

ASSISTANCE LEAGUE OF TUCSON, INC
INDEX TO AUDITED FINANCIAL STATEMENTS
APRIL 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Assistance League of Tucson, Inc.
Tucson, Arizona

We have audited the accompanying financial statements of Assistance League of Tucson, Inc. (a nonprofit organization), which comprise the statement of financial position as of April 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assistance League of Tucson, Inc. as of April 30, 2019, 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.

Report on Summarized Comparative Information

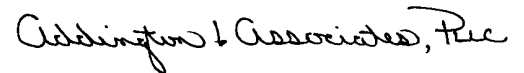
The financial statements for the year ended April 30, 2018 were reviewed by us, and our report thereon, dated April 12, 2019, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the

expression of an opinion on the financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2018 is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental consolidating statement of activities on page 16 is presented for purposes of additional analysis and is not a required part of the 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 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

December 5, 2019



ADDINGTON & ASSOCIATES, PLLC

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENT OF FINANCIAL POSITION
April 30, 2019
(with summarized financial information for April 30, 2018)

ASSETS	2019	2018
Cash and cash equivalents	\$ 685,802	\$ 716,495
Prepaid expenses	26,115	548
Inventories	215,784	172,784
Investment in Community Foundation of Southern Arizona	29,989	-
Investments - other	414,570	400,000
Property and equipment, net	1,259,507	1,307,484
Total assets	\$ 2,631,767	\$ 2,597,311
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 29,843	\$ 56,563
Deferred dues revenue	12,719	11,005
Other deferred revenue	1,380	1,050
Total liabilities	43,942	68,618
Net assets:		
Net assets without donor restrictions		
Designated for future operating needs	-	749,049
Designated for future capital expenditures	75,000	75,000
Expended for property and equipment	1,259,507	1,307,484
Undesignated	1,234,486	373,354
	2,568,993	2,504,887
Net assets with donor restrictions	18,832	23,806
Total net assets	2,587,825	2,528,693
Total liabilities and net assets	\$ 2,631,767	\$ 2,597,311

See accompanying notes

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENT OF ACTIVITIES
For the year ended April 30, 2019
(with summarized financial information for the year ended April 30, 2018)

	Year ended April 30, 2019			Year ended
	Without Donor Restrictions	With Donor Restrictions	Total	April 30, 2018 Totals
SUPPORT AND REVENUES:				
Fundraising				
Thrift shop revenue:				
Contributions of merchandise	\$ 617,931	\$ -	\$ 617,931	\$ 570,529
Sales of donated merchandise	578,912	-	578,912	555,641
Less: value of merchandise	(578,912)	-	(578,912)	(555,641)
Net revenue from thrift shop	<u>617,931</u>	<u>-</u>	<u>617,931</u>	<u>570,529</u>
Fundraising events and activities:				
Revenue	29,810	-	29,810	30,958
Less: Direct costs	(13,793)	-	(13,793)	(12,622)
Net revenue from fundraising events and activities	<u>16,017</u>	<u>-</u>	<u>16,017</u>	<u>18,336</u>
Contributions and grants	251,059	-	251,059	205,961
Membership	23,455	-	23,455	34,676
Interest income	12,681	-	12,681	4,348
Other income	3,103	-	3,103	2,204
Net assets released from restrictions:				
Satisfaction of purpose restrictions	4,974	(4,974)	-	-
Total support and revenues	<u>929,220</u>	<u>(4,974)</u>	<u>924,246</u>	<u>836,054</u>
EXPENSES:				
Program services				
Operation School Bell ®	405,279	-	405,279	403,192
Starting over supplies	105,024	-	105,024	114,407
Assisteens helping Tucson teens	34,209	-	34,209	21,185
Assault survivor kits	28,605	-	28,605	22,528
Teddy bear program	23,947	-	23,947	24,091
Other program	788	-	788	-
Total program services	<u>597,852</u>	<u>-</u>	<u>597,852</u>	<u>585,403</u>
Supporting services				
Fundraising events and activities:				
Thrift shop	68,915	-	68,915	89,361
Fundraising events and activities indirect costs	1,308	-	1,308	5,085
Management and general	185,396	-	185,396	102,019
Membership development	11,643	-	11,643	19,703
Total supporting services expenses	<u>267,262</u>	<u>-</u>	<u>267,262</u>	<u>216,168</u>
Total expenses	<u>865,114</u>	<u>-</u>	<u>865,114</u>	<u>801,571</u>
Changes in net assets	64,106	(4,974)	59,132	34,483
NET ASSETS, BEGINNING OF YEAR	<u>2,504,887</u>	<u>23,806</u>	<u>2,528,693</u>	<u>2,494,210</u>
NET ASSETS, END OF YEAR	<u>\$ 2,568,993</u>	<u>\$ 18,832</u>	<u>2,587,825</u>	<u>\$ 2,528,693</u>

See accompanying notes.

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENT OF CASH FLOWS
For the year ended April 30, 2019
(with summarized financial information for the year ended April 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 59,132	\$ 34,483
Adjustments to reconcile change in net assets to cash and cash equivalents provided (used) by operating activities:		
Depreciation	47,977	55,094
Change in asset and liability accounts		
(Increase) decrease in assets:		
Accounts receivable	(25,567)	227
Prepaid expenses	(43,000)	3,831
Inventories	(44,559)	(5,213)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(26,720)	4,307
Deferred dues revenue	1,714	(4,224)
Other deferred revenue	330	(953)
	<u>(30,693)</u>	<u>87,552</u>
Cash and cash equivalents provided (used) by operating activities		
Cash flows from investing activities:		
Purchase of fixed assets	<u>-</u>	<u>(10,900)</u>
Cash and cash equivalents (used) by investing activities	<u>-</u>	<u>(10,900)</u>
Increase (decrease) in cash and cash equivalents	(30,693)	76,652
Cash and cash equivalents, beginning	<u>716,495</u>	<u>639,843</u>
Cash and cash equivalents, ending	<u>\$ 685,802</u>	<u>\$ 716,495</u>
Supplemental disclosure of cash flow information:		
Cash paid for taxes	<u>\$ -</u>	<u>\$ -</u>
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

ASSISTANCE LEAGUE OF TUCSON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended April 30, 2019
(with summarized financial information for the year ended April 30, 2018)

	Program Services						Supporting Services					Year Ended	Year Ended	
	Operation School Bell	Starting Over Supplies	Assisteens Helping Tucson Teens	Assault Survivor Kits	Teddy Bear Program	Other Programs	Total Program	Thrift Shop	Fundraising events	Management and general	Membership development	Total supporting services	April 30, 2019 Total expenses	April 30, 2018 Total expenses
Program supplies and bus rental	\$ 361,982	\$ 92,030	\$ 34,134	\$ 28,551	\$ 20,760	\$ 788	\$ 538,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 538,245	\$ 498,659
Insurance (Directors, Cyber)	-	-	-	-	-	-	-	-	-	3,316	-	3,316	3,316	3,518
Occupancy:														
Utilities and monthly services	9,950	3,696	-	28	540	-	14,214	11,108	-	33,473	-	44,581	58,795	53,759
Repairs and maintenance	1,011	376	-	3	55	-	1,445	2,775	-	6,907	-	9,682	11,127	16,482
Insurance	4,169	1,548	-	12	226	-	5,955	9,720	118	2,537	-	12,375	18,330	17,913
Depreciation	19,790	4,486	-	-	2,111	-	26,387	15,833	-	5,757	-	21,590	47,977	55,094
Office supplies and equipment	1,082	768	-	-	-	-	1,850	-	42	14,130	-	14,172	16,022	17,714
National dues	-	-	-	-	-	-	-	-	-	-	11,175	11,175	11,175	11,650
Education	-	-	-	-	-	-	-	-	-	980	-	980	980	9,276
Postage	104	-	75	-	41	-	220	-	-	1,922	35	1,957	2,177	3,143
Printing	2,590	-	-	-	-	-	2,590	-	1,148	9,763	85	10,996	13,586	7,950
Professional services	654	654	-	-	-	-	1,308	-	-	40,804	-	40,804	42,112	39,865
Public relations and advertising	-	-	-	-	-	-	-	1,215	-	16,470	-	17,685	17,685	23,133
Officers and Committees	-	-	-	-	-	-	-	-	-	1,488	-	1,488	1,488	1,337
Awards and Recognition	-	-	-	-	-	-	-	-	-	1,637	-	1,637	1,637	2,696
Meeting Expenses, Chapter and Auxiliary	-	-	-	-	-	-	-	-	-	1,156	-	1,156	1,156	880
Facility, food, entertainment, equipment rental	-	-	-	-	-	-	-	-	9,534	-	-	9,534	9,534	7,746
Raffle and Auction Prizes	-	-	-	-	-	-	-	-	4,259	-	-	4,259	4,259	4,876
Donation processing expense	-	-	-	-	-	-	-	7,216	-	-	-	7,216	7,216	9,632
Sales floor expense	-	-	-	-	-	-	-	2,887	-	-	-	2,887	2,887	-
Hauling	-	-	-	-	-	-	-	3,634	-	-	-	3,634	3,634	2,591
Facilities and Equipment	3,947	1,466	-	11	214	-	5,638	1,671	-	37,840	-	39,511	45,149	-
Credit card fees	-	-	-	-	-	-	-	11,599	-	542	-	12,141	12,141	12,190
Other fees, licenses	-	-	-	-	-	-	-	-	-	1,476	-	1,476	1,476	250
Other	-	-	-	-	-	-	-	1,257	-	5,198	348	6,803	6,803	13,839
Cost of Merchandise sold	-	-	-	-	-	-	-	578,912	-	-	-	578,912	578,912	555,641
Total expenses	405,279	105,024	34,209	28,605	23,947	788	597,852	647,827	15,101	185,396	11,643	859,967	1,457,819	1,369,834
Less expenses included with revenue on statement of activities	-	-	-	-	-	-	-	-	(13,793)	-	-	(13,793)	(13,793)	(12,622)
Cost of merchandise sold	-	-	-	-	-	-	-	(578,912)	-	-	-	(578,912)	(578,912)	(555,641)
Total expenses per statement of activities	\$ 405,279	\$ 105,024	\$ 34,209	\$ 28,605	\$ 23,947	\$ 788	\$ 597,852	\$ 68,915	\$ 1,308	\$ 185,396	\$ 11,643	\$ 267,262	\$ 865,114	\$ 801,571

See accompanying notes.

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

1. Organization

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

- **Operation School Bell®** provides disadvantaged children in Tucson with appropriate clothing to encourage regular school attendance and increase self-esteem. Students from Tucson area Title 1 elementary and middle schools receive new school clothing and books.
- **Hooked on Books**, part of Operation School Bell, works with several Tucson Title 1 schools to provide libraries and classrooms with books and literacy supplies needed to support their classes.
- **Starting Over Supplies** enables people leaving shelters or abusive home situations to live independently again. Working with social service agencies, this program provides new basic household supplies to individuals and families who are starting over.
- **Assault Survivor Kits®** works to reduce some of the trauma of sexual assault in our community, to help restore dignity to the victim and to allow the healing process to begin by providing a change of clothes, toiletries and snacks to victims. Assistance League joins with the Southern Arizona Center Against Sexual Assault (SACASA), Southern Arizona Child Advocacy Center (SACAC), and EMERGE! Center Against Domestic Abuse to respond to the needs of victims of sexual assault in our community.
- **Teddy Bear Program** provides child-safe teddy bears to comfort children in emotional or physical crisis through service organizations, such as law enforcement, grief counseling and hospitals.
- **Assisteens® Helping Tucson Teens** provides support to Title 1 middle schools through donations of supplies to the arts, music and physical education departments of selected schools in the Tucson area.

2. Summary of significant accounting policies

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 (US GAAP) on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

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:

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019 - continued

2. Summary of significant accounting policies – continued

- *Net assets without donor restrictions* are net assets not subject to donor-imposed restrictions or law.
- *Net assets with donor restrictions* 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 reviewed financial statements for the year ended April 30, 2018, from which the summarized information was derived.

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.

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 TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019 - continued

2. Summary of significant accounting policies – continued

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

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. 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 and certificates of deposits, approximate the carrying values at April 30, 2019, based on their short maturities and/or the terms available to the Chapter in financial markets.

Investments

Investments consist solely of amounts held by the Community Foundation for Southern Arizona and are stated at fair value.

Investments - other

Investments - other consists solely of certificates of deposit and are carried at cost, which approximates fair value. Certificates of deposit are held at a brokerage and bear interest ranging from 2.25% to 2.90% at April 30, 2019. The certificates have laddered maturities ranging from June 2019 to March 2021 with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect to the financial statements. Income earned on the certificates of deposit totaling \$12,413 and \$4,348 for the years ended April 30, 2019 and 2018, respectively.

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019 - continued

2. Summary of significant accounting policies – continued

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 new clothing for use in Operation School Bell®, household items for Starting Over Supplies (SOS), and various items for use by other programs. These inventories are stated at the lower of cost or market determined by the first-in, first-out method. In addition, the chapter also maintains an inventory of used clothing and household items donated by chapter members and others for resale by a thrift shop operated by the chapter, which is stated at its estimated fair value.

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 certificates of deposit. 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 April 30, 2019 the Chapter had no uninsured balances at these institutions. The Chapter has not experienced any losses on its cash or cash equivalents.

Property and equipment

The Chapter capitalizes expenditures for property and equipment in excess of \$500 and with a useful life greater than one year. 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 and amortization of property and equipment by use of the straight-line method over the estimated useful lives as follows:

Buildings and improvements	10 to 39 years
Furniture and equipment	5 to 10 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 collected prior to the fiscal year to which they apply are deferred and recognized over the periods to which the dues and fees relate.

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019 - continued

2. Summary of significant accounting policies – continued

Donated materials, services and free use of facilities

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

In addition, 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 April 30, 2019, these volunteers donated approximately 47,191 hours with an estimated value of \$1,213,753. This value was computed using an estimated hourly rate of \$25.72, based upon the average hourly earnings of nonagricultural workers for the prior twelve months, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits.

Advertising

The Chapter expenses all advertising costs as incurred. Purchased advertising expenses totaled \$17,685 and for the year ended April 30, 2019.

Income 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 Arizona income taxes under Section 43-1201 of the Arizona Revised Statutes.

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 April 30, 2019 the Chapter had no substantial uncertain income tax positions. The Chapter's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, from the date the returns are filed.

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019 - continued

2. Cash and cash equivalents

Cash and cash equivalents at April 30, 2019 consisted of the following:

Petty Cash	\$	880
Paypal		1,428
Checking:		
Pacific Premier Bank		84,145
Chase Bank		50,895
Northern Trust		196,693
Total Checking accounts		331,733
Savings:		
Chase Bank		193,119
Pacific Premier Bank		124,793
Merrill Lunch		33,849
Total savings account		351,761
Total cash and cash equivalents	\$	685,802

3. Leases

The Chapter has a lease for office equipment that expires in January 2022. Rental expense under the lease was \$1,908 for the year ended April 30, 2019. Future minimum payments for the years ending April 30, 2020 and 2021 are \$1,908 each year and for the year ended April 30, 2022 is \$1,431.

4. Inventories

Inventories at April 30, 2019 consisted of the following:

New clothing and shoes for use in Operation School Bell Program	\$	59,199
Household goods and supplies for use in SOS Program		15,881
Clothing and toiletries for use in ASK Program		1,427
Used clothing and household items held for sale at thrift shop		139,277
Total inventories		215,784

5. Investments - Community Foundation for Southern Arizona

The Chapter has an investment in the Community Foundation for Southern Arizona for \$29,989 at April 30, 2019 which is stated at fair value. See Note 6 for a discussion of the fair value of the investment.

Investment gain (loss) for investments for Community Foundation for Southern Arizona consisted of \$29 of interest for the year ended April 30, 2019.

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019 - continued

6. Fair value measurements

The Chapter utilizes the fair value hierarchy required by ASC 820, which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Chapter defines active markets for equity instruments based on the average daily trading volume both in absolute terms and relative to the market capitalization for the instrument. The Chapter defines active markets for debt instruments based on both the average daily trading volume and the number of days with trading activity.

The investment held at the Community Foundation for Southern Arizona (“CFSA”) is categorized as Level 3 due to the lack of a market in which the Chapter’s units of participation in CFSA’s pooled investments could be bought or sold. The Chapter measures the fair value of its beneficial interest by taking its proportionate share of the fair value of the underlying assets.

The following table represents the Chapter’s financial assets that are measured at fair value on a recurring basis as of April 30, 2019:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Community Foundation for Southern Arizona	\$ -	\$ -	\$ 29,989	\$ 29,989
Total Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,989</u>	<u>\$ 29,989</u>

The table below sets forth a summary of changes in the fair value of the Chapter’s Level 3 asset measured at fair value on a recurring basis for the year ended April 30, 2019:

Community Foundation for Southern Arizona:

Balance, beginning of year	\$ -
Additional investment	30,000
Total investment income/(loss)	29
Distributions and fees	(240)
Balance, end of year	<u>\$ 29,989</u>

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019 - continued

7. Property and equipment

Property and equipment consisted of the following at April 30, 2019:

Land	\$ 436,616
Buildings and improvements	2,165,694
Furniture and equipment	93,274
Less accumulated depreciation	<u>(1,436,077)</u>
Property and equipment, net	<u><u>\$ 1,259,507</u></u>

8. Fundraising events and activities

The Chapter conducts various fundraising events and activities to help fund current operations. The revenue and related expenses from such events and other fundraising activities for the year ended April 30, 2019 were as follows:

Event/Activity	<u>Revenue</u>	<u>Cost of Direct benefits to attendees</u>	<u>Other costs</u>	<u>Net revenue</u>
Fashion Show-Assisteens	\$ <u>29,810</u>	\$ <u>13,793</u>	\$ <u>1,308</u>	\$ <u>14,709</u>
Total fundraising events and activities	<u>\$ 29,810</u>	<u>\$ 13,793</u>	<u>\$ 1,308</u>	<u>\$ 14,709</u>

9. Net Assets

At April 30, 2019, net assets were restricted by donors or designated by the governing board as follows:

Net assets without donor restrictions	
Designated for future capital expenditures	\$ 75,000
Expended for property and equipment	1,259,507
Undesignated	<u>1,234,486</u>
Total net assets without donor restrictions	2,568,993
Net assets with donor restrictions	
Capital expenditures	<u>18,832</u>
Total net assets with donor restrictions	18,832
Total net assets	<u><u>\$ 2,587,825</u></u>

ASSISTANCE LEAGUE OF TUCSON, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019 - continued

10. 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 April 30, 2019 the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$ 610,802
Investment not encumbered by donor restrictions	444,559
Financial assets available for general expenditures over next 12-months	<u>\$ 1,055,361</u>

Assets held for the Chapter's board designated for capital expenditures 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 April 30, 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 thrift shop inventories and prepaid expenses.

11. Noncash contributions

During the year ended April 30, 2019, in addition to contributions of merchandise to the chapter's thrift shop, the chapter received noncash contributions of raffle and auction prizes valued at \$4,259.

12. 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 depreciation, interest, and office and occupancy, which are allocated on a square-footage basis.

13. Subsequent events

Assistance League of Tucson, Inc. has evaluated events subsequent to April 30, 2019, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through December 5, 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.

SUPPLEMENTAL INFORMATION

ASSISTANCE LEAGUE OF TUCSON, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended April 30, 2019

	<u>Chapter</u>	<u>Assisteens</u>	<u>Eliminations</u>	<u>Total</u>
SUPPORT AND REVENUES:				
Fundraising				
Thrift shop revenue:				
Contributions of merchandise	\$ 617,931	\$ -	\$ -	\$ 617,931
Sales of donated merchandise	578,912	-	-	578,912
Less: value of merchandise	(578,912)	-	-	(578,912)
Net revenue from thrift shop	<u>617,931</u>	<u>-</u>	<u>-</u>	<u>617,931</u>
Fundraising events and activities:				
Revenue	-	29,810	-	29,810
Less: Direct costs	-	(13,793)	-	(13,793)
Net revenue from fundraising events and activities	<u>-</u>	<u>16,017</u>	<u>-</u>	<u>16,017</u>
Contributions and grants	251,059	-	-	251,059
Membership	23,455	-	-	23,455
Interest income	12,681	-	-	12,681
Other income	1,838	1,265	-	3,103
Total support and revenues	<u>906,964</u>	<u>17,282</u>	<u>-</u>	<u>924,246</u>
EXPENSES:				
Program services				
Operation School Bell @	405,279	-	-	405,279
Starting over supplies	105,024	-	-	105,024
Assisteens helping Tucson ttens	-	34,209	-	34,209
Assualt survivor kits	28,605	-	-	28,605
Teddy bear program	23,947	-	-	23,947
Other program	788	-	-	788
Total program services	<u>563,643</u>	<u>34,209</u>	<u>-</u>	<u>597,852</u>
Supporting services				
Fundraising events and activities:				
Thrift shop	68,915	-	-	68,915
Fundraising events and activities indirect costs	-	1,308	-	1,308
Management and general	185,396	-	-	185,396
Membership development	11,643	-	-	11,643
Total supporting services expenses	<u>265,954</u>	<u>1,308</u>	<u>-</u>	<u>267,262</u>
Total Expenses	<u>829,597</u>	<u>35,517</u>	<u>-</u>	<u>865,114</u>
Changes in net assets	77,367	(18,235)	-	59,132
NET ASSETS, BEGINNING OF YEAR	<u>2,474,976</u>	<u>53,717</u>	<u>-</u>	<u>2,528,693</u>
NET ASSETS, END OF YEAR	<u>\$ 2,552,343</u>	<u>\$ 35,482</u>	<u>\$ -</u>	<u>\$ 2,587,825</u>