ASSISTANCE LEAGUE® OF VENTURA COUNTY

FINANCIAL STATEMENTS

APRIL 30, 2024

ASSISTANCE LEAGUE OF VENTURA COUNTY

April 30, 2024

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McGowan Guntermann
A PROFESSIONAL CORPORATION
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, 2024, 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, 2024, 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, ether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether 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 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, 2023, financial statements, and we expressed an unmodified audit opinion on those statements in our report dated October 5, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McGowan Guntermann

Santa Barbara, California

September 5, 2024

ASSISTANCE LEAGUE OF VENTURA COUNTY

STATEMENT OF FINANCIAL POSITION
April 30, 2024
(With Comparative Totals for April 30, 2023)

ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total 2024	(Memo) Total 2023
Current Assets				
Cash and cash equivalents	$ 325,705	$ 7,607	$ 333,312	$ 263,134
Investments	4,547,201	763,266	5,310,467	5,111,391
Pledges and bequests receivable	-	350,000	350,000	350,000
Other receivables	-	-	-	5,604
Prepaid Expenses	9,229	-	9,229	10,576
Inventory	124,734	-	124,734	165,899
Total Current Assets	5,006,869	1,120,873	6,127,742	5,906,604
Property and equipment	1,578,083	-	1,578,083	1,553,085
Less, accumulated depreciation	(518,735)	-	(518,735)	(481,026)
Net property and equipment	1,059,348	-	1,059,348	1,072,059
Finance lease right-of-use assets, net	4,128	-	4,128	6,192
Total Assets	**$ 6,070,345**	**$ 1,120,873**	**$ 7,191,218**	**$ 6,984,855**

LIABILITIES AND NET ASSETS

Current Liabilities				
Accounts payable and accrued expenses	$ 29,472	$ -	$ 29,472	$ 21,537
Accrued payroll and related liabilities	921	-	921	1,910
Deferred dues revenue	10,470	-	10,470	5,890
Finance lease liability, current	2,031	-	2,031	2,011
Total Current Liabilities	42,894	-	42,894	31,348
Long-term Liabilities				
Finance lease liability, noncurrent	2,150	-	2,150	4,254
Total Long-term Liabilities	2,150	-	2,150	4,254
Total Liabilities	45,044	-	45,044	35,602
Net Assets				
Without Donor Restrictions	6,025,301	-	6,025,301	5,877,685
With Donor Restrictions	-	1,120,873	1,120,873	1,071,568
Total Net Assets	6,025,301	1,120,873	7,146,174	6,949,253
Total Liabilities and Net Assets	**$ 6,070,345**	**$ 1,120,873**	**$ 7,191,218**	**$ 6,984,855**

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, 2024
(With Comparative Totals for the Year Ended April 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	(Memo) Total 2023
Public Support and Revenue				
Public Support				
Thrift shop revenue				
Contributions of merchandise	$ 248,378	$ -	$ 248,378	$ 227,528
Sales of donated merchandise	245,918	-	245,918	201,324
Value of merchandise sold	(245,918)	-	(245,918)	(201,324)
Net thrift shop revenue	248,378	-	248,378	227,528
Special events revenue	124,439	-	124,439	130,427
Less: Cost of direct benefits to attendees	(13,746)	-	(13,746)	(10,422)
Net revenue from special events	110,693	-	110,693	120,005
Contributions - Other	95,206	-	95,206	69,679
Contributions - Foundations	30,000	-	30,000	145,463
Total Public Support	484,277	-	484,277	562,675
Revenue				
Program service	-	-	-	90,850
Membership	10,457	-	10,457	14,527
Investment return, net of fees	258,998	82,305	341,303	198,989
Gain on sale of property	-	-	-	1,413,006
Other	3,703	-	3,703	1,875
Net assets released from restrictions	33,000	(33,000)	-	-
Total Revenue	306,158	49,305	355,463	1,719,247
Total Public Support and Revenue	790,435	49,305	839,740	2,281,922
Expenses				
Program services - Operation School Bell®	253,328	-	253,328	200,875
Program services - Care Closet	136,846	-	136,846	203,904
Program services - Other	59,193	-	59,193	147,805
Total program services	449,367	-	449,367	552,584
Supporting services:				
Management and general	18,432	-	18,432	20,209
Membership development	11,543	-	11,543	12,011
Fundraising				
Events	51,948	-	51,948	14,784
Thrift Shop	111,529	-	111,529	128,679
Total supporting services	193,452	-	193,452	175,683
Total Expenses	642,819	-	642,819	728,267
Change in Net Assets	**147,616**	**49,305**	**196,921**	**1,553,655**
Net Assets, Beginning of Year	5,877,685	1,071,568	6,949,253	5,395,598
Net Assets, End of Year	**$ 6,025,301**	**$ 1,120,873**	**$ 7,146,174**	**$ 6,949,253**

