

ASSISTANCE LEAGUE OF VENTURA COUNTY

FINANCIAL STATEMENTS

APRIL 30, 2022

ASSISTANCE LEAGUE OF VENTURA COUNTY

April 30, 2022

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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

Opinion

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, 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.

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, 2022, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Assistance League of Ventura County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, either due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or the Assistance League of Ventura County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Assistance League of Ventura County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Assistance League of Ventura County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Assistance League of Ventura County's April 30, 2021, financial statements, and we expressed an unmodified audit opinion on those statements in our report dated March 3, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Santa Barbara, California

February 2, 2023

ASSISTANCE LEAGUE OF VENTURA COUNTY

STATEMENT OF FINANCIAL POSITION

April 30, 2022

(With Comparative Totals for April 30, 2021)

ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total 2022	(Memo) Total 2021
Current Assets				
Cash and cash equivalents	\$ 261,639	\$ 213,893	\$ 475,532	\$ 326,924
Investments	2,763,302	601,207	3,364,509	3,744,654
Accounts receivable	31,050	-	31,050	39,671
Pledges and bequests receivable	-	300,000	300,000	300,000
Other receivables	604	-	604	-
Prepaid Expenses	11,839	-	11,839	6,493
Inventory	57,242	-	57,242	44,047
Total Current Assets	<u>3,125,676</u>	<u>1,115,100</u>	<u>4,240,776</u>	<u>4,461,789</u>
Property and equipment	1,926,484	-	1,926,484	1,910,884
Less, accumulated depreciation	(734,161)	-	(734,161)	(695,263)
Net property and equipment	<u>1,192,323</u>	<u>-</u>	<u>1,192,323</u>	<u>1,215,621</u>
Total Assets	<u>\$ 4,317,999</u>	<u>\$ 1,115,100</u>	<u>\$ 5,433,099</u>	<u>\$ 5,677,410</u>

LIABILITIES AND NET ASSETS

Current Liabilities				
Accounts payable and accrued expenses	\$ 16,255	\$ -	\$ 16,255	\$ 19,389
Accrued payroll and related liabilities	8,388	-	8,388	10,899
Deferred dues revenue	4,820	-	4,820	6,545
Capital lease, current portion	2,064	-	2,064	-
Total Current Liabilities	<u>31,527</u>	<u>-</u>	<u>31,527</u>	<u>36,833</u>
Long-term Liabilities				
Capital lease payable, net of current portion	5,974	-	5,974	-
Total Long-term Liabilities	<u>5,974</u>	<u>-</u>	<u>5,974</u>	<u>-</u>
Total Liabilities	<u>37,501</u>	<u>-</u>	<u>37,501</u>	<u>36,833</u>
Net Assets				
Without Donor Restrictions	4,280,498	-	4,280,498	4,670,611
With Donor Restrictions	-	1,115,100	1,115,100	969,966
Total Net Assets	<u>4,280,498</u>	<u>1,115,100</u>	<u>5,395,598</u>	<u>5,640,577</u>
Total Liabilities and Net Assets	<u>\$ 4,317,999</u>	<u>\$ 1,115,100</u>	<u>\$ 5,433,099</u>	<u>\$ 5,677,410</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, 2022

