

ASSISTANCE LEAGUE OF THE ANTELOPE VALLEY

REVIEWED FINANCIAL STATEMENTS

APRIL 30, 2020

**FOURR, ALDEN & ASSOCIATES, LLP
CERTIFIED PUBLIC ACCOUNTANTS
44288 LOWTREE AVENUE
LANCASTER, CA 93534**

**ASSISTANCE LEAGUE OF THE ANTELOPE VALLEY
APRIL 30, 2020**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To: Board of Directors
Assistance League of the Antelope Valley
Lancaster, CA

We have reviewed the accompanying financial statements of Assistance League of the Antelope Valley (a nonprofit corporation), which comprise the statement of financial position as of April 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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 the 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 modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

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.



Fourr, Alden & Associates, LLP
Lancaster, California

September 21, 2020

Financial Statements

ASSISTANCE LEAGUE OF THE ANTELOPE VALLEY
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2020
(with comparative totals as of April 30, 2019)

ASSETS

	2020	2019
ASSETS		
Cash and Cash Equivalents (Note 2)	\$ 286,006	\$ 278,060
Accounts Receivable:		
Rentals	25,185	24,000
Prepaid Expenses and Other Assets	4,573	2,881
Property and Equipment, Net (Note 3)	454,040	476,570
Total Assets	\$ 769,804	\$ 781,511

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts Payable	\$ -	\$ -
Security Deposits	3,500	3,500
Total Liabilities	3,500	3,500
NET ASSETS		
Unrestricted	766,304	778,011
Total Net Assets	766,304	778,011
Total Liabilities and Net Assets	\$ 769,804	\$ 781,511

ASSISTANCE LEAGUE OF THE ANTELOPE VALLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2020
(with comparative totals for the year ended April 30, 2019)

	<u>Year Ended April 30, 2020 Unrestricted</u>	<u>Year Ended April 30, 2019 Totals</u>
SUPPORT AND REVENUES		
Fundraising:		
Special Events and Activities:		
Revenue	\$ 103,454	\$ 79,365
Direct Benefits to Attendees	(46,330)	(36,479)
Net Revenue from Special Events	<u>57,124</u>	<u>42,886</u>
Contributions	1,316	679
Membership Dues	3,684	5,730
Other Income	14,084	1,973
Interest Income	389	537
Rental Income	<u>72,000</u>	<u>73,000</u>
TOTAL SUPPORT AND REVENUES	<u>148,597</u>	<u>124,805</u>
EXPENSES		
Program Services		
Operation School Bell	31,703	24,696
Rental	42,258	36,965
Other Program Expenses	40,052	40,689
Total Program Services Expense	<u>114,013</u>	<u>102,350</u>
Supporting Services		
Fundraising		
Fundraising Events and Activities		
Indirect Costs	21,881	23,198
Management and General	19,258	18,091
Membership Development	5,152	2,337
Total Supporting Services Expenses	<u>46,291</u>	<u>43,626</u>
TOTAL EXPENSES	<u>160,304</u>	<u>145,976</u>
CHANGE IN NET ASSETS	<u>(11,707)</u>	<u>(21,171)</u>
NET ASSETS, BEGINNING OF YEAR	778,011	799,182
PRIOR PERIOD ADJUSTMENT	<u>0</u>	<u>0</u>
NET ASSETS, END OF YEAR	<u><u>\$ 766,304</u></u>	<u><u>\$ 778,011</u></u>

ASSISTANCE LEAGUE OF THE ANTELOPE VALLEY
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED APRIL 30, 2020
 (with comparative totals for the year ended April 30, 2019)

