

ASSISTANCE LEAGUE® OF PUEBLO, INC.

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

MAY 31, 2024 AND 2023

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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, 2024 and 2023, 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 13, 2024

ASSISTANCE LEAGUE® OF PUEBLO, INC.
STATEMENTS OF FINANCIAL POSITION
MAY 31, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 458,330	\$ 508,185
Prepaid expenses	2,653	5,237
Inventories	81,473	71,050
Property and equipment, net	920,713	892,298
Investments	124,403	108,863
TOTAL ASSETS	\$ 1,587,572	\$ 1,585,633
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Credit cards and accounts payable	\$ 10,021	\$ 11,541
Notes payable	411,791	419,789
Sales taxes payable	1,200	958
Deferred dues and other revenues	-	90
TOTAL LIABILITIES	423,012	432,378
 NET ASSETS		
Without donor restrictions	1,164,560	1,153,255
TOTAL NET ASSETS	1,164,560	1,153,255
TOTAL LIABILITIES AND NET ASSETS	\$ 1,587,572	\$ 1,585,633

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, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Fundraising -			
Thrift shop revenue:			
Contributions of merchandise	\$ 182,814	\$ -	\$ 182,814
Sales of donated merchandise	182,939	-	182,939
Less value of merchandise sold	<u>(182,814)</u>	<u>-</u>	<u>(182,814)</u>
Net Revenue From Thrift Shop	182,939	-	182,939
Special events revenue	102,049	-	102,049
Less: cost of direct benefits to attendees	<u>(49,340)</u>	<u>-</u>	<u>(49,340)</u>
Net Revenue From Special Events	<u>52,709</u>	<u>-</u>	<u>52,709</u>
Other revenue and support -			
Contributions and grants	45,853	-	45,853
Membership	8,330	-	8,330
Investment income (loss)	25,762	2,432	28,194
Gain on disposal of property and equipment	800	-	800
Net assets released from restrictions	<u>2,432</u>	<u>(2,432)</u>	<u>-</u>
Net other revenue and support	<u>83,177</u>	<u>-</u>	<u>83,177</u>
TOTAL REVENUE AND SUPPORT	<u>318,825</u>	<u>-</u>	<u>318,825</u>
EXPENSES			
Program services -			
Operation School Bell®	140,440	-	140,440
Scholarships	31,199	-	31,199
Bears	6,312	-	6,312
Baby's Book Bags	2,539	-	2,539
Total Program Service Expenses	<u>180,490</u>	<u>-</u>	<u>180,490</u>
Supporting Services			
Fundraising -			
Thrift shop	102,830	-	102,830
Other special events costs	3,053	-	3,053
Management and general	<u>21,147</u>	<u>-</u>	<u>21,147</u>
Total Supporting Services Expenses	<u>127,030</u>	<u>-</u>	<u>127,030</u>
TOTAL EXPENSES	<u>307,520</u>	<u>-</u>	<u>307,520</u>
CHANGES IN NET ASSETS	11,305	-	11,305
NET ASSETS - BEGINNING OF YEAR	<u>1,153,255</u>	<u>-</u>	<u>1,153,255</u>
NET ASSETS - ENDING OF YEAR	<u>\$1,164,560</u>	<u>\$ -</u>	<u>\$ 1,164,560</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, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Fundraising -			
Thrift shop revenue:			
Contributions of merchandise	\$ 142,796	\$ -	\$ 142,796
Sales of donated merchandise	131,974	-	131,974
Less value of merchandise sold	<u>(131,802)</u>	<u>-</u>	<u>(131,802)</u>
Net Revenue From Thrift Shop	<u>142,968</u>	<u>-</u>	<u>142,968</u>
Special events revenue	85,474	-	85,474
Less: cost of direct benefits to attendees	<u>(44,569)</u>	<u>-</u>	<u>(44,569)</u>
Net Revenue From Special Events	<u>40,905</u>	<u>-</u>	<u>40,905</u>
Other revenue and support			
Contributions and grants	71,932	-	71,932
Rental Income	14,400		14,400
Membership	3,680	-	3,680
Investment income	3,146	700	3,846
Net assets released from restrictions	<u>81,472</u>	<u>(81,472)</u>	<u>-</u>
Net other revenue and support	<u>174,630</u>	<u>(80,772)</u>	<u>93,858</u>
TOTAL REVENUE AND SUPPORT	<u>358,503</u>	<u>(80,772)</u>	<u>277,731</u>
EXPENSES			
Program services -			
Operation School Bell®	133,602	-	133,602
Scholarships	28,385	-	28,385
Bears	4,575	-	4,575
Baby's Book Bags	452	-	452
Total Program Service Expenses	<u>167,014</u>	<u>-</u>	<u>167,014</u>
Supporting Services			
Fundraising -			
Thrift shop	73,406	-	73,406
Other special events costs	2,286	-	2,286
Management and general	<u>18,784</u>	<u>-</u>	<u>18,784</u>
Total Supporting Services Expenses	<u>94,476</u>	<u>-</u>	<u>94,476</u>
TOTAL EXPENSES	<u>261,490</u>	<u>-</u>	<u>261,490</u>
CHANGES IN NET ASSETS	97,013	(80,772)	16,241
NET ASSETS - BEGINNING OF YEAR	<u>1,056,242</u>	<u>80,772</u>	<u>1,137,014</u>
NET ASSETS - ENDING OF YEAR	<u>\$1,153,255</u>	<u>\$ -</u>	<u>\$ 1,153,255</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, 2024

	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	1,859	379	103	34	2,375
Clothing	83,660	-	-	-	83,660
Depreciation	10,572	2,154	587	196	13,509
Food/entertainment	-	-	-	-	-
Interest	13,139	2,676	730	243	16,788
Insurance	5,401	1,100	300	100	6,901
Licenses/taxes	-	-	-	-	-
Maintenance/repairs	9,971	2,031	554	185	12,741
Miscellaneous	-	-	-	-	-
Newsletter/printing/postage	164	33	9	3	209
Security	-	-	-	-	-
Supplies/credit card fees	4,388	527	3,402	1,569	9,886
Tuition	-	20,000	-	-	20,000
Utilities/telephone	11,286	2,299	627	209	14,421
Value of merchandise sold	-	-	-	-	-
Total expenses	<u>140,440</u>	<u>31,199</u>	<u>6,312</u>	<u>2,539</u>	<u>180,490</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>\$ 140,440</u>	<u>\$ 31,199</u>	<u>\$ 6,312</u>	<u>\$ 2,539</u>	<u>\$ 180,490</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>Total Supporting Services</u>	<u>Total Expenses</u>
\$ -	\$ -	\$ 10,088	\$ 10,088	\$ 10,088
1,328	103	103	1,534	3,909
-	-	-	-	83,660
4,894	587	587	6,068	19,577
-	49,340	-	49,340	49,340
6,083	730	730	7,543	24,331
6,635	300	300	7,235	14,136
11,660	-	3,023	14,683	14,683
7,755	554	554	8,863	21,604
4,131	-	4,356	8,487	8,487
76	9	9	94	303
47,321	-	-	47,321	47,321
7,722	143	770	8,635	18,521
-	-	-	-	20,000
5,225	627	627	6,479	20,900
<u>182,814</u>	<u>-</u>	<u>-</u>	<u>182,814</u>	<u>182,814</u>
285,644	52,393	21,147	359,184	539,674
<u>(182,814)</u>	<u>(49,340)</u>	<u>-</u>	<u>(232,154)</u>	<u>(232,154)</u>
<u>\$ 102,830</u>	<u>\$ 3,053</u>	<u>\$ 21,147</u>	<u>\$ 127,030</u>	<u>\$ 307,520</u>

ASSISTANCE LEAGUE® OF PUEBLO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2023

	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	1,684	343	94	31	2,152
Clothing	92,445	-	-	-	92,445
Depreciation	7,525	1,533	418	139	9,615
Food/entertainment	-	-	-	-	-
Interest	8,824	1,798	490	163	11,275
Insurance	4,699	957	261	87	6,004
Licenses/taxes	-	-	-	-	-
Maintenance/repairs	7,887	1,607	438	146	10,078
Miscellaneous	-	-	-	-	-
Newsletter/printing/postage	-	-	-	-	-
Security	-	-	-	-	-
Supplies/credit card fees	1,140	232	2,352	(288)	3,436
Tuition	-	20,000	-	-	20,000
Utilities/telephone	9,398	1,915	522	174	12,009
Value of merchandise sold	-	-	-	-	-
Total expenses	<u>133,602</u>	<u>28,385</u>	<u>4,575</u>	<u>452</u>	<u>167,014</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><u>\$ 133,602</u></u>	<u><u>\$ 28,385</u></u>	<u><u>\$ 4,575</u></u>	<u><u>\$ 452</u></u>	<u><u>\$ 167,014</u></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>Total Supporting Services</u>	<u>Total Expenses</u>
\$ -	\$ -	\$ 12,500	\$ 12,500	\$ 12,500
4,419	94	94	4,607	6,759
-	-	-	-	92,445
3,484	418	418	4,320	13,935
-	44,569	-	44,569	44,569
4,085	490	490	5,065	16,340
3,752	261	261	4,274	10,278
10,051	-	535	10,586	10,586
7,936	438	438	8,812	18,890
3,155	-	3,211	6,366	6,366
150	-	-	150	150
24,944	-	-	24,944	24,944
7,079	63	315	7,457	10,893
-	-	-	-	20,000
4,351	522	522	5,395	17,404
<u>131,802</u>	<u>-</u>	<u>-</u>	<u>131,802</u>	<u>131,802</u>
205,208	46,855	18,784	270,847	437,861
<u>(131,802)</u>	<u>(44,569)</u>	<u>-</u>	<u>(176,371)</u>	<u>(176,371)</u>
<u>\$ 73,406</u>	<u>\$ 2,286</u>	<u>\$ 18,784</u>	<u>\$ 94,476</u>	<u>\$ 261,490</u>

ASSISTANCE LEAGUE® OF PUEBLO, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

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, 2024, these volunteers donated approximately 21,008 hours with an estimated value of \$763,851, and during the year ended May 31, 2023, these volunteers donated approximately

ASSISTANCE LEAGUE® OF PUEBLO, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

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

17,515 hours with an estimated value of \$601,805. The value was computed using an estimated hourly rate of \$36.36 for 2024 and \$34.36 for 2023, 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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 AND 2023

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, 2024 and 2023 totaled \$19,577 and \$13,935 respectively.

Advertising – The Chapter uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed when incurred. Advertising expense for the years ended May 31, 2024 and 2023 was \$3,909 and \$6,759, respectively.

Subsequent Events – We have evaluated subsequent events through November 8, 2024, the date the financial statements were available to be issued.

New Accounting Pronouncements – In September 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which increases transparency around contributed nonfinancial assets (also known as “gifts in-kind”) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The key changes required by ASU 2020-07 include the presentation of contributed nonfinancial assets recognized within the Statement of Activities, disclosure of qualitative information about whether the contributed nonfinancial assets were monetized or utilized during the reporting period, a description of any donor-imposed restrictions (if any), a description of the valuation techniques and inputs used to arrive at a fair value measure, and the principal market used to arrive at a fair value measure. During the year ended May 31, 2023, management implemented ASU 2020-07, and it has been applied retrospectively to all periods presented.

ASSISTANCE LEAGUE® OF PUEBLO, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

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

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2020-05, *Leases (Topic 842): Lessors – Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-of-use (ROU) assets and lease liabilities on the statement of financial position for operating leases.

The Chapter elected to adopt these ASU's effective June 1, 2022 using the modified retrospective approach and utilized all of the available practical expedients. As of June 1, 2022, adoption of Topic 842 did not result in any material adjustments to statement of financial position or statement of activities accounts related to lessor or lessee accounting.

NOTE 2 – AVAILABILITY AND LIQUIDITY

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

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 458,330	\$ 508,185
Investments	<u>124,403</u>	<u>108,863</u>
	582,733	617,048
Less those unavailable for general expenditures within one year, due to		
Contractual or donor-imposed restrictions:		
Net assets with donor restrictions	<u>-</u>	<u>-</u>
Total financial assets and liquidity resources available within one year	<u>\$ 582,733</u>	<u>\$ 617,048</u>

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. The credit card had a balance available for liquidity needs of \$21,947 and \$21,284 at May 31, 2024 and 2023, respectively.