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, 2024
(With Comparative Totals for the Year Ended April 30, 2023)

	Operation School Bell	Care Closet	Other Programs	Program Services	Thrift Shop	Special Events	General and Administrative	Membership Development	Total Supporting Services	Total 2024	(Memo) Total 2023
Salaries and benefits	$ 11,782	$ 12,478	$ 1,583	$ 25,843	$ 22,513	$ -	$ 765	$ -	$ 23,278	$ 49,121	218,852
Program supplies	205,073	88,816	62,145	356,034	-	30,674	47	242	30,963	386,997	258,768
Occupancy:											
Utilities	2,489	2,636	333	5,458	12,806	-	1,196	-	14,002	19,460	28,864
Repairs and maintenance	4,391	4,650	590	9,631	7,300	5,943	9,545	-	22,788	32,419	48,799
Insurance	3,784	4,007	508	8,299	5,230	-	107	-	5,337	13,636	14,602
Bank fees	103	76	6	185	203	5	426	-	634	819	191
Licenses and fees	108	114	15	237	13,661	-	93	-	13,754	13,991	11,835
Postage	-	-		-	14	1,275	81	-	1,370	1,370	1,854
Printing	-	-		-	-	5,185	1,539	-	6,724	6,724	9,641
Professional services	12,629	13,374	1,694	27,697	24,131	-	3,979	-	28,110	55,807	46,256
Public relations and advertising	-	-		-	-	-	-	-	-	-	1,698
Supplies - office and other	1,528	2,175	104	3,807	4,802	182	446	69	5,499	9,306	25,751
National dues	-	-		-	-	-	-	5,340	5,340	5,340	6,520
Credit card fees	-	-		-	1,032	830	114	-	1,976	1,976	2,289
Interest	-	-		-	-	-	-	-	-	-	73
Member events	-	-		-	-	-	-	-	-	-	4,035
Miscellaneous	-	-	1,579	1,579	-	7,854	-	5,892	13,746	15,325	12,968
Depreciation	11,441	8,520	4,382	24,343	19,837	-	94	-	19,931	44,274	45,693
Total expenses by function	253,328	136,846	72,939	463,113	111,529	51,948	18,432	11,543	193,452	656,565	738,689
Less expenses included with revenue on the statement of activities											
Special event direct expenses	-	-	(13,746)	(13,746)	-	-	-	-	-	(13,746)	(10,422)
2024 Total Expenses	**$ 253,328**	**$ 136,846**	**$ 59,193**	**$ 449,367**	**$ 111,529**	**$ 51,948**	**$ 18,432**	**$ 11,543**	**$ 193,452**	**$ 642,819**	
2023 Total Expenses (Memo)	$ 203,904	$ -	$ 147,805	$ 552,584	$ 128,679	$ 14,784	$ 20,209	$ 12,011	$ 175,683		$ 728,267

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, 2024
(With Comparative Totals for the Year Ended April 30, 2023)

	2024	(Memo) 2023
Cash Flows from Operating Activities:		
Change in net assets	$ 196,921	$ 1,553,655
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	44,274	45,693
Realized and unrealized gain on investments	(243,628)	(140,595)
Gain on sale of property	-	(1,413,006)
(Increase) decrease in:		
Accounts receivable	-	31,050
Pledges and bequests receivable	-	(50,000)
Other receivables	5,604	(5,000)
Prepaid expenses	1,347	1,263
Inventory	41,165	(108,657)
Increase (decrease) in:		
Accounts payable and accrued expenses	7,935	(5,282)
Accrued payroll and related liabilities	(989)	(6,478)
Deferred dues revenue	4,580	1,070
Net Cash Provided (Used) by Operating Activities	57,209	(96,287)
Cash Flows From Investing Activities:		
Purchase of property and equipment	(24,998)	(100,466)
Proceeds from sale of property	-	1,583,330
Purchase of securities	(360,550)	(6,816,693)
Proceeds from sale of securities	400,601	5,219,709
Net Cash Provided (Used) by Investing Activities	15,053	(114,120)
Cash Flows from Financing Activities:		
Principal payments of finance lease liabilities	(2,084)	(1,991)
Net Cash Used By Financing Activities	(2,084)	(1,991)
Net Change in Cash	**70,178**	**(212,398)**
Cash - Beginning of Year	263,134	475,532
Cash - End of Year	**$ 333,312**	**$ 263,134**
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$ 53	$ 73
Non-cash transactions consisted of the following:		
ROU assets obtained in exchange for new finance lease obligations	$ -	$ 8,824

