

***ASSISTANCE LEAGUE OF
SONOMA COUNTY***

Financial Report
May 31, 2022
(With Summarized Totals for May 31, 2021)

***VICTORIA MWANGI, CPA
dba VM ACCOUNTING SERVICES***

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Victoria W. Mwangi, CPA
dba VM Accounting Services

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

September 1, 2022

Board of Directors
Assistance League of Sonoma County
Santa Rosa, California

I have reviewed the accompanying financial statements of **Assistance League of Sonoma County** (a nonprofit corporation), which comprise the statement of financial position as of May 31, 2022 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

My 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Assistance League of Sonoma County and meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am 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.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

September 1, 2022

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Summarized Comparative Information

I previously reviewed **Assistance League of Sonoma County's** 2021 financial statements and in my conclusion dated October 25, 2021, stated that based on my review, I was not aware of any material modifications that should be made to the 2021 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. I am not aware of any material modification that should be made to the summarized comparative information presented herein as of and for the year ended May 31, 2021, for it to be consistent with the reviewed financial statements from which it was derived.



Victoria Mwangi
dba VM Accounting Services
Certified Public Accountant

ASSISTANCE LEAGUE OF SONOMA COUNTY

STATEMENTS OF FINANCIAL POSITION MAY 31, 2022 AND 2021

	ASSETS	
	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 77,585	\$ 48,700
Prepaid expenses	5,221	13,627
Inventory	32,690	31,393
Certificate of deposit	167,167	186,177
Total current assets	<u>282,663</u>	<u>279,897</u>
Cash, designated	36,000	30,552
Property and equipment, net	60,928	52,148
	<u>96,928</u>	<u>82,700</u>
TOTAL ASSETS	<u>\$ 379,591</u>	<u>\$ 362,597</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 3,959	\$ 3,933
Sales tax payable	1,560	1,117
Deferred dues	5,925	6,015
Total current liabilities	<u>11,444</u>	<u>11,065</u>
NET ASSETS, without donor restrictions	<u>368,147</u>	<u>351,532</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 379,591</u>	<u>\$ 362,597</u>

See accompanying notes and accountant's report

ASSISTANCE LEAGUE OF SONOMA COUNTY

STATEMENTS OF ACTIVITIES YEARS ENDED MAY 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
SUPPORT AND REVENUES		
Thrift shop revenue		
Contributions of merchandise	\$ 118,752	\$ 45,223
Sales of donated merchandise	117,978	44,484
Less value of merchandise sold	(117,978)	(44,484)
Net revenue from thrift shop	<u>118,752</u>	<u>45,223</u>
Contributions - Cash	34,246	6,420
Contributions - In-kind	1,035	-
Rental income	6,240	6,240
Membership dues	2,460	2,620
Interest income	1,731	1,246
TOTAL SUPPORT AND REVENUE	<u>164,464</u>	<u>61,749</u>
EXPENSES		
Program services:		
Operation School Bell	43,406	32,490
Sights & Sounds	781	28
Booster Bags	28,584	12,709
Bright Beginnings	13,242	10,671
Safe Haven	6,391	2,644
	<u>92,404</u>	<u>58,542</u>
Outreach	2,000	3,080
Total program services	<u>94,404</u>	<u>61,622</u>
Supporting services:		
Thrift Shop	27,244	26,300
Membership development	6,145	3,180
Management and general	19,556	13,471
Total supporting services	<u>52,945</u>	<u>42,951</u>
Unallocated payments to National Assistance League	<u>500</u>	<u>500</u>
TOTAL EXPENSES	<u>147,849</u>	<u>105,073</u>
CHANGE IN NET ASSETS	16,615	(43,324)
NET ASSETS, without donor restrictions-beg. of year	<u>351,532</u>	<u>394,856</u>
NET ASSETS, without donor restrictions - end of year	<u>\$ 368,147</u>	<u>\$ 351,532</u>