(With Comparative Totals for the Year Ended April 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total 2022	(Memo) Total 2021
Public Support and Revenue				
Public Support				
Thrift shop revenue				
Contributions of merchandise	\$ 181,736	\$ -	\$ 181,736	\$ 46,541
Sales of donated merchandise	168,760	-	168,760	35,990
Value of merchandise sold	<u>(168,760)</u>	<u>-</u>	<u>(168,760)</u>	<u>(37,490)</u>
Net thrift shop revenue	<u>181,736</u>	<u>-</u>	<u>181,736</u>	<u>45,041</u>
Special events revenue	53,310	-	53,310	50,384
Less: Cost of direct benefits to attendees	<u>(5,680)</u>	<u>-</u>	<u>(5,680)</u>	<u>-</u>
Net revenue from special events	<u>47,630</u>	<u>-</u>	<u>47,630</u>	<u>50,384</u>
Contributions - Other	49,616	105,311	154,927	222,386
Contributions - Foundations	<u>99,261</u>	<u>-</u>	<u>99,261</u>	<u>64,765</u>
Total Public Support	<u>378,243</u>	<u>105,311</u>	<u>483,554</u>	<u>382,576</u>
Revenue				
Program service	254,279	-	254,279	375,688
Membership	14,644	-	14,644	23,383
Investment return (loss), net of fees	<u>(148,103)</u>	<u>39,823</u>	<u>(108,280)</u>	<u>603,869</u>
Other	1,040	-	1,040	1,857
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>121,860</u>	<u>39,823</u>	<u>161,683</u>	<u>1,004,797</u>
Total Public Support and Revenue	<u>500,103</u>	<u>145,134</u>	<u>645,237</u>	<u>1,387,373</u>
Expenses				
Program services - Assistance League School	534,502	-	534,502	596,919
Program services - Girls Club	-	-	-	12,425
Program services - Operation School Bell	126,631	-	126,631	106,391
Program services - Other	<u>50,717</u>	<u>-</u>	<u>50,717</u>	<u>20,059</u>
Total program services	<u>711,850</u>	<u>-</u>	<u>711,850</u>	<u>735,794</u>
Supporting services:				
Management and general	69,538	-	69,538	77,907
Membership development	6,989	-	6,989	10,949
Fundraising				
Events	3,302	-	3,302	1,782
Thrift Shop	<u>98,537</u>	<u>-</u>	<u>98,537</u>	<u>105,688</u>
Total supporting services	<u>178,366</u>	<u>-</u>	<u>178,366</u>	<u>196,326</u>
Total Expenses	<u>890,216</u>	<u>-</u>	<u>890,216</u>	<u>932,120</u>
Change in Net Assets	(390,113)	145,134	(244,979)	455,253
Net Assets, Beginning of Year	<u>4,670,611</u>	<u>969,966</u>	<u>5,640,577</u>	<u>5,185,324</u>
Net Assets, End of Year	<u>\$ 4,280,498</u>	<u>\$ 1,115,100</u>	<u>\$ 5,395,598</u>	<u>\$ 5,640,577</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, 2022

(With Comparative Totals for the Year Ended April 30, 2021)