The accompanying notes are an integral part of these 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)
B.U.F.F.Y. Bear	1,381
Care Closet – Families Served	267
Care Closet – Children Served	1,862
Operation School Bell	2,908
Scholarships	9
Reading Club	90
Assault Survivor Kits®	37
Safe Harbor "Goodie" Bags and Snuggle Blankets	95
Families provided with Holiday Gifts	7
Teens Helping Teens	207
	6,863

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 living in out of home care. Many 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 Children and Family Services. The items are then stored in the County's emergency resource closets, in Ventura and Simi Valley. Social workers can access them as needed. There are also Care Closets at two Healthy Start Schools in the Hueneme School District and five Healthy Start Schools in the Oxnard School District. Care Closet also fills requests for furniture, equipment, toiletries, baby supplies, and linens. The program also provides gift cards for resource families and fragile families to purchase necessary items for the children. This past year, Care Closet helped support a reimagined program called Life Books. A Life Book is a scrapbook that helps a child to connect with the past, present, and future.

Operation School Bell

Operation School Bell provides backpacks, school supplies, hygiene kits, clothes and/or gift cards and new age-appropriate books, to economically challenged children from six elementary school districts in our area. It is entirely run by volunteers and all items are delivered to the schools. More than 34,500 students from 57 schools have benefitted from this program since its inception in 1993.

Note 1 – ORGANIZATION (continued)

Operation School Bell (continued)

Reading Club was added as an extension to Operation School Bell at one elementary school. Volunteers meet with students two days a week to promote the love of reading.

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. The Re-Entry Scholarship, administered through the Ventura College Foundation's Phoenix Program, provides financial assistance to adults re-entering a community college or university with a goal of acquiring a degree or completing a certificated program after a hiatus in their education.

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 out of foster care with items needed for daily living. The teens also receive gift cards for food to tide them over during school breaks. The program is administered through the Ventura Unified School District and 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.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Allowance for Credit Losses

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how organizations will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an organization's exposure to credit risk and the measurement of credit losses. There were no financial assets held by the chapter subject to the guidance in FASB ASC 326.

The chapter adopted the standard effective May 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in the preceding disclosure only.

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 $2,500 and with a useful life of five years or more. Lesser amounts are expensed.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment (continued)

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

Advertising

Advertising costs are expensed as incurred and included in office expense program services. There were no advertising costs for the year ended April 30, 2024.

Deferred Revenue

Membership dues collected prior to the fiscal year to which they apply are deferred and recognized over the periods to which the dues 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.

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 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 funds held by the chapter as defined under the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 $294,147 in 2024 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 $248,378 and program supplies for use in programs in the amount of $45,769.

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, 2024, these volunteers donated approximately 23,200 hours with an estimated value of $902,516. This value was computed using an estimated hourly rate of $38.92, based upon the average hourly earnings of nonagricultural workers for the time period of May l, 2023, to April 30, 2024, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits.

Leases

The chapter has previously adopted FASB ASC 842, Leases. For the year ended April 30, 2024, the chapter had a noncancellable finance lease.

Further, the chapter elected a short-term lease extension policy, permitting the chapter to not apply the recognition requirements of this standard to short-term leases (i.e., leases with terms of 12 months or less) and an accounting policy to account for lease and non-lease components as a single component for certain classes of net assets.

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.

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.

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, 2024, 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, 2020 and 2019, respectively.

Subsequent Events

In preparing these financial statements, the chapter has evaluated events and transactions for potential recognition or disclosure through September 5, 2024, the date of the financial statements.

Note 3 – COMPARATIVE AMOUNTS

The amounts shown for April 30, 2023, in the accompanying financial statements are included to provide a basis for comparison with April 30, 2024, and are not intended to present all information necessary for a fair presentation of the April 30, 2023, financial statements in conformity with accounting principles generally accepted in the United States of America.

