



Financial Statements
May 31, 2019 and 2018

Assistance League[®] of Salt Lake City

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Independent Auditor's Report

To the Board of Directors
Assistance League of Salt Lake City
Salt Lake City, UT

Report on the Financial Statements

We have audited the accompanying financial statements of Assistance League of Salt Lake City (a nonprofit organization), which comprise the statements of financial position as of May 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assistance League of Salt Lake City as of May 31, 2019, and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Salt Lake City, Utah
August 15, 2019

Assistance League of Salt Lake City
 Statements of Financial Position
 May 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents (Note 3)	\$ 812,708	\$ 885,586
Investments (Note 4)	390,314	392,257
Prepaid expenses and other assets	30,473	11,625
Inventories (Note 6)	66,164	56,410
Property and equipment, net (Note 7)	1,005,157	989,925
	\$ 2,304,816	\$ 2,335,803
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 28,494	\$ 19,432
Accrued expenses	9,181	1,516
Deferred revenue	15,655	15,980
Total liabilities	53,330	36,928
Net Assets (Note 8)		
Without donor restrictions	2,251,486	2,298,875
	\$ 2,304,816	\$ 2,335,803

Assistance League of Salt Lake City
Statements of Activities
For the Years Ended May 31, 2019 and 2018

	2019	2018
Unrestricted Support and Revenue		
Fundraising		
Thrift shop revenue		
Contributions of merchandise	\$ 591,132	\$ 601,470
Sales of donated merchandise	578,935	594,678
Less value of merchandise sold	(578,935)	(594,678)
Net revenue from thrift shop	591,132	601,470
Special events and other fundraising activities revenue		
Revenue	89,714	87,929
In-kind contributions	10,412	12,517
Less direct costs	(16,118)	(19,778)
Net revenue from special events	84,008	80,668
Contributions and grants	195,407	204,187
In-kind contributions	6,361	8,678
Membership dues	18,203	17,788
Net investment return	(3,294)	30,403
Interest income	2,554	1,460
Other	3,899	16,222
Total unrestricted support and revenue	898,270	960,876
Expenses		
Program services		
Operation School Bell	413,981	440,674
Operation Healthy Teeth	223,722	161,809
Baby Bundles	56,814	49,920
Eye on Community	38,122	40,472
Brighter Tomorrows	24,325	28,686
Book Bank	28,918	29,819
Assault Survivor Kits	18,775	20,052
Assisteens Community Service	7,204	7,178
Act III	1,003	1,818
Total program services expenses	812,864	780,428
Supporting services		
Fundraising		
Thrift shop	85,880	76,048
Special events and other fundraising activities indirect costs	4,746	4,140
Management and general	32,369	38,505
Membership development	9,800	9,665
Total supporting services expenses	132,795	128,358
Total expenses	945,659	908,786
Change in Net Assets Without Donor Restrictions	(47,389)	52,090
Net Assets - Beginning of Year	2,298,875	2,246,785
Net Assets - End of Year	\$ 2,251,486	\$ 2,298,875

Assistance League of Salt Lake City
Statement of Functional Expenses
Year Ended May 31, 2019

