u>	<u>87,627</u>	<u>19,443</u>	<u>487,659</u>

**Alano Club of Kent County**  
**Statement of Functional Expenses**  
Year Ended September 30, 2015

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
<b>Expenses</b>				
Food and Kitchen	21,215			21,215
Literature	10,195			10,195
Membership	18,597			18,597
Personnel	73,406	50,847		124,253
Office Supplies	4,044	4,656		8,700
Operational Expenses	4,740	440		5,180
Repair and Maintenance	85,553	1,043		86,596
Building Supplies	11,487	592		12,079
Utilities	27,254	2,195		29,449
Professional Fees	9,018	1,002		10,020
Insurance	6,596	3,102		9,698
Development and Training	607	800		1,407
Depreciation	46,734	5,193		51,927
Fundraising			32,681	32,681
<b>Total Expenses</b>	<u>319,446</u>	<u>69,870</u>	<u>32,681</u>	<u>421,997</u>



**Alano Club of Kent County**  
**Statements of Cash Flows**  
Years Ended September 30, 2016 and 2015

	<u>09/30/16</u>	<u>09/30/15</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	(105,446)	88,407
Adjustments to reconcile change in net assets to net		
Cash provided by (used in) operating activities:		
Gain on sale of equipment	-	(850)
Depreciation	54,485	51,927
Changes in operating assets and liabilities:		
Inventory	(2,361)	1,710
Other assets	165	(17)
Accounts payable and credit cards payable	(41,879)	44,654
Accrued wages and payroll taxes	3,929	1,461
Other liabilities	2,764	647
Net cash provided by (used in) operating activities	<u>(88,343)</u>	<u>187,939</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of equipment	-	850
Purchase of property and equipment	<u>(88,322)</u>	<u>(3,269)</u>
Net cash used in investing activities	<u>(88,322)</u>	<u>(2,419)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(176,665)</b>	<b>185,520</b>
<b>CASH, beginning of year</b>	<u>209,404</u>	<u>23,884</u>
<b>CASH, end of year</b>	<u><u>32,739</u></u>	<u><u>209,404</u></u>

ALANO CLUB OF KENT COUNTY  
NOTES TO FINANCIAL STATEMENTS  
Years ended September 30, 2016 and 2015

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Alano Club of Kent County (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Organization

The organization was formed in Michigan in 1952 as a not for profit corporation. It is their mission to serve those recovering from addiction by providing a welcoming place to support meetings and fellowship.

Revenue Recognition

Contributions the organization receives are categorized as unrestricted, temporarily restricted or permanently restricted based on any restrictions as determined by the donor. Revenue from contributions is recorded when received. Revenue from room rentals, membership dues and special events is recorded when earned as the organization follows the accrual basis of accounting. Food and literature sales are recorded upon purchase unless an amount is received for a period other than when received, in which it is allocated to record the income in the period earned.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Inventories

Inventories consist primarily of kitchen, building and literature supplies. Inventories are stated at the lower of cost or market with cost determined by the first-in first out method.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed over the estimated useful life of the assets. The building and additions are depreciated over 39 years using the straight-line method. Equipment and technology are depreciated over 3 to 15 years using an accelerated method. Expenditures for major renewals and betterments that extend the useful lives of equipment and building improvements are capitalized. Expenditures for maintenance and repairs are charged against operations when incurred.

In-Kind Contributions

Donated items are recorded on the date received as In-Kind Contributions on the Statement of Activities using the estimated fair market value of the items.

Income Taxes

The organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

ALANO CLUB OF KENT COUNTY  
NOTES TO FINANCIAL STATEMENTS  
 Years ended September 30, 2016 and 2015

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**  
 (Continued)

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following at September 30:

	2016	2015
Cash on hand	\$ 1,120	\$ 1,120
Non-interest bearing checking account	12,311	47,105
Money market account	19,308	161,179
	\$ 32,739	\$ 209,404

Investments in the money market account bear interest at approximately 0.05% and 0.13% at September 30, 2016 and 2015, respectively. Restricted cash and cash equivalents as of September 30, 2016 and 2015 are \$12,308 and \$120,979; respectively; all amounts are expected to be paid out within the upcoming year. Refer to Note 5 for details of the restrictions.

**NOTE 3 – OTHER ASSETS**

Other assets consist of the following at September 30:

	2016	2015
Prepaid insurance	\$ 2,861	\$ 2,890
Postage receivable	-	57
Prepaid postage	-	79
	\$ 2,861	\$ 3,026

ALANO CLUB OF KENT COUNTY  
NOTES TO FINANCIAL STATEMENTS  
Years ended September 30, 2016 and 2015

**NOTE 4 – DEFERRED MEMBERSHIP DUES**

Deferred Membership Dues are made up of amounts received for coffee and support memberships for periods after the respective year end of September 30, 2016 and 2015. All amounts are current as no amount has been received for any period greater than twelve months.

**NOTE 5 – CLASSIFICATION OF NET ASSETS**

Generally accepted accounting principles require that the net assets and changes in net assets be classified as unrestricted, temporarily restricted or permanently restricted. The Organization has no permanently restricted assets and any temporarily restricted assets are due to timing differences between receipt of the funds and payments made.

The temporarily restricted net asset ending balances consist of the following at September 30:

	<u>2016</u>	<u>2015</u>
Keep It Working Fund	\$ 811	\$ 6,409
Elevator repairs	11,497	15,525
Lighting upgrade	-	30,000
Foundation repairs	-	69,045
	<u>\$ 12,308</u>	<u>\$ 120,979</u>

**NOTE 6 – CONCENTRATIONS OF CREDIT RISK**

The organization maintains its cash in checking and savings accounts which, at times, may exceed federally insured limits or not be federally insured due to investment options. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk related to cash.

**NOTE 7 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date of the accountants' report. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying reviewed financial statements.