

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY
FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT
MAY 31, 2022

ASSISTANCE LEAGUE OF GREATER COLLIN COUNTY

MAY 31, 2022

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LORI K. ORTA, P.C.
Certified Public Accountant

Independent Accountant's Review Report

To the Board of Directors
Assistance League of Greater Collin County
Plano, TX

We have reviewed the accompanying financial statements of Assistance League of Greater Collin County (a nonprofit organization) (the "Chapter"), which comprise the statement of financial position as of May 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"); 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 American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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

Summarize Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Chapter's reviewed financial statements for the year ended May 31, 2021, from which the summarized information was derived.

Dallas, Texas
August 15, 2022

Assistance League of Greater Collin County
STATEMENT OF FINANCIAL POSITION
May 31, 2022
(With comparative totals for 2021)
(See Independent Accountant's Review Report)

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 334,808	\$ 253,557
Grant and contribution receivables	-	15,080
Inventory	2,326	1,763
Prepaid expenses	7,486	4,033
Investments	110,156	108,606
Total current assets	454,776	383,039
PROPERTY AND EQUIPMENT - NET	-	-
DEPOSITS	3,286	7,727
TOTAL ASSETS	\$ 458,062	\$ 390,766
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 10,507	\$ 7,235
Deferred membership dues	4,531	4,325
Total current liabilities	15,038	11,560
NET ASSETS		
Without donor restrictions		
Undesignated	319,738	250,972
Board designated for operating reserve	123,286	128,234
Total without donor restrictions	443,024	379,206
Total net assets	443,024	379,206
TOTAL LIABILITIES AND NET ASSETS	\$ 458,062	\$ 390,766

The accompanying notes are an integral part of these financial statements.

Assistance League of Greater Collin County
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2022
(With summarized comparative totals for 2021)
(See Independent Accountant's Review Report)

	Year Ended May 31, 2022			Year Ended
	Without Donor	With Donor	Total	May 31, 2021
	Restrictions	Restrictions		Totals
SUPPORT AND REVENUES				
Fundraising and special events	\$ 24,496	\$ -	\$ 24,496	\$ 22,275
Less: direct expenses	(5,932)	-	(5,932)	(5,361)
Net fundraising and special events	18,564	-	18,564	16,914
Contributions	162,435	-	162,435	133,638
In-kind goods and services	1,147	-	1,147	3,373
Membership dues	5,768	-	5,768	6,842
Investment income	2,598	-	2,598	1,759
Other income	642	-	642	-
Total support and revenues	<u>191,154</u>	<u>-</u>	<u>191,154</u>	<u>162,526</u>
EXPENSES				
Program services				
Operation School Bell	98,813	-	98,813	156,451
Pass the Word	3,536	-	3,536	1,051
Wee Memories	3,702	-	3,702	2,682
Caring in Action	2,051	-	2,051	7,230
Outreach Program	-	-	-	7,686
Total program services	<u>108,102</u>	<u>-</u>	<u>108,102</u>	<u>175,100</u>
Supporting services				
Fundraising				
Other fundraising	2,456	-	2,456	3,752
Management and general	15,398	-	15,398	13,973
Membership development	1,380	-	1,380	4,590
Total supporting services	<u>19,234</u>	<u>-</u>	<u>19,234</u>	<u>22,315</u>
Total expenses	<u>127,336</u>	<u>-</u>	<u>127,336</u>	<u>197,415</u>
CHANGE IN NET ASSETS	63,818	-	63,818	(34,889)
NET ASSETS, at beginning of year	<u>379,206</u>	<u>-</u>	<u>379,206</u>	<u>414,095</u>
NET ASSETS, at end of year	<u>\$ 443,024</u>	<u>\$ -</u>	<u>\$ 443,024</u>	<u>\$ 379,206</u>

The accompanying notes are an integral part of these financial statements.

Assistance League of Greater Collin County
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended May 31, 2022
(With summarized comparative totals for 2021)

	Year Ended May 31, 2022											Year Ended May 31, 2021 Total Expenses
	Program Services					Supporting Services						
	Operation School Bell	Pass the Word	Wee Memories	Caring in Action	Total Program Services	Fundraising		Management and General	Membership Development	Total Supporting Services	Year Ended May 31, 2022 Total Expenses	
					Special Events Costs	Other Fund Raising						
Program inventory and supplies	\$ 67,619	\$ 3,050	\$ 1,986	\$ 335	\$ 72,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,990	\$ 129,746
Occupancy:												
Facilities rent	21,539	308	1,538	1,538	24,923	-	1,231	4,616	-	5,847	30,770	46,082
Insurance	4,395	63	63	63	4,584	-	314	1,381	-	1,695	6,279	6,073
National Dues	-	-	-	-	-	-	-	-	1,380	1,380	1,380	4,590
Event costs	-	-	-	-	-	5,932	154	-	-	6,086	6,086	5,533
Office supplies	4,897	70	70	70	5,107	-	350	1,539	-	1,889	6,996	2,754
Professional services	-	-	-	-	-	-	-	3,235	-	3,235	3,235	3,235
Education	-	-	-	-	-	-	-	1,168	-	1,168	1,168	58
Public Relations	363	45	45	45	498	-	407	-	-	407	905	2,879
Other	-	-	-	-	-	-	-	3,459	-	3,459	3,459	1,826
Total expenses	98,813	3,536	3,702	2,051	108,102	5,932	2,456	15,398	1,380	25,166	133,268	202,776
Less expenses included with revenues on statement of activities	-	-	-	-	-	(5,932)	-	-	-	(5,932)	(5,932)	(5,361)
Total expenses per statement of activities	\$ 98,813	\$ 3,536	\$ 3,702	\$ 2,051	\$ 108,102	\$ -	\$ 2,456	\$ 15,398	\$ 1,380	\$ 19,234	\$ 127,336	\$ 197,415

The accompanying notes are an integral part of these financial statements.

Assistance League of Greater Collin County
STATEMENT OF CASH FLOWS
For the Year Ended May 31, 2022
(With summarized comparative totals for 2021)
(See Independent Accountant's Review Report)

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 63,818	\$ (34,889)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Realized and unrealized gain on investments	(2,302)	(1,276)
Changes in operating assets and liabilities, net		
Grant and contribution receivables	15,080	(10,903)
Inventory	(563)	68,879
Prepaid expenses	(3,453)	4,560
Deposits	4,441	(4,811)
Accounts payable	3,272	4,079
Deferred membership dues	206	(2,799)
Net cash provided by operating activities	80,499	22,840
Cash flows from investing activities		
Reinvested earnings on investments	(296)	(239)
Proceeds from sale of investments	30,512	162,644
Purchases of investments	(29,464)	(162,644)
Net cash provided by (used in) investing activities	752	(239)
Increase in cash and cash equivalents	81,251	22,601
Cash and cash equivalents, at beginning of year	253,557	230,956
Cash and cash equivalents, at end of year	\$ 334,808	\$ 253,557

The accompanying notes are an integral part of these financial statements.

Assistance League of Greater Collin County
NOTES TO FINANCIAL STATEMENTS
(See Independent Accountant's Review Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Assistance League of Greater Collin County (the "Chapter") is a Texas nonprofit organization formed to manage and staff philanthropic projects devoted to assisting members of the community. The Chapter touches the lives of the young, the elderly, and the abused.

The Chapter is a chartered chapter of the National Assistance League® ("NAL") which serves as the small governing body of the various leagues (chapters) throughout the United States of America. A portion of dues collected locally is remitted to NAL. The Chapter operates or supports the following philanthropic projects:

Operation School Bell ® (OSB) is comprised of multiple programs:

OSB Retail organizes shopping days in conjunction with JCPenney and Target for grade school students in three Collin County school districts who are referred to the program by school counselors, parent-liaisons, and/or social workers.

OSB Warm Feelings provides fleece blankets made by members to a middle school. The school staff gives the blankets to students known to be home insecure. This program may also provide school supplies to the middle school.

OSB Dr. Seuss schedules events at one or more grade schools during the week of Dr. Seuss's birthday. Members read Dr. Seuss books to 1st Grade classes. Each student is also given a book and the library is given a set of Dr. Seuss books.

OSB Listen and Learn pairs members with 2nd Grade students. Members meet with students individually once a week. Students read for 20 minutes to the member. The object is to help students improve comprehension while they read. Students are selected by their teachers and the books are provided by the school.

Pass the Word distributes reading materials to patients at Texas Health Presbyterian Hospital in Plano.

Wee Memories is a philanthropic program in conjunction with Texas Health Presbyterian Hospital in Plano and Allen that provides a neonatal memory box for parents of deceased newborns.

Caring in Action provides opportunities for members to create crafts and provide activities based on needs of various organizations and agencies in the community.

Outreach is a philanthropic program designed to provide the chapter the flexibility to engage in activities that are specifically short term or one-time-only responses to community needs.

Hi & Dry program provides packages of new underwear to the school nurses at each Title I elementary school for little ones who may have an accident during school hours. The Chapter currently serves 36 Title I schools.

The Chapter's support and revenues come primarily from contributions, grants and other fundraising.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Assistance League of Greater Collin County
NOTES TO FINANCIAL STATEMENTS
(See Independent Accountant's Review Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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 restrictions. See Note 7.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets without donor restrictions class. There are no net assets with donor restrictions as of May 31, 2022. See Note 6.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Chapter's reviewed financial statements for the year ended May 31, 2021, from which the summarized information was derived.

Liquidity and Availability

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash. See Note 10.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an initial maturity of three months or less.

Investments

At May 31, 2022, the Chapter's investments consists of a money market fund, equities, and exchange-traded products that are stated at fair value in the accompanying statement of financial position. Interest, dividends and realized and unrealized gains and losses are reporting within investment income in the accompanying statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations.

Inventory

The Chapter maintains an inventory of new underwear and hygiene products for use in its Operation School Bell program which is stated at the lower of cost or market determined by the first-in, first-out method.

Assistance League of Greater Collin County
NOTES TO FINANCIAL STATEMENTS
May 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Chapter applies the U.S. GAAP authoritative guidance for fair value measurements and disclosures, which defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. U.S. GAAP describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity, are significant to the fair value of the assets or liabilities and reflect management's assumptions and best estimates based on available data.

Valuation techniques used fair value measurements needs to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicate of net realizable value or reflective of future fair values. Furthermore, although management believes the valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date.

Property and Equipment

Property, plant and equipment are recorded at cost if purchased, or at estimated fair value as of the date of donation. The Chapter capitalizes expenditures for these assets in excess of \$500. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed on a straight-line basis over estimated useful lives as follows:

	<u>Estimated Lives</u>
Buildings and improvements	10 - 45 years
Furniture and equipment	5 - 10 years
Equipment under capital lease	6 years

Contributions

Contributions and grants are generally recorded only upon receipt unless evidence of an unconditional promise to give has been received. Unconditional promises to give (pledges receivable) that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected and reduced by an allowance for uncollectible amounts. Conditional promises to give are recognized when the conditions to which they are subject are met.

Financial Instruments and Credit and Market Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit and market risk consist principally of cash and cash equivalents, investments - other, and inventory.

Cash and cash equivalents and investments are placed with high credit quality financial institutions to minimize risk. At times cash and cash equivalents and investments may exceed Federal Deposit Insurance Corporation limits and other insured limits, which is up to \$250,000. At May 31, 2021, the Chapter had no uninsured balances at these institutions. The Chapter has not experienced any losses on its cash and cash equivalents.

Assistance League of Greater Collin County
NOTES TO FINANCIAL STATEMENTS
May 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments and Credit and Market Risk Concentrations (Continued)

Investments are subject to various risks, such as interest rate, credit and overall market volatility risks. The Chapter maintains investments which are insured under Securities Investor Protection Corporation (“SPIC”) limits. SPIC provides up to \$500,000 of protection for securities and \$250,000 of protection for cash per customer. At May 31, 2021, the Chapter had no uninsured balances and has not experienced any losses on its investments.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (“COVID-19”) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of business and shelter in place orders. In response, the U.S. Government enacted the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, which includes significant provisions to provide relief and assistance to affected organizations. In response to the pandemic, the Chapter has pivoted to a virtual platform and redirected their programs to continue transforming the lives of children and adults by providing clothing and/or supplies to those in need. While the disruption is currently expected to be temporary, there is considerable uncertainty around the direction of the closings and shelter in places orders and the ultimate impact of the CARES act and other governmental initiatives. It is at least reasonably possible that this matter will negatively impact the Chapter. However, the financial impact and duration cannot be reasonably estimated at this time.

Revenue Recognition

Membership dues are recognized as income during the period to which they are applicable. Accordingly, dues collected prior to the fiscal year to which they apply are deferred and recognized in the following period.

Revenues from special events are recognized when the events are held.

In-kind Goods and Services

In-kind goods are reflected as contributions in the accompanying financial statements at their estimated values on the dates of receipt.

The value of in-kind goods is as follows for the year ended May 31, 2022:

Program inventory and supplies	\$ 257
Other	<u>890</u>
	<u>\$ 1,147</u>

In-kind services are reflected in the financial statements at fair value of the services received if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. For the year ended May 31, 2022, the value of in-kind services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Chapter. Total donated hours were estimated to be 6,800 for the year ended May 31, 2022. The value of a donated hour, as determined by the U.S. Department of Labor, was approximately \$29.72 for the year ended May 31, 2022, giving a total estimated value of these unrecorded services of \$202,000. The value of this contributed time is not reflected in the accompanying financial statements because it does not meet the above criteria.

Assistance League of Greater Collin County
 NOTES TO FINANCIAL STATEMENTS
 May 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities and changes in net assets. Expenses that are readily identifiable to a single program service or supporting service are charged directly to that function. However, certain categories of expenditures are attributable to more than one function and therefore, require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include program inventory and supplies, facilities rent and insurance, office supplies and public relations, which are based on management’s estimates of square footage and inventory.

Income Tax Status

The Chapter has been classified as an entity exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Accordingly, no provision has been made for federal income taxes in the financial statements. The Chapter has not been notified of any pending examinations by any taxing authorities for open tax years and is not aware of any uncertain tax positions. The Chapter qualifies for charitable contribution deduction under Section 170(b)(1)(A). The Chapter had no unrelated business income or the year ended May 31, 2022. The Chapter is also exempt from the Texas State Margin Tax and Sales Taxes under Texas Tax Code Secs. 151.310 and 171.063.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimated.

2. CASH AND CASH EQUIVALENTS

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

Checking account	\$ 238,170
Savings account	96,179
Other	459
	\$ 334,808

3. INVENTORY

Inventory consists of the following at May 31, 2022:

OSB underwear	\$ 1,388
OSB hygiene products	938
	\$ 2,326

4. INVESTMENTS

The following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes to the methodologies used at May 31, 2022.

Money market fund – valued at using a net asset value of \$1.

Equities and exchange - traded products – valued at quoted market prices, which for commingled funds represent the net asset value of shares held by the Chapter at year end.

Assistance League of Greater Collin County
 NOTES TO FINANCIAL STATEMENTS
 May 31, 2022

4. INVESTMENTS (Continued)

Investments are stated at fair value and consist of the following at May 31, 2022:

	Fair Value (Level 1)
Money market funds	\$ 34,419
Equities	14,884
Exchange-traded products	<u>60,853</u>
	<u>\$ 110,156</u>

Investment income consisted of the following for the year ended May 31, 2022:

Realized and unrealized gains	\$ 2,302
Interest income	<u>296</u>
	<u>\$ 2,598</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at May 31, 2022:

Office equipment	\$ 1,485
	<u>1,485</u>
Less accumulated depreciation	<u>(1,485)</u>
Total property and equipment, net	<u>\$ -</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

There were no net assets at May 31, 2022 with donor restrictions.

7. BOARD DESIGNATED NET ASSETS

The Board has designated \$123,286 from net assets without donor restrictions as a one year operating reserve at May 31, 2022. The operating reserve is determined annually based on the annual budget.

8. LEASES

The Chapter leases office space under a non-cancellable agreement that provides for a monthly base rent plus allocable operating expenses of the facility. This lease was renewed effective July 2017 and expired June 2020. For the year ended May 31, 2021, the Chapter extended the lease for one year commencing on July 1, 2020 through June 30, 2021.

During May 2021, the Chapter signed a lease for office space at a new location. The term of the lease for the new location will commence on June 1, 2021 and terminate on November 30, 2026.

Minimum future lease obligations associated with the leases as of May 31, 2022 are as follows:

FYE 2023	\$ 36,949
FYE 2024	37,658
FYE 2025	38,366
FYE 2026	39,074
FYE 2027	<u>19,714</u>
	<u>\$ 171,761</u>

Rent expense totaled \$30,770 for the year ended May 31, 2022.

Assistance League of Greater Collin County
 NOTES TO FINANCIAL STATEMENTS
 May 31, 2022

9. SPECIAL EVENTS

The Chapter holds fundraising and special events to support operations. The revenues and expenses for each event for the year ended May 31, 2022 are summarized as follows:

<u>Event</u>	<u>Revenue</u>	<u>Cost of Direct Benefits to Attendees</u>	<u>Gross Surplus</u>	<u>Other Event Costs</u>	<u>Net Surplus</u>
Top Golf	\$ 11,240	\$ 4,735	\$ 6,505	\$ -	\$ 6,505
Game Day Fundraiser	3,240	911	2,329	-	2,329
Restaurants	3,132	-	3,132	-	3,132
Wine Tasting	2,275	286	1,989	-	1,989
Other Fundraisers	4,609	-	4,609	-	4,609
	<u>\$ 24,496</u>	<u>\$ 5,932</u>	<u>\$ 18,564</u>	<u>\$ -</u>	<u>\$ 18,564</u>

10. LIQUIDITY AND AVAILABILITY

The Chapter monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Chapter considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The following disclosure describes assets that are available or expected to be available within one year of May 31, 2022 to fund general expenditures and obligations as they become due:

Financial assets	
Cash and cash equivalents	\$ 334,808
Investments	<u>110,156</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 444,964</u>

To build upon past achievements and ensure future sustainability, the Chapter has a long-standing policy that requires the Board of directors to maintain net assets without donor restrictions sufficient for one year's operating expenses. Assets received with donor restrictions to be used in the next fiscal year for operating purposes are considered to be available for general expenditure spending as of May 31, 2022.

In addition to the financial assets available to meet general expenditures over the next 12-months noted above, the Chapter has inventory that will likely be converted to cash or available for general expenditures during the normal course of next year's operations.

11. SUBSEQUENT EVENTS

In connection with the preparation of the financial statements, subsequent events have been evaluated by the Chapter through August 15, 2022, which was the date the financial statements were available for issuance and has determined that there are no additional adjustments and/or disclosures required.