	Program Activities				Supporting Services				Year Ended April 30, 2019 Total Expenses	
	Operation School Bell	Rental	Other Philanthropic	Total Program Services	Fundraising	Management and General	Membership Development	Total Supporting Services		Total Expenses
Catering	-	-	-	-	-	-	-	-	-	
Bank and Merchant Charges	-	-	-	-	154	5,508	-	5,662	3,650	
Equipment Rental	-	-	-	-	-	-	-	-	-	
Facility Rental	-	-	-	-	-	-	-	-	-	
Decor and Supplies	-	-	-	-	-	787	-	787	-	
Donations	-	-	-	-	-	-	-	-	-	
Grants, Scholarships and Sponsorships	-	-	33,515	33,515	-	-	-	-	33,515	
Office Expense	-	-	-	-	-	2,073	-	2,073	2,673	
Operation School Bell - Gift Cards	24,768	-	-	24,768	-	-	-	-	24,768	
Outside Services	-	-	-	-	-	-	-	-	-	
Thrift Shop Expenses	-	-	-	-	-	-	-	-	-	
Occupancy	3,651	3,651	3,651	10,953	8,520	4,870	-	13,390	24,343	
Depreciation	-	22,530	-	22,530	-	-	-	-	22,530	
Rental Expenses	-	13,508	-	13,508	-	-	-	-	13,508	
National Circle	-	-	-	-	-	-	-	-	-	
Postage and Printing	-	-	-	-	7,176	44	-	7,220	7,220	
Professional Fees	796	796	398	1,990	-	5,976	-	5,976	7,966	
Advertising and Promotion	1,602	-	1,602	3,204	3,664	-	-	3,664	6,868	
Insurance	886	1,773	886	3,545	2,367	-	-	2,367	5,912	
National Assistance League Dues	-	-	-	-	-	-	1,840	1,840	1,840	
National Assistance League Conference and Meetings	-	-	-	-	-	-	3,312	3,312	3,312	
Total Functional Expenses	\$ 31,703	\$ 42,258	\$ 40,052	\$ 114,013	\$ 21,881	\$ 19,258	\$ 5,152	\$ 46,291	\$ 160,304	\$ 145,976

Year Ended April 30, 2020

ASSISTANCE LEAGUE OF THE ANTELOPE VALLEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2020
(with comparative totals for the year ended April 30, 2019)

	2020	2019
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	\$ (11,707)	\$ (21,171)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	22,530	22,530
(Increase) Decrease in:		
Inventories	-	-
Prepaid Expenses	(1,692)	256
Rent Receivable	(1,185)	(6,000)
(Decrease) Increase in:		
Accounts Payable and Accrued Liabilities	-	-
Security Deposits	-	(2,500)
	7,946	(6,885)
Net Cash Provided (Used) by Operating Activities	7,946	(6,885)
Net Change in Cash and Cash Equivalents	7,946	(6,885)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	278,060	284,945
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 286,006	\$ 278,060

Notes to Financial Statements

ASSISTANCE LEAGUE OF THE ANTELOPE VALLEY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Assistance League of the Antelope Valley (the chapter) is a nonprofit corporation and is a chartered chapter of National Assistance League®. The accompanying financial statements include the activities of Assistance League of Antelope Valley. The chapter provides the following programs:

- Operation School Bell® provides new clothing and shoes to elementary school students in various local school districts.
- Winter Coats
- Gift Giving
- Infant and Preschool Needs
- Music Program
- Scholarship Program and Homeless Veterans

B. Basis of Accounting

The financial statements of the chapter have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

C. Basis of presentation

The financial statements are presented in accordance with the provisions of the 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 in three classes of net assets:

Unrestricted net assets are net assets not subject to donor-imposed restrictions of law

Temporarily restricted net assets are net assets subject to donor-imposed restrictions that can be fulfilled by actions of the chapter pursuant to those restrictions or that expire by the passage of time. Temporarily restricted resources whose restrictions are met in the same reporting periods are recorded as unrestricted.

Permanently restricted net assets are net assets subject to donor-imposed restrictions that the gift cannot be wholly expended on a current basis. Investment returns generated from these funds are available for general support of the chapter's programs and operations unless otherwise stipulated by the donor.

D. 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 U.S. GAAP. Accordingly, such information should be read in conjunction with the chapter's financial statements for the year ended April 30, 2019, from which the summarized information was derived.

ASSISTANCE LEAGUE OF THE ANTELOPE VALLEY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Fair Value Measurements

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.

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 April 30, 2020, based on their short maturities and/or the terms available to the chapter in financial markets.

F. Promises to give

Unconditional promises to give are recognized as contributions in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. 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.

G. Inventory

The chapter does not maintain an inventory.

H. 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. Cash and cash equivalents are maintained at high-quality financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At April 30, 2020, the chapter had no uninsured balances at these institutions. The chapter has not experienced any losses on its cash or cash equivalents.

ASSISTANCE LEAGUE OF THE ANTELOPE VALLEY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I. Property and Equipment

Property and equipment are stated at cost or at the fair value at the date of donation in the cash of donated assets. The chapter's policy is to capitalize items over \$400. The chapter provides for depreciation and amortization of property and equipment by use of the straight-line method over the estimated useful lives as follows:

Asset Class	Estimated Useful Lives
Buildings and Improvements	10 – 45 years
Furniture and Fixtures	5 – 10 years

Contributions of long-lived assets, or of cash or other assets that must be used to acquire long-lived assets, are reported as increases in temporarily restricted net assets. Restrictions are considered met, and an appropriate amount reclassified to unrestricted net assets, over the useful life of the long-lived assets as determined by the chapter's depreciation policy.

