

Assistance League® of Los Angeles

Financial Statements

June 30, 2019



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INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
Assistance League® of Los Angeles
Los Angeles, California

We have audited the accompanying financial statements of Assistance League® of Los Angeles (a California nonprofit corporation) (the "League"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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 entity'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 entity'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 Los Angeles as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 3 to the financial statements, the League has adopted ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2019, on our consideration of the League's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the League's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the League's internal control over financial reporting and compliance.



Armanino^{LLP}
Los Angeles, California

November 6, 2019

Assistance League® of Los Angeles
Statement of Financial Position
June 30, 2019

ASSETS

Cash and cash equivalents	\$	1,315,512
Accounts receivable		41,154
Bequests receivable		4,359,641
Operating investments		478
Prepaid expenses and other assets		1,042,740
Endowment investments		7,060,508
Property and equipment, net		<u>11,128,137</u>
 Total assets	 \$	 <u><u>24,948,170</u></u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued liabilities	\$	464,551
Accrued salaries and related expenses		74,454
Related party note payable		<u>11,000,000</u>
Total liabilities		<u><u>11,539,005</u></u>
 Commitments and contingencies (Note 12)		
Net assets		
Without donor restrictions		
Undesignated		3,416,218
Board-designated		<u>6,155,236</u>
Total without donor restrictions		9,571,454
With donor restrictions		<u>3,837,711</u>
Total net assets		<u><u>13,409,165</u></u>
 Total liabilities and net assets	 \$	 <u><u>24,948,170</u></u>

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

Assistance League® of Los Angeles
Statement of Activities
For the Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Public support			
Contributions	\$ 382,709	\$ 1,529,392	\$ 1,912,101
Government grants	703,942	-	703,942
Contributed goods and rent	394,508	-	394,508
Fundraising	<u>67,250</u>	<u>16,176</u>	<u>83,426</u>
Total public support	1,548,409	1,545,568	3,093,977
Membership fees and obligations	65,683	-	65,683
Program service fees	1,638,081	-	1,638,081
Facility rentals	195,670	-	195,670
Other income	<u>45,784</u>	<u>-</u>	<u>45,784</u>
Total revenues, gains, and other support	<u>3,493,627</u>	<u>1,545,568</u>	<u>5,039,195</u>
Net assets released from restriction	<u>1,116,864</u>	<u>(1,116,864)</u>	<u>-</u>
Total revenues, gains, and other support	<u>4,610,491</u>	<u>428,704</u>	<u>5,039,195</u>
Functional expenses			
Program services	<u>4,183,414</u>	<u>-</u>	<u>4,183,414</u>
Support services			
Management and general	656,723	-	656,723
Fundraising	<u>574,352</u>	<u>-</u>	<u>574,352</u>
Total support services	<u>1,231,075</u>	<u>-</u>	<u>1,231,075</u>
Total functional expenses	<u>5,414,489</u>	<u>-</u>	<u>5,414,489</u>
Change in net assets from operations	<u>(803,998)</u>	<u>428,704</u>	<u>(375,294)</u>
Investment returns and other			
Investment interest and dividends, net of fees	330,275	-	330,275
Realized gains on sales of investments	317,195	-	317,195
Unrealized gains (losses) on investments	<u>(10,430)</u>	<u>126,288</u>	<u>115,858</u>
Total investment returns and other	<u>637,040</u>	<u>126,288</u>	<u>763,328</u>
Change in net assets	(166,958)	554,992	388,034
Net assets, beginning of year	<u>9,738,412</u>	<u>3,282,719</u>	<u>13,021,131</u>
Net assets, end of year	<u>\$ 9,571,454</u>	<u>\$ 3,837,711</u>	<u>\$ 13,409,165</u>

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

Assistance League® of Los Angeles
Statement of Functional Expenses
For the Year Ended June 30, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expenses				
Salaries and wages	\$ 1,445,615	\$ 177,467	\$ 244,430	\$ 1,867,512
Employee benefits	229,788	29,843	38,795	298,426
Payroll taxes	<u>121,837</u>	<u>15,823</u>	<u>20,570</u>	<u>158,230</u>
Total personnel expenses	1,797,240	223,133	303,795	2,324,168
Advertising and recruiting	9,638	1,046	579	11,263
Assistance to individuals	673,604	-	-	673,604
Depreciation and amortization	117,528	15,264	19,843	152,635
Dues, fees and conferences	61,151	1,833	958	63,942
Equipment	623	425	-	1,048
Insurance	98,576	9,403	12,224	120,203
Interest	49,312	6,404	8,325	64,041
Mileage, transportation, and travel	5,792	312	238	6,342
Miscellaneous	8,579	3,156	2,197	13,932
Occupancy	622,581	43,798	40,015	706,394
Office and technology supplies	59,062	1,894	2,074	63,030
Printing, copying, postage and publishing	43,244	2,940	4,749	50,933
Professional fees and service contracts	278,349	293,537	125,233	697,119
Program costs	69,323	-	-	69,323
Program supplies - nutrition-related costs	69,859	-	-	69,859
Special events	-	-	32,070	32,070
Taxes, licenses, and fees	2,028	39,760	99	41,887
Telephone	88,351	5,356	7,435	101,142
Vehicle	3,492	24	-	3,516
Website and internet	<u>125,082</u>	<u>8,438</u>	<u>14,518</u>	<u>148,038</u>
	<u>\$ 4,183,414</u>	<u>\$ 656,723</u>	<u>\$ 574,352</u>	<u>\$ 5,414,489</u>
Percentage of total	<u>77.3 %</u>	<u>12.1 %</u>	<u>10.6 %</u>	<u>100.0 %</u>