	Assistance League School	Operation School Bell	Other Programs	Program Services	Thrift Shop	Special Events	General and Administrative	Membership Development	Total Supporting Services	Total 2022	(Memo) Total 2021
Salaries and benefits	\$ 437,310	\$ 2,147	\$ 859	\$ 440,316	\$ 12,883	\$ -	\$ 15,030	\$ -	\$ 27,913	\$ 468,229	489,619
Program supplies	11,719	116,111	40,766	168,596	287	-	-	-	287	168,883	134,805
Occupancy:											
Utilities	20,574	569	228	21,371	14,102	-	3,986	-	18,088	39,459	31,795
Repairs and maintenance	23,156	536	215	23,907	9,739	-	3,756	-	13,495	37,402	78,123
Insurance	6,432	1,149	459	8,040	6,892	-	8,041	-	14,933	22,973	22,125
Property taxes	-	-	-	-	8,540	-	-	-	8,540	8,540	15,726
Bank fees	53	5	68	126	115	-	35	-	150	276	696
Licenses and fees	3,034	11	4	3,049	91	-	78	-	169	3,218	2,834
Postage	1,066	190	308	1,564	1,142	667	1,332	-	3,141	4,705	4,826
Printing	435	78	1,242	1,755	466	2,032	544	-	3,042	4,797	3,446
Professional services	14,967	2,660	1,064	18,691	17,536	-	14,822	-	32,358	51,049	59,761
Public relations and advertising	1,163	208	83	1,454	1,446	-	1,453	-	2,899	4,353	1,323
Supplies - office and other	1,851	331	732	2,914	4,026	32	2,314	-	6,372	9,286	11,568
National dues	-	-	1,850	1,850	-	-	-	4,632	4,632	6,482	13,088
Education	734	-	-	734	-	-	-	53	53	787	589
Credit card fees	-	-	70	70	2,315	571	-	-	2,886	2,956	1,960
Interest	-	-	181	181	-	-	-	-	-	181	27
Member events	-	-	-	-	-	-	-	2,304	2,304	2,304	303
Miscellaneous	138	37	1,505	1,680	1,119	5,680	171	-	6,970	8,650	15,870
Depreciation	11,870	2,599	1,083	15,552	17,838	-	17,976	-	35,814	51,366	43,636
Total expenses by function	534,502	126,631	50,717	711,850	98,537	8,982	69,538	6,989	184,046	895,896	932,120
Less expenses included with revenue on the statement of activities											
Special event direct expenses	-	-	-	-	-	(5,680)	-	-	(5,680)	(5,680)	-
2022 Total Expenses	\$ 534,502	\$ 126,631	\$ 50,717	\$ 711,850	\$ 98,537	\$ 3,302	\$ 69,538	\$ 6,989	\$ 178,366	\$ 890,216	
2021 Total Expenses (Memo)	\$ 596,919	\$ 106,391	\$ 32,484	\$ 735,794	\$ 105,688	\$ 1,782	\$ 77,907	\$ 10,949	\$ 196,326		\$ 932,120

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, 2022

(With Comparative Totals for the Year Ended April 30, 2021)

	2022	(Memo) 2021
Cash Flows from Operating Activities:		
Change in net assets	\$ (244,979)	\$ 455,253
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	51,366	43,636
Realized and unrealized (gain) loss on investments	166,096	(567,131)
(Increase) decrease in:		
Accounts receivable	8,621	37,762
Pledges and bequests receivable	-	1,450,000
Other receivables	(604)	613
Prepaid expenses	(5,346)	7,606
Inventory	(13,195)	(13,117)
Increase (decrease) in:		
Accounts payable and accrued expenses	(3,135)	16,803
Accrued payroll and related liabilities	(2,511)	12,161
Accrued vacation	-	(1,273)
Deferred dues revenue	(1,725)	3,005
	(45,412)	1,445,318
Net Cash Provided (Used) by Operating Activities		
Cash Flows From Investing Activities:		
Purchase of property and equipment	(17,748)	(49,277)
Purchase of securities	(156,382)	(2,551,547)
Proceeds from sale of securities	370,432	613,562
	196,302	(1,987,262)
Net Cash Provided (Used) by Investing Activities		
Cash Flows from Financing Activities:		
Payments on capital lease payable	(2,282)	(944)
	(2,282)	(944)
Net Cash Used By Financing Activities		
Net Change in Cash	148,608	(542,888)
Cash - Beginning of Year	326,924	869,812
Cash - End of Year	<u>\$ 475,532</u>	<u>\$ 326,924</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ -	\$ 26
Non-cash transactions consisted of the following:		
Acquisition of equipment with capital lease	\$ 10,320	\$ -

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, Nancy R. Brandt and Assisteens (collectively, the chapter). The mission of the chapter is to transform the lives of children and adults in Ventura County through philanthropic community programs.

A summary of the number of children, adults and families served are provided below:

	Number Served (Unaudited)
Assistance League School	28
B.U.F.F.Y. Bear	620
Care Closet	154
Operation School Bell	1,444
Scholarships	4
Assault Survivor Kits®	75
Teens Helping Teens	<u>72</u>
	2,397

Assistance League School

Assistance League School, a professionally staffed program for preschool children with special needs, provided successful, intensive, therapeutic intervention for children ages 3-5 whose primary area of concern was the lack of age-appropriate communication skills. The school, established in 1960, was closed at the end of the 2021-2022 school year due, primarily, to sweeping changes made by the California Department of Education regarding Universal Transitional Kindergarten.

