

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, 2019  
(with comparative totals for 2018)

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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, 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. 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 K 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 2018 financial statements, and in our report dated October 2, 2018, we stated that we were not aware of any material modifications that should be made to the 2018 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*

Boman Accounting Group, Inc.  
Campbell, California  
September 8, 2019

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

May 31, 2019  
(with Comparative Totals as of May 31, 2018)

	<u>2019</u> Total	<u>2018</u> Total
<b>ASSETS</b>		
Cash and equivalents (Note B)	\$ 534,205	\$ 205,027
Certificates of deposit (Note C)	848,340	1,151,304
Grant and other receivables (Note D)	-	27,831
Inventory (Note A11)	-	8,310
Prepaid expenses	3,283	8,560
Property and equipment, net (Note E)	<u>55,096</u>	<u>494,645</u>
TOTAL ASSETS	<u>\$ 1,440,924</u>	<u>\$ 1,895,677</u>
 <b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 2,670
Accrued expenses	-	4,145
Sales tax payable	-	477
Deferred dues revenue (Note A13)	<u>1,830</u>	<u>1,920</u>
TOTAL LIABILITIES	<u>1,830</u>	<u>9,212</u>
 <b>NET ASSETS (Note G)</b>		
Without donor restrictions		
Undesignated	1,144,899	1,691,171
Designated	<u>294,195</u>	<u>180,475</u>
Total net assets without donor restrictions	1,439,094	1,871,646
With donor restrictions		
Purpose restrictions	<u>-</u>	<u>14,819</u>
TOTAL NET ASSETS	<u>1,439,094</u>	<u>1,886,465</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,440,924</u>	<u>\$ 1,895,677</u>

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, 2019  
(with Comparative Totals for the Year Ended May 31, 2018)

	Year Ended May 31, 2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>REVENUES, GAINS AND OTHER SUPPORT:</b>				
Fundraising:				
Costume Bank Revenue:				
Rentals	\$ 7,084	\$	\$ 7,084	\$ 78,882
Sales	9,191		9,191	17,361
Other	-		-	6,661
Liquidation (Note L)	106,577		106,577	-
Less: Cost of merchandise sold	(8,310)		(8,310)	(8,680)
Net revenue from special events	114,542		114,542	94,224
Program service revenue: HOME (Note L)	3,373		3,373	779,491
Donations	27,785		27,785	60,216
Non-cash contributions (Note I)	3,595		3,595	930
Membership	4,480		4,480	2,677
Investment income (Note C)	27,166		27,166	9,331
Other income	-		-	-
Net assets released from restriction (Note F)	14,819	(14,819)	-	-
TOTAL SUPPORT AND REVENUES	195,760	(14,819)	180,941	946,869
<b>EXPENSES</b>				
Program Services				
HOME	75,436		75,436	894,973
Operation School Bell ®	46,084		46,084	8,891
Philanthropic	22,439		22,439	47,302
Total program service expenses	143,959		143,959	951,166
Supporting Services				
Fundraising - Costume Bank	38,124		38,124	46,088
Management and general	8,239		8,239	10,774
Membership development	2,042		2,042	2,306
Total supporting services expenses	48,405		48,405	59,168
TOTAL EXPENSES	192,364	-	192,364	1,010,334
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	3,396	(14,819)	(11,423)	(63,465)
<b>NONOPERATING ACTIVITIES</b>				
Lease termination - HOME Program (Note L)	(435,948)		(435,948)	-
CHANGE IN NET ASSETS FROM NON-OPERATING ACTIVITIES	(435,948)	-	(435,948)	-
CHANGE IN NET ASSETS	(432,552)	(14,819)	(447,371)	(63,465)
NET ASSETS AT BEGINNING OF YEAR	1,871,646	14,819	1,886,465	1,949,930
NET ASSETS AT END OF YEAR	\$ 1,439,094	\$ -	\$ 1,439,094	\$ 1,886,465

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, 2019  
(with Comparative Totals for the Year Ended May 31, 2018)

