



Assistance League of Downey

Financial Statements

As of and for the year ended May 31, 2024

(with independent accountant's review report included)

Assistance League of Downey
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Independent Accountant's Review Report

To the Board of Directors and Management
Assistance League of Downey

We have reviewed the accompanying financial statements of Assistance League of Downey (the "Chapter"), which comprise the statement of financial position as of May 31, 2024, and the related statements of activities and change in net assets, 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, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

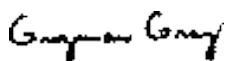
Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Chapter and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



GuzmanGray
Costa Mesa, California
January 31, 2025

**Assistance League of Downey
Statement of Financial Position
As of May 31, 2024**

ASSETS

Current Assets:		
Cash and Cash Equivalents	\$	357,137
Inventory		30,893
Prepaid Expenses		<u>1,275</u>
Total Current Assets		<u>389,305</u>
Property and Equipment, Net		<u>915,714</u>
TOTAL ASSETS	\$	<u>1,305,019</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Current Liabilities:		
Accounts Payable and Accrued Expenses	\$	2,986
Deferred Dues		<u>12,450</u>
Total Current Liabilities		<u>15,436</u>
TOTAL LIABILITIES		<u>15,436</u>

NET ASSETS

Net Assets With Donor Restrictions		<u>1,289,583</u>
TOTAL NET ASSETS		<u>1,289,583</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>1,305,019</u>

See accompanying notes to financial statements and independent accountant's review report.

**Assistance League of Downey
Statement of Activities and Changes in Net Assets
For the Year Ended May 31, 2024**

		<u>Total</u>
REVENUE AND OTHER SUPPORT:		
Thrift Shop Revenue		
Contributions of Merchandise	\$ 144,062	
Sales of Contributed Merchandise	192,157	
Less: Cost of Sales	<u>(192,157)</u>	
Net Thrift Shop Revenue		\$ 144,062
Special Events Revenue		
Gross Special Events Revenue	56,721	
Less: Cost of Direct Benefits to Donors	<u>(24,771)</u>	
Net Special Events Revenue		31,950
Program Services Revenue		37,567
Grants		5,060
Membership		23,755
Event rental		59,600
Interest Income		811
Other		<u>20</u>
TOTAL REVENUE AND OTHER SUPPORT		<u>302,825</u>
EXPENSES:		
Program Services:		
H.O.M.E.	79,820	
Dental	13,253	
Operation School Bell	33,848	
Christmas Distribution	14,406	
Others	<u>31,673</u>	
Total Program Services		173,000
Support Services		
Thrift Shop	117,547	
Management & General	114,569	
Membership Development	<u>8,647</u>	
Total Support Services		<u>240,763</u>
TOTAL EXPENSES		<u>413,763</u>
CHANGE IN NET ASSETS		(110,938)
NET ASSETS, BEGINNING OF YEAR		<u>1,400,521</u>
NET ASSETS, END OF YEAR		<u>\$ 1,289,583</u>

See accompanying notes to financial statements and independent accountant's review report.

