

MRJENOVICH & BERTUCCI, LTD.
Certified Public Accountants

Assistance League of Chicagoland West

Financial Statements

May 31, 2023 and 2022

Assistance League of Chicagoland West

Table of Contents

	Page
Independent Auditors' Report	1-2
Basic Financial Statements:	
Statements of Financial Position.	3
Statements of Activities	4
Statements of Cash Flows	5
Statement of Functional Expenses	6-7
Notes to the Financial Statements.	8-15

Independent Auditors' Report

To the Board of Directors of
Assistance League of Chicagoland West

Opinion

We have audited the accompanying financial statements of Assistance League of Chicagoland West (a not-for-profit organization) which comprise the statements of financial position as of May 31, 2023 and May 31, 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assistance League of Chicagoland West as of May 31, 2023 and May 31, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Assistance League of Chicagoland West and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Assistance League of Chicagoland West's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Assistance League of Chicagoland West's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Assistance League of Chicagoland West's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Respectfully submitted,



Mrjenovich & Bertucci, Ltd.
Certified Public Accountants

Burr Ridge, Illinois
September 29, 2023

Assistance League of Chicagoland West
 Statements of Financial Position
 May 31, 2023 and 2022

	Assets	
	2023	2022
Current Assets:		
Cash and Cash Equivalents:		
Checking and Savings	\$ 13,076	\$ 5,884
Money Market	132,755	386,540
Total Cash and Cash Equivalents	\$ 145,831	\$ 392,424
Certificates of Deposit	256,811	53,876
Accounts Receivable	-0-	-0-
Interest Receivable	984	14
Prepaid Expenses	21,852	15,191
Total Current Assets	\$ 425,478	\$ 461,505
Property and Equipment at Net Book Value:		
Property and Equipment	\$ 952	\$ 1,201
Other Assets:		
Operating Lease Right of Use Assets	\$ 232,386	\$ -0-
Security Deposit - Rent	3,295	3,295
Total Other Assets	\$ 235,681	\$ 3,295
Total Assets	\$ 662,111	\$ 466,001
	Liabilities and Net Assets	
Current Liabilities:		
Accounts Payable	\$ 9,216	\$ 8,493
Accrued Liabilities	1,658	1,893
Deferred Revenues	-0-	1,300
Deferred Membership Dues	5,730	5,799
Deferred Rent	26,164	16,771
Short-Term Lease Liability	57,840	-0-
Total Current Liabilities	\$ 100,608	\$ 34,256
Long-Term Liabilities:		
Lease Liability	\$ 232,386	\$ -0-
Less: Short-Term Portion of Lease Liability	(57,840)	-0-
Total Long-Term Liabilities	\$ 174,546	\$ -0-
Net Assets:		
Without Donor Restrictions	\$ 377,534	\$ 431,745
With Donor Restrictions	9,423	-0-
Total Net Assets	\$ 386,957	\$ 431,745
Total Liabilities and Net Assets	\$ 662,111	\$ 466,001

See Independent Auditors' Report and Notes to the Financial Statements.