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

Assistance League® of Los Angeles
Statement of Cash Flows
For the Year Ended June 30, 2019

Cash flows from operating activities	
Change in net assets	\$ 388,034
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation and amortization	152,635
Realized and unrealized gains on investments	(433,053)
Changes in operating assets and liabilities	
Accounts receivable	13,030
Bequests receivable	17,792,505
Prepaid expenses and other assets	(398,164)
Accounts payable and accrued liabilities	(21,953,171)
Accrued salaries and related expenses	21,305
Net cash used in operating activities	<u>(4,416,879)</u>
Cash flows from investing activities	
Purchases of property and equipment	(10,277,765)
Proceeds from sales of investments	48,265,324
Purchases of investments and reinvestment of earnings	(44,522,760)
Net cash used in investing activities	<u>(6,535,201)</u>
Cash flows from financing activities	
Related party note payable	<u>11,000,000</u>
Net cash provided by financing activities	<u>11,000,000</u>
Net increase in cash	47,920
Cash and cash equivalents, beginning of year	<u>1,267,592</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,315,512</u></u>

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

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

1. NATURE OF OPERATIONS

The Assistance League® of Los Angeles (the "League") is a chapter of the National Assistance League®. The mission of the League, since 1919, is to improve the quality of the lives of at-risk children and families by providing vital social services in the Los Angeles community.

The League has various fundraising and support auxiliaries that support its programs and provide leadership and volunteer opportunities for its membership. All program and auxiliary activities are reported within these financial statements.

A summary of the number of children and families served are provided below:

	Number served (Unaudited)
Operation School Bell	6,237
Theatre for Children	12,000
Foster Children's Resource Center	2,429
Preschool Learning Center	74
Apartment 3C Bright Future Scholarship	38
	20,778

The number of volunteer hours to support those efforts are as follows:

	Volunteer hours (Unaudited)
Anne Banning	9,108
College Alumnae	236
Family Membership	60
Founder Assisteens	2,800
Hilltoppers	8,188
League at Large	1,167
Mannequins	618
Nine O-Clock Players	18,015
Preschool Auxiliary	449
Young Professionals' Group	70
	40,711

Based on the U.S. Department of Labor, Bureau of Labor Statistics valuation of volunteer time for fiscal year ended June 30, 2019, the League benefited from approximately \$1,035,000 of volunteer services. The League does not include this amount in the reported results, but greatly appreciates all the support of its volunteers.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

1. NATURE OF OPERATIONS (continued)

Operation School Bell

Operation School Bell provides underserved and at-risk elementary school children with new clothing and supplies. Children from disadvantaged circumstances have improved school attendance, classroom behavior, confidence, and levels of engagement with their peers and school activities when they do not wear their poverty. Children are given uniforms, jackets, shoes, grooming kits, backpacks and school supplies at the League's Hollywood location and also through the mobile facility Operation School Bell on Wheels.

Theatre for Children

The Theatre for Children program is the oldest children's theatre in Los Angeles, bringing the joy of live theatre to thousands of underserved and handicapped children every year. The productions are offered free of charge to children from Title 1 schools along with free bus transportation. Tickets are available at reduced rates to school groups and for a nominal fee to the public on weekends. The League strives to offer children in Los Angeles arts education through the experience of live theatre.

Foster Children's Resource Center

Foster Children's Resource Center provides critically needed clothing and supplies to children who enter foster care or are abruptly moved with few personal possessions beyond the clothes that they are wearing. Children are referred to the League through the Department of Children and Family Services. The League provides them with school uniforms, play clothes, jackets, pajamas, backpacks, school supplies, toys, books and grooming kits to bolster their self-esteem during a difficult and vulnerable time in their lives.

Preschool Learning Center

Preschool Learning Center develops academic skills in children and encourages their social, emotional, cognitive, creative and physical development. Studies show that children who attend preschool outperform their peers academically and are more likely to go to college. Accredited by the National Association for the Education of Young Children ("NAEYC"), the League's Preschool Learning Center provides a quality preschool education free of charge to children ages three to five from low-income families.

Apartment 3C Bright Future Scholarship

The League awards financial support for graduating high school seniors from Los Angeles Unified School District's *Homeless Education Program and Foster Youth Achievement Program* who are entering their freshman year of college. The Apartment 3C Bright Future Scholarship award is based on academic achievement, character, and commitment to the community. Scholarship awardees receive the same funding for freshman through senior years by maintaining no less than a 2.5 GPA.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

1. NATURE OF OPERATIONS (continued)

Court Referred Volunteer Center

The League's Court Referred Volunteer Center ("CRVC") program operates as a social enterprise providing revenue to help support League services. The CRVC program is in seven courthouses throughout Los Angeles County. The program refers clients sent from the courts to nonprofit agencies throughout Los Angeles County to fulfill their court-mandated community service requirements. During the year ended June 30, 2019, CRVC connected more than 16,000 Angelenos to community services opportunities representing more than 1,150,000 volunteer hours.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income tax status

The League is a nonprofit public benefit corporation organized under the laws of California, and, as such, is exempt from federal and California income taxes under IRC Section 501(c)(3) and corresponding California Revenue and Taxation Code sections.

