

**ASSISTANCE LEAGUE® OF SANTA CLARITA**  
**FINANCIAL STATEMENTS**  
For the year ended May 31, 2022

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
ASSISTANCE LEAGUE OF SANTA CLARITA  
Santa Clarita, California

We have reviewed the accompanying financial statements of Assistance League of Santa Clarita (a nonprofit Chapter of National Assistance League®), which comprise the statement of financial position as of May 31, 2022 and the related statements of activities, functional expenses, 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 Chapter 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.

### 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 AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modification 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.

We are required to be independent of Assistance League of Santa Clarita and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

## **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.

## **Supplementary Information**

The accompanying supplementary information included in Schedule I is presented for purposes of additional analysis and is not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

## **Summarized Comparative Information**

We previously reviewed Assistance League of Santa Clarita's May 31, 2021 financial statements and in our conclusion dated October 27, 2021, stated that based on our review, we were not aware of any material modifications that should be made to the May 31, 2021 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended May 31, 2021, for it to be consistent with the reviewed financial statements from which it has been derived.



STERN, KORY, SREDEN & MORGAN. AAC  
Stevenson Ranch, CA  
October 26, 2022

**ASSISTANCE LEAGUE OF SANTA CLARITA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF MAY 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

<b>ASSETS</b>			
		<u><b>2022</b></u>	<u><b>2021</b></u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	584,887	\$ 452,680
Prepaid expenses		33,310	5,474
Inventory		40,792	34,170
<b>Total Current Assets</b>		<u>658,989</u>	<u>492,324</u>
<b>PROPERTY, PLANT AND EQUIPMENT, Net</b>		<u>2,307,984</u>	<u>2,314,110</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 2,966,973</u></u>	<u><u>\$ 2,806,434</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Credit card payable	\$	2,790	\$ 6,474
Current portion of long-term debt		31,886	30,259
Line of credit		-	199,424
Sales tax liability		4,991	2,931
Deferred dues revenue		15,163	16,663
<b>Total Current Liabilities</b>		<u>54,830</u>	<u>255,751</u>
<b>LONG-TERM LIABILITIES</b>			
Notes payable		<u>761,428</u>	<u>793,544</u>
<b>TOTAL LIABILITIES</b>		<u>816,258</u>	<u>1,049,295</u>
<b>NET ASSETS</b>			
Without donor restrictions		<u>2,150,715</u>	<u>1,757,139</u>
<b>Total Net Assets</b>		<u>2,150,715</u>	<u>1,757,139</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u><u>\$ 2,966,973</u></u>	<u><u>\$ 2,806,434</u></u>

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT AND NOTES

**ASSISTANCE LEAGUE OF SANTA CLARITA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MAY 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>2022</u>	<u>2021</u>
<b>SUPPORT AND REVENUE</b>		
Fundraising		
Thrift shop revenue		
Contributions of merchandise	\$ 595,583	\$ 192,509
Sales of donated merchandise	585,298	188,282
Less: Value of merchandise sold	(585,298)	(188,282)
Net revenue from thrift shop	<u>595,583</u>	<u>192,509</u>
Special events revenue		
Event income	-	240
Less: Cost of direct benefits to attendees	-	(240)
Net revenue from special events	<u>-</u>	<u>-</u>
<b>Total fundraising revenue</b>	595,583	192,509
Contributions and grants	45,996	557,806
Non-cash contributions	20,159	10,072
Membership	17,630	16,227
Investment income	491	501
Rental income	-	1,050
<b>Total Support and Revenue</b>	<u>679,859</u>	<u>778,165</u>
<b>EXPENSES</b>		
Program expenses		
Community Needs Programs	6,320	4,200
Assisteens Community Service	4,919	2,489
Operation School Bell®	103,059	22,421
<b>Total program expenses</b>	<u>114,298</u>	<u>29,110</u>
Supporting services		
Fundraising:		
Thrift shop	143,872	187,042
Special events	197	2,036
Management and general	17,307	13,368
Membership development	10,609	8,852
<b>Total supporting services expense</b>	<u>171,985</u>	<u>211,298</u>
<b>Total Expenses</b>	<u>286,283</u>	<u>240,408</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	393,576	537,757
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,757,139</u>	<u>1,219,382</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 2,150,715</u></u>	<u><u>\$ 1,757,139</u></u>

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT AND NOTES

**ASSISTANCE LEAGUE OF SANTA CLARITA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MAY 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 393,576	\$ 537,757
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	25,453	2,415
Loss on disposal of assets	-	17,879
Decrease (Increase) in:		
Accounts receivable	-	6,190
Prepaid expenses and current assets	(27,836)	8,797
Inventory	(6,622)	(6,061)
Deposit	-	3,600
Increase (Decrease) in:		
Accounts payable	-	(2,295)
Credit card payable	(3,684)	6,084
Sales tax liability	2,059	2,931
Deferred dues revenue	(1,500)	3,503
<b>Net Cash Provided By Operating Activities</b>	<u>381,446</u>	<u>580,800</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>(19,326)</u>	<u>(851,995)</u>
<b>Net Cash Used In Investing Activities</b>	<u>(19,326)</u>	<u>(851,995)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in line of credit	(199,424)	199,424
Repayment of long term debt	<u>(30,489)</u>	<u>(28,666)</u>
<b>Net Cash Used in Financing Activities</b>	<u>(229,913)</u>	<u>170,758</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<u>132,207</u>	<u>(100,437)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>452,680</u>	<u>553,117</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 584,887</u></u>	<u><u>\$ 452,680</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION</b>		
CASH PAID DURING THE YEAR FOR:		
Interest	<u>\$ 42,286</u>	<u>\$ 44,906</u>
Income taxes	<u>\$ -</u>	<u>\$ 180</u>

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT AND NOTES

**ASSISTANCE LEAGUE OF SANTA CLARITA  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MAY 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	Program Services				Supporting Services				Year ended May 31, 2022		Year ended May 31, 2021	
	Operation School Bell	Community Outreach Programs	Assistees Program Services	Total Program Services	Thrift Shop	Fund Raising Special Events	Management and General	Membership Development	Total Support Services	Total Expenses	Total Expenses	Total Expenses
Resale shop donations	\$ -	\$ -	\$ -	\$ -	\$ 585,298	\$ -	\$ -	\$ -	\$ 585,298	\$ 585,298	\$ 188,282	\$ 188,282
Bank charges	-	-	-	-	3,502	-	308	-	3,810	3,810	942	942
Technology expenses	4,042	-	-	4,042	4,042	-	4,042	-	8,084	12,126	1,158	1,158
Credit card fees	-	-	-	-	12,325	197	-	376	12,898	12,898	3,585	3,585
Depreciation & amortization	1,273	-	-	1,273	22,907	-	1,273	-	24,180	25,453	2,415	2,415
Education	2,447	-	-	2,447	1,223	-	2,447	-	3,670	6,117	1,047	1,047
Insurance	309	-	-	309	5,564	-	2,008	-	7,572	7,881	11,550	11,550
Membership expenses	-	-	-	-	-	-	-	1,608	1,608	1,608	121	121
National dues	-	-	-	-	-	-	-	8,625	8,625	8,625	8,130	8,130
Occupancy	4,237	-	-	4,237	76,257	-	4,237	-	80,494	84,731	134,712	134,712
Office expenses	5	-	-	5	94	-	5	-	99	104	345	345
Supplies	-	-	-	-	8,099	-	-	-	8,099	8,099	4,950	4,950
Professional/outside services	2,583	-	-	2,583	2,583	-	2,583	-	5,166	7,749	6,800	6,800
Program services	87,759	6,320	4,919	98,998	-	-	-	-	-	98,998	18,276	18,276
Public relations/advertising	404	-	-	404	7,276	-	404	-	7,680	8,084	16,367	16,367
Loss in disposal of assets	-	-	-	-	-	-	-	-	-	-	17,879	17,879
Expenditures on new building	-	-	-	-	-	-	-	-	-	-	12,131	12,131
Total expenses	103,059	6,320	4,919	114,298	729,170	197	17,307	10,609	757,283	871,581	428,690	428,690
Less expenses included with revenue on statement of activities	-	-	-	-	(585,298)	-	-	-	(585,298)	(585,298)	(188,282)	(188,282)
Total expenses per statement of activities	\$ 103,059	\$ 6,320	\$ 4,919	\$ 114,298	\$ 143,872	\$ 197	\$ 17,307	\$ 10,609	\$ 171,985	\$ 286,283	\$ 240,408	\$ 240,408

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT AND NOTES



**ASSISTANCE LEAGUE OF SANTA CLARITA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022 AND 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Assistance League of Santa Clarita (the "Chapter") is presented to assist in understanding the Chapter's financial statements. The financial statements and notes thereto are representations of the Chapter's management who is responsible for their integrity and objectivity.

