

NATIONAL ASSISTANCE LEAGUE®

**Independent Auditor's Report and
Financial Statements**

**For the Year Ended May 31, 2010
(With Comparative Totals for 2009)**

NATIONAL ASSISTANCE LEAGUE

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
National Assistance League®

We have audited the accompanying statement of financial position of National Assistance League (a nonprofit organization) as of May 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from National Assistance League's May 31, 2009 financial statements and, in our report dated September 3, 2009, we expressed an unqualified opinion on those financial statements.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Assistance League as of May 31, 2010, 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.

McCord and Llewellyn Accountancy Corporation

La Cañada, California

August 5, 2010

NATIONAL ASSISTANCE LEAGUE
STATEMENT OF FINANCIAL POSITION
MAY 31, 2010
(WITH COMPARATIVE TOTALS FOR 2009)

	2010	2009
ASSETS		
Cash and cash equivalents (Note 2)	\$ 1,024,403	\$ 706,077
Accounts and interest receivable	7,716	30,246
Prepaid expenses	92,517	65,713
Inventories	62,008	88,520
Investments (Note 3)	1,867,537	1,734,662
Note receivable (Note 4)	465,207	476,540
Property and equipment (Note 5)	38,829	18,221
TOTAL ASSETS	\$ 3,558,217	\$ 3,119,979
 LIABILITIES		
Accounts payable	\$ 126,071	\$ 18,125
Accrued expenses	21,458	120,505
Deferred dues revenue (Note 6)	85,329	135,345
Other deferred revenue	171,160	88,217
TOTAL LIABILITIES	404,018	362,192
 NET ASSETS (Note 7)		
Unrestricted	3,136,877	2,721,575
Temporarily restricted	7,322	26,212
Permanently restricted	10,000	10,000
TOTAL NET ASSETS	3,154,199	2,757,787
TOTAL LIABILITIES AND NET ASSETS	\$ 3,558,217	\$ 3,119,979

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

**NATIONAL ASSISTANCE LEAGUE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MAY 31, 2009)**

	<u>Year Ended May 31, 2010</u>			<u>Year Ended May 31, 2009</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
SUPPORT AND REVENUES				Totals
Membership dues	\$ 778,193	\$ -	\$ -	\$ 778,193
Conference and workshop fees	396,338	-	-	448,138
Contributions	258,529	3,600	-	262,129
Gain on termination of capital lease	-	-	-	13,139
Other	20,133	-	-	6,600
Net assets released from restrictions:				
Satisfaction of purpose restrictions	22,490	(22,490)	-	-
TOTAL SUPPORT AND REVENUES	<u>1,475,683</u>	<u>(18,890)</u>	<u>-</u>	<u>1,456,793</u>
EXPENSES:				
Program services:				
Conferences and workshops	647,243	-	-	604,995
Chapter services	317,473	-	-	380,544
Public relations and marketing	178,676	-	-	125,716
Chapter and guild development	16,447	-	-	16,487
Total program services expenses	<u>1,159,839</u>	<u>-</u>	<u>-</u>	<u>1,127,742</u>
Supporting services:				
Fundraising - Circle campaign	96,785	-	-	122,436
Management and general	132,038	-	-	160,761
Total supporting services expenses	<u>228,823</u>	<u>-</u>	<u>-</u>	<u>283,197</u>
TOTAL EXPENSES	<u>1,388,662</u>	<u>-</u>	<u>-</u>	<u>1,410,939</u>
CHANGE IN NET ASSETS BEFORE INVESTMENT RETURN	87,021	(18,890)	-	198,072
Investment return, net (Note 3)	<u>328,281</u>	<u>-</u>	<u>-</u>	<u>(490,882)</u>
CHANGE IN NET ASSETS	415,302	(18,890)	-	(292,810)
NET ASSETS AT BEGINNING OF YEAR	<u>2,721,575</u>	<u>26,212</u>	<u>10,000</u>	<u>3,050,597</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,136,877</u>	<u>\$ 7,322</u>	<u>\$ 10,000</u>	<u>\$ 3,154,199</u>