Financial statement presentation

The League reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions (see Note 9 & 10).

Net assets without donor restrictions - Those net assets and activities which represent the portion of expendable funds available to support operations that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by management or the Board of Directors. Donor-restricted contributions whose restrictions are met in the same reporting period are classified as without donor restricted.

Net assets with donor restrictions - The portion of net assets for which expenditure is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the League. This also includes contributions that have been restricted by the donor in perpetuity.

Use of estimates

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses reported during the period. Actual results could differ from these estimates.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Endowment

Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions (see Note 8).

Cash and cash equivalents

Cash equivalents consist of highly-liquid investments with original maturities of three months or less, except for certain money market account balances included in investments (see Note 6).

Accounts receivable

Accounts receivable are comprised of grants and contracts receivable from federal, state and local governments and current receivables from private funders and contributors. Management analyzes the collectability of these receivables and establishes an allowance for doubtful accounts when the receivable is deemed uncollectible. As of June 30, 2019, management believes 100% of accounts receivable is collectible, and thus there is no allowance for doubtful accounts.

Bequests receivable

Bequests receivable are comprised of bequests contributed in fiscal years 2018 and 2019 whose receipts from the donors' trusts were still pending as of June 30, 2019. Subsequent to year-end, the fiscal year 2018 bequest was paid in full (see Note 5).

Operating and endowment investments

Endowment investments are stated at fair value based on a hierarchy discussed in Note 6. Purchases and sales of securities are recorded on trade dates. Interest and dividend income and realized and unrealized gains and losses on investments are reported as increases or decreases in unrestricted net assets, unless the use is restricted by donor stipulations or law.

Property and equipment

Property and equipment are stated at cost or, if contributed, at the fair value at the date of contribution.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment (continued)

Depreciation and amortization of property and equipment is computed using the straight-line method over the following estimated useful lives of the related asset or the term of the lease for leasehold improvements:

Buildings	40 years
Computers and software	3 years
Furniture and fixtures	5 - 7 years
Office and equipment	5 years
Vehicles	5 years
Leasehold improvements	Lesser of useful life or life of the lease

Normal repairs and maintenance are expensed as incurred, whereas significant charges that materially increase values or extend useful lives are capitalized and depreciated over the estimated useful lives of the related assets.

Impairment of long-lived assets

Management reviews each asset or asset group for impairment whenever events or circumstances indicate that the carrying value of an asset or asset group may not be recoverable, but at least annually. No impairment provision was recorded by the League during the year.

Revenue recognition

Contributions, including unconditional promises to give, are recognized when made. All contributions are available for unrestricted use unless restricted by the donor. Donor-restricted contributions that are expended in the current year are reported as without donor restrictions. At its discretion, the Board may designate unrestricted contributions for specific purposes (see Note 9).

Contributed goods, rent and services

The League receives contributions of goods, rent, and services. Contributed goods include clothing, supplies, meals, and equipment that are used in programs that serve children and families and are recorded at fair value when received. The League also receives free use of a building for its Children's Services (see Note 11). A substantial number of volunteers have donated significant amounts of time to the League's program and fundraising activities. The value of these donated services is not reflected in the financial statements as they do not meet the U.S. GAAP recognition criteria.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional expenses

The League allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on estimated level of effort or estimated physical space attributed to programs, support, and fundraising.

Occupancy

Occupancy includes expenses for security, utilities, trash and regular servicing for elevators, alarms, landscaping and other directly-paid costs for maintaining the buildings and property of the League. Additionally, rents, donated rent, and related costs to maintain facilities that are not owned by the League are included within occupancy expenses.

Concentration of risks

Some of the League's cash balances exceed FDIC-insured limits. Investment balances are insured by the Securities Investor Protection Corporation ("SIPC"). Generally, the League's investment balances exceed SIPC-insured limits. The League has not experienced and does not anticipate any losses related to the cash and investments held in these accounts.

The League received funds from one government source which comprised 14% of total revenue during the year and 33% of accounts receivable at June 30, 2019.

Subsequent events

The League has evaluated events subsequent to June 30, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through November 6, 2019, the date the financial statements were available to be issued. Based upon this evaluation, it was determined no subsequent events occurred that require recognition or additional disclosure in the financial statements, except as disclosed in Note 5.

3. CHANGE IN ACCOUNTING PRINCIPLE

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 makes certain improvements to current reporting requirements, including:

1. Reducing the classes of net assets from three (unrestricted, temporarily restricted, and permanently restricted) to two (with donor restrictions and without donor restrictions).
2. Enhancing disclosures about:

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

3. CHANGE IN ACCOUNTING PRINCIPLE (continued)
- a. Amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources without donor-imposed restrictions.
 - b. Composition of net assets with donor restrictions and how the restrictions affect the use of resources.
 - c. Qualitative information about management of liquid resources and quantitative information about the availability of liquid resources to meet cash needs for general expenditures within one year of the statement of financial position date.
 - d. Amounts of expenses by both their natural classification and their functional classification in one location as a separate statement or in the notes to the financial statements.
 - e. Methods used to allocate costs among program and support functions.
 - f. Underwater endowment funds.
3. Reporting investment return net of external and direct internal investment expenses.
4. Use, in the absence of explicit donor stipulations, of the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption (thus eliminating the current option to release the donor-imposed restriction over the estimated useful life of the acquired asset).

The amendments have been applied on a retrospective basis in 2018.

4. LIQUIDITY AND AVAILABILITY

The League maintains sufficient resources to meet its day-to-day responsibilities. The League's liquidity management policy structures its remaining financial assets to be available for operations as its general expenditures, liabilities, and other obligations come due.

The League has endowment or quasi-endowment funds, which provide annual support through its spending policy (see Note 8). The League also receives annual support for administrative costs from the Friends of the League Foundation (See Note 14).

The following reflects the League's financial assets reported on the statement of financial position as of June 30, 2019, excluding amounts not available for general use within one year because of contractual or donor-imposed restrictions. Contributions directed to particular missions of the League are used for the general operation of those specific services in accordance with the donors' instructions.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

4. LIQUIDITY AND AVAILABILITY (continued)

Liquidity and availability is as follows:

Cash and cash equivalents	\$ 1,315,512
Investments available for operations	478
Accounts receivable	41,154
Bequests receivable, due in less than one year	<u>3,559,422</u>
	<u><u>\$ 4,916,566</u></u>

5. BEQUESTS RECEIVABLE

Future collections of bequests receivable are expected as follows:

<u>Year ending June 30,</u>	
2020	\$ 3,559,422
2021	100,000
2022	100,000
2023	100,000
2024	100,000
Thereafter	<u>500,000</u>
	4,459,422
Less: discounts to net present value	<u>(99,781)</u>
	<u><u>\$ 4,359,641</u></u>

Subsequent to year-end, the League received payment of \$3,459,422 for one bequest outstanding as of June 30, 2019.

6. INVESTMENTS

The League reports its operating and endowment investments at fair value among three categories of price inputs available. These categories of inputs are quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3, of which there were none at June 30, 2019).

Investments consisted of the following:

Endowment investments (see Note 8)	\$ 7,060,508
Operating investments	<u>478</u>
	<u><u>\$ 7,060,986</u></u>

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

6. INVESTMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the League's assets at fair value as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual funds	\$ 2,960,890	\$ -	\$ -	\$ 2,960,890
Equities	3,279,723	-	-	3,279,723
Corporate bonds	-	288,120	-	288,120
Government securities	240,033	48,573	-	288,606
Money market accounts	<u>243,647</u>	<u>-</u>	<u>-</u>	<u>243,647</u>
	<u>\$ 6,724,293</u>	<u>\$ 336,693</u>	<u>\$ -</u>	<u>\$ 7,060,986</u>

Activity in the investments during the year was as follows:

Balance, beginning of year	\$ 10,370,497
Proceeds from sales of investments	(48,265,324)
Purchases of investments and reinvestment of earnings	44,522,760
Realized gains on sales of investments	317,195
Unrealized gains on investments, net	<u>115,858</u>
Balance, end of year	<u>\$ 7,060,986</u>

Total investment fees incurred by the League for the year ended June 30, 2019 were \$68,438.

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Land	\$ 7,472,243
Buildings	2,801,274
Computers and software	205,101
Furniture and fixtures	537,247
Leasehold improvements	596,957
Office and other equipment	152,035
Vehicles	351,684
Construction in progress	<u>254,580</u>
	12,371,121
Accumulated depreciation and amortization	<u>(1,242,984)</u>
	<u>\$ 11,128,137</u>

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

8. ENDOWMENT

The League endowments and quasi-endowments consist of pooled funds established for the purposes as described below. The Board has interpreted California's Uniform Prudent Management of Institutional Funds Act of 2008 ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the League classifies as donor-restricted net assets (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as donor-restricted net assets is classified as donor-restricted for a specified purpose until those amounts are appropriated for expenditure by the League in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the League considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the League
- (7) The investment policies of the League

Return objectives and risk parameters

The League has adopted investment and spending policies for endowment assets to provide for growth and income for its endowment assets. This is a balanced approach that seeks long-term growth in capital along with significant current income that will earn returns in excess of a passive set of market indices representative of the invested portfolio's asset allocation. Endowment assets includes assets classified as donor-restricted net assets as well as Board-designated funds. Under the investment policy, endowment assets are invested to return 6% on a compound annual return basis after the deduction of management fees and annualized over three five-year rolling time periods and a full market cycle. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the League relies on diversification through asset allocation with the targets for invested assets as follows: equities 50%, fixed income 40%, and commodities and other investments 10%. Management, members of the Finance Committee, and the League investment advisors meet regularly to ensure the strategies and investment performance are appropriate for the League.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

8. ENDOWMENT (continued)

Spending policy and how investment objectives relate to spending policy

The League's spending policy provides for a distribution of 3.6% annually, calculated over twelve trailing quarters. By special resolution, any amount of the Board-designated endowment may be withdrawn for any purpose consistent with the mission of the League, and any amount of donor-restricted endowments may be appropriated for expenditure in accordance with the donors' specific instructions. During the year ended June 30, 2019, \$143,610 was distributed from the Board-designated endowment and \$85,280 from the donor-restricted term endowment.

