

ASSISTANCE LEAGUE OF VENTURA COUNTY

FINANCIAL STATEMENTS

APRIL 30, 2021

ASSISTANCE LEAGUE OF VENTURA COUNTY

April 30, 2021

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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Assistance League of Ventura County
Ventura, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Assistance League of Ventura County (a non-profit organization), which comprise the statement of financial position as of April 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Assistance League of Ventura County as of April 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The Chapter's April 30, 2020, financial statements were audited by another auditor, and an unmodified audit opinion was expressed on those audited financial statements dated February 4, 2021.

McGowan Guntermann

Santa Barbara, California

March 3, 2022

ASSISTANCE LEAGUE OF VENTURA COUNTY

STATEMENT OF FINANCIAL POSITION

April 30, 2021

(With Comparative Totals for April 30, 2020)

ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total 2021	(Memo) Total 2020
Current Assets				
Cash and cash equivalents	\$ 306,226	\$ 20,698	\$ 326,924	\$ 869,812
Investments	3,095,386	649,268	3,744,654	1,239,538
Accounts receivable	39,671	-	39,671	77,433
Pledges and bequests receivable	-	300,000	300,000	1,750,000
Other receivables	-	-	-	613
Prepaid Expenses	6,493	-	6,493	14,099
Inventory	44,047	-	44,047	30,930
Total Current Assets	<u>3,491,823</u>	<u>969,966</u>	<u>4,461,789</u>	<u>3,982,425</u>
Property and equipment	1,910,884	-	1,910,884	1,872,229
Less, accumulated depreciation	(695,263)	-	(695,263)	(662,249)
Net property and equipment	<u>1,215,621</u>	<u>-</u>	<u>1,215,621</u>	<u>1,209,980</u>
Total Assets	<u>\$ 4,707,444</u>	<u>\$ 969,966</u>	<u>\$ 5,677,410</u>	<u>\$ 5,192,405</u>

LIABILITIES AND NET ASSETS

Current Liabilities				
Accounts payable and accrued expenses	\$ 19,389	\$ -	\$ 19,389	\$ 2,586
Accrued payroll and related liabilities	10,899	-	10,899	(1,262)
Accrued vacation	-	-	-	1,273
Deferred dues revenue	6,545	-	6,545	3,540
Current portion of long-term debt	-	-	-	944
Total Current Liabilities	<u>36,833</u>	<u>-</u>	<u>36,833</u>	<u>7,081</u>
Net Assets				
Without Donor Restrictions				
Undesignated	4,670,611	-	4,670,611	3,422,916
Designated	-	-	-	12,408
With Donor Restrictions	-	969,966	969,966	1,750,000
Total Net Assets	<u>4,670,611</u>	<u>969,966</u>	<u>5,640,577</u>	<u>5,185,324</u>
Total Liabilities and Net Assets	<u>\$ 4,707,444</u>	<u>\$ 969,966</u>	<u>\$ 5,677,410</u>	<u>\$ 5,192,405</u>

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

ASSISTANCE LEAGUE OF VENTURA COUNTY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended April 30, 2021