B.U.F.F.Y. Bear

B.U.F.F.Y. Bear provides cuddly bears to comfort children in crisis. Bears are distributed by the Ventura County District Attorney's Crime Victims' Assistance Unit, the Child Abduction & Recovery Unit, other protective agencies and first responders.

Care Closet

In collaboration with the Ventura County Children and Family Services Agency, Care Closet provides new and gently used clothing to children and teens who enter foster care or who may have been abruptly moved with few personal possessions beyond the clothes that they were wearing. Assistance League members sort and bag the clothing which is picked up at the Chapter House by agency employees. The items are then stored in the agency's emergency resource closet so that county social workers can access them as needed. Care Closet also fills emergency requests for furniture or equipment that resource families need for a child that is placed in their care.

Operation School Bell

Operation School Bell provides new clothes, shoes, toiletries, school supplies and an age-appropriate book to children from low-income families who attend local elementary schools alleviating the embarrassment of having to wear worn out or improperly fitting clothes to school. Each child receives a \$75 Target gift card to purchase their new school clothes along with the other items that Assistance League members deliver to the child's school.

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 1 – ORGANIZATION (continued)

Scholarships

The Dorothy and Al Stacey Scholarship has been made possible by a bequest from the Alvin B. Stacey Trust. It was Mr. Stacy's wish that the money received would be used for a scholarship fund specifically to support college students who excel in the studies of science or engineering. Currently, the scholarships are administered by California State University Channel Islands. A donation by Vivian Johnson, a former Assistance League member, is the source of scholarships awarded to young women who are attending college or receiving vocational training who were members of Assistance League's Girls Club/Teen Club.

Assault Survivor Kits®

Assault Survivor Kits is a program of the Nancy R. Brandt Auxiliary. In partnership with the Ventura County District Attorney's domestic violence program, Assault Survivor Kits provide comfortable and appropriate clothing and personal items for children and adults who are victims of assault when theirs have been kept for forensic evidence. Also donated are cuddly blankets and "Goodie" Bags which contain small toys, crayons, coloring books and fidgets to keep children occupied while waiting.

Teens Helping Teens

Teens Helping Teens is a program of the Assisteens Auxiliary. It provides homeless teens and teens in foster care with items needed for daily living. Many of the teens also receive gift cards for food to tide them over during school breaks. The program is administered through the Ventura County Children and Family Services Agency.

The chapter's revenue comes from corporate and individual donations, grants, fundraisers, the chapter's Bargain Box resale store and earnings on investments.

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.

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.

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$185,184 in 2022 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 \$181,736 and program supplies for use in programs in the amount of \$3,448.

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, 2022, these volunteers donated approximately 14,965 hours with an estimated value of \$469,300. 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, 2021, to April 30, 2022, 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, 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, 2022, 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, 2018 and 2017, respectively.

Advertising

Advertising costs are expensed as incurred and included in office expense program services. The amount expensed for the year ended April 30, 2022, was \$4,352.

Subsequent Events

In preparing these financial statements, the chapter has evaluated events and transactions for potential recognition or disclosure through February 2, 2023, the date of the financial statements.

Note 3 - COMPARATIVE AMOUNTS

The amounts shown for April 30, 2021, in the accompanying financial statements are included to provide a basis for comparison with April 30, 2022, and are not intended to present all information necessary for a fair presentation of the April 30, 2021, financial statements in conformity with accounting principles generally accepted in the United States of America.

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 4 – 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, 2022, 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, 2022, no allowance is deemed necessary.