Endowment net asset composition by type of fund

Endowment net asset composition by type of fund as of June 30, 2019 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operation School Bell	\$ -	\$ 441,506	\$ 441,506
Theatre for Children	-	1,422,032	1,422,032
Senior Services	-	122,887	122,887
Children's Services	-	679,869	679,869
General Endowment	<u>4,362,330</u>	<u>31,884</u>	<u>4,394,214</u>
	<u>\$ 4,362,330</u>	<u>\$ 2,698,178</u>	<u>\$ 7,060,508</u>

Changes in endowment net assets for the fiscal year ended June 30, 2019 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, beginning of year	\$ 4,131,848	\$ 2,657,170	\$ 6,789,018
Investment earnings, net	374,092	126,288	500,380
Appropriated for expenditure and distributed	<u>(143,610)</u>	<u>(85,280)</u>	<u>(228,890)</u>
Balance, end of year	<u>\$ 4,362,330</u>	<u>\$ 2,698,178</u>	<u>\$ 7,060,508</u>

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

9. BOARD-DESIGNATED NET ASSETS

Board-designated net assets consist of the following:

Board-designated endowment	\$ 4,362,330
Theatre for Children	173,788
Preschool Learning Center	301,818
Operation School Bell - inventory	493,462
Foster Children's Resource Center - inventory	130,692
Auxiliary carryover	<u>693,146</u>
	<u><u>\$ 6,155,236</u></u>

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	<u>Released from Restrictions</u>	<u>Balance, June 30, 2019</u>
General	\$ -	\$ 968,653
Operation School Bell	(681,853)	441,506
Theatre for Children	(183,590)	1,422,032
Foster Children's Resource Center	(211,464)	89,329
Hollywood Children's Club	-	18,004
Children's Services	(9,684)	744,604
Senior Services	(3,984)	122,887
NOP Capital Improvements	(10,282)	-
Bekins Grant - NOP Facility Repairs	(6,257)	23,820
Scholarships	<u>(9,750)</u>	<u>6,876</u>
	<u><u>\$ (1,116,864)</u></u>	<u><u>\$ 3,837,711</u></u>

Included in the year-end balances above are pledges receivable in the amount of \$969,460 and donor-restricted endowments in the amount of \$2,698,178.

11. CONTRIBUTED GOODS AND RENT

Donated materials and services during the year were valued as follows:

Rent	\$ 130,615
Assistance to individuals	257,611
Miscellaneous	<u>6,282</u>
	<u><u>\$ 394,508</u></u>

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

12. COMMITMENTS AND CONTINGENCIES

Retirement plan

The League offers an IRC Section 401(k) plan (the "Plan") to its employees who are at least 21 years old and have completed six months and 500 hours of service. Plan participants are permitted to defer up to 100% of their eligible compensation, subject to certain limitations under the Internal Revenue Code, and the League will match 25% of the first 4% of contributions. Employer contributions vest after six years of service. For the year ended June 30, 2019, the League contributed \$4,134 as matching contributions.

Operating leases

The League leases its Chapter House through July 2020, with an option for early termination. In addition, the League leases certain equipment and other facilities under noncancellable operating leases expiring various dates through 2021.

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending June 30,</u>	<u>Facilities</u>	<u>Equipment</u>	<u>Total</u>
2020	\$ 253,104	\$ 4,990	\$ 258,094
2021	<u>4,671</u>	<u>2,937</u>	<u>7,608</u>
	<u>\$ 257,775</u>	<u>\$ 7,927</u>	<u>\$ 265,702</u>

Rent expense for the year under operating leases was \$390,327 and \$6,936 for facilities and equipment, respectively.

Litigation

In the normal course of operations, the League is named as a defendant in lawsuits and is subject to periodic examinations by regulatory agencies, none of which is expected to have a materially adverse impact on the League.

Government grants

Certain programs of the League receive funding and support from local, state or federal governments. Accordingly, these programs are subject to audit that could result in adjustments. Management believes that liabilities, if any, resulting from any such audits will not have a material effect on the financial statements.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2019

13. NEW CHAPTER HOUSE

During 2018, the League began an in-depth search for a property that would be suitable for a new permanent Chapter House. On October 30, 2018, the League purchased a property located at 6640 Sunset Blvd for approximately \$10 million. The League simultaneously entered into an agreement with the seller of the property to lease back the property through January 31, 2019 for \$48,000 a month. The League is planning to move into the new facility in the near future.

14. RELATED PARTY TRANSACTIONS

In May 2019, the League entered into a note payable agreement for \$11,000,000 from its affiliate organization, Friends of the League Foundation (the "Foundation"). The note bears interest at 6.25% annually and the principal is due on or before May 31, 2026. Interest on the loan amounted to \$64,041 and was included in accounts payable and accrued expenses at June 30, 2019.

The Foundation was established for the exclusive benefit of the League and distributes funds annually, when needed, according to a spending plan. The funds offset administrative costs so that League fundraising can directly benefit the services of the League. During the year ended June 30, 2019, the Foundation granted \$64,041 in contributions to the League, which is included in pledges receivable at June 30, 2019.

