

ASSISTANCE LEAGUE
OF SADDLEBACK VALLEY, INC.

ACCOUNTANTS REVIEW REPORT
AND
FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2019 AND 2018

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.

INDEX TO FINANCIAL STATEMENTS

MAY 31, 2019 and 2018

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DALE R. HOWE

Independent Accountant's Review Report

The Board of Directors
Assistance League of Saddleback Valley, Inc.:

I have reviewed the accompanying financial statements of the Assistance League of Saddleback Valley, Inc., which comprise the statements of financial position as of May 31, 2019 and 2018 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, 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

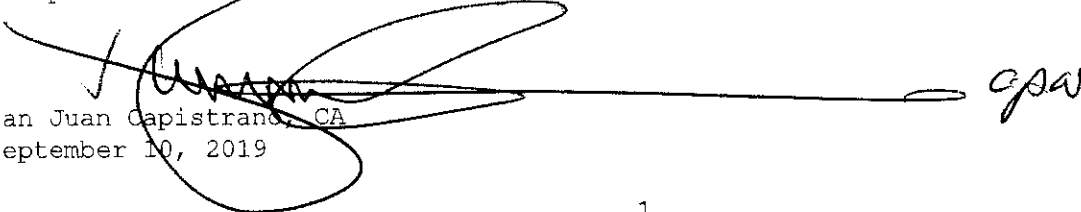
My responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures 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 our report.

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.

Other Matter

The accompanying supplemental consolidating statement of activities is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in my review of the basic financial statements. I am not aware of any material modifications that should be made to the supplementary information. I have not audited the supplementary information and, do not express an opinion on such information.


San Juan Capistrano, CA
September 10, 2019

CERTIFIED PUBLIC ACCOUNTANT

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
STATEMENTS OF FINANCIAL POSITION
MAY 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

ASSETS	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents (Note 2)	\$ 359,013	\$ 315,621
Inventories (Note 3)	3,699	8,866
Prepaid Expenses	20,005	13,317
Property and Equipment (Note 4)	<u>-</u>	<u>-</u>
TOTAL ASSETS	\$ <u>382,717</u>	\$ <u>337,804</u>
LIABILITIES		
Accounts Payable	\$ 9,689	\$ 2,864
Credit Cards Payable	70	231
Deferred Dues Revenue	14,705	23,435
Other Deferred Revenue	<u>16,691</u>	<u>11,172</u>
TOTAL LIABILITIES	41,155	37,702
NET ASSETS (Note 6)		
Without Donor Restrictions	330,344	294,049
With Donor Restrictions	<u>11,218</u>	<u>6,053</u>
TOTAL NET ASSETS	<u>341,562</u>	<u>300,102</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>382,717</u>	\$ <u>337,804</u>

"SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT"

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
STATEMENTS OF ACTIVITIES
YEAR ENDED MAY 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	-----Year Ended May 31, 2019-----			Year Ended 5/31/18
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Totals</u>
SUPPORT AND REVENUES				
Fundraising:				
Special Events and Other Fund- raising Activities Revenue (Note 7)	\$182,967	\$100,160	\$283,127	\$243,584
Less: Direct Costs	(72,447)	-	(72,447)	(66,507)
Net Revenue from Special Events and Other Fundraising Activities	110,520	100,160	210,680	177,077
Contributions & Grants	11,436	5,000	16,436	30,045
Noncash Contributions (Note 8)	2,361	-	2,361	2,154
Membership	14,884	-	14,884	11,427
Interest Income	98	-	98	79
Net Assets Released from Restrictions:				
Expiration of Time Restrictions	-	-	-	-
Satisfaction of Program Restrictions	99,995	(99,995)	-	-
Total Support and Revenues	239,294	5,165	244,459	220,782
EXPENSES				
Program Services:				
Operation School Bell	110,157	-	110,157	113,676
Links to Learning	26,172	-	26,172	24,736
Operation Baby Love	6,440	-	6,440	6,640
Adopt-A-Family	5,386	-	5,386	4,444
Field Study	3,500	-	3,500	3,000
Operation Camp Pendleton	2,267	-	2,267	2,188
Senior Outreach	568	-	568	592
Souper Servers	-	-	-	170
Total Program Services	\$154,490	\$ -	\$154,490	\$155,446

"SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT"