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

**NATIONAL ASSISTANCE LEAGUE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MAY 31, 2009)**

	Year Ended May 31, 2010										Year Ended May 31, 2009 Total Expenses
	Program Services					Supporting Services					
	Conferences and Workshops	Chapter Services	Public Relations and Marketing	Chapter and Guild Development	Total Program Services	Fundraising Circle	Management and General	Supporting Services	Total Expenses	Total Expenses	
Salaries and benefits	\$ 52,291	\$ 107,486	\$ 37,765	\$ 2,905	\$ 200,447	\$ 23,240	\$ 66,815	\$ 90,055	\$ 290,502	\$ 369,895	
Facility, lodging, meals	372,445	3,628	154	234	376,461	-	763	763	377,224	369,475	
Volunteer travel	41,764	133,561	2,490	6,285	184,100	-	16,598	16,598	200,698	205,430	
Occupancy:											
Rent	13,289	27,315	9,597	738	50,939	5,906	16,979	22,885	73,824	71,673	
Insurance	857	1,762	619	48	3,286	381	1,095	1,476	4,762	5,985	
Printing	6,097	10,605	434	-	17,136	11,935	727	12,662	29,798	64,011	
Audio visual	58,635	231	-	-	58,866	-	-	-	58,866	61,506	
Professional Services	7,859	9,003	115,573	-	132,435	1,801	9,003	10,804	143,239	58,054	
Speaker fees and other costs	40,211	-	-	-	40,211	-	-	-	40,211	51,028	
Postage and freight	7,038	1,786	290	188	9,302	12,713	757	13,470	22,772	26,778	
Operating supplies	7,045	101	-	-	7,146	28,041	1,145	29,186	36,332	22,269	
Depreciation and amortization	2,059	4,231	1,487	114	7,891	915	2,630	3,545	11,436	16,798	
Other	7,353	1,506	830	25	9,714	4,339	3,480	7,819	17,533	13,373	
Telephone	1,754	4,436	703	51	6,944	564	1,932	2,496	9,440	12,338	
Merchandise sales, net	-	(486)	-	-	(486)	-	-	-	(486)	9,962	
Office supplies	1,972	2,776	572	793	6,113	1,659	677	2,336	8,449	9,245	
Equipment repairs/maintenance	296	609	214	16	1,135	132	378	510	1,645	9,150	
Copier lease expense	-	-	-	-	-	-	-	-	-	9,071	
Equipment rental	4,287	8,573	3,215	-	16,075	1,072	4,286	5,358	21,433	-	
Program supplies	5,291	-	-	-	5,291	-	-	-	5,291	7,263	
Outside services	4,453	350	233	-	5,036	233	1,712	1,945	6,981	5,849	
Grants to chapters and guilds	6,082	-	-	5,050	11,132	3,454	-	3,454	14,586	5,609	
Director & Officer Insurance	-	-	-	-	-	-	2,865	2,865	2,865	2,865	
Entertainment	4,070	-	-	-	4,070	-	19	19	4,089	2,500	
Public relations and advertising	2,095	-	4,500	-	6,595	400	177	577	7,172	812	
Total Expenses	\$ 647,243	\$ 317,473	\$ 178,676	\$ 16,447	\$ 1,159,839	\$ 96,785	\$ 132,038	\$ 228,823	\$ 1,388,662	\$ 1,410,939	

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

**NATIONAL ASSISTANCE LEAGUE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MAY 31, 2009)**

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 396,412	\$ (292,810)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	11,436	16,798
Gain on termination of capital lease	-	(13,139)
Net realized and unrealized (gains) losses on investments	(248,968)	585,102
(Increase) decrease in accounts and interest receivable	22,530	(11,248)
(Increase) in prepaid expenses and inventories	(292)	(95,419)
Increase in accounts payable and accrued expenses	8,899	20,272
Increase (decrease) in deferred dues and other deferred revenue	32,927	(55,814)
NET CASH PROVIDED BY OPERATING ACTIVITIES	222,944	153,742
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments received on note receivable	11,333	10,480
Purchase of property and equipment	(32,044)	(3,767)
Proceeds from sale of investments	342,000	342,000
Purchase of investments	(225,907)	(40,145)
NET CASH PROVIDED BY INVESTING ACTIVITIES	95,382	308,568
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital leases	-	(4,882)
Payments on note payable	-	(2,057)
NET CASH (USED) BY FINANCING ACTIVITIES	-	(6,939)
NET CHANGE IN CASH AND CASH EQUIVALENTS	318,326	455,371
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	706,077	250,706
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,024,403	\$ 706,077
Supplemental disclosure of cash flow information:		
Cash paid for interest on the capital lease obligation and note payable	\$ -	\$ 4,238

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

**NATIONAL ASSISTANCE LEAGUE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

National Assistance League was founded in 1935 and is a nonprofit organization that puts caring and commitment into action through community-based philanthropic programs. A total of 122 chapters and guilds, involving more than 25,900 volunteer members across the nation benefit from the strong central support of the national organization.

National Assistance League supports the promotion and growth of effective volunteerism through leadership training and education. The following programs are provided by National Assistance League to its member chapters and guilds:

- Chapter services include assisting chapters in achieving and maintaining standards of operation; developing policies and materials through handbooks and manuals; promoting an interchange of ideas through chapter visits; and professional development, training and educational programs for the National Board and Committees.
- Conferences and workshops provide education, networking and training through the National Annual Conference, Leadership Conference, the Treasurers' Workshop and the Assisteens[®] Conference.
- Public relations and marketing acquaint the public with the purpose and activities of Assistance League chapters and guilds nationwide and assist and advise chapters, guilds and auxiliaries of issues related directly to the community-based philanthropic programs and services they provide.
- Chapter and guild development promotes growth of the organization through the establishment of new chapters and guilds where community needs are the basic criteria for establishment of a new service organization.