See accompanying notes and accountant's report

ASSISTANCE LEAGUE OF SONOMA COUNTY

STATEMENTS OF CASH FLOWS YEARS ENDED MAY 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 16,615	\$ (43,324)
Adjustments to reconcile change in net assets to cash flows provided by operating activities		
Depreciation	4,220	4,260
Non-cash merchandise and other items	(1,297)	(6,901)
Decrease/(Increase) in current assets		
Prepaid expenses	8,406	(3,165)
Increase/(Decrease) in current liabilities		
Accounts payable	26	3,043
Sales tax payable	443	1,117
Deferred dues	(90)	(45)
	<u>28,323</u>	<u>(45,015)</u>
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
	<u>28,323</u>	<u>(45,015)</u>
CASH FLOWS USED BY INVESTING ACTIVITIES		
Certificate of deposit, redeemed	19,010	20,210
Certificate of deposit, invested	-	(20,673)
Fixed assets acquired	(13,000)	-
	<u>6,010</u>	<u>(463)</u>
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES		
	<u>6,010</u>	<u>(463)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS, AND BOARD DESIGNATED CASH	34,333	(45,478)
CASH AND CASH EQUIVALENTS, AND BOARD DESIGNATED CASH - beginning of year	<u>79,252</u>	<u>124,730</u>
CASH AND CASH EQUIVALENTS, AND BOARD DESIGNATED CASH - end of year	<u>\$ 113,585</u>	<u>\$ 79,252</u>

Supplemental cash flow disclosure:

NO INTEREST OR INCOME TAXES PAID

See accompanying notes and accountant's report

ASSISTANCE LEAGUE OF SONOMA COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED MAY 31, 2022 (With Summarized Comparative Totals for May 31, 2021)

	PROGRAM SERVICES					2022	2021
	Operation School Bell	Sights & Sounds	Booster Bags	Bright Beginnings	Safe Haven	Total Program Services	Total Program Services
Program supplies	\$ 30,174	\$ 596	\$ 21,848	\$ 6,220	\$ 4,883	\$ 63,721	\$ 41,187
Occupancy							
Utilities	3,184	57	2,097	971	469	6,778	4,354
Repairs and maintenance	1,887	34	1,243	576	278	4,018	1,984
Insurance - property	2,255	41	1,485	688	332	4,801	3,313
Property taxes	260	5	171	79	38	553	382
Depreciation	888	16	585	271	131	1,891	1,321
Insurance	143	3	94	44	21	305	368
Marketing & advertising	644	12	424	197	95	1,372	-
Postage and printing	-	-	-	-	-	-	615
Supplies	901	16	591	275	133	1,916	485
National conference & meetings	70	1	46	21	11	149	-
Education & scholarships	3,000	-	-	3,900	-	6,900	4,533
	<u>\$ 43,406</u>	<u>\$ 781</u>	<u>\$ 28,584</u>	<u>\$ 13,242</u>	<u>\$ 6,391</u>	<u>\$ 92,404</u>	<u>\$ 58,542</u>

See accompanying notes and accountant's report

ASSISTANCE LEAGUE OF SONOMA COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED MAY 31, 2022 (With Summarized Comparative Totals for May 31, 2021)

	<u>SUPPORTING SERVICES</u>			2022	2021
	<u>Thrift Shop</u>	<u>Management & General</u>	<u>Membership Development</u>	<u>Total Supporting Services</u>	<u>Total Supporting Services</u>
Occupancy					
Utilities	\$ 6,049	\$ 1,858	\$ 438	\$ 8,345	\$ 9,699
Repairs & maintenance	3,781	1,101	259	5,141	4,486
Insurance - property	4,285	1,316	310	5,911	6,321
Property taxes	494	152	36	682	853
Depreciation	1,688	519	122	2,329	2,940
Insurance	46	1,160	20	1,226	1,192
Postage & printing	-	1,047	-	1,047	806
Professional services	-	8,982	-	8,982	5,915
Marketing & advertising	721	376	89	1,186	2,746
Supplies	3,409	526	490	4,425	2,053
National conference & meetings	-	2,400	189	2,589	975
Membership activities	-	-	4,192	4,192	2,170
Bank and other fees	6,699	94	-	6,793	2,647
Taxes and licenses	-	25	-	25	75
Other expenses	72	-	-	72	72
	<u>72</u>	<u>-</u>	<u>-</u>	<u>72</u>	<u>72</u>
Total expenses	<u>\$ 27,244</u>	<u>\$ 19,556</u>	<u>\$ 6,145</u>	<u>\$ 52,945</u>	<u>\$ 42,950</u>