**Assistance League of Downey
Statement of Functional Expenses
For the Year Ended May 31, 2024**

	PROGRAM SERVICES						SUPPORT SERVICES				Cost of Direct Benefits to Donors	Total
	H.O.M.E.	Dental	Operation School Bell	Christmas Distribution	Others	Total Program Services	Thrift Shop	Management & General	Membership Development	Total Support Services		
Cost of Sales	-	-	-	-	-	-	192,157	-	-	192,157	-	192,157
Repairs and Maintenance	20,332	-	-	-	-	20,332	14,142	84,982	-	99,124	-	119,456
Salaries	4,443	-	-	-	-	4,443	40,793	658	-	41,451	-	45,894
Supplies	587	-	33,848	-	-	34,435	-	1,833	1,715	3,548	234	38,217
Donations	-	12,000	-	1,898	-	13,898	21,394	-	-	21,394	-	35,292
Depreciation	21,248	-	-	-	7,178	28,426	1,955	-	-	1,955	-	30,381
Utilities	6,424	-	-	-	-	6,424	10,503	9,682	-	20,185	-	26,609
Insurance	7,378	-	-	-	-	7,378	7,740	10,196	-	17,936	-	25,314
Foods and Entertainment	-	-	-	-	-	-	-	712	-	712	23,511	24,223
Scholarships	-	-	-	-	21,835	21,835	-	-	-	-	-	21,835
Professional Services	-	-	-	-	-	-	1,791	18,924	-	20,715	-	20,715
Miscellaneous	396	-	-	-	1,407	1,803	7,732	3,730	1,919	13,381	320	15,504
Security	6,522	-	-	-	-	6,522	2,495	3,489	-	5,984	-	12,506
Telephone	5,873	-	-	-	-	5,873	1,780	1,689	-	3,469	-	9,342
Property Tax	288	-	-	-	-	288	3,337	2,311	-	5,648	-	5,936
National Dues	-	-	-	-	-	-	-	-	3,830	3,830	-	3,830
Postage	-	-	-	-	-	-	662	218	-	880	706	1,586
Advertising	62	-	-	-	-	62	60	-	731	791	-	853
Allocation	6,267	1,253	-	12,508	1,253	21,281	3,163	(23,855)	-	(20,692)	-	589
National Conference	-	-	-	-	-	-	-	-	452	452	-	452
	79,820	13,253	33,848	14,406	31,673	173,000	309,704	114,569	8,647	432,920	24,771	630,691
Less: Expenses included with revenues on the statement of activities and changes in net assets:												
Cost of Sales	-	-	-	-	-	-	(192,157)	-	-	(192,157)	-	(192,157)
Cost of Direct Benefits to Donors	-	-	-	-	-	-	-	-	-	-	(24,771)	(24,771)
TOTAL EXPENSES	\$ 79,820	\$ 13,253	\$ 33,848	\$ 14,406	\$ 31,673	\$ 173,000	\$ 117,547	\$ 114,569	\$ 8,647	\$ 240,763	\$ -	\$ 413,763

See accompanying notes to financial statements and independent accountant's review report.

**Assistance League of Downey
Statement of Cash Flows
For the Year Ended May 31, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (110,938)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	30,381
Decrease in:	
Inventory	48,094
Prepaid expenses	2,667
Increase (decrease) in:	
Accounts payable and accrued expenses	(417)
Deferred dues	<u>2,880</u>

NET CASH USED IN OPERATING ACTIVITIES (27,333)

NET DECREASE IN CASH (27,333)

CASH, BEGINNING OF THE YEAR 384,470

CASH, END OF YEAR \$ 357,137

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Interest paid	<u><u>NONE</u></u>
Income tax paid	<u><u>NONE</u></u>

See accompanying notes to financial statements and independent accountant's review report.

**Assistance League of Downey
Notes to Financial Statements
For the Year Ended May 31, 2024**

1. ORGANIZATION

Assistance League of Downey is a nonprofit corporation and is a chartered chapter of National Assistance League. The accompanying financial statements include the activities of Assistance League of Downey and its auxiliary Assisteens® (collectively, the Chapter). The Chapter provides the following programs:

- H.O.M.E. – Housing of Medical Emergencies project is a service provided to the families of patients undergoing rehabilitation at Rancho Los Amigos Medical Center. A ten-unit facility adjacent to the Medical Center is owned, operated and maintained by Assistance League of Downey and houses family members or out-patients coming from outside the area enabling them to participate in the rehabilitation program.
- Dental Program – Provides low-cost dental care to children in grades K-12 in the Downey Unified School District following an annual elementary school screening by the Downey Dental Academy and/or referral by the school nurse. These are children who do not qualify for MediCal nor are they covered by private insurance.
- Operation School Bell – Provides school clothing, a voucher for shoes, a grooming kit and a backpack to needy students from the Downey Unified School District who have been referred by their principals or the school nurse.
- Christmas Distribution – Distribution of new gifts to agencies providing help to the needy.
- Hug-A-Bear – A program for providing teddy bears to local police and firefighters for distribution following traumatic situations involving children.
- Scholarship – The student Volunteer Scholarship Program is a philanthropic project that shall provide selected graduating seniors at Downey Unified School District high schools with \$1,000 scholarships

The Chapter's revenue and support come primarily from contributions, program service revenue and other fundraising efforts including special events and operation of a thrift shop.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Asset Presentation

The Chapter reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Chapter. The Chapter's board may designate assets without restrictions for specific operational purposes from time to time.