National Assistance League's support and revenue come primarily from membership dues, conference and workshop fees, contributions and investment return. Contributions come primarily from Assistance League members and chapters to the Circle campaign to support the educational programs for volunteer members.

Basis of Accounting

The financial statements of National Assistance League have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

**NATIONAL ASSISTANCE LEAGUE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Basis of Presentation

National Assistance League 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 as follows:

Unrestricted net assets - Those net assets which are currently available for use.

Temporarily restricted net assets - Those net assets which are restricted by donors for specific purposes or time period.

Permanently restricted net assets - Those net assets which are subject to donor-imposed stipulations that permit the use of all or part of the income earned on the related investments for general or specific purposes.

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 National Assistance League's financial statements for the year ended May 31, 2009, from which the summarized information was derived.

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.

Inventories

National Assistance League maintains an inventory of specialty gift and office items bearing the Assistance League logo available for sale to chapter members. Inventories are stated at the lower of cost or market determined by the first-in, first-out method.

Investments

National Assistance League 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 and reported as unrestricted revenue.

**NATIONAL ASSISTANCE LEAGUE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Concentrations of Credit and Market Risk

Financial instruments that potentially expose National Assistance League to concentrations of credit and market risk consist primarily of cash, cash equivalents and investments. Cash and cash equivalents are maintained at high-quality financial institutions. Checking and savings accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Money market accounts held for investments are insured by Securities Investor Protection Corporation up to \$500,000. National Assistance League investments are further insured by additional insurance thru Lloyd's of London up to \$1 billion for all customer claims of which \$1.9 million may cover cash held for further investments. National Assistance League has not experienced any losses on its cash or cash equivalents. National Assistance League's investments does not represent significant concentrations of market risk in as much as National Assistance League's investment portfolio is adequately diversified among issuers.

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. Property and equipment acquisitions in excess of \$1,000 are capitalized. National Assistance League provides for depreciation and amortization of property and equipment by use of the straight-line method over the estimated useful lives as follows:

Furniture and equipment	5 to 10 years
Software and website	3 years

Deferred Revenue

Membership dues and program service fees collected prior to the fiscal year to 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

**NATIONAL ASSISTANCE LEAGUE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Donated Materials and Services

Significant materials and services are donated to National Assistance League by various individuals, corporations and other organizations. Donated materials, travel, meals, lodging, and professional services of \$55,207 for the year ended May 31, 2010 are reflected in the accompanying financial statements at their fair values at the date of donation.

In addition, a significant portion of National Assistance League's program services, 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, 2010, these volunteers donated approximately 45,568 (unaudited) hours with an estimated value of \$959,662. This value was computed using an estimated hourly rate of \$21.06, based upon the average hourly earnings of nonagricultural workers for the time period of \$18.81, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits.

Tax Status

National Assistance League is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, National Assistance League qualifies for the charitable contribution 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). National Assistance League is also exempt from state income taxes under Section 23701(d) of the Revenue and Taxation Code of the State of California.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

**NATIONAL ASSISTANCE LEAGUE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Fair Value Measurements

National Assistance League adopted Statement No. 157, *Fair Value Measurements*, Statement of Financial Accounting Standards No. 157 (FAS 157), subsequently included in the Codification as ASC 820. ASC 820 applies to all financial instruments that are being measured and reported on a fair value basis.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows.

Level 1 - Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounts cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at May 31, 2010 consist of the following:

Checking and savings accounts:	
Checking Account - Bank of America	\$ 10,410
Savings Account - Bank of America	207,670
Money Market - Treasury Fund Capital Reserves	<u>806,323</u>
Total cash and cash equivalents	<u><u>\$ 1,024,403</u></u>

**NATIONAL ASSISTANCE LEAGUE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2010**

NOTE 3 - INVESTMENTS

Investments are stated at fair value and consist of the following at May 31, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
U.S. Treasury notes	\$ 346,284	\$ 484	\$ 1,302	\$ 348,070
Exchange traded funds	1,511,669	2,115	5,683	1,519,467
Total investments	<u>\$ 1,857,953</u>	<u>\$ 2,599</u>	<u>\$ 6,985</u>	<u>\$ 1,867,537</u>

The fair value of these assets is based on Level I measurements.

The permanently restricted investments represent a donor-stipulated permanent endowment, the income from which is expendable to support unreimbursed expenses of the president incurred in the performance of duties on behalf of National Assistance League. The temporarily restricted investments consist of unexpended earnings on the permanently restricted assets.