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
STATEMENTS OF ACTIVITIES (CONT'D)
YEAR ENDED MAY 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	-----Year Ended May 31, 2019-----			Year Ended 5/31/18
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Totals</u>
Supporting Services:				
Fundraising:				
Special Events and Other Fund- raising Activities Indirect Costs (Note 7)	\$ 25,382	\$ -	\$ 25,382	\$ 29,529
Management and General	16,181	-	16,181	22,325
Membership Development	<u>6,946</u>	<u>-</u>	<u>6,946</u>	<u>6,640</u>
Total Supporting Services	<u>48,509</u>	<u>-</u>	<u>48,509</u>	<u>58,494</u>
Total Expenses	<u>202,999</u>	<u>-</u>	<u>202,999</u>	<u>213,940</u>
 CHANGE IN NET ASSETS	 36,295	 5,165	 41,460	 6,842
NET ASSETS AT BEGINNING OF YEAR	 <u>294,049</u>	 <u>6,053</u>	 <u>300,102</u>	 <u>293,260</u>
NET ASSETS AT END OF YEAR	 \$ <u>330,344</u>	 \$ <u>11,218</u>	 \$ <u>341,562</u>	 \$ <u>300,102</u>

"SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT"

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 YEAR ENDED MAY 31, 2019
 (WITH COMPARATIVE TOTALS FOR 2018)

	-----Program Services-----				-----Supporting Services-----						
	Operation School Bell	Links to Learning	Operation Babylove	Other Programs	Total Program Services	Special Events	Mgmt and General	Membership Development	Total Supporting Services	Year Ended 5/31/19 Total Expense	Year Ended 5/31/18 Total Expense
Program Supplies	\$109,201	\$26,172	\$4,277	\$10,622	\$150,272	\$-	\$-	\$-	\$-	\$150,272	\$149,295
Occupancy:											
Accounting/Legal	-	-	-	-	-	-	3,050	-	3,050	3,050	3,050
Insurance	79	-	317	159	555	317	814	-	1,131	1,686	1,639
Rent	156	-	1,563	469	2,188	1,954	3,674	-	5,628	7,816	7,702
Taxes, Fees & Lic	-	-	-	-	-	39	740	-	779	779	201
Utilities	51	-	254	153	458	636	1,449	-	2,085	2,543	2,469
Cashiering Services	-	-	-	-	-	3,142	-	-	3,142	3,142	3,161
Computer Expenses	112	-	-	136	248	816	1,365	-	2,181	2,429	1,534
Credit Card Fees	-	-	-	-	-	6,734	-	-	6,734	6,734	5,945
Decorations	-	-	-	-	-	2,938	-	-	2,938	2,938	3,531
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Donations/Gift	-	-	-	-	-	-	-	-	-	-	-
Prizes	-	-	-	-	-	3,821	-	-	3,821	3,821	4,267
Education	129	-	-	68	197	129	1,150	64	1,343	1,540	1,881
Entertainment/Auctioneer	-	-	-	-	-	3,000	-	-	3,000	3,000	2,500
Equipment/Audio Visual	-	-	-	-	-	2,984	-	-	2,984	2,984	3,595
Modeling Fee	-	-	-	-	-	1,500	-	-	1,500	1,500	1,500
National Conference and Meetings	-	-	-	-	-	-	275	-	275	275	9,278
National Dues	-	-	-	-	-	-	-	3,670	3,670	3,670	3,760
New Member Expense	-	-	-	-	-	-	-	799	799	799	664

"SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT"

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES (CONT'D)
 YEAR ENDED MAY 31, 2019
 (WITH COMPARATIVE TOTALS FOR 2018)

	-----Program Services-----				-----Supporting Services-----					
	Operation School Links to Bell Learning	Operation BabyLove	Other Programs	Total Program Services	Special Events	Mgmt and General	Membership Development	Total Supporting Services	Year Ended 5/31/19 Total Expense	Year Ended 5/31/18 Total Expense
Outside Services	\$ -	\$ -	\$ -	\$ -	\$ 987	\$ -	\$ -	\$ 987	\$ 987	\$ 1,084
Postage	-	-	-	-	772	190	-	962	962	1,581
President Expenses	-	-	-	-	-	-	229	229	229	250
Printing	-	-	-	-	2,369	-	120	2,489	2,489	4,403
Public Relations	429	29	114	572	1,144	1,415	-	2,559	3,131	4,271
Reservations	-	-	-	-	52,560	-	-	52,560	52,560	45,860
Room Rental	-	-	-	-	-	400	-	400	400	400
Roster/By Laws	-	-	-	-	-	-	170	170	170	359
Sales Tax	-	-	-	-	-	-	-	-	-	871
Staging Services	-	-	-	-	6,000	-	-	6,000	6,000	6,000
Strategic Planning	-	-	-	-	-	-	-	-	-	115
Supplies & Misc.	-	-	-	-	1,180	839	1,894	3,913	3,913	3,005
Web Software	-	-	-	-	-	820	-	820	820	820
TOTAL EXPENSES	\$110,157	\$ 6,440	\$11,721	\$154,490	\$93,022	\$16,181	\$ 6,946	\$116,149	\$270,639	\$274,991
Less Expenses Included With Revenue on State- ment of Activities	-	-	-	-	(67,640)	-	-	(67,640)	(67,640)	(61,051)
Total Expenses per Statement of Activities	\$110,157	\$ 6,440	\$11,721	\$154,490	\$ 25,382	\$16,181	\$ 6,946	\$ 48,509	\$202,999	\$213,940

"SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT"

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
 STATEMENTS OF CASH FLOWS
 YEAR ENDED MAY 31, 2019
 (WITH COMPARATIVE TOTALS FOR 2018)

CASH FLOWS FROM OPERATING ACTIVITIES:

	<u>2019</u>	<u>2018</u>
Change in net assets	\$ 41,460	\$ 6,842
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities:		
(Increase)/Decrease in Prepaid Expenses	(6,688)	6,510
Increase/(Decrease) in Deferred Revenue	(3,211)	(12,811)
Increase/(Decrease) in Accounts Payable	6,825	(1,247)
(Increase)/Decrease in Inventories	5,167	(976)
(Increase)/Decrease in Receivables-Other	-	260
Increase/(Decrease) in Credit Cards Payable	<u>(161)</u>	<u>(9,220)</u>
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	43,392	(10,642)
 CASH FLOWS FROM INVESTING ACTIVITIES:	 <u>-</u>	 <u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	<u>-</u>	<u>-</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 43,392	 (10,642)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>315,621</u>	<u>326,263</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>359,013</u>	\$ <u>315,621</u>

"SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT"

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

*Operation School Bell: Provides new clothing and school supplies for needy children in the Capistrano and Saddleback Valley School Districts for children in K-12 grades.

*Links to Learning: Is designed to provide an opportunity to enhance and/or develop new or different approaches to teaching which will stimulate creative thought and/or expand existing curriculum to school age children.

*Operation Baby Love: Provides layettes for newborns of low-income families.

*Adopt-A-Family: Provides food, clothing and gifts to families in need.

*Field Study: Funds are granted to the local school district field study program to subsidize transportation costs for science programs.

*Operation Camp Pendleton: Provides books and Easter baskets to preschool children of Marine families at Camp Pendleton.

*Senior Outreach: Delivers meals to homebound senior citizens.

The chapter's support and revenues come primarily from contributions and other fundraising efforts including special events.

Basis of Accounting

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

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2019

NOTE 1 - CONTINUED

Basis of Presentation

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. Under ASC 958, the chapter is required to report information regarding its financial position and activities in two classes of net assets:

- Net assets without donor restrictions are net assets not subject to donor-imposed restrictions or law.
- Net assets with donor restriction are net assets subject to donor-imposed restrictions that can be fulfilled by actions of the chapter pursuant to those restrictions or that expire by the passage of time. Contributions restricted by donors whose restrictions are met in the same reporting periods are recorded as unrestricted. Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the chapter's actions are permanently restricted. Restrictions stipulate that resources must be maintained permanently but permit the chapter to expend the income generated in accordance with the provisions of the agreements.

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.

Change in Accounting Principle

On August 18, 2016 FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The chapter has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the chapter's financial statements for the year ended May 31, 2018 from which the summarized information was derived.

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2019

NOTE 1 - CONTINUED

Fair Value Measurements

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

Level 1 inputs consist of unadjusted quoted prices in active markets for identical instruments and have the highest priority.

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

For purposes of financial reporting, the chapter has determined that the fair values of its financial instruments, which include cash equivalents, accounts receivable and accounts payable, approximate the carrying values at May 31, 2019, and 2018, based on their short maturities and/or the terms available to the chapter in financial markets.

Cash and Cash Equivalents

Cash and cash equivalents include 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.

Promises to Give

Unconditional promises to give are recognized as contributions in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Promises to give are recorded at net realizable value if they are expected to be collected within one year and at net present value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Inventories

The chapter maintains an inventory of layettes for use in their Operation Baby Love program, which is stated at its estimated fair market value.

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2019

NOTE 1 - CONTINUED

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the chapter to concentrations of credit and market risk consist primarily of cash, cash equivalents and investments. 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, 2019 the chapter does not have any uninsured balances at any financial institutions. The chapter has not experienced any losses on its cash or cash equivalents.

