

ASSISTANCE LEAGUE<sup>®</sup> OF LOS ALTOS  
(A California Non-profit Public Benefit Corporation)

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FINANCIAL STATEMENTS

AND

INDEPENDENT REVIEWER'S REPORT

May 31, 2018  
(with comparative totals for 2017)

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**Boman Accounting Group, Inc.**

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

The Board of Directors  
Assistance League of Los Altos  
(A California Non-profit Public Benefit Corporation)  
Los Altos, California

We have reviewed the accompanying financial statements of the Assistance League of Los Altos (a California nonprofit public benefit corporation) which comprise the statement of financial position as of May 31, 2018, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

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

**Accountant's Responsibility**

Our responsibility is to conduct the review 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.

**Accountant's Conclusion**

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

As discussed in Note J to the financial statements, accounting principles generally accepted in the United States of America require that the value of contributed rent be included in the financial statements. The Organization has been unable to determine the value of rent received as a contribution, and the accompanying financial statements do not include this contribution and the related rent expense. As a result of this department, both contributions and rent expense are under-stated by the value of the contributed rent received.

### **Prior Year Financial Statements**

The prior year summarized information has been derived from the Organization's financial statements, and in our report dated September 12, 2017, we stated that we were not aware of any material modifications that should be made to the 2017 financial statements in order for them to be in conformity with the accounting principles generally accepted in the United States of America.

Boman Accounting Group, Inc.  
Campbell, California  
October 2, 2018

ASSISTANCE LEAGUE OF LOS ALTOS  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)  
STATEMENT OF FINANCIAL POSITION

May 31, 2018  
(with Comparative Totals as of May 31, 2017)

	<u>2018</u> <u>Total</u>	<u>2017</u> <u>Total</u>
<b>ASSETS</b>		
Cash and equivalents (Note B)	\$ 205,027	\$ 282,470
Certificates of deposit (Note C)	1,151,304	1,029,257
Grant and other receivables (note D)	27,831	82,514
Inventory (Note A10)	8,310	13,509
Prepaid expenses	8,560	58,002
Property and equipment, net (Note E)	<u>494,645</u>	<u>557,775</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,895,677</u></b>	<b>\$ <u>2,023,527</u></b>
 <b>LIABILITIES</b>		
Accounts payable	\$ 2,670	\$ 6,581
Accrued expenses	4,145	64,203
Sales tax payable	477	843
Deferred dues revenue (Note A12)	<u>1,920</u>	<u>1,970</u>
<b>TOTAL LIABILITIES</b>	<b><u>9,212</u></b>	<b><u>73,597</u></b>
 <b>NET ASSETS (Note G)</b>		
Unrestricted	1,871,646	1,486,512
Temporarily restricted	<u>14,819</u>	<u>463,418</u>
<b>TOTAL NET ASSETS</b>	<b><u>1,886,465</u></b>	<b><u>1,949,930</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>1,895,677</u></b>	<b>\$ <u>2,023,527</u></b>

See accompanying notes and accountant's review report

ASSISTANCE LEAGUE OF LOS ALTOS  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)  
STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2018  
(with Comparative Totals for the Year Ended May 31, 2017)

	Year Ended May 31, 2018			2017 Total
	Unrestricted	Temporarily Restricted	Total	
<b>SUPPORT AND REVENUES</b>				
Fundraising:				
Costume Bank Revenue:				
Rentals	\$ 78,882	\$	\$ 78,882	\$ 88,389
Sales	17,361		17,361	20,991
Other	6,661		6,661	6,124
Less: Cost of merchandise sold	(8,680)		(8,680)	(15,220)
Net revenue from special events	94,224		94,224	100,284
Program service revenue: HOME	779,491		779,491	857,383
Donations	60,216		60,216	30,197
Non-cash contributions (Note H)	930		930	14,602
Membership	2,677		2,677	4,965
Investment income (Note C)	9,331		9,331	8,052
Other income	-		-	-
Net assets released from restriction (Note F)	448,599	(448,599)	-	-
TOTAL SUPPORT AND REVENUES	1,395,468	(448,599)	946,869	1,015,483
<b>EXPENSES</b>				
Program Services				
HOME	894,973		894,973	867,648
Operation School Bell ®	8,891		8,891	5,559
Philanthropic	47,302		47,302	36,419
Total program service expenses	951,166		951,166	909,626
Supporting Services				
Fundraising - Costume Bank	46,088		46,088	54,353
Management and general	10,774		10,774	15,003
Membership development	2,306		2,306	5,426
Total supporting services expenses	59,168		59,168	74,782
TOTAL EXPENSES	1,010,334	-	1,010,334	984,408
CHANGE IN NET ASSETS	385,134	(448,599)	(63,465)	31,075
NET ASSETS AT BEGINNING OF YEAR	1,486,512	463,418	1,949,930	1,918,855
NET ASSETS AT END OF YEAR	\$ 1,871,646	\$ 14,819	\$ 1,886,465	\$ 1,949,930