Investment return for the year ended May 31, 2010 is summarized as follows:

	<u>Unrestricted</u>
Interest and dividends	\$ 93,131
Net realized (losses)	(427)
Net unrealized gains	249,395
Less investment advisory and custodial fees	(13,818)
Total investment return, net	<u>\$ 328,281</u>

NOTE 4 - NOTE RECEIVABLE

As of May 1, 2008, National Assistance League renegotiated the note receivable with PATH, a California nonprofit benefit corporation, decreasing the term of the note from 20 years to 15 years and increasing the interest rate from 6.9% to 7.85%.

The note receivable at May 31, 2010 consists of the following:

Interest rate - 7.85%; due April 30, 2013; monthly principal and interest payments of \$4,028; balloon payment due April 30, 2013; secured by certain property	<u>\$ 465,207</u>
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**NATIONAL ASSISTANCE LEAGUE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2010**

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at May 31, 2010:

Furniture and equipment	\$ 82,511
Software and website	79,318
	<u>161,829</u>
Less accumulated depreciation and amortization	<u>(123,000)</u>
Total property and equipment, net	<u><u>\$ 38,829</u></u>

Depreciation and amortization expense for the year ended May 31, 2010 - \$11,436

NOTE 6 - DEFERRED DUES REVENUE

The deferred dues revenue balance at May 31, 2010 reflects 2010-2011 dues received before May 31, 2010 year end.

NOTE 7 - NET ASSETS

At May 31, 2010, net assets were restricted by donors or designated by the Board of Directors as follows:

Unrestricted net assets:

Designated for potential event cancellation (see Note 12)	\$ 422,900
Designated for future operating needs	1,580,000
Designated for future conference attendance shortfall (see Note 12)	85,000
Undesignated	<u>1,048,977</u>
Total unrestricted net assets	<u>3,136,877</u>

Temporarily restricted for:

Circle contributions for 2010 - 2011 fiscal year	3,600
Hillgren Fund accumulated interest earnings in excess of expense	<u>3,722</u>
Total temporarily restricted net assets	<u>7,322</u>

Permanently restricted for:

Hillgren Fund Endowment	<u>10,000</u>
Total permanently restricted net assets	<u>10,000</u>
Total net assets	<u><u>\$ 3,154,199</u></u>

**NATIONAL ASSISTANCE LEAGUE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2010**

NOTE 8 - LEASES

National Assistance League leases office space under an operating lease that expires in 2013 and a copier under an operating lease that expires in 2012. Minimum future rental payments due under these leases at May 31, 2010 are summarized as follows:

Year ending May 31, 2011	\$ 97,471
2012	96,180
2013	<u>80,669</u>
	<u>\$ 274,320</u>

Rent expense for the year ended May 31, 2010 - \$95,257

NOTE 9 - EVALUATION OF SUBSEQUENT EVENTS

National Assistance League has evaluated subsequent events through August 5, 2010, the date which the financial statements were available to be issued.

NOTE 10 - RETIREMENT PLAN

Employees of National Assistance League may participate in an Internal Revenue Code section 403(b) retirement savings plan which was established during 2001. The plan is funded solely by employee contributions to the plan, pursuant to a salary reduction agreement.

NOTE 11 - CONCENTRATIONS

National Assistance League operates from one location in Burbank, California.

During the year ended May 31, 2010, National Assistance League received 22% of its total support and revenue from the annual conference.

As of May 31, 2010, National Assistance League had a note receivable from PATH (see Note 4) in the amount of \$465,207.

NOTE 12 - COMMITMENTS

As of May 31, 2010, National Assistance League has entered into contracts with various hotels through September 19, 2016 for meeting space and room rentals associated with its Annual Conferences and/or Workshops. In the event of conference or workshop cancellation or not fulfilling various requirements of the contracts, National Assistance League may be liable for certain cancellation and attendance shortfall costs.

**NATIONAL ASSISTANCE LEAGUE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2010**

NOTE 13 - RECENT ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board ("FASB") implemented the FASB Accounting Standards Codification (Codification) effective July 1, 2009. The Codification has become the source of authoritative Generally Accepted Accounting Principles ("GAAP") recognized by FASB to be applied to nongovernmental entities. On the effective date of the Codification, the Codification superseded all then existing accounting and reporting standards. All other non-grand-fathered accounting literature not included in the Codification has become non-authoritative. References to GAAP included in the FASB Codification are noted as Accounting Standards Codification ("ASC").

Following the effective date of the Codification, FASB will not release new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force abstracts, but instead will issue Accounting Standards Updates. Updates will not be considered authoritative in their own right, but will serve only to update the Codification, provide background information about the guidance in the Codification, and provide the basis for the conclusions on the changes in the Codification.