**Nature of Activities**

The Chapter is a California nonprofit corporation and is a chartered chapter of the National Assistance League®. The accompanying financial statements include the activities of Assistance League of Santa Clarita and its auxiliary, Assisteens® (collectively, the Chapter). The Chapter provides the following programs:

**Operation School Bell®**

- Assistance League of Santa Clarita provides new clothing and shoes to disadvantaged elementary, junior high and high school students in the Santa Clarita Valley.
- The icare for kids program provides eye exams and eyeglasses to students in need referred by local elementary, junior high, and high schools.
- Elementary school health offices are given packages of new underwear to provide to younger students who have emergencies during the school day.

**Community Outreach** is an umbrella program that responds to the various needs in our community.

- **Teddy Bear Patrol** provides teddy bears to local fire stations, medical facilities, and children's service agencies for distribution to children and others involved in traumatic situations.
- **Fostering Success** provides clothing, eye care, household goods, hygiene supplies and other basic needs to college students who have transitioned out of the Foster Care system.
- **Assisteens:** Students in grades 7-12, mentored by ALSC members to promote leadership and organizational skills through volunteerism, provide the following:
  - 1) Assemble Foster Care Backpacks that are provided to children entering the foster care system. The backpacks include personal hygiene items, a change of clothing, and small items of comfort.
  - 2) Organize a social activity and lunch for residents of LARC Ranch, a group living community for developmentally disabled adults.
  - 3) Collect canned goods for the local Food Pantry and students in need at College of the Canyons.



**ASSISTANCE LEAGUE OF SANTA CLARITA  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2022 AND 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- **Family Ties** provides baked goods to homebound seniors in the SCV community, as well as holiday gifts to developmentally disabled adults living independently in our community.
- **UkeALadies** provides musical entertainment to seniors in local Assisted Living Facilities.
- **Emergency Community Assistance** responds to requests to help the immediate needs of individuals or families who have experienced a disruptive event in their life. During 2021-2022 clothing was provided to Afghan refugee children and families relocated to the SCV community.

The Chapter's support and revenues come primarily from contributions and other fundraising efforts including the operation of a thrift shop and special events.

**Basis of Accounting**

The Chapter utilizes the accrual method of accounting in accordance with generally accepted accounting principles whereby revenue is recognized when earned and expenses are recognized when incurred.

**Basis of Presentation**

Financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Chapter is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which represents the expendable resources that are available for operations at management's discretion and net assets with donor restrictions, which represents resources restricted by donors as to purpose or by the passage of time. The Chapter presently has no donor restricted net assets.

**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, 2021, from which the summarized information was derived.

**ASSISTANCE LEAGUE OF SANTA CLARITA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022 AND 2021**

**NOTE 1: SUMMARY OF 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 reported amounts of assets and liabilities, and disclosures 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.

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the Chapter considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Inventory**

The Chapter maintains an inventory of bears for the Teddy Bear Patrol program, which are stated at the lower of cost or net realizable value, determined by the first-in, first-out method. The Chapter also maintains an inventory of used clothing and household items donated by chapter members and others, for resale by a thrift shop operated by the Chapter, which is stated at its estimated fair value.

**Concentrations of Credit and Market Risk**

Financial instruments that potentially expose the Chapter to concentrations of credit and market risk consist primarily of cash and cash equivalents. At May 31, 2022, the Chapter maintained funds at one financial institution whereby the cumulative balances on these accounts exceeded the Federal Deposit Insurance Corporation (FDIC) guaranteed limit up to \$250,000. At May 31, 2022, \$334,887 was exposed to this risk. The Chapter has not experienced any losses on its cash or cash equivalents.

**Advertising Costs**

It is the Chapter's policy to charge advertising costs to operations when incurred.

**ASSISTANCE LEAGUE OF SANTA CLARITA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022 AND 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fixed Assets**

Depreciable assets are recorded at cost or, if donated, at the estimated fair market value at the date of donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Building	39 years
Improvements	15 years
Equipment, furniture and fixtures	5 - 7 years

Repairs and maintenance charges and depreciable assets acquired at a cost of less than \$2,500 are expensed as incurred. The cost and related accumulated depreciation applicable to retired assets are removed from the accounts and the gain or loss on disposition is recognized in income in the year of the disposition.

**Contributions and Promises to Give**

The Chapter recognizes contributions as revenue when cash, securities or other assets, an unconditional promise to give, or a modification of a beneficial interest is received. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in restricted net assets depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Other contributions may have revocable features to the promises to give. Such conditional promises to give are recognized when the conditions are substantially met.

**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.

**Expense Allocation**

The costs for providing programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**ASSISTANCE LEAGUE OF SANTA CLARITA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022 AND 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Donated Materials and Services**

Donations of materials are recorded as contributions at their estimated fair value at the date of the donation. Donated services that create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased if not provided by donation, are recorded at fair values in the period received. Volunteers may provide other services that are not recognized as contributions in the financial statements since the recognition criteria has not been satisfied. Donated materials of \$595,583 and \$192,509 in the years ended May 31, 2022 and 2021, respectively, are reflected in the accompanying financial statements at their fair values at the date of donation.

The donated materials consisted primarily of used clothing and household items contributed by the general public for resale by a thrift shop operated by the Chapter, as well as materials and supplies donated to the Chapter's various fund raising events. In addition, a significant portion of the Chapter'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.

**Income Taxes**

The Chapter is a not-for-profit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the charter 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). The Chapter is also exempt from state income taxes under Section 23701(d) of the California Revenue and Taxation Code. The Chapter receives unrelated business income from the rental of a portion of its building. The 2019 through 2021 tax years remain subject to examination by the Internal Revenue Service. In addition, the 2018 through 2021 tax years remain subject to examination by the State of California.

**Fair Value Measurement**

The Chapter follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. This guidance establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair values into Levels 1, 2, and 3.

**ASSISTANCE LEAGUE OF SANTA CLARITA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022 AND 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fair Value Measurement (continued)**

Level 1 inputs consist of unadjusted quoted prices in active markets for identical instruments and have the highest priority. Level 2 inputs include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or inputs other than quoted prices that are directly or indirectly observable. Level 3 inputs are unobservable and are given the lowest priority.

For purposes of financial reporting, the Chapter has determined that the fair values of its financial instruments, which include cash equivalents, accounts receivable and accounts payable, approximate the carrying values at May 31, 2022, and 2021, based on their short maturities and/or the terms available to the Chapter in financial markets.

**Long-Lived Assets**

The Chapter assesses the impairment of its long-lived assets, including property and equipment, whenever economic events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable. Long-lived assets are considered to be impaired when the sum of the expected future operating cash flows, undiscounted and without interest charges, is less than the carrying amounts of the related assets. During the years ended May 31, 2022 and 2021, the Chapter determined that no impairment loss needed to be recognized for any applicable assets.

**NOTE 2: LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure within one year of May 31, 2022 are as follows:

Cash and cash equivalents	
Cash and cash equivalents available for general expenditures	\$ 584,887
Prepaid expenses	33,310
Inventory	40,792
Total financial assets	<u>658,989</u>
Amounts not available to be used within one year	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 658,989</u>

The Chapter is substantially supported by thrift store revenues, grants and contributions, program revenues and fundraisers. The Chapter reviews its liquidity monthly with the board of directors.

**ASSISTANCE LEAGUE OF SANTA CLARITA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022 AND 2021**

**NOTE 3: INVENTORY**

Inventory consisted of the following as of May 31, 2022 and 2021:

	2022	2021
Used clothing, jewelry and household items held for sale at the thrift shop	\$ 40,000	\$ 33,750
New stuffed teddy bears for use in the Teddy Bear Patrol program	792	420
Total inventory	<u>\$ 40,792</u>	<u>\$ 34,170</u>

**NOTE 4: CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consisted of the following as of May 31, 2022 and 2021:

	2022	2021
Checking and savings accounts:		
Bank of SC - Operating	\$ 133,075	\$ 89,511
Bank of SC - Saving	417,620	206,430
Bank of SC - Building Fund	-	149,575
Bank of SC - Capital Reserve	27,816	-
Bank of SC - Assisteens - Checking	5,621	6,552
Petty Cash	755	612
Total cash and cash equivalents	<u>\$ 584,887</u>	<u>\$ 452,680</u>

**NOTE 5: FIXED ASSETS**

On May 18, 2021, the Chapter completed the construction of and opened its new thrift shop located in Santa Clarita, California.

At May 31, 2022, net assets consisted of the following:

	Cost	Accumulated Depreciation	Net Book Value
Building	\$ 882,066	\$ 24,579	\$ 857,487
Land	1,434,497	-	1,434,497
Furniture and equipment	18,080	2,080	16,000
	<u>\$ 2,334,643</u>	<u>\$ 26,659</u>	<u>\$ 2,307,984</u>



**ASSISTANCE LEAGUE OF SANTA CLARITA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022 AND 2021**

**NOTE 5: FIXED ASSETS (Continued)**

At May 31, 2021, net assets consisted of the following:

	Cost	Accumulated Depreciation	Net Book Value
Building	\$ 874,552	\$ 1,095	\$ 873,457
Land	1,434,497	-	1,434,497
Furniture and equipment	6,268	112	6,156
	<u>\$ 2,315,317</u>	<u>\$ 1,207</u>	<u>\$ 2,314,110</u>

Depreciation expense for the years ended May 31, 2022 and 2021 were \$25,452 and \$2,415, respectively.

**NOTE 6: NOTES PAYABLE**

On September 17, 2018, the Chapter bought a building which it financed through a \$900,000 mortgage. The note payable is secured by the property, payable in monthly installments of \$6,065 including principal and interest at 5.25%, maturing on August 1, 2038.

Maturities of the long-term debt are as follows:

Year ending May 31:	
2023	\$ 31,886
2024	33,601
2025	35,408
2026	37,313
2027	39,319
After	615,787
	<u>\$ 793,314</u>

**NOTE 7: LINE OF CREDIT**

The Chapter had a \$250,000 revolving line of credit with Bank of Santa Clarita for working capital which matured February 3, 2022 and it was not renewed. The principal balance on the line of credit is due upon maturity. Interest is payable monthly and is calculated at 4.25%. The outstanding balance on the line of credit as of May 31, 2022 and 2021 were \$0 and \$199,424, respectively.



**ASSISTANCE LEAGUE OF SANTA CLARITA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022 AND 2021**

**NOTE 8: UNRELATED BUSINESS INCOME**

The Chapter leased its building to unrelated parties prior to its re-construction. The terms of the leases were month to month at \$1,050 per month. For the year ended May 31, 2021, the Chapter received rental income of \$1,050 less allocable rental-related expenses of \$-0- resulting in net rental income of \$1,050 from this unrelated business activity for income tax purposes.

**NOTE 9: UNRESTRICTED NET ASSETS**

At May 31, 2022 and 2021, unrestricted net assets designated by the Chapter were as follows:

	2022	2021
Designated for petty cash	\$ 412	\$ 412
Designated for operations	395,000	235,000
Designated for building renovations	30,000	250,000
Undesignated	1,725,303	1,271,727
Total unrestricted net assets	<u>\$ 2,150,715</u>	<u>\$ 1,757,139</u>

**NOTE 10: SPECIAL EVENTS**

The Chapter conducts various special events to help fund current operations. Due to COVID-19 pandemic, all special events were cancelled for 2021 and 2022. The revenue and related expenses from such events for the year ending May 31, 2021 are as follows:

Event	Revenue	Direct costs		Other Costs	Net Revenue
		Cost of Merchandise Sold	Cost of Direct Benefits to Attendees		
Casino Night	\$ 240	\$ -	\$ -	\$ (240)	\$ -
Total special events	<u>\$ 240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (240)</u>	<u>\$ -</u>

