

ASSISTANCE LEAGUE® OF PUEBLO, INC.

**FINANCIAL STATEMENTS
WITH
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

MAY 31, 2022 AND 2021

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Assistance League® of Pueblo, Inc.
Pueblo, Colorado

We have reviewed the accompanying financial statements of the Assistance League® of Pueblo, Inc., (a nonprofit organization), which comprise the statements of financial position as of May 31, 2022 and 2021, and the related statements of activities, 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 entity 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 Assistance League® of Pueblo, Inc. 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.

McPherson, Goodrich, Paolucci & Mihelich, PC
August 19, 2022

ASSISTANCE LEAGUE® OF PUEBLO, INC.
STATEMENTS OF FINANCIAL POSITION
MAY 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 384,596	\$ 354,806
Certificates of deposit	220,322	218,523
Accounts receivable	-	70
Prepaid expenses	5,943	4,487
Inventories	65,594	58,164
Property and equipment, net	62,778	73,558
Investments	402,284	410,811
TOTAL ASSETS	\$ 1,141,517	\$ 1,120,419
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Credit cards and accounts payable	\$ 539	\$ 194
Sales taxes payable	629	657
Deferred dues and other revenues	3,335	3,045
TOTAL LIABILITIES	4,503	3,896
 NET ASSETS		
Without donor restrictions	1,056,242	1,037,566
With donor restrictions	80,772	78,957
TOTAL NET ASSETS	1,137,014	1,116,523
TOTAL LIABILITIES AND NET ASSETS	\$ 1,141,517	\$ 1,120,419

See Independent Accountant's Review Report.

The accompanying notes are an integral part of these financial statements.

ASSISTANCE LEAGUE® OF PUEBLO, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Fundraising -			
Thrift shop revenue:			
Contributions of merchandise	\$ 130,770	\$ -	\$ 130,770
Sales of donated merchandise	119,066	-	119,066
Less value of merchandise sold	<u>(119,066)</u>	<u>-</u>	<u>(119,066)</u>
Net Revenue From Thrift Shop	130,770	-	130,770
Special events revenue	83,000	-	83,000
Less: cost of direct benefits to attendees	<u>(39,582)</u>	<u>-</u>	<u>(39,582)</u>
Net Revenue From Special Events	43,418	-	43,418
Other revenue and support -			
Contributions and grants	40,752	-	40,752
Membership	3,281	-	3,281
Investment income (loss)	(4,560)	1,815	(2,745)
Gain (loss) on disposal of property and equipment	<u>(8,816)</u>	<u>-</u>	<u>(8,816)</u>
Net other revenue and support	30,657	1,815	32,472
TOTAL REVENUE AND SUPPORT	<u>204,845</u>	<u>1,815</u>	<u>206,660</u>
EXPENSES			
Program services -			
Operation School Bell®	90,370	-	90,370
Scholarships	27,593	-	27,593
Bears	4,916	-	4,916
Baby's Book Bags	<u>1,191</u>	<u>-</u>	<u>1,191</u>
Total Program Service Expenses	124,070	-	124,070
Supporting Services			
Fundraising -			
Thrift shop	48,676	-	48,676
Other special events costs	1,252	-	1,252
Management and general	<u>12,171</u>	<u>-</u>	<u>12,171</u>
Total Supporting Services Expenses	62,099	-	62,099
TOTAL EXPENSES	<u>186,169</u>	<u>-</u>	<u>186,169</u>
CHANGES IN NET ASSETS	18,676	1,815	20,491
NET ASSETS - BEGINNING OF YEAR	<u>1,037,566</u>	<u>78,957</u>	<u>1,116,523</u>
NET ASSETS - ENDING OF YEAR	<u>\$1,056,242</u>	<u>\$ 80,772</u>	<u>\$ 1,137,014</u>

See Independent Accountant's Review Report.

The accompanying notes are an integral part of these financial statements.