**Assistance League of Downey
Notes to Financial Statements
For the Year Ended May 31, 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net assets with donor restrictions

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Chapter or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Net assets released from donor restrictions

Net assets are released by incurring expenses satisfying the restriction or occurrence of the other events specified by donors.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include petty cash, cash held in checking and money market accounts, time deposits, certificates of deposit and all highly liquid investments with original maturities of three months or less.

Inventories

The Chapter 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, which is stated at its estimated fair value.

Property and Equipment

The Chapter capitalizes furniture and equipment over \$1,000. Lesser amounts are expensed. Purchased furniture and equipment is capitalized at cost. Donations of furniture and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire furniture and equipment are reported as contributions 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. The Chapter reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. The Chapter provides for depreciation and amortization of property and equipment by use of the straight-line method over the estimated useful lives as follow:

Buildings and improvements	10 to 35 years
Furniture and equipment	3 to 10 years

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash and cash equivalents, accounts payable, and accrued expenses, approximate fair value due to their short-term nature.

**Assistance League of Downey
Notes to Financial Statements
For the Year Ended May 31, 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fair Value Measurements

The Chapter follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair values into Levels 1, 2, and 3.

Level 1 inputs consist of unadjusted quoted prices in active markets for identical instruments and have the highest priority. Level 2 inputs include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or inputs other than quoted prices that are directly or indirectly observable. Level 3 inputs are unobservable and are given the lowest priority.

Revenue Recognition

The Chapter applies the five-step model to contracts when it is probable that the Chapter will collect the consideration it is entitled. To determine revenue recognition for arrangements within the scope of ASC Topic 606, "Revenue from Contracts with Customers", the Chapter performs the following five steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when or as the Chapter satisfies a performance obligation.

The Chapter then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when or as the performance obligation is satisfied. A summary of significant revenue streams is below.

- *Thrift Shop Revenue*

Revenues from thrift shop sales are recognized at the point of sale.

- *Special Events*

Special events are organized to raise contributions to support the Chapter's activities. The participants of these events are offered something of value for a sum that exceeds the costs of the benefits provided to the participants. The difference between the amount paid by the donor and the fair value of the benefit received by the donor is considered a contribution. The items of value given to the donor are referred to as "cost of direct benefits to donors." These are the actual costs of the items and services furnished to the donor to attend the special event. The cost of direct benefit to donors is presented as a line item deducted from gross special events revenue in the accompanying statement of activities.

- *Program Services Revenue*

Revenues from program services are recognized in the period to which they pertain. Amounts received in advance of the period earned are deferred.

**Assistance League of Downey
Notes to Financial Statements
For the Year Ended May 31, 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

- *Contributions*

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as increases in net assets without donor restrictions.

- *Membership*

Dues from membership are recognized as revenue for the period to which they pertain. Amounts received in advance of the period earned are deferred.

- *Event Rental*

Revenues from event rental are recognized in the period the event occurred.

- *Donated Materials and Services*

Significant materials and services are donated to the Chapter by various individuals, corporations and other Chapters, and are reflected in the accompanying financial statements at their fair values at the date of donation.

In addition, a significant portion of the Chapter's functions and programs are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. For the year ended May 31, 2024, these volunteers donated approximately 12,914 hours with an estimated value of \$432,490. The estimated value of these donated services was computed using an hourly rate of \$33.49. The hourly rate used is based on data provided by the Independent Sector, which is a coalition of nonprofits, foundations and corporate giving programs.

Functional Allocation of Expenses

The Chapter allocates its expenses on a functional basis among their various programs and support services. Expenses that can be identified with a specific program or support services are allocated directly according to their natural expenditure classification. Salaries and wages, payroll taxes and employee benefits are based on time and effort. Certain costs such as postage and delivery, printing and copying, publicity and advertising, contract services, professional fees, bank service charges, meetings and conferences, insurance, travel, supplies, and other costs are allocated based on estimated usage for programs and support services. Costs related to space include occupancy, repairs and maintenance, telephone and depreciation are allocated based on departmental headcount.

Exempt Chapter Status and Income Taxes

The Chapter is exempt from California franchise tax and Federal income tax under the provisions of Section 23701(d) of the California Revenue Code and Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has classified the Chapter as a public charity. Income for certain activities not directly related to the Chapter's tax-exempt purpose is subject to taxation as unrelated business income.

**Assistance League of Downey
Notes to Financial Statements
For the Year Ended May 31, 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Recently Adopted Accounting Pronouncement

ASC 2016-13, Financial Instruments – Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*

In June 2016, the FASB issued ASC 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which modifies existing guidance related to the measurement of credit losses on financial instruments, including trade and loan receivables. The new guidance requires the allowance for credit losses to be measured based on expected losses over the life of the asset rather than incurred losses. The guidance is effective for annual and interim periods beginning after December 15, 2022, and early adoption is permitted. The adoption of FASB ASC 2016-13, Topic 326 did not have a material impact on the Chapter's financial statements

3. INVENTORIES

Inventory as of May 31, 2024 consists of use clothing and household items held for sale at the Chapter's thrift shop.

4. PROPERTY AND EQUIPMENT - NET

Property and equipment as of May 31, 2024 consist of

Land	\$ 603,348
Buildings and improvement	1,633,194
Furniture and equipment	69,963
	<hr/>
	2,306,505
Less: Accumulated depreciation	(1,390,791)
	<hr/>
	\$ 915,714

Depreciation expense for the year amounted to \$30,381, as presented in the statement of functional expenses.

5. NET ASSETS

The following summarizes cash flow information related to the lease for the year ended June 30, 2024:

Board-designated	
H.O.M.E.	\$
Operation School Bell	
Scholarships	
Christmas Distribution	
Undesignated	<hr/>

**Assistance League of Downey
Notes to Financial Statements
For the Year Ended May 31, 2024**

6. DONATED MATERIALS

During the year ended May 31, 2024, the Chapter received contributions of merchandise for its Thrift Shop amounting to \$144,062.

7. SPECIAL EVENTS

The summary of balances arising from related party transactions as of May 31, 2024 is as follows:

	Special Events Revenue	Special Events	Net Special Events Revenue
Celebrate the Season	\$13,963	(\$14,958)	(\$ 995)
Assisteens® Auxiliary – Tee & Senior Presentation	20,717	(5,354)	15,363
Casino Night	22,041	(4,459)	17,582
	<u>\$56,721</u>	<u>(\$24,771)</u>	<u>\$31,950</u>

8. CONCENTRATIONS AND CREDIT RISK

The Chapter maintains interest and noninterest bearing cash accounts at a financial institution located in Southern California. The Federal Deposit Insurance Corporation (FDIC) insurance limit is \$250,000 per depositor per institution. As of May 31, 2024 the Chapter does not have any uninsured cash balances. Cash equivalent balances deposited and maintained by financial institutions differ from cash equivalents presented in the statement of financial position due to timing differences. The Chapter has not experienced any losses in such accounts, and management believes the Chapter is not exposed to significant credit risks.

9. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets, at year end:	
Cash and cash equivalents	<u>\$357,137</u>
	357,137
Less:	
Deferred revenue	<u>(12,450)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$344,687</u>

The board of directors and management prepare a budget each year based on their knowledge of prior year transactions and potential transactions. Once a month, the board of directors and management review the Chapter's financial statements to determine the Chapter's liquid position and future prospects.

**Assistance League of Downey
Notes to Financial Statements
For the Year Ended May 31, 2024**

10. SUBSEQUENT EVENTS

Management has evaluated events and transactions that would require recognition or disclosure through January 31, 2025, which was the date the financial statements were available to be issued.