Note 5 – 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, 2022, investments consisted of the following:

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
Equities	\$ 328,218	\$ 773,363	\$ 445,145
Fixed Income	812,913	799,787	(13,126)
Exchange-Traded and Closed- End Funds	<u>1,678,755</u>	<u>1,791,359</u>	<u>112,604</u>
Total Investments	<u>\$ 2,819,886</u>	<u>\$ 3,364,509</u>	<u>\$ 544,623</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	\$ 2,819,886	\$ 3,364,509	\$ 544,623
Balance at the beginning of the year	<u>2,974,719</u>	<u>3,744,654</u>	<u>769,935</u>
Net change in unrealized gain			<u>\$ (225,312)</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended April 30, 2022:

Dividends and interest	\$ 72,551
Net Realized Gains on investments	59,216
Net Unrealized Losses on investments	(225,312)
Investment fees	<u>(14,735)</u>
Total Investment Return	<u>\$ (108,280)</u>

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 6 – INVENTORY

The chapter maintains an inventory of new clothing and toiletries for use in its Operation School Bell program in the amount of \$13,992, 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 used clothing and household items donated by chapter members and others for resale by a thrift shop operated by the chapter in the amount of \$43,250, which is stated at its estimated fair value.

Note 7 – PROPERTY AND EQUIPMENT

Property and equipment at April 30, 2022, 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	424,732
Furniture and Equipment – Thrift Shop	14,149
Furniture and Equipment – Chapter House	50,464
Furniture and Equipment - School	<u>62,196</u>
Total property and equipment	1,926,484
Less accumulated depreciation	<u>(734,161)</u>
Net property and equipment	<u>\$ 1,192,323</u>

Depreciation and amortization expense for the year ended April 30, 2022, was \$51,366.

Note 8 – LEASES

During the year, the chapter entered into a capital lease agreement to finance the purchase of a printer/copier. The capital lease calls for monthly payments of \$172, ending May 2026. As of April 30, 2022, the principal amount due is \$8,038. Capital lease asset for the printer/copier is \$10,320 and depreciation expense of \$2,064 was charged in the current year to expense.

The following is a schedule of future capital lease payments, as of April 30:

2023	\$ 2,064
2024	2,064
2025	2,064
2026	<u>1,846</u>
Total payments	<u>\$ 8,038</u>

Note 9 – 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, 2022, the chapter had no uninsured cash balances.

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 9 – CREDIT RISK AND UNCERTAINTIES (continued)

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. 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 2023 and the future.

Note 10 – 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 10 – 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, 2022.

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, 2022:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 773,363	\$ -	\$ -	\$ 773,363
Fixed Income	799,787	-	-	799,787
Exchange-traded and closed-end funds	<u>1,791,359</u>	<u>-</u>	<u>-</u>	<u>1,791,359</u>
Total assets measured at fair value	<u>\$ 3,364,509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,364,509</u>

Note 11 – 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, 2022, there were no net assets released from restriction.

ASSISTANCE LEAGUE OF VENTURA COUNTY

NOTES TO FINANCIAL STATEMENTS

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, 2022:

Current assets	
Cash and cash equivalents available within one year	\$ 475,532
Accounts receivable and other receivables	31,654
Pledges and bequests receivable	<u>300,000</u>
Total Current Assets	<u>807,186</u>
Investments	3,364,509
Less investments unavailable for general expenditures within one year:	
Funds subject to restrictions beyond one year:	
With donor restrictions	<u>(601,207)</u>
Total Investments	<u>2,763,302</u>
Current liabilities	<u>(31,527)</u>
Financial assets available to meet cash needs for general expenditures within one year as of April 30, 2022	<u>\$ 3,538,961</u>

Note 13 – NET ASSETS

Net Assets With Donor Restrictions

As of April 30, 2022, net assets with donor restrictions consist of the following:

Bequest Receivable	\$ 300,000
Scholarship Fund	<u>815,100</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,115,100</u>

Note 14 – SUBSEQUENT EVENTS

Subsequent to year end, on September 30, 2022, the chapter sold the school site, located at 1310 Fremont Way for \$1,675,000. As referenced in Note 1, the school was closed at the end of the 2021-2022 school year, effective June 30, 2022.