ASSISTANCE LEAGUE® OF PUEBLO, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 3 – CASH AND CASH EQUIVALENTS

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

	<u>2024</u>	<u>2023</u>
Checking accounts -		
Pueblo Bank & Trust Co.	\$ 152,578	\$ 214,737
Total Checking Accounts	<u>152,578</u>	<u>214,737</u>
Savings accounts –		
American Bank of Commerce – money market	6,913	6,754
Morgan Stanley Wealth Management – savings	298,839	234,714
Security Service Federal Credit Union - savings	-	51,980
Total Savings Accounts	<u>305,752</u>	<u>293,448</u>
Total Cash and Cash Equivalents	<u>\$ 458,330</u>	<u>\$ 508,185</u>

NOTE 4 – INVENTORIES

Inventories at May 31 consist of the following:

	<u>2024</u>	<u>2023</u>
Used clothing and household items held for sale at thrift shop	\$ 76,055	\$ 57,608
Program supplies	<u>5,418</u>	<u>13,442</u>
Total Inventories	<u>\$ 81,473</u>	<u>\$ 71,050</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.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment at May 31 consist of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 260,975	\$ 260,975
Buildings and improvements	988,711	942,846
Furniture and equipment	<u>64,236</u>	<u>65,488</u>
	1,313,922	1,269,309
Less accumulated depreciation	<u>(393,209)</u>	<u>(377,011)</u>
Net Property and Equipment	<u>\$ 920,713</u>	<u>\$ 892,298</u>

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NOTE 6 – INVESTMENTS - NET INVESTMENT RETURN

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

	2024		2023	
	Cost	Carrying Value	Cost	Carrying Value
Equity Securities	\$ 106,027	\$ 124,403	\$ 103,490	\$ 108,863
	\$ 106,027	\$ 124,403	\$ 103,490	\$ 108,863

The following schedules summarize the net investment return and its classification in the statement of activities for the years ended May 31, 2024 and 2023.

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 12,184	\$ 2,432	\$ 14,616
Unrealized and realized gains (losses)	13,578	-	13,578
Net investment return	\$ 25,762	\$ 2,432	\$ 28,194

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 7,199	\$ 700	\$ 7,899
Unrealized and realized gains (losses)	(4,053)	-	(4,053)
Net investment return	\$ 3,146	\$ 700	\$ 3,846

NOTE 7 – NOTES PAYABLE

In September 2022, the Chapter obtained a \$425,000 secured loan from Pueblo Bank and Trust for the purchase of their new facilities. The maturity date of the loan is September 1, 2047. The loan is payable in 300 payments of principal and interest of \$2,694. The annual interest rate is 5.75%. The balance outstanding at May 31, 2024 was \$411,791.

The following is a summary of the principal payments due on the note subsequent to May 31, 2024:

Year Ended May 31,	Amount
2025	\$ 8,543
2026	9,055
2027	9,597
2028	10,111
2029	10,777
Thereafter	363,708
	\$ 411,791

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NOTE 8 – 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 16.74%. At May 31, 2024 and 2023, the Chapter had outstanding balances on the credit card of \$3,053 and \$3,716, respectively. The Chapter had no interest expense related to the credit card during the years ended May 31, 2024 or 2023.

NOTE 9 – LEASING ACTIVITIES

The determination of whether an arrangement is a lease is made at the lease’s inception. Under ASC Topic 842, a contract is a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Chapter reassesses the determination of whether an arrangement is a lease if the terms and conditions of the contract are changed.

The Chapter is the lessor in a lease agreement for office space located on the property at 1112 W Pueblo Blvd. Way in Pueblo. The Chapter assumed the lease when the property was purchased in September 2022. The Chapter received \$14,400 in lease payments during the year ended May 31, 2023. The lease expired May 31, 2023 and was not renewed.

NOTE 10 - NET ASSETS

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

	2024	2023
Net assets without donor restrictions:		
Undesignated	\$ 1,164,560	\$ 1,153,255
Total net assets	\$ 1,164,560	\$ 1,153,255

NOTE 11 – 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, 2024 and 2023, all amounts were insured.

NOTE 12 – CONTRIBUTED NONFINANCIAL ASSETS

The Chapter recognized contributed nonfinancial assets of \$182,814 and \$142,796 for the years ended May 31, 2024 and 2023 respectively. Contributions consist of clothing items which are sold and recorded at thrift store value. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

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NOTE 13 – 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>2024</u>				
Fashion show	\$ 102,049	\$ 49,340	\$ 2,996	\$ 49,713
 <u>2023</u>				
Fashion show	\$ 85,474	\$ 44,569	\$ 2,286	\$ 38,619