	Program Services				Supporting Services				2019 Total Expenses	2018 Total Expenses
	HOME Apartments	Operation School Bell	Philanthropic	Total Program	Costume Bank	Management & General	Membership Development	Total Supporting		
Advertising and public relations	\$ -	\$ 1,423	\$ 693	\$ 2,116	\$ 14,367	\$ -	\$ -	\$ 14,367	\$ 16,483	\$ 4,406
Bank charges	150	-	-	150	3,753	100	-	3,853	4,003	4,055
Costumes and material	-	-	-	-	8,310	-	-	8,310	8,310	9,046
Donations	-	-	-	-	-	-	-	-	-	500
Hospitality	93	311	151	555	-	-	25	25	580	5,636
In-kind donations	-	-	-	-	-	-	-	-	-	930
Labor costs	37,374	-	-	37,374	10,687	-	-	10,687	48,061	238,472
Membership support	-	-	-	-	-	-	372	372	372	750
Miscellaneous	-	269	131	400	-	-	-	-	400	-
NAL convention/meetings	-	1,173	571	1,744	-	286	-	286	2,030	1,384
NAL dues and fees	-	-	-	-	-	-	1,625	1,625	1,625	1,950
Office supplies	220	-	-	220	-	-	-	-	220	11,936
Postage and printing	-	196	96	292	-	-	-	-	292	548
Professional fees	4,000	-	-	4,000	-	7,778	-	7,778	11,778	12,081
Program supplies	-	26,894	13,095	39,989	694	-	20	714	40,703	22,573
Taxes and license	-	-	-	-	790	75	-	865	865	61
Occupancy										
Utilities	7,961	2,316	1,127	11,404	1,710	-	-	1,710	13,114	132,671
Repairs and maintenance	3,815	10,053	4,895	18,763	2,624	-	-	2,624	21,387	151,497
Insurance	9,857	-	-	9,857	201	-	-	201	10,058	24,547
Cleaning and maintenance	266	1,872	911	3,049	1,187	-	-	1,187	4,236	68,414
Gardening	-	-	-	-	-	-	-	-	-	5,770
Operating costs	8,099	-	-	8,099	-	-	-	-	8,099	238,069
Property taxes	-	726	354	1,080	1,080	-	-	1,080	2,160	2,128
Telephone	-	851	415	1,266	1,031	-	-	1,031	2,297	3,210
Depreciation	3,601	-	-	3,601	-	-	-	-	3,601	78,380
Total expenses	75,436	46,084	22,439	143,959	46,434	8,239	2,042	56,715	200,674	1,019,014
Less expenses included with revenue on statement of activities	-	-	-	-	8,310	-	-	8,310	8,310	8,680
<b>TOTAL EXPENSES PER STATEMENT OF ACTIVITIES</b>	<b>\$ 75,436</b>	<b>\$ 46,084</b>	<b>\$ 22,439</b>	<b>\$ 143,959</b>	<b>\$ 38,124</b>	<b>\$ 8,239</b>	<b>\$ 2,042</b>	<b>\$ 48,405</b>	<b>\$ 192,364</b>	<b>\$ 1,010,334</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, 2019  
(with Comparative Totals for the Year Ended May 31, 2018)

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (447,371)	\$ (63,465)
Noncash items included in revenues and expenses:		
Lease termination - HOME Program	435,948	
Unrealized gain on investment	(5,036)	
Adjustments to reconcile changes in net assets to cash provided by operating activities:		
Depreciation and amortization	3,601	78,380
Unrealized loss on investment	-	1,953
(Increase) decrease in operating assets:		
Program receivables	27,831	54,683
Inventory	8,310	5,199
Prepaid expenses	5,277	49,442
Increase (decrease) in operating liabilities:		
Accounts payable	(2,670)	(3,911)
Accrued expenses	(4,145)	(60,058)
Sales tax payable	(477)	(366)
Deferred revenue	(90)	(50)
NET CASH PROVIDED BY OPERATING ACTIVITIES	21,178	61,807
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from maturity of Certificates of Deposits	956,000	-
Purchase of Certificates of Deposits	(648,000)	(124,000)
Purchase of capital assets	-	(15,250)
NET CASH USED BY INVESTING ACTIVITIES	308,000	(139,250)
NET CHANGE IN CASH AND CASH EQUIVALENTS	329,178	(77,443)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	205,027	282,470
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 534,205	\$ 205,027
 <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. This program was transferred to Leland Stanford Junior University on June 30, 2018.

##### *Operation School Bell®*

- *RAIC (Receiving, Assessment and Intake Center) Project* - provides duffel bags and backpacks filled with personal care products, basic clothing and other critical supplies to support Santa Clara County abused and/or neglected teens who are in dramatic transitional situations. This project is operated through the Santa Clara County Social Services Agency, Department of Family and Children's Services (DFCS).
- *Alphabet @ Sunnyvale School District* – provides school supplies, uniforms, books and ipads to 2 Title 1 schools in the Sunnyvale School District, Lakewood and Vargas.
- *Hospital School* – provides school supplies, classroom books and library books to K-12<sup>th</sup> grade students who are hospitalized at Lucile Packard Children's Hospital to undergo medical treatment for serious medical conditions.
- *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. This program ended May 31, 2019.

##### *Baby Bundles*

- Supplying clothing, homemade blankets, diapers, books, developmental toys and equipment for newborn babies (1-3 months old) to young mothers who have been referred to county Public Health Nurses (PHN) for counseling in infant care.

#### 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### 3. Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) accounting standards update (ASU) 2016-14 Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities. The adoption of ASU 2016-14 in 2018 did not change the net assets of the Organization. Certain reclassifications were made to the 2018 financial statements to conform to the new standards.

Net assets are classified based on the existence or absence of donor or grantor imposed restrictions. Net assets are defined as follows:

Net Assets Without Donor Restriction – net assets available for use in general operations and not subject to donor or grantor restrictions.

Net Assets With Donor Restriction – net assets subject to donor or 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 that 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.

#### 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, 2018, 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.

**NOTES TO FINANCIAL STATEMENTS**

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2019 and 2018 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.

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. The HOME Apartments program was transferred to Leland Stanford Junior University on June 30, 2018.

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 maintained an inventory primarily comprised of costume accessories. Inventory is stated at the lower of cost or market and was determined by the first-in, first-out method. Inventory on hand at

**NOTES TO FINANCIAL STATEMENTS**

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

May 31, 2019 and 2018 was estimated to be \$-0- and \$8,310, respectively. The Costume Shop was closed December 31, 2018 and the chapter is no longer maintaining any inventory.

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, 2019 and May 31, 2018 was \$16,483 and \$4,406, respectively.

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, 2019, these volunteers donated approximately 9,536 hours with an estimated value of \$245,830. This amount was computed using an estimated hourly rate of \$25.78. 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, 2019 (as determined by the U.S. Department of Labor's Bureau of Labor Statistics), plus 12% estimated fringe benefits.

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

**NOTES TO FINANCIAL STATEMENTS**

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2016 and beyond remain subject to possible examination by the Internal Revenue Service. The Chapter's California returns of the years ended May 31, 2015 and beyond remain subject to possible examination by the Franchise Tax Board.

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, 2019 and May 31, 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
Philanthropic Fund		
Morgan Stanley Smith Barney – Money Market Fund	\$ 329,617	\$ 1,107
Heritage Bank – Checking	133,484	25,363
Heritage Bank – Savings	65,992	23,606
Heritage Bank – Ecommerce	5,112	4,488
Subtotal	<u>\$ 534,205</u>	<u>\$ 54,564</u>

ASSISTANCE LEAGUE OF LOS ALTOS  
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**NOTES TO FINANCIAL STATEMENTS**

NOTE B – CASH AND CASH EQUIVALENTS - CONTINUED

HOME

Morgan Stanley Smith Barney – FMA cash fund	-	1,992
Heritage Bank – Savings	-	63,514
Bank of America checking account	-	24,120
Heritage Bank – HOME Checking	-	54,892
Subtotal	-	144,518
Assistees – Heritage Bank	-	5,251
Total cash in financial institutions	534,205	204,333
Cash on hand	-	694
Total Cash and Cash Equivalents	\$ 534,205	\$ 205,027

NOTE C – CERTIFICATES OF DEPOSIT

Certificates of Deposit (level 2 investments) are stated at fair value and consist of the following at May 31, 2019 and May 31, 2018:

	2019	2018
Philanthropic:		
Morgan Stanley Smith Barney Certificate of Deposit	\$ 848,340	340,951
HOME:		
Morgan Stanley Smith Barney Certificate of Deposit	-	810,353
Total Investments	\$ 848,340	\$ 1,151,304

Investment Income for May 31, 2019 and 2018 consisted of the following:

	2019	2018
Interest Income	\$ 18,761	\$ 11,283
Dividend Income	3,369	-
Unrealized gain/(loss) on Investment	5,036	(1,952)
Total Investment Income	\$ 27,166	\$ 8,052

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

**NOTES TO FINANCIAL STATEMENTS**

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NOTE D – GRANT AND OTHER RECEIVABLES

Grant and other receivables at May 31, 2019 and 2018 consisted of the following:

	2019	2018
Tenant receivables - HOME	\$ -	\$ 27,831
Total grant and other receivables	\$ -	\$ 27,831

NOTE E – PROPERTY AND EQUIPMENT

Property and Equipment at May 31, 2019 and May 31, 2018 consist of the following:

	2019	2018
Land	\$ 55,096	\$ 55,096
Leasehold improvements	-	4,534,795
Building	23,600	23,600
Building improvements	-	203,704
Furniture and equipment	15,793	916,580
Total cost	94,489	5,733,775
Less accumulated depreciation	39,393	5,239,130
Total Property and Equipment	\$ 55,096	\$ 494,645

Depreciation expense for the years ended May 31, 2019 and May 31, 2018 totaled \$3,601 and \$78,380, 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.

As stated in Note L, the HOME Apartments program was transferred to Leland Stanford Junior University on June 30, 2018. This included the transfer of all building improvements, furniture and fixtures and equipment that was used in the HOME program.

ASSISTANCE LEAGUE OF LOS ALTOS  
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**NOTES TO FINANCIAL STATEMENTS**

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:

	2019	2018
Purpose Restriction:		
HOME	\$ 14,819	\$ 448,599
Total Net Assets Released from Restrictions	\$ 14,819	\$ 448,599

NOTE G – NET ASSETS

At May 31, 2019 and May 31, 2018, net assets were comprised of the following:

	2019	2018
Net assets without donor restrictions		
Undesignated	1,144,899	1,691,171
Designated for building improvements	150,000	-
Designated for future operating needs (as required by financial policy of National Assistance League)	144,195	180,475
Total Unrestricted Net Assets	1,439,094	1,871,646
Net assets with donor restrictions		
Investment in HOME apartments	-	14,819
Total net assets with donor restrictions	-	14,816
Total Net Assets	\$1,439,094	\$1,886,465

NOTE H – LIQUIDITY AND AVAILABILITY

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

	2019
Cash and Equivalents	\$ 534,205
Certificates of Deposit	772,674
	\$1,306,879

As part of the Chapter's liquidity management plan, cash in excess of daily requirements is invested in short and/or long-term Certificates of Deposit (CDs). As of May 31, 2019, \$75,666 are long-term.



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

**NOTES TO FINANCIAL STATEMENTS**

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NOTE I – NON-CASH CONTRIBUTIONS

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

	2019	2018
Philanthropic program supplies	\$ 3,475	\$ 359
Operation School Bell®	120	-
Costume bank	-	164
Membership	-	47
HOME	-	360
Total non-cash contributions	<u>\$ 3,595</u>	<u>\$ 930</u>

NOTE J – SUBSEQUENT EVENTS

Assistance League of Los Altos has evaluated events subsequent to May 31, 2019, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through September 8, 2019, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

NOTE K – 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 L – DISCONTINUANCE OF SIGNIFICANT ACTIVITIES

Assistance League® of Los Altos signed a termination agreement with Leland Stanford Junior University, ending the ground lease and returning the HOME apartments building to Leland Stanford Junior University 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 and difficulty in securing professional building management services. Discontinuance of the HOME program will free resources within the organization to explore new programs, focused on assisting members of the community.

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**NOTES TO FINANCIAL STATEMENTS**

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NOTE L – DISCONTINUANCE OF SIGNIFICANT ACTIVITIES - CONTINUED

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, 2019, the. Discontinuance of the costume rental business will free member time within the organization to explore other, more suitable fundraising activities.