	Program Services									Supporting Services					Total Year Ended May 31, 2019 Expenses	
	Operation School Bell*	Operation Healthy Teeth	Baby Bundles	Eye On Community	Brighter Tomorrows	Book Bank	Assault Survivor Kits*	Assistees* Community Service	Act III	Total Program Services	Thrift Shop	Special Events	Management and General	Membership Development		Total Supporting Services
Program Supplies	\$ 330,755	\$ 204,295	\$ 50,111	\$ 33,147	\$ 19,908	\$ 23,897	\$ 16,014	\$ 5,987	\$ 60	\$ 684,174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 684,174
Occupancy																
Utilities	6,127	2,219	740	528	344	421	317	106	106	10,908	6,894	-	230	-	7,124	18,032
Maintenance and repairs	15,876	5,687	1,896	1,354	254	1,083	812	271	271	27,504	37,616	-	2,545	-	40,161	67,665
Insurance	5,195	1,881	627	448	498	358	269	90	90	9,456	9,454	-	3,164	-	12,618	22,074
Deprecation	16,530	5,985	1,995	1,425	267	1,140	855	285	285	28,767	5,077	-	1,781	-	6,858	35,625
Postage and printing	27,866	246	327	420	7	146	30	124	6	29,172	661	228	49	-	938	30,110
Printing and reproduction	3,007	1,067	356	254	48	1,438	152	68	51	6,441	1,836	3,023	317	-	5,176	11,617
Professional services	-	-	-	-	-	-	-	-	-	-	-	-	14,700	-	14,700	14,700
Public relations and advertising	395	143	48	34	6	27	20	7	7	687	121	-	1,943	-	2,064	2,751
Office supplies	7,705	2,009	651	465	154	372	279	257	118	12,010	13,535	647	1,184	-	15,366	27,376
National dues	-	-	-	-	-	-	-	-	-	-	-	-	-	9,800	9,800	9,800
AL Circle Fund	-	-	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000	1,000
Education	-	-	-	-	-	-	-	-	-	-	-	-	2,511	-	2,511	2,511
Food and Entertainment	-	-	-	-	-	-	-	-	-	-	-	16,118	-	-	16,118	16,118
Cost/value of merchandise sold	-	-	-	-	-	-	-	-	-	-	578,935	-	-	-	578,935	578,935
Bank service charges	-	-	-	2	-	-	-	-	-	2	9,275	848	106	-	10,229	10,231
Other	525	190	63	45	2,839	36	27	9	9	3,743	1,411	-	2,839	-	4,250	7,993
Total expenses	\$ 413,981	\$ 223,722	\$ 56,814	\$ 38,122	\$ 24,325	\$ 28,918	\$ 18,775	\$ 7,204	\$ 1,003	\$ 812,864	\$ 664,815	\$ 20,864	\$ 32,369	\$ 9,800	\$ 727,848	\$ 1,540,712
Less expenses included with revenue on statement of activities	-	-	-	-	-	-	-	-	-	-	(578,935)	(16,118)	-	-	(595,053)	(595,053)
Total expenses per statement of activities	\$ 413,981	\$ 223,722	\$ 56,814	\$ 38,122	\$ 24,325	\$ 28,918	\$ 18,775	\$ 7,204	\$ 1,003	\$ 812,864	\$ 85,880	\$ 4,746	\$ 32,369	\$ 9,800	\$ 132,795	\$ 945,659

Assistance League of Salt Lake City
Statement of Functional Expenses
Year Ended May 31, 2018

	Program Services									Supporting Services					Total Year Ended May 31, 2018 Expenses	
	Operation School Bell®	Operation Healthy Teeth	Baby Bundles	Eye On Community	Brighter Tomorrows	Book Bank	Assault Survivor Kits®	Assistees® Community Service	Act III	Total Program Services	Thrift Shop	Special Events	Management and General	Membership Development		Total Supporting Services
Program Supplies	\$ 359,961	\$ 142,461	\$ 43,522	\$ 35,224	\$ 27,081	\$ 24,898	\$ 17,319	\$ 4,629	\$ 814	\$ 655,909	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 655,909
Occupancy																
Utilities	6,932	2,510	837	598	402	478	359	120	120	12,356	7,640	-	248	-	7,888	20,244
Maintenance and repairs	16,502	5,975	1,992	1,423	274	1,138	854	285	285	28,728	27,428	-	1,786	-	29,214	57,942
Insurance	4,379	1,585	528	377	419	302	226	75	75	7,966	7,969	-	2,891	-	10,860	18,826
Deprecation	15,033	5,443	1,814	1,296	243	1,037	778	259	259	26,162	4,617	-	1,620	-	6,237	32,399
Postage and printing	22,805	294	50	563	53	28	21	455	7	24,276	219	290	100	-	609	24,885
Printing and reproduction	5,768	1,926	642	459	86	1,647	275	123	165	11,091	3,397	2,220	573	-	6,190	17,281
Professional services	-	-	-	-	-	-	-	-	-	-	-	-	18,219	-	18,219	18,219
Public relations and advertising	501	181	60	43	8	35	26	9	9	872	154	-	3,392	-	3,546	4,418
Office supplies	4,809	936	309	371	71	162	122	93	60	6,933	13,733	297	1,418	-	15,448	22,381
National dues	-	-	-	-	-	-	-	-	-	-	-	-	-	9,665	9,665	9,665
AL Circle Fund	-	-	-	-	-	-	-	-	-	-	-	-	500	-	500	500
National conferences and meetings	513	186	62	44	35	35	27	9	9	920	672	-	4,301	-	4,973	5,893
Education	-	-	-	-	-	-	-	1,106	-	1,106	-	-	1,990	-	1,990	3,096
Food and entertainment	-	-	-	-	-	-	-	-	-	-	-	19,778	-	-	19,778	19,778
Cost/value of merchandise sold	-	-	-	-	-	-	-	-	-	-	594,678	-	-	-	594,678	594,678
Bank service charges	-	-	-	-	-	-	-	-	-	-	9,954	1,074	127	-	11,155	11,155
Other	3,471	312	104	74	14	59	45	15	15	4,109	265	259	1,340	-	1,864	5,973
Total expenses	\$ 440,674	\$ 161,809	\$ 49,920	\$ 40,472	\$ 28,686	\$ 29,819	\$ 20,052	\$ 7,178	\$ 1,818	\$ 780,428	\$ 670,726	\$ 23,918	\$ 38,505	\$ 9,665	\$ 742,814	\$ 1,523,242
Less expenses included with revenue on statement of activities	-	-	-	-	-	-	-	-	-	-	(594,678)	(19,778)	-	-	(614,456)	(614,456)
Total expenses per statement of activities	\$ 440,674	\$ 161,809	\$ 49,920	\$ 40,472	\$ 28,686	\$ 29,819	\$ 20,052	\$ 7,178	\$ 1,818	\$ 780,428	\$ 76,048	\$ 4,140	\$ 38,505	\$ 9,665	\$ 128,358	\$ 908,786

Assistance League of Salt Lake City
 Statements of Cash Flows
 Years Ended May 31, 2019 and 2018

	2019	2018
Operating Activities		
Change in net assets	\$ (47,389)	\$ 52,090
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	35,625	32,399
Net investment return	3,294	(30,403)
Gain on casualty loss	-	(14,146)
Changes in operating assets and liabilities		
Prepaid expenses and other assets	(18,848)	3,558
Inventories	(9,754)	458
Accounts payable	(13,370)	6,694
Accrued expenses	7,665	(8,914)
Deferred revenue	(325)	750
Net Cash from (used for) Operating Activities	(43,102)	42,486
Investing Activities		
Proceeds from insurance	-	20,864
Purchase of property and equipment	(28,425)	(67,632)
Purchase of investments	(1,351)	(3,823)
Net Cash used for Investing Activities	(29,776)	(50,591)
Net Change in Cash and Cash Equivalents	(72,878)	(8,105)
Cash and Cash Equivalents, Beginning of Year	885,586	893,691
Cash and Cash Equivalents, End of Year	\$ 812,708	\$ 885,586
Supplemental Disclosure of Non-Cash Investing and Financing Activity		
Accounts payable for property and equipment	\$ 22,432	\$ -

Note 1 - Principal Activities and Significant Accounting Policies

Nature of Activities

Assistance League of Salt Lake City was organized under the laws of the State of Utah as a nonprofit corporation established to provide philanthropic service to the community. It is a chartered chapter of National Assistance League. The accompanying financial statements include the activities of the Chapter and its auxiliary, Associates Auxiliary of Assistance League of Salt Lake City (collectively the Chapter). The Chapter provides the following philanthropic programs in the community:

Operation School Bell®

Purchases and distributes new clothing to disadvantaged school children referred by school personnel.

Operation Healthy Teeth

Facilitates the provision of dental treatment and/or dental hygiene education to referred children.

Baby Bundles

Purchases and provides newborn layette items to selected agencies and hospitals for distribution to disadvantaged mothers.

Eye on the Community

Provides aid in response to identified and emerging community needs that are not met by the other programs.

Brighter Tomorrows

Provides appropriate clothing for referred individuals returning to the work force or school.

Book Bank

Plans and implements a literacy program for children and purchases appropriate books.

Assault Survivor Kits

Purchases and provides clothing and hygiene articles to selected agencies for victims of assault.

Assisteens® Community Service

This program consists of the following three sub-programs:

Bunny Baskets – provides bunny baskets to community organizations serving children.

Helping Hearts – provides Valentine’s Day crafts, treats, and/or books to community organizations serving homeless youth or other underserved populations.

Teens Helping Teens – assists community organizations mentoring youth and teens aging out of foster care.

Act III

Prepares and presents entertainment programs to residents in care facilities.

The operation of the Chapter's thrift shop, private donations, foundation grants and other fundraising efforts provide a significant portion of the Chapter's support and revenues.

Cash and Cash Equivalents

The Chapter considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Investments

The Chapter records investment purchases at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Inventories

The Chapter maintains an inventory of new clothing for use in its various programs, including Operation School Bell®, which is stated at the lower of cost or net realizable value determined by first-in, first-out method. The Chapter also maintains an inventory of donated used clothing, furniture and household items for resale in the Chapter's thrift shop. Donated inventory is valued at its estimated fair market value.

Property and Equipment

Property and equipment additions are recorded at cost or, if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from ten to forty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended May 31, 2019 and 2018.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-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. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and capital expenditures.

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 that resources be maintained in perpetuity. The Chapter reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. At May 31, 2019 and 2018, the Chapter has no donor restricted net assets.

Deferred 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.

Revenue and Revenue Recognition

Revenue is recognized when earned. Revenues from the sale of donated used clothing and household items from the Chapter's thrift shop are recognized when the sale occurs. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Chapter's program services, administration, and fundraising and development activities; A significant portion of the Chapter's functions and programs are conducted by unpaid member volunteers. However, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. During the year ended May 31, 2019, these volunteers donated approximately 33,326 hours with an estimated value of \$859,144. This value was computed using an estimated hourly rate of \$25.78, based upon the average hourly earnings of nonagricultural workers for the year ended May 31, 2019, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, which includes 12% for estimated fringe benefits. During the year ended May 31, 2018, these volunteers donated approximately 34,143 hours with an estimated value of \$851,868. This value was computed using an estimated hourly rate of \$24.95, based upon the average hourly earnings of nonagricultural workers for the year ended May 31, 2018, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, which includes 12% for estimated fringe benefits.

Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received.

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, office supplies, postage and printing and other, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Chapter is organized as an Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A), and has been determined not to be a private foundation under Section 509(a)(2). Exempt status is also recognized by the State of Utah under the same IRC section. The Chapter is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Chapter is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Chapter has determined it 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.

The Chapter believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Chapter would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred

Estimates

The preparation of financial statements in conformity with 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 revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At May 31, 2019, the chapter had no uninsured deposits at these institutions. To date, the Chapter has not experienced losses in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by management and the Finance Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Adoption of Financial Accounting Standards Board (FASB) Accounting Standards Update 2016-14

As of June 1, 2018, Assistance League of Salt Lake City adopted the provisions of FASB Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The standard improves the usefulness and understandability of the financial statement reporting. Accordingly, the accompanying financial statements and related notes follow the net asset classification, presentation, and disclosure requirements prescribed by the ASU.

The amendments should be applied on a retrospective basis; however, if presenting comparative financial statements, the ASU allows for the option to omit, for any periods presented before the period of adoption, the analysis of expenses by both natural classification and functional classification (the separate presentation of expenses by functional classification and expenses by natural classification is still required), and the disclosure about liquidity and availability of resources. The Chapter has elected not to present comparative information for these amendments.

Subsequent Events

Subsequent events have been evaluated through August 15, 2019, the date the financial statements were available to be issued.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consist of the following at May 31, 2019 and 2018:

	2019	2018
Checking Accounts		
Wells Fargo	\$ 26,029	\$ 84,146
Zions Bank	93,662	110,295
Chase	137,813	149,689
Total checking accounts	257,504	344,130
Savings Accounts		
Wells Fargo	113,472	113,413
Chase	57,117	85,093
Zions Bank	137,325	136,777
TIAA	247,290	206,173
Total savings accounts	555,204	541,456
Total cash and cash equivalents	\$ 812,708	\$ 885,586

Note 3 - Investments

Investments as of May 31, 2019 and 2018, are stated at fair value and consist of mutual funds. For the years ended May 31, 2019 and 2018, net realized and unrealized gains (losses) were (\$13,414) and \$21,186, respectively and interest income and dividends were \$10,120 and \$9,217, respectively.

Note 4 - Fair Value Measurements

The Chapter reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting Chapter. Unobservable inputs are inputs that reflect the reporting Chapter's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk or liquidity profile of the asset or liability.

The Chapter's investments are reported at fair value as determined using Level 1 inputs under the fair value hierarchy because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values. The following table presents assets and liabilities measured at fair value on a recurring basis, at May 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Mutual funds (level 1)		
Equity funds	\$ 266,069	\$ 243,492
Fixed income	<u>124,245</u>	<u>148,765</u>
Total	<u>\$ 390,314</u>	<u>\$ 392,257</u>

Note 5 - Inventories

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

	<u>2019</u>	<u>2018</u>
Thrift shop (used clothing, furniture and household items)	\$ 48,014	\$ 43,573
Operation School Bell® (new clothing)	12,970	10,095
Other program inventories	<u>5,180</u>	<u>2,742</u>
Total inventories	<u>\$ 66,164</u>	<u>\$ 56,410</u>

Note 6 - Property and Equipment

Property and equipment consists of the following at May 31, 2019 and 2018:

	2019	2018
Buildings and improvements	\$ 1,251,859	\$ 1,248,372
Land	464,490	464,490
Parking lot improvements	53,202	53,202
Equipment	33,667	31,161
Fence	3,061	3,061
Construction in Process	44,864	-
	1,851,143	1,800,286
Less accumulated depreciation	(845,986)	(810,361)
Total property and equipment, net	\$ 1,005,157	\$ 989,925

Note 7 - Leases

The Company office equipment under various short- and long-term leases. The leases expire at various dates through October 2022.

Future minimum lease payments are as follows:

Years Ending May 31,		
2020	\$	2,128
2021		2,128
2022		2,000
2023		567
		6,823
	\$	6,823

Total lease expense for the years ended May 31, 2019 and 2018, totaled \$2,153 and \$1,936, respectively.

Note 8 - Net Assets

At May 31, 2019 and 2018, net assets were designated by the board of directors as follows:

	2019	2018
Net assets without donor restrictions		
Designated for future operating needs	\$ 851,525	\$ 893,500
Designated for capital expenditures	43,000	50,000
Undesignated	1,356,961	1,355,375
Total net assets without donor restrictions	\$ 2,251,486	\$ 2,298,875

Note 9 - Liquidity and Availability

Assistance League of Salt Lake City regularly monitors liquidity required to meet its operating needs and other contractual commitments. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following:

Cash and cash equivalents	\$	812,708	
Investments		390,314	
		1,203,022	
	\$	1,203,022	

To build upon past achievements and ensure future sustainability, the Chapter has a policy that requires the board to maintain net assets without donor restrictions sufficient for one year's operating expenses. In addition to the financial assets noted above, the Chapter has thrift shop inventory that will likely be converted to cash or available for general expenditure during the course of the next year's operations.

Note 10 - Special Events

The Chapter has various fundraising events to help fund operations. The revenue and related expenses from such events for the years ended May 31, 2019 and 2018, are as follows:

	2019			
	Revenue	Direct Costs	Other Event Costs	Net Revenue
Annual Appeal 2018-2019	\$ 31,578	\$ -	\$ 2,431	\$ 29,147
Women of Distinction Luncheon	32,561	6,206	2,076	24,279
Wine Tasting	34,912	9,912	-	25,000
Community Newsletter	1,075	-	239	836
	\$ 100,126	\$ 16,118	\$ 4,746	\$ 79,262
	2018			
	Revenue	Direct Costs	Other Event Costs	Net Revenue
Annual Appeal 2017-2018	\$ 28,258	\$ -	\$ 2,261	\$ 25,997
Women of Distinction Luncheon	33,621	7,761	1,680	24,180
Wine Tasting	37,992	12,017	150	25,825
Community Newsletter	575	-	49	526
	\$ 100,446	\$ 19,778	\$ 4,140	\$ 76,528

Note 11 - Noncash Contributions

During the years ended May 31, 2019 and 2018, in addition to contributions of merchandise to the Chapter's thrift shop, the Chapter received other noncash contributions that have been reflected in the accompanying financial statements.

Noncash contributions for the years ended May 31 are as follows:

	<u>2019</u>	<u>2018</u>
Fundraising supplies	\$ 10,412	\$ 12,517
Professional services	<u>6,361</u>	<u>8,678</u>
Total	<u>\$ 16,773</u>	<u>\$ 21,195</u>