Assistance League of Chicagoland West
Statements of Activities
For the Two Years Ended May 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Percent of Revenue	Without Donor Restrictions	With Donor Restrictions	Percent of Revenue
Revenue, Gains, and Other Support:						
Fundraising:						
Special Event Revenue	\$ 288,620	\$ -0-	97.7 %	\$ 259,614	\$ -0-	85.8 %
Less: Cost of Direct Benefits to Attendees	(79,654)	-0-	(27.0)	(62,114)	-0-	(20.5)
Net Fundraising Revenue	\$ 208,966	\$ -0-	70.7 %	\$ 197,500	\$ -0-	65.3 %
Contributions and Grants	49,827	9,423	20.0	91,553	-0-	30.3
Interest Income	4,124	-0-	1.4	585	-0-	0.2
In-Kind Contributions	10,907	-0-	3.7	3,585	-0-	1.2
Membership Revenues	7,854	-0-	2.7	7,317	-0-	2.4
Miscellaneous Revenue	4,383	-0-	1.5	2,000	-0-	0.7
Total Support and Revenue	\$ 286,061	\$ 9,423	100.0 %	\$ 302,540	\$ -0-	100.1 %
Net Assets Released from Restrictions	-0-	-0-	0.0	26,223	(26,223)	0.0
Satisfaction of Program Restrictions	-0-	-0-	0.0	-0-	-0-	0.0
Net Revenue, Gains, and Other Support	\$ 286,061	\$ 9,423	100.0 %	\$ 328,763	\$ (26,223)	100.1 %
Expenses:						
Program Services:						
Operation School Bell *	\$ 153,675	\$ -0-	52.0 %	\$ 144,702	\$ -0-	47.8 %
New Start	122,943	-0-	41.6	102,298	-0-	33.8
Early Reading	-0-	-0-	0.0	-0-	-0-	0.0
Scholars Support	26,181	-0-	8.9	24,779	-0-	8.2
Community Outreach	800	-0-	0.3	636	-0-	0.2
Total Program Services Expenses	\$ 303,599	\$ -0-	102.8 %	\$ 272,415	\$ -0-	90.0 %
Supporting Services:						
Fundraising:						
Special Events	\$ 14,496	\$ -0-	4.9 %	\$ 14,820	\$ -0-	4.9 %
Miscellaneous Fundraising	1,303	-0-	0.4	1,112	-0-	0.4
Total Fundraising	\$ 15,799	\$ -0-	5.3 %	\$ 15,932	\$ -0-	5.3 %
Management and General	13,966	-0-	4.7	12,975	-0-	4.3
Membership Development	6,470	-0-	2.2	5,743	-0-	1.9
Total Supporting Services Expenses	\$ 36,235	\$ -0-	12.2 %	\$ 34,650	\$ -0-	11.5 %
Other (Income) Expense:						
(Gain) Loss on Sale of Investment	\$ 438	\$ -0-	0.1 %	\$ (257)	\$ -0-	0.0 %
Total Other (Income) Expense	\$ 438	\$ -0-	0.1 %	\$ (257)	\$ -0-	0.0 %
Total Expenses	\$ 340,272	\$ -0-	115.1 %	\$ 306,808	\$ -0-	101.5 %
Increase (Decrease) in Net Assets	\$ (54,211)	\$ 9,423	(15.1) %	\$ 21,955	\$ (26,223)	(1.4) %
Net Assets, Beginning of Year	431,745	-0-		409,790	26,223	
Net Assets, End of Year	\$ 377,534	\$ 9,423		\$ 431,745	\$ -0-	

See Independent Auditors' Report and Notes to the Financial Statements.

Assistance League of Chicagoland West
Statements of Cash Flows
For the Two Years Ended May 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities:		
Decrease in Net Assets	\$ (44,788)	\$ (4,268)
Adjustments to Reconcile Decrease in Net Assets to Net Cash (Used) Provided by Operating Activities:		
Depreciation	249	41
(Increase) Decrease in the Following Items:		
Accounts Receivable	-0-	228
Interest Receivable	(970)	98
Prepaid Expenses	(6,661)	2,943
Increase (Decrease) in the Following Items:		
Accounts Payable	723	2,082
Accrued Liabilities	(235)	1,501
Deferred Revenues	(1,300)	300
Deferred Membership Dues	(69)	924
Deferred Rent	9,393	12,463
	9,393	12,463
Net Cash (Used) Provided by Operating Activities	\$ (43,658)	\$ 16,312
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	-0-	(1,242)
Cash Flows from Financing Activities:		
Purchases of Certificates of Deposit	(202,935)	(553)
Net (Decrease) Increase in Cash and Cash Equivalents	\$ (246,593)	\$ 14,517
Cash and Cash Equivalents, Beginning of Year	392,424	377,907
Cash and Cash Equivalents, End of Year	\$ 145,831	\$ 392,424
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for Income Taxes	\$ -0-	\$ -0-
Cash Paid During the Year for Interest	\$ -0-	\$ -0-

See Independent Auditors' Report and Notes to the Financial Statements.

Assistance League of Chicagoland West
Statement of Functional Expenses
For the Year Ended May 31, 2023

Year Ended May 31, 2023

	Program Services				Supporting Services				Total
	Operation School Bell*	New Start	Scholars Support	Community Outreach	Total Program Services	Fundraising Activities	Management and General	Membership Development	
Expenses:									
Program Supplies	\$ 124,262	\$ 99,411	\$ 21,170	\$ 645	\$ 245,488	\$ -	\$ -	\$ -	\$ -
Advertising and Public Relations	-	-	-	-	-	3,075	1,354	-	4,429
Depreciation	115	92	20	1	228	11	10	-	21
Education	17	14	3	-	34	2	2	1,332	1,336
Employee Recruitment Costs	191	153	33	4	381	18	17	-	35
Equipment	77	62	13	-	152	7	7	-	14
Postage	126	101	22	1	250	1,013	11	-	1,024
Printing	-	-	-	-	-	5,026	-	-	5,026
Professional Services	-	-	-	-	-	2,344	6,896	-	9,240
Occupancy:									
Insurance	804	643	137	4	1,588	75	1,025	-	1,100
Rents	26,652	21,322	4,540	137	52,651	2,485	2,363	-	4,848
Utilities	731	585	124	4	1,444	68	65	-	133
Office Supplies	700	560	119	4	1,383	1,675	2,216	1,158	5,049
Meals and Entertainment	-	-	-	-	-	33,565	-	-	33,565
National Dues	-	-	-	-	-	-	-	3,980	3,980
Total	\$ 153,675	\$ 122,943	\$ 26,181	\$ 800	\$ 303,599	\$ 49,364	\$ 13,966	\$ 6,470	\$ 69,800
Less Expenses Included with Revenue on the Statement of Activities	-	-	-	-	-	(33,565)	-	-	(33,565)
Total Expenses	\$ 153,675	\$ 122,943	\$ 26,181	\$ 800	\$ 303,599	\$ 15,799	\$ 13,966	\$ 6,470	\$ 36,235

See Independent Auditors' Report and Notes to the Financial Statements.

Assistance League of Chicagoland West
Statement of Functional Expenses
For the Year Ended May 31, 2022

Year Ended May 31, 2022

	Program Services						Supporting Services			
	Operation School Bell*	New Start	Scholars Support	Community Outreach	Total Program Services	Fundraising Activities	Management and General	Membership Development	Total Supporting Expenses	
Expenses:										
Program Supplies	\$ 115,993	\$ 82,003	\$ 19,863	\$ 510	\$ 218,369	\$ -0-	\$ -0-	\$ -0-	\$ -0-	
Advertising and Public Relations	-0-	-0-	-0-	-0-	-0-	2,499	1,290	-0-	-0-	3,789
Depreciation	20	14	3	-0-	37	2	2	-0-	-0-	4
Education	173	122	31	1	327	42	257	1,349	-0-	1,648
Equipment	3,276	2,316	561	14	6,167	327	281	-0-	-0-	608
Postage	183	129	31	1	344	1,976	16	-0-	-0-	1,992
Printing	-0-	-0-	-0-	-0-	-0-	5,637	-0-	-0-	-0-	5,637
Professional Services	-0-	-0-	-0-	-0-	-0-	1,499	6,500	-0-	-0-	7,999
Occupancy:										
Insurance	806	569	138	4	1,517	81	1,075	-0-	-0-	1,156
Rents	21,655	15,309	3,708	95	40,767	2,164	1,855	-0-	-0-	4,019
Utilities	707	500	121	3	1,331	71	61	-0-	-0-	132
Office Supplies	1,378	975	236	6	2,595	1,583	1,594	614	-0-	3,791
Meals and Entertainment	-0-	-0-	-0-	-0-	-0-	29,032	-0-	-0-	-0-	29,032
National Dues	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,780
National Conferences and Meetings	511	361	87	2	961	51	44	-0-	-0-	95
Total	\$ 144,702	\$ 102,298	\$ 24,779	\$ 636	\$ 272,415	\$ 44,964	\$ 12,975	\$ 5,743	\$ 63,682	
Less Expenses Included with Revenue on the Statement of Activities	-0-	-0-	-0-	-0-	-0-	(29,032)	-0-	-0-	(29,032)	
Total Expenses	\$ 144,702	\$ 102,298	\$ 24,779	\$ 636	\$ 272,415	\$ 15,932	\$ 12,975	\$ 5,743	\$ 34,650	

See Independent Auditors' Report and Notes to the Financial Statements.