(With Comparative Totals for the Year Ended April 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	(Memo) Total 2020
Public Support and Revenue				
Public Support				
Thrift shop revenue				
Contributions of merchandise	\$ 46,541	\$ -	\$ 46,541	\$ 167,613
Sales of donated merchandise	35,990	-	35,990	167,613
Value of merchandise sold	<u>(37,490)</u>	<u>-</u>	<u>(37,490)</u>	<u>(167,524)</u>
Net thrift shop revenue	<u>45,041</u>	<u>-</u>	<u>45,041</u>	<u>167,702</u>
Special events revenue	50,384	-	50,384	108,430
Less: Cost of direct benefits to attendees	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,805)</u>
Net revenue from special events	<u>50,384</u>	<u>-</u>	<u>50,384</u>	<u>82,625</u>
Contributions - Other	52,420	169,966	222,386	109,843
Contributions - Foundations	<u>64,765</u>	<u>-</u>	<u>64,765</u>	<u>49,725</u>
Total Public Support	<u>212,610</u>	<u>169,966</u>	<u>382,576</u>	<u>409,895</u>
Revenue				
Program service	375,688	-	375,688	563,009
Membership	23,383	-	23,383	29,117
Investment return, net of fees	603,869	-	603,869	(46,518)
Other	1,857	-	1,857	8,276
Net assets released from restrictions	<u>950,000</u>	<u>(950,000)</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>1,954,797</u>	<u>(950,000)</u>	<u>1,004,797</u>	<u>553,884</u>
Total Public Support and Revenue	<u>2,167,407</u>	<u>(780,034)</u>	<u>1,387,373</u>	<u>963,779</u>
Expenses				
Program services - Assistance League School	596,919	-	596,919	622,729
Program services - Girls Club	12,425	-	12,425	186,676
Program services - Operation School Bell	106,391	-	106,391	117,511
Program services - Other	<u>20,059</u>	<u>-</u>	<u>20,059</u>	<u>14,618</u>
Total program services	<u>735,794</u>	<u>-</u>	<u>735,794</u>	<u>941,534</u>
Supporting services:				
Management and general	77,907	-	77,907	2,964
Member development	10,949	-	10,949	8,545
Fundraising				
Events	1,782	-	1,782	13,271
Thrift Shop	<u>105,688</u>	<u>-</u>	<u>105,688</u>	<u>95,839</u>
Total supporting services	<u>196,326</u>	<u>-</u>	<u>196,326</u>	<u>120,619</u>
Total Expenses	<u>932,120</u>	<u>-</u>	<u>932,120</u>	<u>1,062,153</u>
Change in Net Assets	1,235,287	(780,034)	455,253	(98,374)
Net Assets, Beginning of Year - Restated	<u>3,435,324</u>	<u>1,750,000</u>	<u>5,185,324</u>	<u>5,283,698</u>
Net Assets, End of Year	<u>\$ 4,670,611</u>	<u>\$ 969,966</u>	<u>\$ 5,640,577</u>	<u>\$ 5,185,324</u>

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

ASSISTANCE LEAGUE OF VENTURA COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended April 30, 2021

(With Comparative Totals for the Year Ended April 30, 2020)

	Assistance League School	Girls Club	Operation School Bell	Other Programs	Program Services	Thrift Shop	Special Events	General and Administrative	Membership Development	Total Supporting Services	Total 2021	(Memo) Total 2020
Salaries and benefits	\$ 460,127	\$ 65	\$ 1,405	\$ -	\$ 461,597	\$ 14,054	\$ -	\$ 13,968	\$ -	\$ 28,022	\$ 489,619	620,642
Program supplies	21,527	-	100,461	11,609	133,597	749	75	309	75	1,208	134,805	145,434
Occupancy:												
Utilities	14,129	2,336	265	-	16,730	12,431	-	2,634	-	15,065	31,795	36,983
Repairs and maintenance	46,598	8,500	1,006	-	56,104	12,015	-	10,004	-	22,019	78,123	85,756
Insurance	6,821	-	731	-	7,552	7,309	-	7,264	-	14,573	22,125	22,767
Property taxes	355	-	6	-	361	15,309	-	56	-	15,365	15,726	10,880
Bank fees	72	-	8	462	542	77	-	77	-	154	696	2,101
Licenses and fees	2,578	24	10	-	2,612	123	-	99	-	222	2,834	2,613
Postage	718	-	77	2,067	2,862	769	431	764	-	1,964	4,826	6,188
Printing	716	-	77	201	994	767	923	762	-	2,452	3,446	9,364
Professional services	18,905	-	1,951	-	20,856	19,512	-	19,393	-	38,905	59,761	23,118
Public relations and advertising	408	-	44	-	452	437	-	434	-	871	1,323	1,017
Supplies - office and other	2,952	-	316	738	4,006	4,396	-	3,144	22	7,562	11,568	15,512
National dues	-	-	-	2,250	2,250	-	-	-	10,838	10,838	13,088	7,330
National conferences and meetings	91	-	10	-	101	97	-	96	-	193	294	6,263
Education	589	-	-	-	589	-	-	-	-	-	589	2,108
Credit card fees	20	-	1	81	102	1,491	353	-	14	1,858	1,960	4,274
Interest	8	-	1	-	9	9	-	9	-	18	27	5,766
Member, debutante and parent events	-	-	-	303	303	-	-	-	-	-	303	1,631
Miscellaneous	10,728	1,500	22	2,348	14,598	764	-	214	-	978	15,576	8,186
Total expenses before depreciation	587,342	12,425	106,391	20,059	726,217	90,309	1,782	59,227	10,949	162,267	888,484	1,017,933
Depreciation	9,577	-	-	-	9,577	15,379	-	18,680	-	34,059	43,636	44,220
2021 Total Expenses	\$ 596,919	\$ 12,425	\$ 106,391	\$ 20,059	\$ 735,794	\$ 105,688	\$ 1,782	\$ 77,907	\$ 10,949	\$ 196,326	\$ 932,120	
2020 Total Expenses (Memo)	\$ 622,729	\$ 186,676	\$ 117,511	\$ 14,618	\$ 941,534	\$ 95,839	\$ 13,271	\$ 2,964	\$ 8,545	\$ 120,619		\$ 1,062,153

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

ASSISTANCE LEAGUE OF VENTURA COUNTY

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2021

(With Comparative Totals for the Year Ended April 30, 2020)

	2021	(Memo) 2020
Cash Flows from Operating Activities:		
Change in net assets	\$ 455,253	\$ (98,374)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	43,636	44,220
Realized and unrealized (gain) loss on investments	(567,131)	86,503
(Increase) decrease in:		
Accounts receivable	37,762	392
Pledges receivable	1,450,000	-
Other receivables	613	(4)
Prepaid expenses	7,606	(2,283)
Inventory	(13,117)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	16,803	(8,630)
Accrued payroll and related liabilities	12,161	(24,840)
Accrued vacation	(1,273)	1,273
Deferred dues revenue	3,005	(5,020)
	<u>1,445,318</u>	<u>(6,763)</u>
Net Cash Provided (Used) by Operating Activities		
Cash Flows From Investing Activities:		
Purchase of property and equipment	(49,277)	(1,195)
Purchase of securities	(2,551,547)	(32,149)
Proceeds from sale of securities	613,562	21,495
	<u>(1,987,262)</u>	<u>(11,849)</u>
Net Cash Used by Investing Activities		
Cash Flows from Financing Activities:		
Payments on capital lease payable	(944)	(2,262)
Principal repayments on debt	-	(445,395)
	<u>(944)</u>	<u>(447,657)</u>
Net Cash Used By Financing Activities		
Net Change in Cash	(542,888)	(466,269)
Cash - Beginning of Year	<u>869,812</u>	<u>1,336,081</u>
Cash - End of Year	<u>\$ 326,924</u>	<u>\$ 869,812</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 26	\$ 5,766

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

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 1 – ORGANIZATION

Assistance League of Ventura County (the chapter) is a nonprofit corporation and is a chartered chapter of National Assistance League. The accompanying financial statements include activities of Assistance League of Ventura County and its auxiliaries: Las Patronas, Nancy R. Brandt and Assisteens (collectively, the chapter). The chapter provides the following programs:

- Assistance League School is a professionally staffed program for preschool children with special needs, accredited by the State of California.
- Girls Club/Teen Club provided year-round after school and summer programs designed to develop academic achievement, creative arts, recreation, self-confidence, and personal enrichment. The program was suspended as of April 30, 2020, and eliminated during the year ended April 30, 2021, and no activities were reported for the year then ended. All shared expenses have been allocated to management and general for the year ended April 30, 2021.
- Operation School Bell has provided clothing, shoes, toiletries and school supplies to local underprivileged students in grades K through 5. In the fiscal year ended April 30, 2021, due to COVID constraints, \$75 Target gift cards were given to the children instead of clothing, in addition to toiletries, school supplies, a National Geographic Explorer magazine and an age-appropriate book.
- B.U.F.F.Y. Bears provides the District Attorney's Office/Victim Services Division and other protective agencies with teddy bears to give to young children in times of crisis.
- Assault Survivor Kits is a program of Nancy R Brandt Auxiliary, an auxiliary of Assistance League of Ventura County, providing clothing and personal items to assault victims. The program is administered through Safe Harbor Ventura County.
- Teens Helping Teens is a program of Assisteens Auxiliary, an auxiliary of Assistance League of Ventura County providing needed items for daily living to homeless and foster teens in Ventura County. The program is administered through the Ventura County Human Services Agency's Children and Family Services Department.

The chapter's support and revenues come primarily from contributions, grants, and other fundraising efforts including special events and operation of a thrift shop (Bargain Box).

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The chapter uses the accrual basis of accounting, recognizing revenues when earned and expenses when incurred. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Estimates and assumptions include, but are not limited to depreciation, allowances and allocation of expenses among programs. It is at least reasonably possible that the significant estimates used will change within the next year.

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The chapter classifies cash, money market accounts, certificates of deposit, and all highly liquid investments with original maturities of three months or less as cash and cash equivalents.

Investments

The chapter 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 are reported as revenue without restrictions.

Property and Equipment

Equipment is recorded at cost or, if donated, at fair market value at the time of the donation. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specified purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the chapter reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The chapter reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. It is the chapter's policy to capitalize expenditures for these items in excess of \$1,000 and with a useful life of five years or more. Lesser amounts are expensed. The chapter provides for depreciation of property and equipment by use of the straight-line method over the estimated useful lives as follows:

Buildings and Improvements	10 to 39 years
Furniture and Fixtures	5 to 7 years
Machinery and Equipment	5 to 10 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.

Description of Net Assets

The chapter reports information regarding its financial position and activities in two classes of net assets - with donor restrictions and without donor restrictions - based on the existence or absence of donor-imposed restrictions.

Without Donor Restrictions

Net assets without donor restrictions represent net assets that are not subject to donor-imposed time or use restrictions. Net assets without donor restrictions include board designated funds.

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Description of Net Assets (continued)

With Donor Restrictions

Net assets with donor restrictions represent net assets that are subject to donor-imposed time or use restrictions. Net assets with donor restrictions generally include contributions and bequests receivable and planned gifts. Earnings on net assets with donor restrictions are reported as an increase in net assets with donor restrictions. Earnings on donor-restricted endowment funds that have not yet been appropriated are also classified as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as “Net assets released from restrictions”. Net assets with donor restrictions include perpetual income trusts for which the related income is reported as contributions without donor restrictions when received on the Statement of Activities. The change in value of the underlying assets is recorded as an unrealized gain or loss in net assets with donor restrictions on the Statement of Activities. Net assets with donor restrictions also consist of those donor-restricted endowments held by the chapter as defined under the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Contributions

All contributions are considered to be available for use without restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restriction support that increases this net asset class. When a donor restriction expires, net assets with restrictions are reclassified to net assets without donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the chapter reports the support as net assets without donor restrictions.

Donated Materials, Facilities and Services

Significant materials and facilities are donated to the chapter by various individuals and other organizations. The donated materials and facilities of \$50,697 in 2021 are reflected in the accompanying financial statements at their fair values at the date of donation. The donated materials consisted primarily of clothing and household items donated by chapter members and others for resale by a thrift shop operated by the chapter in the amount of \$46,541 and program supplies for use in programs in the amount of \$4,156.

In addition, a significant portion of the chapter’s functions and programs are conducted by unpaid volunteers. The financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria. During the fiscal year ending April 30, 2021, these volunteers donated approximately 11,115 hours with an estimated value of \$348,566. This value was computed using an estimated hourly rate of \$31.36, based upon the average hourly earnings of nonagricultural workers for the time period of May 1, 2020 to April 30, 2021, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits.

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Functional Expenses

The chapter allocates its expenses on a functional basis among its various program and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases. The expenses that are allocated include salaries and benefits, supplies, utilities, depreciation, professional services, bank fees, interest, licenses and fees, miscellaneous, meetings, postage, printing, public relations and advertising, and insurance, which are allocated on a square-footage basis.

Tax Exempt Status

The chapter is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 2370(1)(d); therefore, no provision for income taxes is required. The chapter is not considered a private foundation. The chapter is not aware of any transactions that would affect its tax-exempt status.

The chapter evaluates uncertain tax positions, whereby the effect of the uncertainty would be recorded if the outcome was considered probable and reasonably estimable. As of April 30, 2021, the chapter had no uncertain tax positions requiring accrual.

The chapter files tax returns in California and U.S. federal jurisdictions. The chapter is no longer subject to U.S. federal and state examinations by tax authorities for fiscal years ending before April 30, 2017 and 2016, respectively.

Advertising

Advertising costs are expensed as incurred and included in office expense program services. The amount expensed for the year ended April 30, 2021, was \$1,323.

Subsequent Events

In preparing these financial statements, the chapter has evaluated events and transactions for potential recognition or disclosure through March 3, 2022, the date of the financial statements.

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 3 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises are included in the financial statements as contributions and revenue of the appropriate net asset category in the period when the donor makes a promise to give to the chapter that is, in substance, unconditional. Promises to give are recorded at net realizable value if they are expected to be collected within one year and at net present value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At April 30, 2021, there is \$300,000 of unconditional promises to give in the form of a bequest receivable. The valuation of the receivable is based on a conservative fair market value of the estate as of April 30, 2021, no allowance is deemed necessary.

Note 4 – INVESTMENTS

Investments are presented in the financial statement at fair market value. Fair value is defined as the amount that would be exchanged for an asset or to transfer a liability between market participants in an orderly transaction at the balance sheet date. These amounts are not necessarily indicative of the amounts the chapter could realize in a current market exchange. Realized and unrealized gains and losses on investments are reflected in the Statement of Activities.

At April 30, 2021, investments consisted of the following:

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
Equities	\$ 527,461	\$ 1,081,108	\$ 553,647
Fixed Income	718,032	720,068	2,036
Exchange-Traded and Closed-End Funds	<u>1,729,226</u>	<u>1,943,474</u>	<u>214,252</u>
Total Investments	<u>\$ 2,974,719</u>	<u>\$ 3,744,654</u>	<u>\$ 769,935</u>

The following summarizes the net change in unrealized gain on investments:

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
Balance at end of the year	\$ 2,974,719	\$ 3,744,654	\$ 769,935
Balance at the beginning of the year	<u>1,003,653</u>	<u>1,239,538</u>	<u>235,885</u>
Net change in unrealized gain			<u>\$ 534,050</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended April 30, 2021:

Dividends and interest	\$ 44,300
Net Realized Gains on investments	33,081
Net Unrealized Gains on investments	534,050
Investment fees	<u>(7,562)</u>
Total Investment Return	<u>\$ 603,869</u>

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 5 – INVENTORY

The chapter maintains an inventory of new clothing and toiletries for use in its Operation School Bell program in the amount of \$13,773, which is stated at the lower of cost or market determined by the first-in, first-out method. The chapter also maintains an inventory of unused clothing and household items donated by chapter members and others for resale by a thrift shop operated by the chapter in the amount of \$30,274, which is stated at its estimated fair value.

Note 6 – PROPERTY AND EQUIPMENT

Property and equipment at April 30, 2021, consists of the following:

Without donor restrictions	
Land – Chapter House	\$ 14,759
Land – School	100,506
Land – Thrift Shop	550,000
Building – Chapter House	406,773
Building - School	302,905
Building – Thrift Shop	420,696
Furniture and Equipment – Thrift Shop	14,149
Furniture and Equipment – Chapter House	38,900
Furniture and Equipment - School	<u>62,196</u>
Total property and equipment	1,910,884
Less accumulated depreciation	<u>(695,263)</u>
Net property and equipment	<u>\$ 1,215,621</u>

Depreciation and amortization expense for the year ended April 30, 2021, was \$43,636.

Note 7 – LEASES

The chapter leases a printer/copier under a capital lease which expired in October 2020. Upon expiration, the chapter has continued to lease the equipment on a month-to-month basis. Total lease expense during the year ended April 30, 2021, was \$1,589.

Note 8 – CREDIT RISK AND UNCERTAINTIES

Credit Risk

The chapter maintains cash balances at various financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 for each insured financial institution. At April 30, 2021, the chapter had no uninsured cash balances.

Uncertainties

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As of March 3, 2022, the chapter's operations remain open, subject to regulated and reduced hours.

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 8 – CREDIT RISK AND UNCERTAINTIES (continued)

Uncertainties (continued)

The chapter cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the chapter's financial position, changes in net assets and cash flows in 2021 and the future.

Note 9 – FAIR VALUE MEASUREMENT

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurement and Disclosures, provides the framework for measuring and disclosing the fair value of assets and liabilities. Accounting principles define fair value as the price that would be received by the chapter to sell an asset or be paid by the chapter to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date. A fair value hierarchy has been established that prioritizes valuation inputs into three broad levels to ensure consistency and comparability. The valuation hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3) described as follows:

The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; discounted cash flows; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities; including general partner estimates and recent third-party appraisals.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying Statement of Financial Position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then Level 2 fair values are estimated by using a pricing model of quoted prices of securities with similar characteristics or discounted cash flows. The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 9 – FAIR VALUE MEASUREMENT (continued)

Fair market valuation of Level 3 securities is based on estimates of management, information valuation methods used within a particular industry, or other market factors to determine if the carrying value of these investments should be adjusted. Because of the inherent uncertainty of valuations, however, the estimated values may differ from the values that would have been used had a ready market existed, and the differences could be material.

The following is a description of the general classification of investments pursuant to the valuation hierarchy:

Equities – include investments in domestic and international equities of varying market capitalizations. Equities are held as separate ownership shares of a specific company or in the form of mutual funds. All assets have daily pricing.

Fixed Income – include investments in domestic fixed income positions and is held in the investment portfolio through either individual bond holdings (treasuries, corporate, government, mortgage, etc.) or through fixed income mutual funds. All assets have daily pricing.

Exchange-Traded and Closed-End Funds – include investments in domestic and international indices. All assets have daily pricing.

The chapter recognizes transfers between the levels in the fair value hierarchy at the end of the reporting period. There were no transfers between the levels during the year ended April 30, 2021.

The following table presents assets and liabilities recognized in the accompanying Statement of Financial Position measured at fair value on a recurring basis and the level in which the fair value measurements fall at April 30, 2021:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 1,081,108	\$ -	\$ -	\$ 1,081,108
Fixed Income	720,068	-	-	720,068
Exchange-traded and closed-end funds	<u>1,943,478</u>	<u>-</u>	<u>-</u>	<u>1,943,478</u>
Total assets measured at fair value	<u>\$ 3,744,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,744,654</u>

Note 10 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets are released from donor restrictions by the passage of time or by satisfying the restricted purposes specified by donors. For the year ended April 30, 2021, net assets released from restriction totaled \$950,000.

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 11 - COMPARATIVE AMOUNTS

The amounts shown for April 30, 2020, in the accompanying financial statements are included to provide a basis for comparison with April 30, 2021, and are not intended to present all information necessary for a fair presentation of the April 30, 2020, financial statements in conformity with accounting principles generally accepted in the United States of America.

Note 12 – LIQUIDITY

Financial assets available to meet cash needs for general expenditure for the following year are comprised of current assets and investments, adjusted for amounts unavailable due to illiquidity, endowments and other funds spending policy appropriations beyond one year, and current liabilities payable to vendors, financial institutions, and nonprofit organizations.

Financial assets available to meet cash needs for general expenditures within one year as of April 30, 2021:

Current assets	
Cash and cash equivalents available within one year	\$ 326,924
Accounts and notes receivable, current portion	39,671
Pledges and bequests receivable	300,000
Other current assets	<u>50,540</u>
Total Current Assets	<u>717,135</u>
Investments	3,744,654
Less investments unavailable for general expenditures within one year:	
Funds subject to restrictions beyond one year:	
With donor restrictions	<u>(649,268)</u>
Total Investments	<u>3,095,386</u>
Current liabilities	<u>(36,833)</u>
Financial assets available to meet cash needs for general expenditures within one year as of April 30, 2021	<u>\$ 3,775,688</u>

Note 13 – NET ASSETS

Net Assets With Donor Restrictions

As of April 30, 2021, net assets with donor restrictions consist of the following:

Bequest Receivable	\$ 300,000
Scholarship Fund	<u>669,966</u>
Total Net Assets With Donor Restrictions	<u>\$ 969,966</u>

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 14 – RESTATEMENT OF NET ASSETS

During the fiscal year ending April 30, 2021, the chapter determined they were the beneficiary of a bequest that should have been reported as a bequest receivable and corresponding revenue before the year beginning May 1, 2019. The change in net assets and bequests receivable as of April 30, 2019, have been increased by \$1,250,000. As a result of the restatement, the net assets as of May 1, 2019, have been increased by \$1,250,000.

Note 15 – SUBSEQUENT EVENTS

Subsequent to year end, the membership of the chapter voted to terminate the Assistance League School program, effective June 30, 2022. The membership is reviewing options for use of the school site and is determining how it will be used for either existing philanthropic programs or a new philanthropic program.