ASSISTANCE LEAGUE® OF PUEBLO, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Fundraising -			
Thrift shop revenue:			
Contributions of merchandise	\$ 120,183	\$ -	\$ 120,183
Sales of donated merchandise	107,919	-	107,919
Less value of merchandise sold	<u>(107,919)</u>	<u>-</u>	<u>(107,919)</u>
Net Revenue From Thrift Shop	120,183	-	120,183
Special events revenue	13,194	-	13,194
Less: cost of direct benefits to attendees	<u>(30)</u>	<u>-</u>	<u>(30)</u>
Net Revenue From Special Events	<u>13,164</u>	<u>-</u>	<u>13,164</u>
Other revenue and support			
Contributions and grants	22,751	325	23,076
Membership	3,595	-	3,595
Investment income	11,654	2,314	13,968
Gain on disposal of property and equipment	68,561	-	68,561
Net assets released from restrictions	<u>630</u>	<u>(630)</u>	<u>-</u>
Net other revenue and support	<u>107,191</u>	<u>2,009</u>	<u>109,200</u>
TOTAL REVENUE AND SUPPORT	<u>240,538</u>	<u>2,009</u>	<u>242,547</u>
EXPENSES			
Program services -			
Operation School Bell®	56,366	-	56,366
Scholarships	13,162	-	13,162
Bears	1,454	-	1,454
Baby's Book Bags	<u>2,340</u>	<u>-</u>	<u>2,340</u>
Total Program Service Expenses	<u>73,322</u>	<u>-</u>	<u>73,322</u>
Supporting Services			
Fundraising -			
Thrift shop	35,428	-	35,428
Other special events costs	579	-	579
Management and general	16,327	-	16,327
Membership development	<u>2,377</u>	<u>-</u>	<u>2,377</u>
Total Supporting Services Expenses	<u>54,711</u>	<u>-</u>	<u>54,711</u>
TOTAL EXPENSES	<u>128,033</u>	<u>-</u>	<u>128,033</u>
CHANGES IN NET ASSETS	112,505	2,009	114,514
NET ASSETS - BEGINNING OF YEAR	<u>925,061</u>	<u>76,948</u>	<u>1,002,009</u>
NET ASSETS - ENDING OF YEAR	<u>\$1,037,566</u>	<u>\$ 78,957</u>	<u>\$ 1,116,523</u>

See Independent Accountant's Review Report.

The accompanying notes are an integral part of these financial statements.

ASSISTANCE LEAGUE® OF PUEBLO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2022

	Operation School <u>Bell®</u>	<u>Scholarships</u>	<u>Bears</u>	Baby's Book <u>Bags</u>	Total Program <u>Services</u>
Accounting/legal	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising/public relations	775	158	43	14	990
Clothing	67,787	-	-	-	67,787
Depreciation	1,438	293	80	27	1,838
Food/entertainment	-	-	-	-	-
Insurance	4,137	843	230	77	5,287
Licenses/taxes	-	-	-	-	-
Maintenance/repairs	8,070	1,644	448	148	10,310
Miscellaneous	37	-	-	-	37
Newsletter/printing/postage	216	44	12	4	276
Security	-	-	-	-	-
Supplies/credit card fees	1,389	283	3,741	800	6,213
Tuition	-	23,000	-	-	23,000
Utilities/telephone	6,521	1,328	362	121	8,332
Value of merchandise sold	-	-	-	-	-
Total expenses	<u>90,370</u>	<u>27,593</u>	<u>4,916</u>	<u>1,191</u>	<u>124,070</u>
Less expenses included with revenue on Statement of Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL EXPENSES PER STATEMENT OF ACTIVITIES	 <u>\$ 90,370</u>	 <u>\$ 27,593</u>	 <u>\$ 4,916</u>	 <u>\$ 1,191</u>	 <u>\$ 124,070</u>

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<u>Thrift Shop</u>	<u>Special Events</u>	<u>Management and General</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000
359	43	43	445	1,435
-	-	-	-	67,787
666	80	80	826	2,664
-	39,582	-	39,582	39,582
1,915	230	230	2,375	7,662
8,286	-	445	8,731	8,731
3,737	448	448	4,633	14,943
20	-	474	494	531
100	12	12	124	400
27,751	-	-	27,751	27,751
2,823	77	77	2,977	9,190
-	-	-	-	23,000
3,019	362	362	3,743	12,075
<u>119,066</u>	<u>-</u>	<u>-</u>	<u>119,066</u>	<u>119,066</u>
167,742	40,834	12,171	220,747	344,817
<u>(119,066)</u>	<u>(39,582)</u>	<u>-</u>	<u>(158,648)</u>	<u>(158,648)</u>
<u>\$ 48,676</u>	<u>\$ 1,252</u>	<u>\$ 12,171</u>	<u>\$ 62,099</u>	<u>\$ 186,169</u>