Assistance League of Chicagoland West
Notes to the Financial Statements
For the Years Ended May 31, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies

Nature of Activities

Assistance League of Chicagoland West (the Chapter) is a not-for-profit Corporation that was incorporated in 1996 under the laws of the State of Illinois. The Chapter is a chartered chapter of National Assistance League. The accompanying financial statements include the activities of the Chapter. The Chapter's significant program service accomplishments include the following programs:

- Operation School Bell® - Provides low-income students with new winter outerwear at the elementary school level, wardrobe necessities for middle and high school grades, and clothing items and personal hygiene products to resolve student emergencies at school. Reading days are held in elementary schools where members read and donate books, improving chances for scholastic success while fostering a love of reading at home.
- New Start – Provides essential kitchen equipment to individuals and families moving from transitional housing to independent living.
- Scholars Support – Awards scholarships to students attending the College of DuPage. The selection process is based on academic merit, commitment to the student's course of study and financial need.
- Community Outreach – Provides a rapid-response opportunity by which the Chapter can respond to community emergencies or specific unmet needs that do not fit within existing programs and can be address on a limited-time basis during times of crises.

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, payables, and other liabilities.

Basis of Presentation

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the chapter is required to report information regarding its financial position and activities in two classes of net assets:

- *Net assets without donor restrictions* are net assets not subject to donor-imposed restrictions or law.
- *Net assets with donor restrictions* are net assets subject to donor-imposed restrictions that can be fulfilled by actions of the Chapter pursuant to those restrictions or that expire by the passage of time. Contributions restricted by donors whose restrictions are met in the same reporting periods are recorded as without restrictions. Net assets whose use is limited by donor-imposed restrictions are recorded as net assets with restrictions and are released from restrictions when donor stipulations have been met.

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.

See Independent Auditors' Report

Assistance League of Chicagoland West
Notes to the Financial Statements
For the Years Ended May 31, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies (continued)

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. 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 and accounts payable, approximate the carrying values at May 31, 2023, and 2022, based on their short maturities and/or the terms available to the Chapter in financial markets.

Accounts Receivable and Bad Debts

The Chapter can, at times, carry accounts receivable, which consist of scholarship monies refundable back to the Chapter. The Chapter uses the direct write-off method to account for the write-off of uncollectible receivables. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Advertising Costs

The Chapter expenses the costs of advertising and promotional literature during the year incurred. For the years ended May 31, 2023 and 2022, the Chapter incurred \$4,429 and \$3,789 respectively, in advertising costs.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Expense Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the statements 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 Chicagoland West
Notes to the Financial Statements
For the Years Ended May 31, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies (continued)

Contributed Materials and Services

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

In addition, a significant portion of the Chapter's functions and programs 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 and did not enhance non-financial assets. During the year ended May 31, 2023, these volunteers donated approximately 11,708 hours with an estimated value of \$372,314. This value was computed by using an estimated hourly rate of \$31.80, based upon the average hourly earnings of nonagricultural workers for the time period covered by these financial statements, as determined by the United States Department of Labor's Bureau of Labor Statistics, plus 15% for estimated fringe benefits.

Promises to Give

Unconditional promises to give are recognized as contributions in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Promises to give are recorded at net realizable value if they are expected to be collected within one year and at net present value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are met.

Revenue and Revenue Recognition

The Chapter recognizes contributions when cash, securities, other assets or an unconditional promise to give is received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met. Membership dues collected prior to the fiscal year to which they apply are deferred and recognized as revenue over the period to which the dues relate.

All contributions are considered to be available for use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these net assets are reclassified to contributions without donor restrictions 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 support without restrictions.

Assistance League of Chicagoland West
Notes to the Financial Statements
For the Years Ended May 31, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost or at the fair value at the date of donation in the case of donated assets. The Chapter provides for depreciation and amortization of property and equipment by use of the straight-line method over estimated useful lives as follows:

Computer Equipment	3 Years
Furniture and Equipment	5 to 10 Years

Property and equipment consist of the following at May 31:

	2023	2022
Furniture, Fixtures and Equipment	\$ 1,242	\$ 1,242
Computers and Software	-0-	-0-
Leasehold Improvements	-0-	-0-
Total Property and Equipment at Cost	\$ 1,242	\$ 1,242
Less Accumulated Depreciation	(290)	(41)
Net Property and Equipment	\$ 952	\$ 1,201

Depreciation expense was \$249 and \$41 for the years ended May 31, 2023 and 2022, respectively.

Note 2 - Cash and Cash Equivalents

The Chapter considers all cash held in checking, savings and money market accounts as well as all highly liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.

Cash and cash equivalents at May 31, 2023 and 2022 consist of the following:

	2023	2022
Checking Accounts:		
Hinsdale Bank & Trust	\$ 13,076	\$ 5,884
Total checking accounts	\$ 13,076	\$ 5,884
Savings Accounts:		
Hinsdale Bank & Trust – Money Market Savings	\$ 132,755	\$ 386,540
Total savings accounts	\$ 132,755	\$ 386,540
Total cash and cash equivalents	\$ 145,831	\$ 392,424

Assistance League of Chicagoland West
Notes to the Financial Statements
For the Years Ended May 31, 2023 and 2022

Note 3 – Investments

The Chapter carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Restricted gains and investment income whose restrictions are met in the same period the gains or income are recognized are reported as without donor restriction.

Investments are stated at fair value and consist of the following at May 31, 2023:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Hinsdale Bank			
Certificate of Deposit	\$ 54,688	\$ -0-	\$ 54,688
Evergreen Bank			
Certificate of Deposit	101,031	-0-	101,031
Evergreen Bank			
Certificate of Deposit	101,092	-0-	101,092
 Total Investment	\$ 256,811	\$ -0-	\$ 256,811

Certificates of deposit totaling \$256,811 are held as investments. The certificates bear interest of between 2.7% and 4.5% and have a varying maturity greater than three months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

Note 4 – Concentrations of Credit and Market Risk

Financial instruments that potentially expose the chapter to concentrations of credit and market risk consist primarily of cash, cash equivalents and investments. Cash and cash equivalents 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, 2023 the chapter did not have any uninsured amounts). The Chapter has not experienced any losses on its cash or cash equivalents.

Note 5 – Tax Status

The Chapter is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Chapter qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Chapter that is not a private foundation under Section 509(a)(2). The Chapter is also exempt from state income taxes under Section 501(c)(3) of the Revenue and Taxation Code of the State of Illinois.

The Chapter has applied the provisions of the FASB's ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Under ASC 740-10, nonpublic enterprises, including nonprofit Chapters, are required to record a tax liability when substantial uncertainties exist as to whether certain income is exempt from federal, state and local income tax. As of May 31, 2023, the Chapter had no substantial uncertain income tax positions.

See Independent Auditors' Report

Assistance League of Chicagoland West
Notes to the Financial Statements
For the Years Ended May 31, 2023 and 2022

Note 6 – Fundraising Events

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

	2023				2022			
	Revenue	Cost of Direct Benefits to Attendees	Other Event Costs	Net	Revenue	Cost of Direct Benefits to Attendees	Other Event Costs	Net
Books and Brunch	\$288,620	79,654	14,496	\$194,470	\$259,614	62,114	14,820	\$182,680
Total	\$288,620	79,654	14,496	\$194,470	\$259,614	62,114	14,820	\$182,680

Note 7 – Liquidity and Availability of Financial Assets

The following reflects the Chapter's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	2023	2022
Financial assets available to meet cash needs For general expenditure within one year	\$403,626	\$446,314

Note 8 – Change in Accounting Principle

Effective June 1, 2022, the Chapter adopted FASB ASC 842, Leases. The new standard establishes a Right-of-Use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of income.

The Chapter elected to adopt FASB ASC 842, Leases, using the transition method that allows the Chapter to initially apply the new lease standard at the adoption date and, if applicable, recognize a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption. No adjustment was required due to the nature of the existing lease agreements.

Assistance League of Chicagoland West
Notes to the Financial Statements
For the Years Ended May 31, 2023 and 2022

Note 9 - Leases

The Chapter assesses whether an arrangement qualifies as a lease (conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are modified. The Chapter has recognized a liability representing the future lease payments and a right-of-use asset (ROU) representing its right to use the underlying asset for the lease term. As most of the leases do not provide an implicit rate, the Chapter elected to use the practical expedient to use the risk-free rate of return at the commencement date in determining the present value of lease payments. The Chapter has elected to treat leases with a lease term of 12 months or less as short-term leases and are not recorded on the balance sheet. Lease expense is recognized on a straight-line basis over the lease term for short term leases, and variable lease expenses are recognized in the period in which they are incurred.

The Chapter's leases may include one or more options to renew, with renewal terms that can extend the lease term. The exercise of lease renewal options is at the Chapter's sole discretion. If the Chapter has determined certain lease renewal options will be exercised, then those terms will be included in the ROU asset and lease liability. In determining which renewal options the Chapter is likely to execute, management reviews the need for the location, the leasehold improvements at that location, the cost to move operations, and the possibility of relocation. The depreciable life of leased assets and leasehold improvements, if any, are limited by the expected lease term unless there is a transfer of title or bargain purchase option reasonably certain of exercise. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Chapter entered into a three-year operating lease for the Chapter's office located at 120 East Ogden Avenue, Hinsdale, Illinois, that began on September 1, 2009 with an initial expiration date of October 31, 2012. The aforementioned lease was cancelled, and a new lease was entered into on April 12, 2012 which began on June 1, 2012 and was set to expire May 31, 2017. This lease has subsequently been extended through August 15, 2027.

Rent is payable in monthly installments. The five-year minimum rental and lease payment obligations of the Chapter are as follows:

<u>Dates</u>	
June 1, 2023 to May 31, 2024	\$ 61,740
June 1, 2024 to May 31, 2025	62,969
June 1, 2025 to May 31, 2026	64,223
June 1, 2026 to May 31, 2027	65,510
June 1, 2027 to May 31, 2028	<u>13,704</u>
Total Lease Payments	\$ 268,146
Less: Rent Deferral	(26,164)
Less: Discount on Lease Liability	<u>(9,596)</u>
Present Value of Lease Liability	<u>\$ 232,386</u>

Operating cash flows related to operating leases for the year ended May 31, 2023, totaled \$48,107.

The components of lease expense for the year ended May 31, 2023, consisted of rent expense in the amount of \$52,596 and implicit interest in the amount of \$4,903.

Assistance League of Chicagoland West
Notes to the Financial Statements
For the Years Ended May 31, 2023 and 2022

Note 10 – Net Assets

Net assets were restricted by donors or designated by the Chapter as follows at May 31:

	<u>2023</u>	<u>2022</u>
Net Assets Without Donor Restrictions:		
Designated for Future Operating Needs	\$ -0-	\$ -0-
Undesignated	377,534	431,745
Total Net Assets Without Donor Restrictions	<u>\$ 377,534</u>	<u>\$ 431,745</u>
Net Assets With Donor Restrictions		
Operation School Bell	\$ -0-	\$ -0-
New Start	9,423	-0-
Total Net Assets With Donor Restrictions	<u>\$ 9,423</u>	<u>\$ -0-</u>
Total Net Assets	<u>\$ 386,957</u>	<u>\$ 431,745</u>

Note 11 – Noncash Contributions

During each year, the Chapter received noncash contributions of materials that have been reflected in the financial statements of the Chapter as follows at May 31:

	<u>2023</u>	<u>2022</u>
Program Supplies for General Activities	\$ 10,907	\$ 3,585
Donated Raffle Items	3,628	3,120
Donated Silent Auction Items	42,462	29,962
Total Noncash Contributions	<u>\$ 56,997</u>	<u>\$ 36,667</u>

These contributions were recognized as revenue at their estimated fair value based upon donor assessed values.

Note 12 – Date of Management Review and Subsequent Events

In preparing the financial statements, the Chapter has evaluated events and transactions for potential recognition or disclosure through September 29, 2023, the date that the financial statements were available to be issued.

As of September 29, 2023, there were no subsequent events that materially affect the financial statements.