See accompanying notes and accountant's review report

ASSISTANCE LEAGUE OF LOS ALTOS  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)  
STATEMENT OF FUNCTIONAL EXPENSES

For the year ended May 31, 2018  
(with Comparative Totals for the Year Ended May 31, 2017)

	Program Services				Supporting Services				2018 Total Expenses	2017 Total Expenses
	HOME Apartments	Operation School Bell	Philanthropic	Total Program	Costume Bank	Management & General	Membership Development	Total Supporting		
Labor costs	\$ 215,012	-	-	\$ 215,012	\$ 23,460	-	-	\$ 23,460	\$ 238,472	\$ 193,541
Program supplies	4,754	8,280	9,539	22,573	-	-	-	-	22,573	19,814
Postage and printing	62	-	257	319	31	-	198	229	548	583
Professional fees	4,881	-	-	4,881	-	7,200	-	7,200	12,081	7,801
Advertising and public relations	598	-	2,529	3,127	1,279	-	-	1,279	4,406	15,393
Donations	-	-	500	500	-	-	-	-	500	500
NAL dues and fees	-	-	-	-	-	-	1,950	1,950	1,950	3,590
NAL convention/meetings	-	21	186	207	111	955	111	1,177	1,384	5,635
Office supplies	11,936	-	-	11,936	-	-	-	-	11,936	-
In-kind donations	360	-	359	719	164	-	47	211	930	14,602
Costumes and material	-	-	-	-	9,046	-	-	9,046	9,046	17,050
Bank charges	-	-	75	75	3,980	-	-	3,980	4,055	4,303
Taxes and license	-	-	61	61	-	-	-	-	61	151
Membership support	-	75	675	750	-	-	-	-	750	(33)
Hospitality	5,116	52	468	5,636	-	-	-	-	5,636	6,078
Miscellaneous	-	-	-	-	-	-	-	-	-	114
Occupancy										
Utilities	127,043	357	3,212	130,612	2,059	-	-	2,059	132,671	138,026
Repairs and maintenance	127,142	-	21,924	149,066	2,431	-	-	2,431	151,497	38,766
Insurance	15,349	-	2,767	18,116	3,812	2,619	-	6,431	24,547	23,317
Cleaning and maintenance	60,501	-	2,178	62,679	5,735	-	-	5,735	68,414	68,769
Gardening	5,770	-	-	5,770	-	-	-	-	5,770	7,485
Operating costs	238,069	-	-	238,069	-	-	-	-	238,069	261,208
Property taxes	-	106	958	1,064	1,064	-	-	1,064	2,128	2,110
Telephone	-	-	1,614	1,614	1,596	-	-	1,596	3,210	3,541
Depreciation	78,380	-	-	78,380	-	-	-	-	78,380	167,284
Total expenses	894,973	8,891	47,302	951,166	54,768	10,774	2,306	67,848	1,019,014	999,628
Less expenses included with revenue on statement of activities	-	-	-	-	8,680	-	-	8,680	8,680	15,220
<b>TOTAL EXPENSES PER STATEMENT OF ACTIVITIES</b>	<b>\$ 894,973</b>	<b>\$ 8,891</b>	<b>\$ 47,302</b>	<b>\$ 951,166</b>	<b>\$ 46,088</b>	<b>\$ 10,774</b>	<b>\$ 2,306</b>	<b>\$ 59,168</b>	<b>\$ 1,010,334</b>	<b>\$ 984,408</b>

See accompanying notes and accountant's review report

ASSISTANCE LEAGUE OF LOS ALTOS  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)  
STATEMENT OF CASH FLOWS

For the year ended May 31, 2018  
(with Comparative Totals for the Year Ended May 31, 2017)

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (63,465)	\$ 31,075
Adjustments to reconcile changes in net assets to cash provided by operating activities:		
Depreciation and amortization	78,380	167,284
Unrealized loss on investment	1,953	6,217
(Increase) decrease in operating assets:		
Program receivables	54,683	(54,059)
Inventory	5,199	5,686
Prepaid expenses	49,442	(25,289)
Increase (decrease) in operating liabilities:		
Accounts payable	(3,911)	6,581
Accrued expenses	(60,058)	8,654
Sales tax payable	(366)	(285)
Deferred revenue	(50)	530
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>61,807</b>	<b>146,394</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from maturity of Certificates of Deposits	-	658,000
Purchase of Certificates of Deposits	(124,000)	(614,000)
Purchase of capital assets	(15,250)	(153,020)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(139,250)</b>	<b>(109,020)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(77,443)</b>	<b>37,374</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>282,470</b>	<b>245,096</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 205,027</b>	<b>\$ 282,470</b>
 <b>SUPPLEMENTAL INFORMATION:</b>		
Cash paid for interest	\$ -	\$ -

See accompanying notes and accountant's review report



## NOTES TO FINANCIAL STATEMENTS

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### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Chapter's significant accounting policies applied in the preparation of the accompanying financial statements follows:

#### 1. Nature of Activities

ASSISTANCE LEAGUE OF LOS ALTOS (the Chapter) is a California nonprofit public benefit corporation and is a chartered chapter of National Assistance League®. The Chapter derives the majority of its fundraising revenues from costume rentals and sales along with donations from unaffiliated donors and grants received from unaffiliated groups. The Chapter provides the following philanthropic programs to the community:

##### *HOME (Housing of Medical Emergencies)*

- Providing low cost housing for Stanford Health Care outpatients and their caregivers. HOME has 42 fully-furnished apartments as well as laundry facilities and social rooms. It is located adjacent to the hospital. Our volunteers provide various forms of entertainment and gifts throughout the year. Funds allow for upkeep, ongoing maintenance and improvements to the facility.

##### *Operation School Bell®*

- In 2016 a new program was created to support Santa Clara County abused and/or neglected teens who are in dramatic transitional situations at the Receiving, Assessment and Intake Center known as the RAIC Project. This project is operated through the Santa Clara County Social Services Agency, Department of Family and Children's Services (DFCS). Our volunteers collaborate with social workers at the facility and provide duffel bags and backpacks filled with personal care products, basic clothing and other critical supplies.
- *Embracing Youth in Foster Care* – Through our partnership with another non-profit, Assistance League of Los Altos enriches the lives of youth in foster care. During the year each child receives a personal birthday card and gift cards. High School graduates going on to college receive a laptop computer to assist with their success.

##### *Baby Bundles*

- Supplying clothing, homemade blankets, diapers, books, developmental toys and equipment to babies newborn to 2 years in need. These babies are referred to the Santa Clara County Public Health Department Nurse Family Partnership Program for visits and monitoring.

#### 2. Basis of Accounting

The financial statements of the Chapter have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

#### 3. Basis of Presentation

The financial statement presentation follows the recommendations of the FASB *Accounting Standards Codification*, Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958-210, the Chapter is required to report information regarding its financial position and operating activities in three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There are currently no permanently restricted net assets.

**NOTES TO FINANCIAL STATEMENTS**

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Chapter's financial statements for the year ended May 31, 2017, from which the summarized information was derived.

5. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

6. 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. The 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 or 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 purpose of financial reporting, the Chapter has determined that the fair values of its financial instruments, which include cash equivalents and certificates of deposit, approximate the carrying values under Level 1 at May 31, 2018 and 2017 based on their short maturities and/or the terms available to the chapter in financial markets.

7. Cash and Cash Equivalents

For purposes of the statement of financial position and statement of cash flows, the Chapter considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents.

**NOTES TO FINANCIAL STATEMENTS**

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

8. Accounts Receivable

Accounts Receivable is comprised of tenant receivables in relation to the organization's HOME Apartments. The Chapter analyzes the collectability of these receivables and establishes an allowance for doubtful accounts when the receivables are deemed uncollectible. As of May 31, 2018, the Chapter believes 100% of accounts receivable is collectible; accordingly, no allowance for doubtful accounts is considered necessary.

9. Certificates of Deposit (Investments)

The Chapter carries investments in Certificates of Deposits with various maturity terms. Investment income is reported as unrestricted revenue.

10. Concentration of Credit 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, cash equivalents and certificates of deposit 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, 2018, the Chapter's insured balances at these institutions total \$1,356,331. The Chapter has not experienced any losses on its cash, cash equivalents, or certificates of deposit.

11. Inventories

The Chapter maintains an inventory primarily comprised of costume accessories. Inventory is stated at the lower of cost or market and is determined by the first-in, first-out method. Inventory on hand at May 31, 2018 and 2017 was estimated to be \$8,310 and \$13,509, respectively.

12. Property and Equipment

Property and equipment are recorded at cost or estimated fair value for donated items. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets generally as follows: Building and improvements, from 7 to 30 years; and furniture and equipment, from 3 to 10 years.

13. Deferred Dues Revenue

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

14. Advertising

The Chapter's policy is to expense advertising costs as the costs are incurred. Advertising expenses for the year ended May 31, 2018 and May 31, 2017 was \$4,406 and \$15,393, respectively.

**NOTES TO FINANCIAL STATEMENTS**

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

15. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets 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 unrestricted support.

16. Contribution In-Kind/Donated Services

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

A significant portion of the Chapter's program services, fundraising and administrative functions 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, 2018, these volunteers donated approximately 12,520 hours with an estimated value of \$312,374. This amount was computed using an estimated hourly rate of \$24.95. This amount is based upon the average hourly earnings of nonagricultural workers in the United States of America for the fiscal year ended May 31, 2018 (as determined by the U.S. Department of Labor's Bureau of Labor Statistics), plus 12% estimated fringe benefits.

17. Income Taxes

The Chapter is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under Section 23701(d) of the California Revenue Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying statements. In addition, the Chapter qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Chapter in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.

The Chapter files information returns with the U.S. federal jurisdiction and state of California. The Chapter's federal returns for the years ended May 31, 2013 and beyond remain subject to possible examination by the Internal Revenue Service. The Chapter's California returns of the years ended May 31, 2012 and beyond remain subject to possible examination by the Franchise Tax Board.

ASSISTANCE LEAGUE OF LOS ALTOS  
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

**NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

18. Allocation of Shared Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at May 31, 2018 and May 31, 2017 consist of the following:

	2018	2017
Philanthropic Fund		
Morgan Stanley Smith Barney – Money Market Fund	1,107	24,146
Heritage Bank – Checking	25,363	2,278
Heritage Bank – Savings	23,606	48,594
Heritage Bank – Ecommerce	4,488	7,503
Subtotal	54,564	82,521
HOME		
Morgan Stanley Smith Barney – FMA cash fund	1,992	91,830
Heritage Bank – Savings	63,514	83,186
Bank of America checking account	24,120	18,262
Heritage Bank – HOME Checking	54,892	-
Subtotal	144,518	193,278
Assistees – Heritage Bank	5,251	5,977
Total cash in financial institutions	204,333	281,776
Cash on hand	694	694
Total Cash and Cash Equivalents	\$ 205,027	\$ 282,470

ASSISTANCE LEAGUE OF LOS ALTOS  
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

**NOTES TO FINANCIAL STATEMENTS**

NOTE C – CERTIFICATES OF DEPOSIT

Investments are stated at fair value and consist of the following at May 31, 2018 and May 31, 2017:

	2018	2017
Philanthropic:		
Morgan Stanley Smith Barney Certificate of Deposit	\$ 340,951	315,078
HOME:		
Morgan Stanley Smith Barney Certificate of Deposit	810,353	714,179
Total Investments	<u>\$ 1,151,304</u>	<u>\$ 1,029,257</u>

Investment Income for May 31, 2018 and 2017 consisted of the following:

	2018	2017
Interest Income	\$ 11,283	\$ 14,269
Unrealized gain/(loss) on Investment	(1,952)	(6,217)
Total Investment Income	<u>\$ 9,331</u>	<u>\$ 8,052</u>

NOTE D – GRANT AND OTHER RECEIVABLES

Grant and other receivables at May 31, 2018 and 2017 consisted of the following:

	2018	2017
Tenant receivables - HOME	\$ 27,831	\$ 82,514
Total grant and other receivables	<u>\$ 27,831</u>	<u>\$ 82,514</u>

ASSISTANCE LEAGUE OF LOS ALTOS  
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

**NOTES TO FINANCIAL STATEMENTS**

NOTE E – PROPERTY AND EQUIPMENT

Property and Equipment at May 31, 2018 and May 31, 2017 consist of the following:

	2018	2017
Land	\$ 55,096	\$ 55,096
Leasehold improvements	4,534,795	4,527,545
Building	23,600	23,600
Building improvements	203,704	203,704
Furniture and equipment	916,580	908,580
Total cost	5,733,775	5,718,525
Less accumulated depreciation	5,239,130	5,160,750
Total Property and Equipment	\$ 494,645	\$ 557,775

Depreciation expense for the years ended May 31, 2018 and May 31, 2017 totaled \$78,380 and \$167,284, respectively.