See accompanying notes and accountant's report

ASSISTANCE LEAGUE OF SONOMA COUNTY

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MAY 31, 2022 AND 2021

Note 1. Nature of activities and significant accounting policies

- a. Assistance League of Sonoma County (ALSC) is a nonprofit corporation and is a chartered chapter of the National Assistance League. ALSC is composed of trained volunteers who identify community needs and respond to them with financial and hands-on support.

The Coronavirus pandemic continued to impact some of ALSC's programs by limiting in-person interactions with the beneficiaries of these programs. The financial impact has been considered in these financial statements and footnotes.

The Chapter provides the following programs:

Operation School Bell – Is the national philanthropy of ALSC. The program provides new common dress clothes for children in need in public schools. In addition, OSB provides enrichment for children through literacy development programs, school supplies, early childhood intervention, and STEAM (Science, Technology, Engineering, the Arts and Mathematics) programs. Achievements during the 2021-2022 school year included services to 3900 students – 1,300 were outfitted, 2,600 books were provided to community clinics, 96 kindergarten backpacks, 125 participated in poetry writing, and 6 art students were sponsored for a total of \$3,000.

Sights and Sounds – Provides free screening to preschool children in Sonoma County to detect vision and hearing problems. Due to the Coronavirus pandemic these services were suspended and will resume as soon as possible.

Booster Bags – Boosts the spirits of women and children in crisis by providing backpacks/bags containing toiletries and clothing. Additionally, gift certificates to our Assistance League Thrift Shop as well as 1140 bus tickets are normally provided. During the year ended May 31, 2022, 720 individuals received backpacks and bags with daily basic necessities and 144 gift certificates were given of which 54 were redeemed at the Thrift Shop.

Outreach - ALSC supports other agencies in the community that address hunger and shelter needs. During the year ended May 31, 2022, a total of \$2,000 was given to two agencies that work directly with the homeless community in Sonoma County.

ASSISTANCE LEAGUE OF SONOMA COUNTY

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MAY 31, 2022 AND 2021

Note 1. Nature of business and significant accounting policies
(Cont.)

Bright Beginnings – within this program are the following two projects:

- Wee Wardrobe – Fills the need of teen parents participating in the Teen Parent Connections program of the County of Sonoma Department of Health Services. Due to the Coronavirus pandemic, these activities were limited during the year ended May 31, 2022. The program served 252 individuals by providing baby layettes, highchairs and gift bags, gift cards and books.
- Education & Scholarship – provides financial assistance to eligible teen mothers attending Santa Rosa Junior College or Sonoma State University. During the year ended May 31, 2022, three scholarships, three laptops and recovery books, book bags and dictionaries were awarded for a total of \$3,900.

Safe Haven – This program serves women in recovery from addiction at the Women’s Recovery Services. It provides gift bags containing personal items. For the year ended May 31, 2022, 120 women and children received gift bags and gift cards.

- b. Tax Status - ALSC is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. Continuance of such exempt status is subject to compliance with laws and regulations of the taxing authorities
- c. Comparative Financial Information – The financial statements include prior-year summarized comparative information in total but not by program or supporting services. 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 ALSC’s reviewed financial statements for the year ended May 31, 2021, from which the summarized information was derived.
- d. Accounting principles generally accepted in the United States of America require that the ALSC report information regarding its financial position and activities according to two classes of Net Assets:
 - *Net Assets without donor restrictions* – representing net assets that are not subject to donors’ time or use restrictions. These may include those assets designated for specific purposes by action of the Board of Directors.
 - *Net Assets with donor restrictions* – representing net assets restricted by donors for use in future periods or for specific purposes.

ASSISTANCE LEAGUE OF SONOMA COUNTY

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MAY 31, 2022 AND 2021

Note 1. Nature of business and significant accounting policies
(Cont.)

- e. Cash and Cash Equivalents – Cash and cash equivalents are those highly liquid investments with original maturity of ninety days or less. This includes cash in checking accounts, savings accounts and money market accounts, the fair values of which approximates the carrying value. 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 May 31, 2022 and 2021, ALSC had no uninsured balances at these institutions.

- f. Fair Value Measurement – Generally accepted accounting principles established a fair value measurement hierarchy that prioritizes the inputs to valuation techniques. This hierarchy consists of three broad levels:
 - (i) Level 1 inputs consist of quoted prices in active markets for identical assets and have the highest priority
 - (ii) Level 2 inputs consist of observable inputs other than quoted prices for identical assets
 - (iii) Level 3 inputs consist of unobservable inputs and have the lowest priority.

- g. Inventory - ALSC runs a Thrift Shop in Santa Rosa, California. Items are donated by the community and then sold in the shop. Donated items are not recognized at the time of receipt, but rather only if subsequently sold. Inventory cost is based on estimated sales price of donated items, reduced by a percentage for discounts and loss. New items included in inventory are valued at the cost of acquisition. Inventory includes new and used items of clothing, furniture, household items, toiletries, etc.

Sales tax collected from the sale of donated merchandise amounted to \$9,409 and \$3,492 for the years ended May 31, 2022 and 2021, respectively.

ASSISTANCE LEAGUE OF SONOMA COUNTY

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MAY 31, 2022 AND 2021

Note 1. Nature of business and significant accounting policies
(Cont.)

- h. Fixed Assets - Fixed assets are stated at cost at the date of acquisition or estimated fair value at the date of donation in the case of gifts. Fixed assets additions with a cost exceeding \$300 are capitalized. Depreciation is computed on the straight-line method over the estimated useful service lives as follow:

Building and Improvement	10 to 39 years
Furniture and Equipment	5 to 10 years

Maintenance and repairs that do not enhance the use of or extend the life of the underlying fixed asset are charged to expense as incurred.

- i. Deferred Dues – Membership dues are paid by the volunteer staff on an annual basis. Funds collected prior to the fiscal year to which they apply are deferred and recognized over the periods to which the dues relate.
- j. Support and Revenue - ALSC's support and revenues come primarily from cash and non-cash contributions from the general public and members, fundraising events, and operation of the thrift shop. Contributions are recorded as restricted support if they are received with donor stipulations that limit the purpose or time of use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to net assets without donor restriction and reported in the Statement of Activities as 'Net assets released from restrictions.' Restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted contributions.
- k. Expense Allocation – The cost of providing programs and other activities have been summarized on the functional basis in the Statement of Activities and Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Occupancy costs are the primary costs that are allocated. These expenses are allocated based on estimated space use based on significance of activity costs to total operations.

ASSISTANCE LEAGUE OF SONOMA COUNTY

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2022 AND 2021**

Note 1. Nature of business and significant accounting policies
(Cont.)

- l. Volunteers - ALSC's functions and programs are conducted by unpaid volunteers. No amounts have been reflected in the financial statements for these donated services since the volunteer time does not meet the criteria for recognition. Volunteer hours are as shown below:

	2022	2021
Approximate value of hours	\$ 511,035	\$ 319,800
Estimated hourly rate	\$ 29.72	\$ 28.06
Volunteer hours	17,195	11,397

The estimated hourly rate is based upon the average hourly earnings of non-agricultural workers for the year ending December 31, 2021 and May 31, 2021, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 15% for estimated fringe benefits.

- m. Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenues, expenses, gains, and losses during the reporting period. Actual results could differ from the estimates.

Note 2. Cash and cash equivalents

Included in cash and cash equivalents (at Level 1 of fair value measurement) is the following:

	2022	2021
Cash on hand	\$ 300	\$ 300
eBay	134	44
Checking accounts	51,523	38,022
Saving deposits	25,628	10,334
	\$ 77,585	\$ 48,700

ASSISTANCE LEAGUE OF SONOMA COUNTY

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MAY 31, 2022 AND 2021

Note 3. Inventory

Inventory on hand include items sold at the thrift shop and program supplies used by various programs in support of their mission. At May 31, 2022 and 2021 total inventory was \$32,690 and \$31,393, respectively.

Note 4. Certificate of deposit

ALSC's certificate of deposit is valued at carrying amount plus interest earned in the present period. The amount of \$167,167 and \$186,177 approximates the fair value (Level 2 of fair value measurement) at May 31, 2022 and 2021, respectively.

Note 5. Designated cash deposits

The governing board designated \$36,000 and \$30,521 at May 31, 2022 and 2021, respectively, for capital improvements to the building. These funds are invested in a money market account and include interest earned during the year. For the Statement of Cash Flows, this amount is included in the net change in cash, cash equivalents and designated cash.

Note 6. Property and equipment

Property and equipment consist of the following at May 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Buildings and improvements	\$ 185,888	\$ 185,888
Equipment	28,562	28,562
	<u>214,450</u>	<u>214,450</u>
Less Accumulated Depreciation	(181,559)	(177,338)
	<u>32,891</u>	<u>37,111</u>
Artwork	13,000	-
Land	15,037	15,037
	<u>\$ 60,928</u>	<u>\$ 52,148</u>

Included above is a wall mural painted on the thrift store building during the year ended May 31, 2022 for a total of \$13,000. No depreciation expense was calculated on this artwork. Depreciation expense for the years ended May 31, 2022 and 2021, was \$4,220 and \$4,260, respectively.

ASSISTANCE LEAGUE OF SONOMA COUNTY

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MAY 31, 2022 AND 2021

Note 7. Fundraising

ALSC did not hold any special events. Funds raised via direct mail appeal totaled \$6,830 (related expense was \$199) and \$3,600 (related expense was \$77) for the years ended May 31, 2022 and 2021, respectively.

Note 8. Non-cash contributions

During the years ended May 31, 2022 and 2021, ALSC received donated merchandise of \$118,752 and \$45,223, respectively. This merchandise was subsequently sold in the Thrift Shop. In addition, during the year ended May 31, 2022, ALSC received \$1,035 of shop supplies, reflected as in-kind contributions in the Statement of Activities.

Note 9. Uncertain income tax positions

Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. ALSC has analyzed tax positions taken for filing with the Internal Revenue Service and the State of California. ALSC believes that income tax filing positions would be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial position, results of operations or cash flows. Generally, tax returns remain open for federal examination for three years and for four years for the State of California, from the date of filing.

ALSC's policy is to classify income tax related interest and penalties, if any, in interest expense and other expenses, respectively. No such taxes were recorded during the years ended May 31, 2022 and 2021.

ASSISTANCE LEAGUE OF SONOMA COUNTY

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MAY 31, 2022 AND 2021

Note 10. Liquidity and availability of financial assets

The following reflects ALSC's financial assets as of May 31, 2022 and 2021, reduced by amounts not available for general use within one year. Financial assets are considered unavailable due to donor-imposed restrictions or the governing board has set aside funds for internal designations.

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 113,585	\$ 79,252
Certificates of deposit	<u>167,167</u>	<u>186,177</u>
	280,752	265,429
Less funds unavailable for general expenditure within one year:		
Board Designated – Building fund	<u>(36,000)</u>	<u>(30,552)</u>
Funds available within one year	<u>\$ 244,752</u>	<u>\$ 234,877</u>

ALSC operates with a balanced budget and anticipates generating revenues from the Thrift Shop to cover general expenditures for the year.

Note 11. Reclassification

Certain amounts in the 2021 financial statements have been reclassified to conform with the 2022 presentation with no effect on previously reported change in net assets.

Note 12. Subsequent events

Subsequent events have been evaluated through September 1, 2022, which is the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.