**ASSISTANCE LEAGUE OF SANTA CLARITA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022 AND 2021**

**NOTE 11: DONATED SERVICES**

A major portion of the Chapter'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 statement since the services do not require specialized skills. The estimated hours and value of such services were as follows for the years ending May 31, 2022 and 2021:

	<u>Estimated # of Hours</u>		<u>Estimated Value</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Volunteer hours	<u>56,736</u>	<u>82,176</u>	<u>\$ 1,686,194</u>	<u>\$ 2,305,859</u>

The estimated value of these donated services was computed using hourly rates of \$29.72 and \$26.86, respectively, based upon the average hourly earnings of nonagricultural workers for the years ended May 31, 2022 and 2021, respectively, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits.

**NOTE 12: NONCASH CONTRIBUTIONS**

During the years ended May 31, 2022 and May 31, 2021, in addition to contributions of merchandise to the Chapter's thrift shop, the Chapter received other noncash contributions of materials, services, and free use of facilities that have been reflected in the financial statements of the Chapter as follows:

	<u>2022</u>	<u>2021</u>
Thrift shop donations	\$ 595,583	\$ 192,509
Program supplies	<u>20,159</u>	<u>10,072</u>
Total noncash donations	<u>\$ 615,742</u>	<u>\$ 202,581</u>

**NOTE 13: COMMITMENTS**

The Chapter leased retail space for the thrift shop under an operating lease through April 30, 2021. In May 2021, the Chapter relocated to its new building. The total rent expense for the year ended May 31, 2021 was \$57,200.

**ASSISTANCE LEAGUE OF SANTA CLARITA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022 AND 2021**

**NOTE 14: RISKS AND UNCERTAINTIES**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact operating results. The outbreak of the virus in the United States has caused business disruption through mandated and voluntary closings of non-essential businesses and school districts. The Chapter has been able to continue to operate. However, economic uncertainties may remain which could likely negatively impact their future operating results. While this disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and the economic impact on the Chapter. The Board continues to monitor the situation. The Chapter maintains an one-year operating reserve to protect against any future contingencies.

**NOTE 15: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 26, 2022, the date on which the financial statements were available to be issued and concluded there are no subsequent events to report.

## **SUPPLEMENTAL INFORMATION**

**ASSISTANCE LEAGUE OF SANTA CLARITA  
SCHEDULE I - CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2022**

	<u>Chapter</u>	<u>Assisteens</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Fundraising			
Thrift shop revenue			
Contributions of merchandise	\$ 595,583	\$ -	\$ 595,583
Sales of donated merchandise	580,398	4,900	585,298
Less: Value of merchandise sold	(585,298)	-	(585,298)
Net revenue from thrift shop	<u>590,683</u>	<u>4,900</u>	<u>595,583</u>
<b>    Total fundraising revenue</b>	590,683	4,900	595,583
Contributions and grants	45,996	-	45,996
Non-cash contributions	20,159	-	20,159
Membership	15,870	1,760	17,630
Investment income	491	-	491
<b>    Total Support and Revenue</b>	<u>673,199</u>	<u>6,660</u>	<u>679,859</u>
<b>EXPENSES</b>			
Program expenses			
Community Outreach Programs	6,320	-	6,320
Assisteens Community Service	2,430	2,489	4,919
Operation School Bell®	103,059	-	103,059
<b>    Total program expenses</b>	<u>111,809</u>	<u>2,489</u>	<u>114,298</u>
Supporting services			
Fundraising:			
Thrift shop	143,872	-	143,872
Special events	197	-	197
Management and general	17,307	-	17,307
Membership development	10,609	-	10,609
<b>    Total supporting services expense</b>	<u>171,985</u>	<u>-</u>	<u>171,985</u>
<b>    Total Expenses</b>	<u>283,794</u>	<u>2,489</u>	<u>286,283</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>\$ 389,405</u>	<u>\$ 4,171</u>	<u>\$ 393,576</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>			<u>1,757,139</u>
<b>NET ASSETS AT END OF YEAR</b>			<u><u>\$2,150,715</u></u>

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT