

**ASSISTANCE LEAGUE OF PHOENIX, ARIZONA**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORTS**

**FOR THE YEAR ENDED MAY 31, 2022**

**ASSISTANCE LEAGUE OF PHOENIX, ARIZONA**  
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## **Independent Auditor's Report**

To the Board of Directors of  
Assistance League of Phoenix, Arizona

### **Opinion**

We have audited the accompanying financial statements of Assistance League of Phoenix, Arizona (a nonprofit organization), 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assistance League of Phoenix, Arizona as of May 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **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 Assistance League of Phoenix, Arizona 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, whether 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 Assistance League of Phoenix, Arizona's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors of  
Assistance League of Phoenix, Arizona  
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### **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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment 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 Assistance League of Phoenix, Arizona'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Assistance League of Phoenix, Arizona'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.

*Lorenzo, PLC*

Lorenzo, PLC  
Gilbert, Arizona  
September 22, 2022

**ASSISTANCE LEAGUE OF PHOENIX, ARIZONA**  
**STATEMENT OF FINANCIAL POSITION**  
**MAY 31, 2022**

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 2,021,959
Investments	1,066,646
Accounts receivable	3,125
Prepaid expenses	16,705
Inventory	<u>574,304</u>
 Total Current Assets	 3,682,739
Non-current assets:	
Property and equipment, net of accumulated depreciation	<u>1,546,742</u>
 Total Assets	 <u><u>\$ 5,229,481</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ 13,558
Accrued payroll and related expenses	66,354
Credit card payable	8,095
Deferred revenue	<u>8,870</u>
 Total Liabilities	 <u>96,878</u>
Net Assets:	
Without donor restrictions	<u>5,132,603</u>
 Total Net Assets	 <u>5,132,603</u>
 Total Liabilities and Net Assets	 <u><u>\$ 5,229,481</u></u>

See accompanying notes to financial statements

**ASSISTANCE LEAGUE OF PHOENIX, ARIZONA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED MAY 31, 2022**

	Without Donor Restriction	With Donor Restriction	Total
Revenues, gains, and other support:			
Sales of merchandise	\$ 515,232	\$ -	\$ 515,232
Contributions of donated merchandise	548,899		548,899
Less value of merchandise sold	(515,232)		(515,232)
Net sales revenue from thrift shop	548,899		548,899
Less thrift shop expenses	(201,096)		(201,096)
Net revenue from thrift shop	347,803	-	347,803
Special event revenue	513,901		513,901
Less cost of direct donor benefits	(68,234)		(68,234)
Net revenue from special events	445,667	-	445,667
Lease income	14,400		14,400
Membership	17,138	-	17,138
Grants	1,022,074		1,022,074
Contributions	107,275		107,275
Investment income, net	204,287		204,287
Unrealized gain/loss on investments	(261,526)		(261,526)
Other income	34,412		34,412
<b>Total Revenues, gains, and other support</b>	<b>1,931,530</b>	<b>-</b>	<b>1,931,530</b>
Expenses:			
Program Services			
Operation School Bell ®	\$ 1,251,137	\$ -	\$ 1,251,137
Hugs	29,011		29,011
Literacy	11,534		11,534
Wee Help	12,310		12,310
Supporting Expenses			
Fundraising expenses			
Special event	73,972		73,972
Membership development	15,696		15,696
Management and general	67,481		67,481
<b>Total Expenses</b>	<b>1,461,141</b>	<b>-</b>	<b>1,461,141</b>
Increase in net assets	470,389	-	470,389
Net assets, beginning of year	4,662,214		4,662,214
<b>Net assets, end of year</b>	<b>\$ 5,132,603</b>	<b>\$ -</b>	<b>\$ 5,132,603</b>

See accompanying notes to financial statements

**ASSISTANCE LEAGUE OF PHOENIX, ARIZONA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MAY 31, 2022**

	Program Services				Total Program Services	Supporting Services						Total Expenses
	Operation School Bell	HUGS	Literacy	Wee Help		Fundraising			Membership Development	Management and General	Total Supporting Services	
						Special Event	Thrift Shop	Total Fundraising				
Materials & supplies	601,514	20,004	6,278	9,464	637,260	69,648	6,467	76,115		848	76,963	714,223
Bank charges	317		6		323	7,196	13,453	20,649	172	423	21,244	21,567
Dues and subscriptions	125		35		160			-	15	10	25	185
Information technology	17,894	731	423	231	19,279		5,406	5,406				
Facilities expense	40,828	1,085	628	343	42,884		37,126	37,126		2,730	8,136	27,415
Insurance	6,770				6,770		7,055	7,055				80,010
Other expense	5,558	67	39	21	5,685	1,732	2,245	3,977	300	8,154	15,509	22,279
Office expense	4,169	150	87	47	4,453	11,279	236	11,515	1,754	1,200	6,931	12,616
Professional services	12,049	470	272	149	12,940	52,351		52,351		2,676	14,191	18,644
Marketing and public relations	35,958	1,056	611	334	37,959		3,098	3,098	178	13,607	65,958	78,898
Grant expense	31,056				31,056					-	3,276	41,235
Salaries and benefits	424,415	3,941	2,282	1,245	431,883		97,889	97,889		-	-	31,056
Contract labor					-		506	506		37,833	135,722	567,605
Bus expense	11,020				11,020						506	506
National dues					-						-	11,020
Members expense					-				4,520		4,520	4,520
					-				8,757	-	8,757	8,757
Subtotal	1,191,673	27,504	10,661	11,834	1,241,672	142,206	173,481	315,687	15,696	67,481	398,864	1,640,536
Depreciation	59,464	1,507	873	476	62,320		27,615	27,615			27,615	89,935
Total expenses	1,251,137	29,011	11,534	12,310	1,303,992	142,206	201,096	343,302	15,696	67,481	426,479	1,730,471
Less expenses included with revenues on statement of activities						(68,234)	(201,096)	(269,330)			(269,330)	(269,330)
Total expenses included in expense section on statement of activities	1,251,137	29,011	11,534	12,310	1,303,992	73,972	-	73,972	15,696	67,481	157,149	1,461,141

See accompanying notes to the financial statements.

**ASSISTANCE LEAGUE OF PHOENIX, ARIZONA**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MAY 31, 2022**

Cash flows from operating activities:	
Increase in net assets	\$ 470,389
Adjustments to reconcile changes in net assets to net	
Cash provided/(used) by operating activities:	
Depreciation and amortization	89,935
Contribution from PPP loan forgiveness	(76,505)
Decrease in inventory	16,232
(Increase) in accounts receivable	(625)
Unrealized/realized gain/(loss) on investments	54,606
(Increase) in prepaid expenses	(14,457)
(Decrease) in accounts payable	(157)
Increase in accrued payroll and related expenses	62,368
(Decrease) in deferred revenue	<u>(770)</u>
Net cash provided by operating activities	<u>601,017</u>
Cash flows from investing activities:	
Proceeds from sale of investments	3,931
Purchase of property and equipment	<u>(26,499)</u>
Net cash (used) by investing activities	<u>(22,568)</u>
Cash flows from financing activities:	
Net repayments on credit card payable	<u>(2,636)</u>
Net cash (used) by financing activities	<u>(2,636)</u>
Net increase in cash and cash equivalents	575,813
Cash and cash equivalents, beginning of year	<u>1,446,146</u>
Cash and cash equivalents, end of year	<u>\$ 2,021,959</u>
Supplemental data:	
PPP note payable forgiven by the SBA (Note 6)	\$ 76,505

See accompanying notes to financial statements

**ASSISTANCE LEAGUE OF PHOENIX, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022**

**NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

Assistance League® of Phoenix, Arizona (the Chapter) is an Arizona nonprofit corporation formed in March of 1961. The Chapter is a chartered chapter of National Assistance League®. The Chapter is primarily a volunteer organization whose mission is to improve the lives of children through philanthropic programs that fulfill basic needs, foster self-esteem and enhance quality of life. The Chapter's support and revenue come primarily from contributions and other fundraising efforts including special events and operation of a thrift shop.

**The Chapter provides the following programs:**

- OPERATION SCHOOL BELL® – fosters self-esteem and self-confidence in children resulting in a more successful educational experience. This program provides basic clothing needs for children by outfitting them with a complete school wardrobe. For many children these are the first new school clothes they have ever owned.
- HUGS – works with local hospitals, Phoenix Police and Fire departments, and other agencies to put smiles on the faces of traumatized children when they are comforted by an Assistance League® of Phoenix Teddy Bear stitched with love from Chapter members.
- LITERACY (BOOK GIFTS) – promotes student and family literacy by augmenting the educational resources of Title I elementary schools. Thousands of books reach the hands of children through these gifts. For some, this is the first book they have owned.
- WEE HELP – distributes layette gift bags for infants of new parents in need, with the basics for their baby, including blankets, clothing, and other essential supplies.

Financial Statement Presentation – The Chapter presents these financial statements in accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. This codification establishes standards for general purpose external financial statements provided by a not-for-profit organization. Those financial statements include a statement of financial position, a statement of activities, and a statement of cash flows.

These financial statements have been prepared on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when the obligation is incurred. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Chapter and changes therein are classified and reported as without donor restrictions or with donor restrictions. Net assets without donor restrictions are net assets that are not subject to or are no longer subject to donor-imposed restrictions. Net assets with donor restrictions are those net assets expected to be maintained in perpetuity and those expected to be spent over time or for a particular purpose.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value – Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Chapter's significant financial instruments are cash and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

**ASSISTANCE LEAGUE OF PHOENIX, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022**

**NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES  
(CONT'D)**

Concentrations of Credit Risk – Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Chapter has not experienced losses in any of these accounts.

Cash and Cash Equivalents – Cash includes cash held in checking, savings, certificates of deposit and money market accounts at May 31, 2022. For purposes of the statement of cash flows, the Chapter considers all highly-liquid investments with initial maturities of three months or less to be cash equivalents. Cash may include amounts which are subject to donor-imposed restrictions. There were no other restrictions on cash at May 31, 2022.

Investments – Investments in marketable securities with readily determined fair values are presented in the financial statements at fair value. Income from investments consists of interest and dividends. Gains on investments include both realized and unrealized gains and losses in investments.

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.

Inventory – Inventory is measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

The Chapter maintains an inventory of new clothing and shoes for use in its Operation School Bell® program, books for use in its Literacy program, teddy bears for use in its Hugs program, and layettes for infants' use in its Wee Help program. All of these inventories are stated at the lower of cost, determined by the weighted-average cost method, or net realizable value. The Chapter also maintains an inventory of used clothing and household items, donated by the public for resale by a thrift shop operated by the Chapter which is stated at its estimated fair value.

Property and Equipment – Property and equipment are stated at cost, or if donated, at the fair market value at the date of the gift, and net of accumulated depreciation. The Chapter's policy is to capitalize non-liquid assets with a useful life of more than one year. The Chapter depreciates its property and equipment over the estimated useful lives of the assets using the straight-line method, which are ten to 40 years for buildings and improvements, five to ten years for furniture and equipment. There are no restrictions on how these non-liquid assets can be used by the Chapter.

Maintenance and repairs are charged to expense, and renovations and improvements are capitalized. When depreciable property is retired or disposed of, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in the changes in net assets.

The Chapter reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended May 31, 2022.

**ASSISTANCE LEAGUE OF PHOENIX, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022**

**NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES  
(CONT'D)**

Revenue Recognition for Program Services – The Chapter recognizes revenue that originates from the Thrift Shop as an exchange transaction, as it does not meet the definition of a contribution. The Thrift Shop revenue is recognized when the sale takes place.

Contributions – All contributions, including grants, are considered to be available for use without donor restriction unless specifically restricted by the donor/grantee. Amounts received that are designated for future periods or restricted by the donor for a particular purpose are reported as support that increases net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the Statement of Activities as net assets released from restrictions. However, if a donor restriction is fulfilled in the same time period in which the contribution is received, the Chapter reports that support as without donor restriction. None of the grants received met the definition of “with donor restriction”, and none were conditional on a future performance obligation of the Chapter.

Donated Materials and Services – Significant materials and services are donated to the Chapter by various individuals, corporations, and other organizations. Donated materials of \$548,899 during the year ended May 31, 2021 are reflected in the accompanying financial statements at their fair values at the date of the donation. These materials consisted primarily of used clothing and household items donated by the public for resale by the thrift shop operated by the Chapter.

In addition, a significant portion of the Chapter's functions and programs are conducted by unpaid volunteers. The value for this contributed time is not reflected in the accompanying financial statements since the services do not require special skills. During the year ended May 31, 2022, these volunteers donated approximately 28,123 hours with an estimated value of \$835,816. This value was computed using an estimated hourly rate of \$29.72, based upon the average hourly earnings of nonagricultural workers for the fiscal year ended May 31, 2022, as determined by the U.S. Department of Labor's Bureau for Labor Statistics, plus 15% for estimated fringe benefits.

Income Taxes – The Chapter is organized as an Arizona nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A), and has been determined not to be a private foundation under Section 509(a)(2). The entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The entity has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The entity believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The entity would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Uncertain Tax Positions – The Chapter accounts for uncertain tax positions, if any, in accordance with FASB Accounting Standards Codification Section 740. In accordance with these professional standards the Chapter recognizes tax positions only to the extent that Management believes it is “more likely than not” that its tax positions will be sustained upon IRS examination. Management believes that it has no uncertain tax positions for the year ended May 31, 2022.

**ASSISTANCE LEAGUE OF PHOENIX, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022**

**NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES  
(CONT'D)**

Functional Expense Allocation – The financial statements report certain expenses that are attributable to one or more program or supporting functions of the Chapter. These expenses are allocated based on square footage or estimates of personnel time and effort, as applicable.

Reclassifications – Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

National Dues – The Chapter pays dues to National Assistance League® based on the number of members in the Chapter. For the year ended May 31, 2022, the Chapter paid dues totaling \$4,520.

Subsequent Events – The Chapter has evaluated subsequent events through September 22, 2022, the date which the financial statements were available to be issued.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash in Bank – The Chapter maintains all of its cash with two financial institutions. At May 31, 2022, the carrying amount of deposits was \$2,021,959 and the bank balance was \$2,043,806. As of May 31, 2022, \$481,062 bank balance was covered by federal depository insurance, and \$1,562,744 was uninsured and uncollateralized. The Chapter also had \$775 of petty cash on hand to operate the Thrift Boutique and other activities.

**NOTE 3 – INVESTMENTS**

Fair Value of Financial Instruments – The Chapter applies generally accepted accounting principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP defines fair values as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Chapter has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

**ASSISTANCE LEAGUE OF PHOENIX, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022**

**NOTE 3 – INVESTMENTS (CONT'D)**

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used, as of May 31, 2022, in valuing the Chapter's assets carried at fair value:

May 31, 2022	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
<b>Mutual Funds</b>				
Large-cap blend	182,988	-	-	182,988
Large-cap growth	80,975	-	-	80,975
Large-cap value	85,158	-	-	85,158
Mid-cap blend	121,320	-	-	121,320
Small-cap blend	34,942	-	-	34,942
Small-cap value	37,079	-	-	37,079
Foreign large blend	46,917	-	-	46,917
Foreign large growth	39,970	-	-	39,970
Foreign value	48,226	-	-	48,226
Foreign small/mid-cap	46,181	-	-	46,181
<b>Fixed Income</b>				
Core bond	103,858	-	-	103,858
High-yield bond	27,164	-	-	27,164
Intermediate-term bond	103,838	-	-	103,838
Multisector bond	44,057	-	-	44,057
<b>Cash and equivalents</b>				
Cash available to trade	63,973	-	-	63,973
	<u>\$ 1,066,646</u>	<u>-</u>	<u>-</u>	<u>\$ 1,066,646</u>

The activity in investments is summarized below:

	Beginning Balance	Purchases	Sales	Realized/Unrealized gain/(loss), net	Ending Balance
Investment Activity	<u>\$ 1,125,183</u>	<u>-</u>	<u>(3,931)</u>	<u>(54,606)</u>	<u>\$ 1,066,646</u>

The Chapter purchases investments with cash from its bank account and with proceeds from sales of investments.

**ASSISTANCE LEAGUE OF PHOENIX, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022**

**NOTE 4 – INVENTORY**

Inventory consisted of the following at May 31, 2022:

	May 31, 2022
New clothing and shoes for use in Operation School Bell program	\$ 355,860
Stuffed bears for use in HUGS program	6,703
Infant care items for use in Wee Help program	2,576
Books for use in the Literacy Program	3,494
Used clothing and household items held for sale at the thrift shop	205,672
Total inventory	\$ 574,304

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and Equipment at May 31, 2022 consisted of the following:

	May 31, 2022
Land	
7044 Building	391,258
Philanthropic Center	175,000
Land Improvements - 7044 Building	32,363
Building and Improvements	
7044 Building	726,453
Philanthropic Center	1,056,265
Furniture and Equipment	
7044 Building	109,941
Philanthropic Center	128,096
Operation School Bell	387,538
Total Property and Equipment	3,006,914
Accumulated Depreciation	(1,460,172)
Property and Equipment, net	1,546,742

Amortization and depreciation expense was \$89,935 for the year ended May 31, 2022.

**NOTE 6 – PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS**

Paycheck Protection Program Loan Forgiveness - In February 2021, the Chapter received a Paycheck Protection Program (PPP) loan through the Small Business administration (SBA), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, of \$76,505. During the year, the Chapter met the necessary requirements for loan forgiveness, and the Chapter's application for forgiveness has been approved by the SBA. The amount of the forgiveness is considered a contribution and is included in grant revenue on the Statement of Activities. Therefore, no loan balance remains payable as of May 31, 2022.

**ASSISTANCE LEAGUE OF PHOENIX, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2022**

**NOTE 7 – NET ASSETS**

Net assets were designated by the Chapter as follows at May 31, 2021:

	2021
Board-designated for one year's operating expenditure needs	\$ 1,100,000
Undesignated	4,032,603
Total net assets without donor restriction	\$ 5,132,603

**NOTE 8 – SPECIAL EVENT**

The Chapter has a major fundraising event to help fund current operations. The revenue and related expenses from this event for the year ended May 31, 2022:

Event	Revenue	Cost of Direct Donor Benefits	Other Event Costs	Net Revenues
Celebration of Caring Gala	\$ 513,901	\$ 68,234	\$ 73,972	\$ 371,695

**NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following table reflects the Chapter's financial assets as of May 31, 2022, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or are assets held for other uses.

Financial assets:

Cash and cash equivalents	\$ 2,021,959
Investments	1,066,646
Accounts receivable	3,125
Financial assets at year end:	3,091,730

Less those unavailable for general expenditures within one year due to:

None applicable	\$ -
Financial assets available to meet cash needs for general expenditures within one year:	3,091,730

The Chapter structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Chapter has a goal to maintain financial assets on hand to meet one year of normal operating expenses (See Note 7).