J. 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.

K. Donated Materials and Services

A significant portion of the Chapter's functions and programs are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. During the year ended April 30, 2020, these volunteers donated approximately 2,518 hours with an estimated value of \$67,256. This value was computed using an estimated hourly rate of \$26.71, based upon the average hourly earnings of nonagricultural workers for the time period of April 30, 2019 to April 30, 2020, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% estimated fringe benefits.

L. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

M. Donated material, Services, and Free Use of Facilities

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are

ASSISTANCE LEAGUE OF THE ANTELOPE VALLEY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

N. Tax Status

The chapter is exempt from federal income taxes under Section 501(C)(3) of the Internal Revenue Code. In addition, the Chapter 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 23701d of the Revenue and Taxation Code of the State of California.

The chapter has applied the provisions of the FASB's ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Under ASC 740-10, nonpublic enterprises, including nonprofit organizations, are required to record a tax liability when substantial uncertainties exist as to whether certain income is exempt from federal, state and local income tax. As of April 30, 2020, the chapter had no substantial uncertain income tax positions.

O. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

P. Expense Allocation

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

NOTE 2 – CASH

Cash consisted of the following:

	2020	2019
Cash On Hand	\$ 60	\$ 60
Checking Accounts:		
California Bank & Trust	87,514	87,008
Wells Fargo	9,514	2,403
Total Checking Accounts	97,028	89,411
Savings Accounts:		
California Bank & Trust	91,191	91,096
Citizen's Business Bank	71,398	71,164
I. Huiatt CD	26,329	26,329
Total Savings Accounts	188,918	188,589
Total Cash and Cash Equivalents	\$ 286,006	\$ 278,060

As of April 30, 2020, no amounts were in excess of FDIC limits.

ASSISTANCE LEAGUE OF THE ANTELOPE VALLEY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 3 – PROPERTY AND EQUIPMENT

A summary of changes in property and equipment is presented below:

	<u>April 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>April 30, 2020</u>
Land	\$ 84,099	\$ -	\$ -	\$ 84,099
Buildings and Improvements	871,829	-	-	871,829
Totals	955,928	-	-	955,928
Accumulated Depreciation	(479,358)	(22,530)	-	(501,888)
Net Property and Equipment	<u>\$ 476,570</u>	<u>\$ (22,530)</u>	<u>\$ -</u>	<u>\$ 454,040</u>

NOTE 4 – OPERATING LEASES – AS LESSEE

The chapter leases office space at 42544 10th St. West, Suite B, Lancaster, CA 93534 under an operating lease that expired April 2020. The monthly rental payments were \$1,370 per month and the rental expense under the lease in the current year was \$16,440. Currently the organization is on a month-to-month.

NOTE 5 – OPERATING LEASES – AS LESSOR

The chapter leases the location of 808 West Newgrove Street, Lancaster, CA 93534 to a third party under an operating lease that expired April 2020. The monthly rental payment is \$6,000 per month and the rental income under the lease in the current year was \$72,000, including late fees. Currently the property is vacant.

NOTE 6 – NET ASSETS

At April 30, 2020, net assets were restricted by donors or designated by the chapter as follows:

	<u>April 30, 2020</u>
Unrestricted net assets	
Designated reserve for one year's operating expenses	\$ 67,443
Unrestricted net assets	698,861
Total Unrestricted Net Assets	<u>766,304</u>
 Total Net Assets	 <u>\$ 766,304</u>

ASSISTANCE LEAGUE OF THE ANTELOPE VALLEY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 7 – FUNDRAISING EVENTS AND ACTIVITIES

The chapter conducts various fundraising events and activities to help fund current operations. The revenue and related expenses from such events and activities for the year ending April 30, 2020 are as follows:

<u>Event/Activity</u>	<u>Revenue</u>	<u>Cost of Merchandise Sold</u>	<u>Cost of Direct Benefits to Attendees</u>	<u>Other Costs</u>	<u>Net Revenue</u>
Designer Showcase	\$ 36,094	\$ -	\$ 25,461	\$ 4,776	\$ 5,857
Golf Tournament	<u>67,360</u>		<u>20,869</u>	<u>3,014</u>	<u>43,477</u>
Total Functional Expenses	<u>\$ 103,454</u>	<u>\$ -</u>	<u>\$ 46,330</u>	<u>\$ 7,790</u>	<u>\$ 49,334</u>

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 21, 2020, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.