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, 2024, there is $350,000 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, 2024, 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, 2024, investments consisted of the following:

	Cost	Market Value	Unrealized Gain
Fixed Income and Equities	$ 3,611,909	$ 3,624,717	$ 12,808
Exchange-Traded and Closed-End Funds	1,354,774	1,685,750	330,976
Total Investments	$ 4,966,683	$ 5,310,467	$ 343,784

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

	Cost	Market Value	Unrealized Gain
Balance at end of the year	$ 4,966,683	$ 5,310,467	$ 343,784
Balance at the beginning of the year	4,961,211	5,111,391	150,180
Net change in unrealized gain			$ 193,604

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended April 30, 2024:

Dividends and interest	$ 136,601
Net Realized Gains on investments	50,024
Net Unrealized Gains on investments	193,604
Investment fees	(38,926)
Total Investment Return	$ 341,303

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 $47,464, 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 $77,270, which is stated at its estimated fair value.

Note 7 – PROPERTY AND EQUIPMENT

Property and equipment at April 30, 2024, consists of the following:

Without donor restrictions	
Land – Chapter House	$ 14,759
Land – Thrift Shop	550,000
Building – Chapter House	406,773
Building – Thrift Shop	516,067
Furniture and Equipment – Thrift Shop	29,497
Furniture and Equipment – Chapter House	60,987
Total property and equipment	1,578,083
Less accumulated depreciation	(518,735)
Net property and equipment	$ 1,059,348

Depreciation and amortization expense for the year ended April 30, 2024, was $44,274.

Note 8 – LEASES

At the inception or modification of a contract, the chapter assesses whether the contract is, or contains, a lease. The assessment is based on (1) whether the contract involves the use of a distinct identified asset, (2) whether the chapter obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether the chapter has the right to direct the use of the asset.

The accounting standard establishes a right-of-use (ROU) model requiring a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term of longer than 12 months. ROU assets represent the chapter's right to use an underlying asset during the reasonably certain lease term, and lease liabilities represent its obligation to make lease payments arising from the lease. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of income. Lease terms may include options to extend or terminate the lease when it is reasonably certain the option will be exercised.

ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of all minimum lease payments over the term of the lease. The initial measurement of ROU assets also includes any prepaid lease payments and are reduced by any previously accrued deferred rent. Lease terms include options to extend or terminate the lease when it is reasonably certain that such option will be exercised. For operating leases, lease expense is recognized on a straight line basis over the term of the lease. Management will periodically review the carrying value of ROU assets to determine whether impairment may exist.

The chapter leases office equipment under a finance lease which is payable in monthly instalments of $172 through 2026. The chapter has elected to use the risk-free rate to discount the lease payments.

The chapter recognized $2,064 of amortization on right-of-use assets, as well as $53 of interest on finance lease liabilities for the year ended April 30, 2024. Additionally, $2,011of financing cash outflows was related to principal payments on finance lease liabilities. The remaining lease term is approximately 2 years, and the discount rate used is approximately 1%.

Note 8 – LEASES (continued)

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

2025	$ 2,064
2026	2,064
2027	172
Total minimum lease payments	4,300
Less imputed interest	(119)
Present value of minimum lease payments	$ 4,181

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, 2024, the chapter had no uninsured cash balances.

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.

Note 10 – FAIR VALUE MEASUREMENT (continued)

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.

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, 2024.

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, 2024:

Description	Level 1	Level 2	Level 3	Total
Fixed Income and Equities	$ 3,624,717	$ -	$ -	$ 3,624,717
Exchange-traded and closed-end funds	1,685,750	-	-	1,685,750
Total assets measured at fair value	$ 5,310,467	$ -	$ -	$ 5,310,467

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, 2024, net assets released from restriction totaled $33,000.

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 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, 2024:

Current assets	
Cash and cash equivalents available within one year	$ 333,312
Pledges and bequests receivable	350,000
Total Current Assets	683,312
Investments	5,310,467
Less investments unavailable for general expenditures within one year:	
Funds subject to restrictions beyond one year:	
With donor restrictions	(770,873)
Total Investments	4,539,594
Current liabilities	(42,894)
Financial assets available to meet cash needs for general expenditures within one year as of April 30, 2024	$ 5,180,012

Note 13 – NET ASSETS

Net Assets With Donor Restrictions

As of April 30, 2024, net assets with donor restrictions consist of the following:

Bequest Receivable	$ 350,000
Scholarship Fund	770,873
Total Net Assets With Donor Restrictions	$ 1,120,873