**ASSISTANCE LEAGUE® OF PUEBLO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2021**

	Operation School <u>Bell®</u>	<u>Scholarships</u>	<u>Bears</u>	Baby's Book <u>Bags</u>	Total Program <u>Services</u>
Accounting/legal	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising/public relations	505	172	34	34	745
Clothing	29,122	-	-	-	29,122
Depreciation	4,184	1,549	232	232	6,197
Food/entertainment	-	-	-	-	-
Insurance	4,719	2,363	354	354	7,790
Licenses/taxes	4	-	-	-	4
Maintenance/repairs	7,586	2,810	421	422	11,239
Miscellaneous	-	-	-	-	-
Newsletter/printing/postage	115	16	16	16	163
Security	-	-	-	-	-
Supplies/credit card fees	2,276	843	(39)	846	3,926
Tuition	-	2,500	-	-	2,500
Utilities/telephone	7,855	2,909	436	436	11,636
Value of merchandise sold	-	-	-	-	-
Total expenses	<u>56,366</u>	<u>13,162</u>	<u>1,454</u>	<u>2,340</u>	<u>73,322</u>
Less expenses included with revenue on Statement of Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES PER STATEMENT OF ACTIVITIES	<u>\$ 56,366</u>	<u>\$ 13,162</u>	<u>\$ 1,454</u>	<u>\$ 2,340</u>	<u>\$ 73,322</u>

See Independent Accountant's Review Report.

The accompanying notes are an integral part of these financial statements.

<u>Thrift Shop</u>	<u>Special Events</u>	<u>Management and General</u>	<u>Membership Development</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
\$ -	\$ -	\$ 8,130	\$ -	\$ 8,130	\$ 8,130
812	9	120	-	941	1,686
-	-	-	-	-	29,122
690	84	775	-	1,549	7,746
-	30	-	-	30	30
455	129	854	-	1,438	9,228
7,524	-	258	2,313	10,095	10,099
1,647	153	3,899	-	5,699	16,938
-	-	347	-	347	347
73	-	67	-	140	303
20,730	-	-	-	20,730	20,730
2,201	46	422	5	2,674	6,600
-	-	-	-	-	2,500
1,296	158	1,455	59	2,968	14,604
<u>107,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,919</u>	<u>107,919</u>
143,347	609	16,327	2,377	162,660	235,982
<u>(107,919)</u>	<u>(30)</u>	<u>-</u>	<u>-</u>	<u>(107,949)</u>	<u>(107,949)</u>
<u>\$ 35,428</u>	<u>\$ 579</u>	<u>\$ 16,327</u>	<u>\$ 2,377</u>	<u>\$ 54,711</u>	<u>\$ 128,033</u>

ASSISTANCE LEAGUE® OF PUEBLO, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MAY 31, 2022 AND 2021

	2022	2021
CASH FLOWS PROVIDED (USED) BY OPERATIONS		
Change in net assets	\$ 20,491	\$ 114,514
Adjustments to reconcile change in net assets to net cash provided (used) by operations:		
Depreciation	2,664	7,746
(Gain) Loss on sale of property and equipment	8,816	(68,561)
Unrealized (gain) loss on investments	9,291	(10,653)
Changes in operating assets -		
Accounts receivable	70	(70)
Prepaid expenses	(1,456)	1,251
Inventories	(7,430)	(2,859)
Credit cards and accounts payable	344	(1,001)
Sales taxes payable	(28)	657
Deferred dues and other revenues	290	(50)
	<u>33,052</u>	<u>40,974</u>
NET CASH PROVIDED (USED) BY OPERATIONS		
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	-	402,910
Purchase of property and equipment	(700)	-
Redemption (Purchase) of investment securities	(763)	(400,158)
Redemption (Purchase) of certificates of deposit	(1,799)	(2,768)
	<u>(3,262)</u>	<u>(16)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,790	40,958
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	354,806	313,848
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 384,596</u>	<u>\$ 354,806</u>

See Independent Accountant's Review Report.
The accompanying notes are an integral part of these financial statements.

ASSISTANCE LEAGUE® OF PUEBLO, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – The Assistance League® of Pueblo, Inc. (the Chapter) is a nonprofit corporation and is a chartered chapter of the National Assistance League®. The Chapter provides the following programs:

- Operation School Bell® provides new clothing and shoes, health kits, and books to kindergarten through eighth grade students in Pueblo school districts.
- Scholarships are provided to students in Pueblo County to attend the local university, community college, and YMCA summer camps.
- Bears are provided to traumatized children through local victims' assistance programs.
- Baby's Book Bags are provided to at-risk mothers through local agencies.

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

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 and other assets along with payables and other liabilities.

Net Assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition – Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities, other assets, or an unconditional promise to give is received.

Donated Services and In-Kind Contributions - Contributed services are recorded if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Chapter. A number of volunteers have contributed significant amounts of their time in the Chapter's program services and its fundraising campaigns, but are not recognized as contributions in the financial statements because they do not meet the aforementioned criteria prescribed by generally accepted accounting principles. During the year ended May 31, 2022, these volunteers donated approximately 16,642 hours with an estimated value of \$524,389, and during the year ended May 31, 2021, these volunteers donated approximately

ASSISTANCE LEAGUE® OF PUEBLO, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

11,887 hours with an estimated value of \$360,295. The value was computed using an estimated hourly rate of \$31.51 for 2022 and \$30.31 for 2021, based upon the average hourly earnings of nonagricultural workers in the State of Colorado per Independent Sector, an independent coalition of nonprofits, foundations and corporate giving programs. The Chapter has elected to use the volunteer hourly rates reported per Independent Sector to calculate total volunteer wages rather than the rates reported from the U.S. Department of Labor and Bureau of Labor Statistics. The rates reported by Independent Sector more closely resemble the average volunteer rates in Colorado as wages in Colorado are higher than national wages.

Cash and Cash Equivalents – For the purpose of the statement of financial position and the statement of cash flows, the Chapter considers all deposits with financial institutions with an initial maturity of three months or less when acquired to be cash equivalents.

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, investments and accounts payable, approximate the carrying values at May 31, 2022 and 2021, based on their short maturities and/or the terms available to the Chapter in financial markets.

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. Program supplies unused at year-end are also included in inventories at original cost.

Promises to Give – Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decrease in liabilities or expenses depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. At May 31, 2022 and 2021, there were no promises to give.

Functional Allocation of Expenses – The costs of program and supporting service 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 PUEBLO, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from estimated amounts.

Income Tax Status – The Chapter is organized as a Colorado not-for-profit corporation and has been recognized by the IRS as exempt from federal and Colorado income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. 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. We have determined that the entity 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.

Property and Equipment – Purchased property and equipment with a value of \$250 or more are recorded at cost and capitalized. Donated property and equipment with a value of \$250 or more are recorded as support at their estimated fair value and capitalized. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contribution of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Chapter reports expiration 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. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful life of furniture and equipment is 5-10 years and the estimated useful life of buildings and improvements is 10-45 years. Depreciation expense for the year ended May 31, 2022 and 2021 totaled \$2,664 and \$7,746 respectively.

Subsequent Events – We have evaluated subsequent events through August 19, 2022, the date the financial statements were available to be issued.

NOTE 2 – AVAILABILITY AND LIQUIDITY

At December 31, the following reflects the financial assets and liquidity resources available within one year for general expenditure:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 303,824	\$ 275,849
Certificates of deposit	220,322	218,523
Investments	<u>402,284</u>	<u>410,811</u>
	926,430	905,183
Liquidity resources:		
Credit card	<u>24,511</u>	<u>24,876</u>
Total financial assets and liquidity resources available within one year	<u>\$ 950,941</u>	<u>\$ 930,059</u>

ASSISTANCE LEAGUE® OF PUEBLO, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2022 AND 2021

NOTE 2 – AVAILABILITY AND LIQUIDITY, (Cont'd)

The Chapter's cash flows are dependent on the receipt of contributions from the community and from fundraising efforts, including special events, and the operation of a thrift shop. The Chapter also raises a small amount of revenue from membership dues. In the event of an unanticipated liquidity need, the Chapter could draw upon their credit card which has a limit of \$25,000 as of May 31, 2022.

NOTE 3 – CASH AND CASH EQUIVALENTS

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

	<u>2022</u>	<u>2021</u>
Checking accounts -		
Pueblo Bank & Trust Co.	\$ 199,059	\$ 148,780
Wells Fargo Bank	<u>-</u>	<u>16,448</u>
Total Checking Accounts	<u>199,059</u>	<u>165,228</u>
Savings accounts –		
American Bank of Commerce – money market	11,244	11,233
Morgan Stanley Wealth Management – savings	122,340	100,730
Security Service Federal Credit Union - savings	51,953	51,923
U.S. Bank – money market savings	-	17,672
Wells Fargo Bank – money market savings	<u>-</u>	<u>8,020</u>
Total Savings Accounts	<u>185,537</u>	<u>189,578</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 384,596</u>	<u>\$ 354,806</u>

NOTE 4 – SHORT TERM BORROWING AGREEMENT

The Chapter has an unsecured credit card at U.S. Bank with a limit of \$25,000. Borrowings from the card bear an interest rate of 12.24%. At May 31, 2022 and 2021, the Chapter had outstanding balances on the credit card of \$489 and \$124, respectively. The Chapter had no interest expense related to the credit card during the years ended May 31, 2022 or 2021.

NOTE 5 - INVENTORIES

Inventories at May 31 consist of the following:

	<u>2022</u>	<u>2021</u>
Used clothing and household items held for sale at thrift shop	\$ 58,163	\$ 51,289
Program supplies	<u>7,431</u>	<u>6,875</u>
TOTAL INVENTORIES	<u>\$ 65,594</u>	<u>\$ 58,164</u>

Operation School Bell inventory consists of health kits and books. The Chapter has contracted with a merchant to provide needed clothing items on an as needed basis and will pay that merchant at the time the goods are chosen by the patron.

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NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at May 31 consist of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 15,000	\$ 23,816
Buildings and improvements	345,366	345,366
Furniture and equipment	<u>65,488</u>	<u>69,228</u>
	425,854	438,410
Less accumulated depreciation	<u>(363,076)</u>	<u>(364,852)</u>
 NET PROPERTY AND EQUIPMENT	 <u>\$ 62,778</u>	 <u>\$ 73,558</u>

NOTE 7 – INVESTMENTS - NET INVESTMENT RETURN

Marketable debt and equity securities are presented in the financial statements at fair market value:

	2022		2021	
	Cost	Carrying Value	Cost	Carrying Value
Equity Securities	\$ 101,349	\$ 111,914	\$ 100,159	\$ 111,149
Mutual Funds	<u>300,000</u>	<u>290,370</u>	<u>300,000</u>	<u>299,662</u>
	<u>\$ 401,349</u>	<u>\$ 402,284</u>	<u>\$ 400,159</u>	<u>\$ 410,811</u>

The following schedules summarize the net investment return and its classification in the statement of activities for the years ended December 31, 2022 and 2021.

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 4,731	\$ 1,815	\$ 6,546
Unrealized gains (losses)	<u>(9,291)</u>	<u>-</u>	<u>(9,291)</u>
Net investment return	<u>\$ (4,560)</u>	<u>\$ 1,815</u>	<u>\$ (2,745)</u>
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 1,001	\$ 2,314	\$ 3,315
Unrealized gains (losses)	<u>10,653</u>	<u>-</u>	<u>10,653</u>
Net investment return	<u>\$ 11,654</u>	<u>\$ 2,314</u>	<u>\$ 13,968</u>

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NOTE 8 - NET ASSETS

At May 31 net assets were restricted by donors or designated by the Chapter for the following purposes:

	<u>2022</u>	<u>2021</u>
Net assets without donor restrictions - Undesignated	\$1,056,242	\$1,037,566
Net assets with donor restrictions for – Building renovations	<u>80,772</u>	<u>78,957</u>
TOTAL NET ASSETS	<u>\$ 1,137,014</u>	<u>\$ 1,116,523</u>

NOTE 9 – SPECIAL EVENTS

The Chapter conducts special events to help fund current operations. The revenue and related expenses from such events for the year ended May 31 are as follows:

	<u>Revenue</u>	Cost of Direct Benefits to <u>Attendees</u>	Other Event <u>Costs</u>	Net <u>Revenue</u>
<u>2022</u>				
Fashion show	\$ 83,000	\$ 39,582	\$ 1,252	\$ 42,166
<u>2021</u>				
Fashion show	\$ 13,194	\$ 30	\$ 579	\$ 12,585

NOTE 10 – RISKS AND UNCERTAINTIES

Concentration of Credit Risk - In the normal course of business, the Chapter may have cash balances with financial institutions that are not insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Association (NCUA) and are not collateralized in any fashion. The FDIC and NCUA will insure up to \$250,000 at each financial institution the Chapter has funds deposited. At May 31, 2022 and 2021, all amounts were insured.