Property and Equipment

Property and equipment are stated at cost or at the fair value at the date of donation in the case of donated assets. The chapter provides for depreciation of property and equipment by use of the straight-line method over the estimated useful lives as follows:

Furniture and Equipment 5 to 7 years

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

Deferred Revenue

Membership dues and supporting service revenues collected prior to the fiscal year to which they apply are deferred and recognized over the periods to which the dues and fees relate.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these net assets are reclassified to contributions 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 support without restrictions.

Donated Materials and Services

Significant materials and services may be donated to the chapter by various individuals, corporations and other organizations. Donated materials and services are reflected in the accompanying financial statements at their fair values at the date of donation.

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2019

NOTE 1 - CONTINUED

Donated Materials and Services - continued

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. During the year ended May 31, 2019 these volunteers donated approximately 18,591.80 hours with an estimated value of \$479,297. This value was computed using an estimated hourly rate of \$23.02 based upon the average hourly earnings of nonagricultural workers for the time period of June 1, 2018 through May 31, 2019, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits. Therefore, the value of a volunteer hour is estimated to be \$25.78 for the fiscal year ended May 31, 2019.

Tax Status

The chapter is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the chapter qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The chapter is also exempt from state income taxes under Section 23701(D) of the Revenue and Taxation Code of the State of California.

The chapter has applied the provisions of the FASB's ASC 740-10, Accounting for Uncertainty in Income Taxes. Under ASC 740-10, nonpublic enterprises, including nonprofit organizations, are required to record a tax liability when substantial uncertainties exist as to whether certain income is exempt from federal, state and local income tax. As of May 31, 2019, the chapter had no substantial uncertain income tax positions.

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.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2019

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at May 31, 2019 consist of the following:

Checking Accounts:	
Bank of America	\$ <u>152,282</u>
Total Checking Accounts	\$ 152,282
Savings Accounts:	
Bank of America - Savings	52,406
Chase	<u>154,325</u>
Total Savings Accounts	<u>206,731</u>
Total Cash and Cash Equivalents	\$ <u><u>359,013</u></u>

NOTE 3 - INVENTORIES

Inventory at May 31, 2019 consist of the following:

New layettes for use in its Operation Baby Love program	\$ 3,529
Gift Cards for use in its Operation Camp Pendleton Program	<u>170</u>
Total Inventory	\$ <u><u>3,699</u></u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at May 31, 2019

Furniture and equipment	\$ 24,542
Less accumulated depreciation	<u>24,542</u>
Total Property and Equipment, Net	\$ <u><u> </u></u>

NOTE 5 - LEASES

The chapter leases office space under an operating lease that expires in 2022. Under the terms of this lease, the chapter is obligated to pay escalation rentals for certain operating expenses and real estate taxes. Minimum future rental payments due under the lease, at May 31, 2019, are summarized as follows:

Year Ending May 31:	
2020	\$ 7,934
2021	8,053
2022	<u>6,108</u>
Total	\$ <u><u>22,095</u></u>

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2019

NOTE 6 - NET ASSETS

At May 31, 2019 net assets were restricted by donors or designated by the chapter as follows:

Net assets without donor restrictions:	
Board designated reserve for building improvements	\$ 32,048
Undesignated	<u>298,296</u>
Total net assets without donor restrictions	330,344
Net assets with donor restrictions:	
Operation School Bell	8,875
Camp Pendleton	<u>2,343</u>
Total net assets with donor restrictions	<u>11,218</u>
Total Net Assets	\$ <u>341,562</u>

NOTE 7 - LIQUID RESOURCE MANAGEMENT

The Chapter regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the chapter considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As of May 31, 2019, the following financial assets could readily be made available within one year of balance sheet date to meet general expenditures.

Cash and Cash Equivalents	\$ 347,795
Accounts and Interest Receivable	-
Contributions for General Expenditures Due in One Year or Less	-
Investments Not Encumbered by Donor Restrictions	<u>-</u>
Financial Assets Available for General Expenditures over Next 12-Months	\$ <u>347,795</u>

To build upon its past achievements and ensure future sustainability, the chapter has a long-standing policy that requires the governing board to maintain unrestricted net assets sufficient for one year's operating expenses.

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2019

NOTE 7 - LIQUID RESOURCE MANAGEMENT-continued

Assets held for the chapter's board designated building reserve have been excluded from the total above, although those assets could be undesignated by the governing board to meet cash needs if necessary. However, assets received with donor restrictions to be used in the next fiscal year for operating purposes are considered to be available for general expenditure spending as of May 31, 2019.