The HOME Apartments were constructed using third-party grants in association with Leland Stanford Junior University on land owned by the University. In 1984, the Chapter was given a 51 year leasehold interest in real estate provided they agreed to manage and maintain the property. This lease is renewable by mutual consent of both parties. In the event the leasehold is not renewed, the entire property reverts to the University.

NOTE F – NET ASSETS RELEASED FROM RESTRICTION

Net Assets were released from restrictions during the year by incurring expenses satisfying the restricted purpose as follows:

	2018	2017
Purpose Restriction:		
HOME	\$ 448,599	\$ 155,945
Total Net Assets Released from Restrictions	\$ 448,599	\$ 155,945

ASSISTANCE LEAGUE OF LOS ALTOS  
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

**NOTES TO FINANCIAL STATEMENTS**

NOTE G – NET ASSETS

At May 31, 2018 and May 31, 2017, net assets were comprised of the following:

	2018	2017
Unrestricted net assets:		
Designated by Board of Directors:		
Designated for future operating needs (as required by financial policy of National Assistance League)	180,475	829,825
Total Board-Designated Net Assets	180,475	829,825
Undesignated	1,691,171	656,687
Total Unrestricted Net Assets	1,871,646	1,486,512
Temporarily restricted net assets:		
Investment in HOME apartments	14,819	463,418
Total temporarily restricted net assets	14,819	463,418
Total Net Assets	\$1,886,465	\$1,949,930

NOTE H – NON-CASH CONTRIBUTIONS

The chapter received noncash contributions of materials that have been reflected in the financial statement so the chapter as follows:

	2018	2017
Philanthropic program supplies	\$ 359	1,526
Costume bank	164	1,799
Membership	47	369
HOME	360	10,908
Total non-cash contributions	\$ 930	\$ 14,602

NOTE I – SUBSEQUENT EVENTS

Assistance League of Los Altos has evaluated events subsequent to May 31, 2018, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through October 2, 2018, 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.



**NOTES TO FINANCIAL STATEMENTS**

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**NOTE J – DEPARTURE FROM GAAP**

As explained in Note E, the Chapter's HOME apartments were constructed on land owned by Stanford University which may be leased from the University for 51 years without payment of rent. This below market value leasehold interest is an asset that under generally accepted accounting principles in the United States of America (GAAP) should be reported at its discounted present value in the statement of financial position, with a corresponding deferred rent liability. Each year the lease is in effect, revenue should be recognized for the estimated fair value of the contributed rent, with an offsetting amount for rent expense. Assistance League of Los Altos has not reported the asset, liability, revenue or expense related to its below market land lease and management is unable to estimate the impact of these departures from GAAP on the accompanying financial statements.

**NOTE K – DISCONTINUANCE OF SIGNIFICANT ACTIVITIES**

Assistance League® of Los Altos signed a termination agreement with Stanford Real Estate, ending the ground lease and returning the HOME apartments building to Stanford Real Estate as of June 30, 2018. The decision to discontinue the HOME program was significantly influenced by factors beyond the control of this chapter. These factors included challenges with Stanford Health Care, difficulty in securing professional building management services and, most significantly, the inability to house the intended guests. Discontinuance of the HOME program will free resources within the organization to explore new programs, focused on assisting members of the community.

In addition, Assistance League® of Los Altos voted to discontinue the Costume Bank as a fundraising activity during the current fiscal year ending May 31, 2019. The Costume Bank cannot compete against the convenience of online shopping and, as a fundraiser, the economics no longer make sense. The Chapter derived the majority of its fundraising revenues from costume rentals and sales for the fiscal year ending May 31, 2018, the. Discontinuance of the costume rental business will free resources within the organization to explore other, more suitable fundraising activities.

Operations will be shifting to new opportunities in response to the discontinued activities.