15. FUNDRAISING INCOME

The League conducts various fundraising events and activities to help fund current operations. The revenue and related expenses from such events and activities for the year ended June 30, 2019 are as follow:

	<u>Revenue</u>	<u>Cost of Merchandise Sold</u>	<u>Cost of Direct Benefits to Attendees</u>	<u>Other Costs</u>	<u>Net Revenues</u>
Centennial Events: Diamond					
Revue & Visionaries Screening	\$ 67,550	\$ 1,238	\$ 1,030	\$ 24,473	\$ 40,809
Assisteens Spring Celebration	12,040	1,000	2,818	1,511	6,711
Preschool Estate Sale	<u>3,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,836</u>
	<u>\$ 83,426</u>	<u>\$ 2,238</u>	<u>\$ 3,848</u>	<u>\$ 25,984</u>	<u>\$ 51,356</u>

OTHER AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Audit Committee
Assistance League® of Los Angeles
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Assistance League® of Los Angeles (a California nonprofit corporation) (the "League"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 6, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the League's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the League's internal control. Accordingly, we do not express an opinion on the effectiveness of the League's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the League's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the League's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the League's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Armanino^{LLP}
Los Angeles, California

November 6, 2019

SUPPORTING SCHEDULES REQUIRED BY THE CALIFORNIA DEPARTMENT OF EDUCATION



INDEPENDENT AUDITOR'S REPORT ON SUPPORTING SCHEDULES REQUIRED
BY THE CALIFORNIA DEPARTMENT OF EDUCATION

To the Audit Committee
Assistance League® of Los Angeles
Los Angeles, California

We have audited the financial statements of Assistance League® of Los Angeles (a California nonprofit corporation)(the "League") as of and for the year ended June 30, 2019, and have issued our report thereon dated November 6, 2019, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The accompanying supplemental information for the year ended June 30, 2019, is presented for the purposes of additional analysis and is in conformity with the *CDE Audit Guide* issued by the California Department of Education. These supplemental schedules are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with United States *Government Auditing Standards*. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Armanino^{LLP}
Los Angeles, California

November 6, 2019

Assistance League® of Los Angeles
General Information
For the Year Ended June 30, 2019

Full Official Name of the Agency	Assistance League® of Los Angeles
Program Name and Contract Number: Preschool Program	CSPP-8147
Type of Agency	Nonprofit Corporation
Address of Agency Headquarters	826 Cole Avenue Los Angeles, California 90038
Name and Address of Executive Director and Name of Chief Executive Officer, Business Officer or Accountant	
Chief Executive Officer	Melanie Merians 826 Cole Avenue Los Angeles, California 90038
Board President	Kathryn Russell Balzer
Telephone Number	(323) 465-5281
Period Covered by Examination	July 1, 2018 through June 30, 2019
Number of Days of Agency's Operation	250
Scheduled Hours of Operation Each Day	Monday through Friday, Except Holidays From 7:00 am to 6:00 pm Open 11 hours per day

Assistance League® of Los Angeles
Schedule of Expenditures of Federal, State and Local Government Awards
For the Year Ended June 30, 2019

Federal Grantor/Program Title	Grant Period	CFDA Number	Project Number Contract Number	Award Amount	Federal Expenditures	State Expenditures	Local/Other Expenditures	Total Expenditures
Pass-Through Awards Federal								
State of California								
California Department of Education								
U.S. Department of Agriculture								
Child and Adult Care Food Program	07/01/2018-09/30/2018	10.558	04524-CACFP-19-NP-IC (CNIPS)	\$ 19,033	\$ 19,033	\$ -	\$ -	\$ 19,033
Child and Adult Care Food Program	10/01/2018-6/30/2019 (Prog to 9/30/2019)	10.558	04524-CACFP-19-NP-IC (CNIPS)	<u>57,372</u>	<u>57,372</u>	<u>-</u>	<u>-</u>	<u>57,372</u>
				<u>76,405</u>	<u>76,405</u>	<u>-</u>	<u>-</u>	<u>76,405</u>
Pass-Through Awards Other Governments								
State of California								
California Department of Education								
Pre-Kinder and Family Literacy	07/01/2018-06/30/2019	N/A	19-E760-00-6 CPKS-8022	2,500	-	2,500	-	2,500
California State Preschool Program	07/01/2018-06/30/2019	N/A	19-E760-00-6 CSPP-8147	<u>620,037</u>	<u>-</u>	<u>620,037</u>	<u>-</u>	<u>620,037</u>
State of California				<u>622,537</u>	<u>-</u>	<u>622,537</u>	<u>-</u>	<u>622,537</u>
Total Government Awards				<u>\$ 698,942</u>	<u>\$ 76,405</u>	<u>\$ 622,537</u>	<u>\$ -</u>	<u>\$ 698,942</u>

Assistance League® of Los Angeles
Notes to Schedule of Expenditures of Federal Awards
June 30, 2019

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal, State, and Local Government Awards (the "Schedule") includes the expenditures of federal, state, and local awards of Assistance League® of Los Angeles (the "League"). These expenditures are presented on the accrual basis of accounting. The federal information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Assistance League® of Los Angeles
Combining Statement of Activities and Schedules
For the Year Ended June 30, 2019

	Preschool CSPP-8147	Pre-Kinder and Family Literacy CPKS-8022	Other Programs	Total
Revenue				
Contributions	\$ 6,525	\$ -	\$ 1,905,576	\$ 1,912,101
Government grants	620,037	2,500	5,000	627,537
Government grants - nutrition	76,405	-	-	76,405
Contributed goods and rent	-	-	394,508	394,508
Fundraising	-	-	83,426	83,426
Membership fees and obligations	-	-	65,683	65,683
Program service fees	4,541	-	1,633,540	1,638,081
Facility rentals	-	-	195,670	195,670
Other income	-	-	45,784	45,784
Total revenue	<u>707,508</u>	<u>2,500</u>	<u>4,329,187</u>	<u>5,039,195</u>
Expenses				
Personnel expenses				
Salaries and wages	395,352	-	1,472,160	1,867,512
Employee benefits	96,937	-	201,489	298,426
Payroll taxes	32,416	-	125,814	158,230
Total personnel expenses	<u>524,705</u>	<u>-</u>	<u>1,799,463</u>	<u>2,324,168</u>
Other expenses				
Advertising and recruiting	-	-	11,263	11,263
Assistance to individuals	8,531	-	665,073	673,604
Depreciation and amortization	-	-	152,635	152,635
Dues, fees and conferences	550	-	63,392	63,942
Equipment	-	-	1,048	1,048
Insurance	1,640	-	118,563	120,203
Interest	-	-	64,041	64,041
Mileage, transportation, and travel	97	-	6,245	6,342
Miscellaneous	-	-	13,932	13,932
Occupancy	50,911	-	655,483	706,394
Office and technology supplies	10,626	-	52,404	63,030
Printing, copying, postage and publishing	41	-	50,892	50,933
Professional fees and service contracts	30,048	-	667,071	697,119
Program costs	7,883	2,500	58,940	69,323
Program supplies - nutrition-related costs	69,859	-	-	69,859
Special events	-	-	32,070	32,070
Taxes, licenses and fees	484	-	41,403	41,887
Telephone	3,927	-	97,215	101,142
Vehicle expense	-	-	3,516	3,516
Website and internet	2,095	-	145,943	148,038
Total other expenses	<u>186,692</u>	<u>2,500</u>	<u>2,901,129</u>	<u>3,090,321</u>
Indirect costs	56,912	-	(56,912)	-
Non-reimbursable indirect costs	61,091	-	(61,091)	-
Total expenses	<u>829,400</u>	<u>2,500</u>	<u>4,582,589</u>	<u>5,414,489</u>
Changes in net assets from operations	<u>\$ (121,892)</u>	<u>\$ -</u>	<u>\$ (253,402)</u>	<u>\$ (375,294)</u>

Assistance League® of Los Angeles
Combining Schedule of Renovation and Repair Expenditures
For the Year Ended June 30, 2019

	Preschool CSPP-8147	Pre-Kinder and Family Literacy CPKS-8022	Total
Unit cost under \$10,000			
Installed electric circuit & outlet	\$ 750	\$ -	\$ 750
Repair water dispenser	60	-	60
Cap off water line	335	-	335
	1,145	-	1,145
Unit cost over \$10,000 (with CDE Approval)			
	-	-	-
	-	-	-
Unit cost over \$10,000 (without CDE Approval)			
	-	-	-
	-	-	-
Total Renovation and Repair Expenditures	\$ 1,145	\$ -	\$ 1,145

Description of Renovations/Repairs:

Installed electric circuit and outlet; repaired water dispenser; capped off water line

Assistance League® of Los Angeles
Combining Schedule of Administrative Costs
For the Year Ended June 30, 2019

	Preschool CSPP-8147	Pre-Kinder & Family Literacy CPKS-8022	Total
Administrative salaries	\$ 25,232	\$ -	\$ 25,232
Employee benefits	8,411	-	8,411
Total	33,643	-	33,643
 Indirect costs @ 8% Maximum	 56,912	 -	 56,912
Total Administrative Costs	\$ 90,555	\$ -	\$ 90,555

Maximum allowable administrative costs is calculated as a total reimbursable expenses minus restricted income multiplied by 16.6%. Amount reimbursed was at an 8% indirect rate.

Assistance League® of Los Angeles
Combining Schedule of Expenditures by State Categories
For the Year Ended June 30, 2019

		<u>Preschool</u> <u>CSPP-8147</u>	<u>Pre-Kinder & Family Literacy</u> <u>CPKS-8022</u>	<u>Total</u> <u>Reimbursable</u>
1000	CERTIFICATED SALARIES			
1000	Certificated salaries	\$ 367,106	\$ -	\$ 367,106
		<u>367,106</u>	<u>-</u>	<u>367,106</u>
2000	CLASSIFIED SALARIES			
2300	Clerical and other office salaries	28,246	-	28,246
		<u>28,246</u>	<u>-</u>	<u>28,246</u>
3000	EMPLOYEE BENEFITS			
3300	Social Security	28,084	-	28,084
3400	Health and welfare benefits	27,124	-	27,124
3500	State unemployment insurance	4,331	-	4,331
3600	Workers' compensation insurance	69,814	-	69,814
		<u>129,353</u>	<u>-</u>	<u>129,353</u>
4000	BOOKS, SUPPLIES, AND EQUIPMENT			
4000	Books, supplies, and equipment	3,911	-	3,911
4300	Instructional material and supplies	82,363	2,500	84,863
		<u>86,274</u>	<u>2,500</u>	<u>88,774</u>
5000	SERVICES AND OTHER OPERATING EXPENSES			
5200	Travel, conferences, and other expenses	97	-	97
5500	Utilities and housekeeping services	27,085	-	27,085
5800	Other services and operating expenses	73,236	-	73,236
		<u>100,418</u>	<u>-</u>	<u>100,418</u>
6000	CAPITAL OUTLAY			
	Indirect costs	56,912	-	56,912
		<u>56,912</u>	<u>-</u>	<u>56,912</u>
	Non-reimbursable	61,091	-	-
		<u>61,091</u>	<u>-</u>	<u>-</u>
	Total expenditures by state categories	<u>\$ 829,400</u>	<u>\$ 2,500</u>	<u>\$ 770,809</u>

We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contracts listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS

A U D 8501 Page 1 of 9 (06/19)

Fiscal Year Ending	June 30, 2019	
Contract Number	CSPP	8147
Vendor Code	E760	

Full Name of Contractor **ASSISTANCE LEAGUE OF LOS ANGELES**

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time				1.0000	0
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time				0.6193	0
Exceptional Needs Full-time-plus				1.6166	0
Exceptional Needs Full-time				1.3700	0
Exceptional Needs Three-quarters-time				1.0275	0
Exceptional Needs One-half-time				0.6193	0
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time	13,453		13,453	1.1000	14,798.3
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0

Fiscal Year Ending	June 30, 2019	
Contract Number	CSPP	8147
Vendor Code	E760	

Full Name of Contractor **ASSISTANCE LEAGUE OF LOS ANGELES**

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.0237	0
Severely Disabled Full-time				1.7150	0
Severely Disabled Three-quarters-time				1.2863	0
Severely Disabled One-half-time				0.6193	0
TOTAL DAYS OF ENROLLMENT	13,453		13,453	N/A	14,798.3
DAYS OF OPERATION	250		250	N/A	N/A
DAYS OF ATTENDANCE	13,453		13,453	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 3-5) and continue to Revenue Section on page 6.

Full Name of Contractor

Section 3 - Revenue	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs	76,405		76,405
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal	76,405		76,405
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
Transfer from Reserve Total			
Family Fees for Certified Children	4,541		4,541
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income: Fees for Non-Certified Children			
Unrestricted Income: Head Start			
Unrestricted Income - Other:			
Total Revenue	80,946		80,946

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS

Fiscal Year Ending

Contract Number

Vendor Code

A U D 8501 Page 7 of 9 (06/19)

Full Name of Contractor

Section 4 - Reimbursable Expenses	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	367,330	-224	367,106
2000 Classified Salaries	28,246		28,246
3000 Employee Benefits	129,353		129,353
4000 Books and Supplies	77,632	159	77,791
5000 Services and Other Operating Expenses	107,790	1,110	108,900
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (Include in Administrative Cost)	56,827	85	56,912
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	767,178	1,130	768,308
Total Administrative Cost (included in section 4 above)	90,470	85	90,555

Approved Indirect Cost Rate:

Comments:

NO SUPPLEMENTAL REVENUE Check this box and omit Page 8.

Fiscal Year Ending	June 30, 2019	
Contract Number	CSPP	8147
Vendor Code	E760	

Full Name of Contractor **ASSISTANCE LEAGUE OF LOS ANGELES**

Section 5 - Supplemental Revenue	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Enhancement Funding			
Other:Contributions	61,091		61,091
Other:			
Total Supplemental Revenue	61,091		61,091

Section 6 - Supplemental Expenses	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies			
5000 Services and Other Operating Expenses			
6000 Equipment/Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs	61,091		61,091
Non-reimbursable Expenses 6100-6500 Non-reimbursable Capital Outlay			
Total Supplemental Expenses	61,091		61,091

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 7 - Summary	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Total Certified Days of Enrollment	13,453		13,453
Days of Operation	250		250
Days of Attendance	13,453		13,453
Total Non-Certified Days of Enrollment			
Restricted Program Income	76,405		76,405
Transfer from Reserve			
Family Fees for Certified Children	4,541		4,541
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	767,178	1,130	768,308
Total Administrative Cost	90,470	85	90,555

Total Certified Adjusted Days of Enrollment

Total Non-Certified Adjusted Days of Enrollment

Independent Auditor's Assurances on Agency's Compliance with the Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (check YES or NO):

- Yes
- No

Reimbursable expenses claimed on page 7 are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

- Yes
- No

Include any comments in the Comments box on page 7. If necessary, attach additional sheets to explain adjustments.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED FISCAL REPORT FOR
 CHILD DEVELOPMENT SUPPORT CONTRACTS

Fiscal Year End
 Contract Number
 Vendor Code

A U D 9529 Page 1 of 4 (06/19)

Full Name of Contractor

Section 1 - Revenue	Column A Cumulative CDNFS 9529	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Match Requirement			
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income Subtotal			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Other:			
Total Revenue			

Fiscal Year End
 Contract Number
 Vendor Code

Full Name of Contractor

Section 2 - Reimbursable Expenses	Column A Cumulative CDNFS 9529	Column B Audit Adjustments	Column C Cumulative Per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies	2,500		2,500
5000 Services and Other Operating Expenses			
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs (Include in Administrative Cost)			
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	2,500		2,500
Total Administrative Cost (included in section 2 above)			

Approved Indirect Cost Rate:

Comments:

NO SUPPLEMENTAL REVENUE Check this box and omit Page 3.

Fiscal Year End
 Contract Number
 Vendor Code

Full Name of Contractor

Section 5 - Summary	Column A Cumulative CDNFS 9529	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Program Income			
Match Requirement			
Interest Earned on Apportionment Payments			
Total Reimbursable Expenses	2,500		2,500
Total Administrative Cost			

Assistance League® of Los Angeles
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Not applicable	Not applicable
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Not applicable

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

Assistance League® of Los Angeles
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2019

There were no prior year findings.