In addition to the financial assets available to meet general expenditures over the next 12-months noted above, the chapter has other current assets and deferred revenue that will likely be converted to cash or available for general expenditures during the normal course of next year's operations. Such current assets include the chapter's program and prepaid expenses.

NOTE 8 - SPECIAL EVENTS AND OTHER FUNDRAISING ACTIVITIES

The chapter conducts various special events and other fundraising activities to help fund current operations. The revenue and related expenses from such events and other fundraising activities for the year ending May 31, 2019, are as follows:

<u>Event/Activity</u>	<u>Revenue</u>	<u>Direct Costs</u>			<u>Net Revenue</u>
		<u>Cost of Sales</u>	<u>Cost of Direct Benefits to Attendees</u>	<u>Other Costs</u>	
Christmas Tree Lnchn Assisteens	\$ 244,816	\$ 2,442	\$ 58,935	\$ 21,523	\$ 161,916
Fashion Show	23,426	-	8,705	3,859	10,862
Mi Place	1,863	-	-	-	1,863
See's Candies	2,775	2,019	-	-	756
Golf Tournament	7,855	-	-	-	7,855
Premier Designs	229	-	-	-	229
Mixes & Dips	<u>2,163</u>	<u>346</u>	<u>-</u>	<u>-</u>	<u>1,817</u>
Total events and activities	<u>\$ 283,127</u>	<u>\$ 4,807</u>	<u>\$ 67,640</u>	<u>\$ 25,382</u>	<u>\$ 185,298</u>

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2019

NOTE 9 - NONCASH CONTRIBUTIONS

During the year ended May 31, 2019, the chapter received noncash contributions of materials, services, and free use of facilities that have been reflected in the financial statements of the chapter as follows:

Program supplies	\$ <u>2,361</u>
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NOTE 10 - SUBSEQUENT EVENTS

Assistance League of Saddleback Valley, Inc. has evaluated events subsequent to May 31, 2019, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through September 10, 2019, the date these 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.

NOTE 11 - FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include education, marketing communications, office and occupancy, which are allocated based on a percentage of use.

SUPPLEMENTAL SCHEDULE

ASSISTANCE LEAGUE OF SADDLEBACK VALLEY, INC.
 SUPPLEMENTAL CONSOLIDATING STATEMENT OF ACTIVITIES
 YEAR ENDED MAY 31, 2019

	<u>Chapter</u>	<u>Assisteens</u>	<u>Total</u>
SUPPORT AND REVENUES			
Fundraising:			
Special Events and Other Fundraising			
Activities Revenue (Note 7)	\$ 257,538	\$ 25,589	\$ 283,127
Less: Direct Costs	(63,396)	(9,051)	(72,447)
Net Revenue from Special Events and Other Fundraising Activities	194,142	16,538	210,680
Contributions and Grants	16,436	-	16,436
Noncash Contributions (Note 8)	2,361	-	2,361
Membership	4,669	10,215	14,884
Interest Income	98	-	98
Net Assets Released from Restrictions:			
Expiration of Time Restrictions	-	-	-
Satisfaction of Program Restrictions	-	-	-
Total Support and Revenues	<u>217,706</u>	<u>26,753</u>	<u>244,459</u>
EXPENSES			
Program Services:			
Operation School Bell	100,157	10,000	110,157
Links to Learning	26,172	-	26,172
Operation Baby Love	6,440	-	6,440
Field Study	3,500	-	3,500
Adopt-A-Family	2,386	3,000	5,386
Operation Camp Pendleton	2,267	-	2,267
Senior Outreach	200	368	568
Total Program Services	<u>141,122</u>	<u>13,368</u>	<u>154,490</u>
Supporting Services:			
Fundraising:			
Special Events and Other Fundraising			
Activities Indirect Costs (Note 7)	21,523	3,859	25,382
Management and General	14,586	1,595	16,181
Membership Development	3,946	3,000	6,946
Total Supporting Services	<u>40,055</u>	<u>8,454</u>	<u>48,509</u>
Total Expenses	<u>181,177</u>	<u>21,822</u>	<u>202,999</u>
CHANGE IN NET ASSETS	36,529	4,931	41,460
NET ASSETS AT BEGINNING OF YEAR	<u>245,565</u>	<u>54,537</u>	<u>300,102</u>
NET ASSETS AT END OF YEAR	<u>\$ 282,094</u>	<u>\$ 59,468</u>	<u>\$ 341,562</u>

"SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT"