



ASSISTANCE LEAGUE® OF SOUTHERN CALIFORNIA

It is an honor to present the annual audited financial statements of the Assistance League of Southern California for 2011-2012. These statements reflect a year of remarkable change at the League. Changes led by the board of directors, our outstanding staff and the many dedicated volunteers who worked together to ensure that the League continues as a vital organization in our community. These audited financial statements reflect the work of our accounting and finance department led by Emily Bernhardt, Chief financial Officer, our employees and administrative team led by Ana LaDou, Interim Chief Executive Director, with the support and dedication of the board and volunteers of the League.

This year the board worked to re-energize, refine and restate our mission, programs and services. Our mission statement says it best:

Assistance League of Southern California's mission since 1919 is to improve the quality of the lives of at-risk children, families and senior citizens by providing vital social services in the Los Angeles Community.

We embarked on a restructure of the League's program and staffing with the goal to focus our resources on those in the community who need us the most. Many of the decisions were difficult to make, however they were all necessary to ensure that the League will remain impactful for the next hundred years. The Membership Committee, formerly League Council, can look forward to social and volunteer activities throughout the coming year. Meetings will include speakers, luncheons and more opportunities to volunteer directly with the services and programs that mean so much to the children, families and seniors we serve.

The board has served tirelessly. The board, an active and involved group of nineteen women, has faithfully attended over twenty-five board meetings and twice as many committee meetings throughout this year! As you can see from these financial statements, we've made the hard choices, and we continue to exercise fiscal responsibility. It is a daunting task to maintain our services, programs and facilities, especially as fiscal support from the federal, state and local government has declined.

Now, I'd like to invite you to join us in continuing our work for the League. We welcome your assistance and we appreciate your input. We look to you for support in the upcoming annual appeal. Please give generously and proudly to the organization that has served and will continue to serve our Los Angeles community.

Yours sincerely,

Sue Leisner
President

Children's Club • Learning Center for Young Children • Family Service Agency
Foster Children's Resource Center • Hollywood Senior Multipurpose Center • Operation School Bell
Theatre for Children • Volunteer Center of Los Angeles - ALSC

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
NOTES TO FINANCIAL STATEMENTS	7 - 26
SUPPLEMENTAL SCHEDULES	
Supplemental Schedule of Continuing Program Services Revenue and Expenses	28
Supplemental Schedule of Discontinued Programs	29 - 30

INDEPENDENT AUDITORS' REPORT

To the Audit Committee
ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA
Los Angeles, California

We have audited the accompanying statement of financial position of Assistance League of Southern California (the "League") as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the League's management. 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 (the "U.S.") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assistance League of Southern California as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the U.S.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2012, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



INDEPENDENT AUDITORS' REPORT (Continued)

The supplemental information included on pages 28 - 30 is presented for purposes of additional analysis and is not a required part of these 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the U.S. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

RBZ, LLP

October 25, 2012

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2012

ASSETS

Cash and cash equivalents	\$ 1,299,583
Cash designated for special purposes	1,168,570
Accounts receivable, net	1,121,436
Prepaid expenses and other assets	375,980
Investments	6,321,334
Property and equipment, net	<u>7,334,553</u>
Total Assets	<u>\$ 17,621,456</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued liabilities	\$ 1,140,985
Accrued salaries and related expenses	716,880
Mortgage payable	<u>150,155</u>
Total Liabilities	<u>2,008,020</u>
Commitments and Contingencies (Note 12)	
Net Assets	
Unrestricted	
Unrestricted - undesignated	292,589
Unrestricted - invested in land, building and equipment	6,873,448
Board-designated	<u>4,160,623</u>
Unrestricted	11,326,660
Temporarily restricted	1,821,019
Permanently restricted	<u>2,465,757</u>
Total Net Assets	<u>15,613,436</u>
Total Liabilities and Net Assets	<u>\$ 17,621,456</u>

See accompanying notes to financial statements.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support				
Contributions	\$ 1,016,381	\$ 341,847	\$ 3,750	\$ 1,361,978
Government grants	3,118,159	-	-	3,118,159
Contributed goods and services	234,796	-	-	234,796
Fundraising	<u>157,334</u>	<u>-</u>	<u>-</u>	<u>157,334</u>
	<u>4,526,670</u>	<u>341,847</u>	<u>3,750</u>	<u>4,872,267</u>
Revenue				
Membership fees and obligations	76,485	-	-	76,485
Program service fees	3,595,697	-	-	3,595,697
Gift shop, net	10,103	-	-	10,103
Facilities rentals	154,878	-	-	154,878
Other income	<u>19,851</u>	<u>-</u>	<u>-</u>	<u>19,851</u>
	<u>3,857,014</u>	<u>-</u>	<u>-</u>	<u>3,857,014</u>
Net Assets Released from Restrictions	<u>59,405</u>	<u>(59,405)</u>	<u>-</u>	<u>-</u>
	<u>8,443,089</u>	<u>282,442</u>	<u>3,750</u>	<u>8,729,281</u>
Functional Expenses				
Program service	6,928,037	-	-	6,928,037
Supporting services	1,939,485	-	-	1,939,485
Fundraising	<u>348,081</u>	<u>-</u>	<u>-</u>	<u>348,081</u>
	<u>9,215,603</u>	<u>-</u>	<u>-</u>	<u>9,215,603</u>
Changes in Net Assets from Operations	<u>(772,514)</u>	<u>282,442</u>	<u>3,750</u>	<u>(486,322)</u>
Investment Results				
Investment interest and dividends	172,586	90,575	-	263,161
Realized gains on sales of investments	14,257	6,392	-	20,649
Unrealized losses on investments	(220,582)	(135,365)	-	(355,947)
Investment management fees	<u>(38,634)</u>	<u>-</u>	<u>-</u>	<u>(38,634)</u>
	<u>(72,373)</u>	<u>(38,398)</u>	<u>-</u>	<u>(110,771)</u>
Changes in Net Assets before Discontinued Programs	(844,887)	244,044	3,750	(597,093)
Loss from Discontinued Programs	<u>(801,839)</u>	<u>-</u>	<u>-</u>	<u>(801,839)</u>
Changes in Net Assets	(1,646,726)	244,044	3,750	(1,398,932)
Net Assets, beginning of year (Note 8)	<u>12,973,386</u>	<u>1,576,975</u>	<u>2,462,007</u>	<u>17,012,368</u>
Net Assets, end of year	<u>\$ 11,326,660</u>	<u>\$ 1,821,019</u>	<u>\$ 2,465,757</u>	<u>\$ 15,613,436</u>

See accompanying notes to financial statements.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>Total</u>
Personnel Expenses				
Salaries and wages	\$ 3,839,305	\$ 1,048,049	\$ 115,562	\$ 5,002,916
Employee benefits	449,360	117,335	8,181	574,876
Payroll taxes	<u>338,047</u>	<u>79,194</u>	<u>9,015</u>	<u>426,256</u>
	<u>4,626,712</u>	<u>1,244,578</u>	<u>132,758</u>	<u>6,004,048</u>
Other Expenses				
Advertising and recruiting	6,252	441	-	6,693
Assistance to individuals	382,633	-	-	382,633
Dues, fees and conferences	34,152	25,474	13,959	73,585
Equipment	15,450	11,243	-	26,693
Insurance	72,515	45,629	1,183	119,327
Occupancy	613,721	116,852	5,162	735,735
Office and technology supplies	238,176	57,830	19,183	315,189
Participant expense	733	-	13,167	13,900
Printing, copying, postage and publishing	47,234	24,009	19,152	90,395
Professional fees and service contracts	247,504	222,814	6,771	477,089
Program supplies - nutrition-related costs	1,440	-	-	1,440
Program supplies - other costs	89,673	-	-	89,673
Special events	-	-	95,572	95,572
Taxes and licenses	21,204	42,451	8,530	72,185
Telephone	111,625	14,217	791	126,633
Travel	125,097	4,316	26	129,439
Vehicle expense	9,307	1,026	-	10,333
Interest	150	13,781	-	13,931
Depreciation and amortization	276,896	73,839	18,460	369,195
Accretion of asset retirement obligation	-	10,365	-	10,365
Miscellaneous	<u>7,563</u>	<u>30,620</u>	<u>13,367</u>	<u>51,550</u>
	<u>2,301,325</u>	<u>694,907</u>	<u>215,323</u>	<u>3,211,555</u>
Total Functional Expenses	<u>\$ 6,928,037</u>	<u>\$ 1,939,485</u>	<u>\$ 348,081</u>	<u>\$ 9,215,603</u>

See accompanying notes to financial statements.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012

Cash Flows from Operating Activities	
Changes in net assets	\$ (1,398,932)
Adjustments to reconcile changes in net assets to net cash used in operating activities	
Depreciation and amortization	369,195
Accretion of asset retirement obligation	10,365
Realized and unrealized losses on investments	335,298
Contribution to permanently restricted net assets	(3,750)
(Increase) decrease in operating assets	
Accounts receivable	418,449
Prepaid expenses and other assets	(8,084)
Increase (decrease) in operating liabilities	
Accounts payable and other accrued liabilities	(71,329)
Accrued salaries and related expenses	<u>18,794</u>
Net Cash Used in Operating Activities	<u>(329,994)</u>
Cash Flows from Investing Activities	
Capital expenditures	(14,977)
Purchases and reinvestments of investments	(3,012,183)
Proceeds from sale of investments	2,803,974
Cash designated for special purposes	<u>556,156</u>
Net Cash Provided by Investing Activities	<u>332,970</u>
Cash Flows from Financing Activities	
Principal payments on mortgage payable	(24,392)
Contribution to permanently restricted net assets	<u>3,750</u>
Net Cash Used in Financing Activities	<u>(20,642)</u>
Net Decrease in Cash and Cash Equivalents	(17,666)
Cash and Cash Equivalents, beginning of year	<u>1,317,249</u>
Cash and Cash Equivalents, end of year	<u>\$ 1,299,583</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid during the Year for Interest	<u>\$ 13,947</u>
--	------------------

See accompanying notes to financial statements.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 1 - ORGANIZATION AND OPERATIONS

Assistance League of Southern California's (the "League's") mission since 1919 is to improve the quality of the lives of at-risk children, families, and senior citizens by providing vital social services in the Los Angeles community.

The League has three main program service areas: Children's Services, Family Service Agency ("FSA"), and Senior Services. It has eight fundraising auxiliaries that support their mission and provide social volunteer opportunities for their membership and volunteer and funding support to their programs and services. All program and auxiliary activities are reported within these financial statements.

Children's Services

Children's Services include Operation School Bell, the Theatre for Children, Foster Children's Resource Center, and Metro Learning Center for Children, a preschool facility in Hollywood.

Operation School Bell provides clothing to elementary school children and is supported by the Anne Banning Auxiliary. By providing school and play clothing to children from disadvantaged circumstances, Operation School Bell gives children a better chance to learn – to feel like their classmates and step away from poverty. School representatives give high praise to the program, and explain that students who receive clothing have better attendance, improve academically, and gain self confidence. Operation School Bell's resources are available to children from over 700 schools in Los Angeles Unified School District.

The **Theatre for Children** is operated by the Nine O'Clock Players Auxiliary which presents two exceptional stage plays each year that are chosen from classic children's literature. Approximately one-third of the children who attend the productions are economically or physically disadvantaged. The League provides both bus transportation and admission free of charge to these children.

The **Foster Children's Resource Center** is operated by the Hilltopper's Auxiliary. The League's volunteers help soften the hardships to foster children by offering new clothing, layette items, school uniforms, play clothes, and jackets. Clients are referred by social workers and others working with foster children. Additional items include books, toys, and grooming supplies.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 1 - ORGANIZATION AND OPERATIONS (Continued)

Metro Learning Center for Children serves the Hollywood community's neediest children ages three to five years. Pre-school programs are provided in a structured, nurturing environment, and are funded through the California Department of Education. Metro Learning Center for Children is accredited from the National Association for the Education of Young Children, which is a national, voluntary accreditation system that sets professional standards for early childhood education programs.

Family Service Agency

FSA provides counseling and other social services designed to improve the well-being and ensure the safety of children whose families are struggling with issues of child abuse, poverty, domestic violence, substance abuse, and mental health issues. Services are designed to help parents and children become strong, resilient families capable of successfully navigating the emotional and economic challenges of life. FSA's services include individual and group counseling focused on mental health issues, substance abuse prevention and treatment, child abuse prevention and treatment, domestic violence, parent education, women's support groups and fatherhood empowerment. Prevention services concentrate on positive discipline techniques, family budgeting, academic support and mentoring programs for youth.

Currently FSA is one of the largest providers of family preservation services in Los Angeles County. In 2012, FSA was awarded an additional grant from the Department of Mental Health to provide outreach and engagement services to recently- returned military families. FSA is committed to serving clients with limited incomes from communities that are frequently isolated due to cultural and linguistic differences. FSA provides diversity within the staff, which reflects its commitment to providing culturally competent services.

Senior Services

The League's Senior Multipurpose Center (the "Center") provides a safe haven for seniors in Hollywood, helping facilitate socialization, recreation and physical activity, and helping seniors stay well mentally, emotionally, and physically. The Center is the home of aging-in-place and wellness programs for local area seniors allowing them to age independently in their own homes.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 1 - ORGANIZATION AND OPERATIONS (Continued)

Transitioning Operations

Volunteer Los Angeles connects people and businesses to organizations that benefit from their involvement through operating a court referral program, organizing the recruitment of medical volunteers in advance of public health emergencies, and other volunteer opportunities for the public at large. Management believes Volunteer Los Angeles is a strong, viable agency that will be best served by being its own agency and the League will be working to set the agency up as its own Internal Revenue Code ("IRC") Section 501(c)(3) organization in 2013.

Discontinued Operations

In April 2012, the Board of Directors (the "Board") of the League engaged in a reorganization process to address some of the challenges facing the League due to the economy. In June, the League announced a re-organization that resulted in approximately one-third of the League's employees receiving a notice pursuant to the Worker Adjustment and Retraining Notification Act ("WARN"). While the Board was disheartened to make the changes and cuts, its goal was to focus where community needs were greatest, where volunteer members could best respond, and where funding continues to be available.

Three programs and related support services were affected by this notice. Some children's programs were discontinued due to a continuing threat for reduced funding, declining enrollment, and prohibitive costs to maintain quality services. Senior Services programs funded by the City of Los Angeles Department of Aging were transitioned to another social service agency; however the League will continue to operate the Center and seniors will continue to be provided congregate meals, case management and social services. A few Volunteer Los Angeles programs were discontinued in response to the closures of Los Angeles County courthouses and in preparation for the establishment of the new Volunteer Los Angeles entity.

Due to the transition time required by some of the federally-funded grants and the necessity to comply with the advance notification provisions of the WARN act, the discontinuance of some of the program activities was not fully concluded until September 30, 2012. The net costs of the discontinued operations that have occurred for the year ended June 30, 2012, the estimated cost of severance and related costs, and the estimated net costs to terminate the discontinued programs for the period July 1 through September 30, 2012, have been reported as discontinued operations on the statement of activities. The estimated net costs to terminate the discontinued programs through September 30, 2012, have been reported as accounts payable and accrued liabilities on the statement of financial position (see Note 13).

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the League have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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 franchise taxes under IRC Section 501(c)(3) and corresponding California Revenue and Taxation Code sections.

The League's federal income tax and informational returns for tax years ending June 30, 2009, and subsequent remain open to examination by the Internal Revenue Service. The returns for California, the League's only state tax jurisdiction, remain open to examination by the California Franchise Tax Board for tax years ending June 30, 2008, and subsequent.

Net Assets

The League reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted (see Note 8).

Unrestricted Net Assets - are currently available for use by the League or were received with donor restrictions that were satisfied in the same period. Unrestricted net assets may be designated by the Board either for specific purposes or for investment.

Temporarily Restricted Net Assets - are restricted by donors for specific purposes, restricted for use in specific future periods, or subject to both a purpose and a time restriction. Restricted contributions received are classified as unrestricted if the restrictions are met within the same reporting period.

Permanently Restricted Net Assets - are restricted by donors in perpetuity as endowments. Earnings from permanently restricted net assets are classified as temporarily restricted until they have been appropriated for expenditure.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Endowments

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 9).

Cash and Cash Equivalents

Cash equivalents consist of highly-liquid investments with original maturities of three months or less. In addition to the cash and cash equivalents reported on the statement of financial position, cash and cash equivalents totaling \$180,927 are also included within investments and additional cash and cash equivalents totaling \$1,168,570 not used in operations are reported as cash designated for special purposes on the statement of financial position.

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, 2012, management has determined substantially all grants, contract and other receivables are collectible, but has provided for a general allowance for doubtful accounts totaling \$9,136.

Investments

Investments are stated at fair value based on a hierarchy discussed in Note 3.

Purchases and sales of securities are recorded on trade dates. There were no outstanding purchases or sales transactions as of June 30, 2012.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

Interest and dividend income and realized and unrealized gains and losses on investments are reported as investment income as increases or decreases to unrestricted net assets, unless their use is restricted by donor stipulations or law.

Property and Equipment

Property and equipment used in the operations of the League are stated at cost or, if contributed, at the fair value at the date of contribution. Depreciation and amortization on both purchased and donated items are recorded using the straight-line method over the shorter of the estimated useful life of the related asset or the term of the lease for leasehold improvements as follows:

Land improvements	15 - 20 years
Buildings and improvements	40 years
Furniture and fixtures	15 years
Office and other equipment	5 years
Vehicles	5 years
Computer equipment	3 years

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.

Expenditures for fixed assets that are purchased with government funds are expensed when acquired because the grantor retains title to such 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. Temporarily restricted contributions that are expended in the current year are reported as unrestricted. At its discretion, the Board may designate unrestricted contributions for specific purposes (see Note 8).

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Goods and Services

The League receives contributions of goods and services. Contributed goods include sundries, supplies, meals, and equipment that are used in programs that serve children, seniors, and families and are recorded at their fair value when received. Professional services that meet the standard for recognition as contributed services are recorded as contributed goods and service revenue and the related expense. A substantial number of volunteers have donated significant amounts of time to the League's program and fundraising activities. The value of these contributions is not reflected in the financial statements as these services do not meet the criteria for recognition as contributed services.

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.

For programs reimbursed by the federal government, the League charges overhead costs totaling 17.6% under a Cost Allocation Plan approved by the U.S. Department of Health and Human Services.

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 and related costs to maintain facilities that are not owned by the League are included within occupancy expenses.

Concentrations of Risk

The League maintains cash balances at institutions insured by the Federal Deposit Insurance Company ("FDIC"). Some of the League's cash balances exceed FDIC-insured limits. The League has not experienced and does not anticipate any losses related to cash held in these accounts.

Investments 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 investments held in these accounts.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The League has evaluated events subsequent to June 30, 2012, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through October 25, 2012, 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 described in Notes 6, 9, and 13.

NOTE 3 - INVESTMENTS

The League reports its 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) (there were no Level 3 investments as of June 30, 2012).

Investments consist of the following:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equities	\$ 2,715,910	\$ -	\$ 2,715,910
Mutual funds	2,105,430	492,180	2,597,610
Fixed income securities	-	811,228	811,228
Cash and cash equivalents	<u>180,927</u>	<u>-</u>	<u>180,927</u>
Subtotal - endowment	5,002,267	1,303,408	6,305,675
Gift annuity	<u>-</u>	<u>15,659</u>	<u>15,659</u>
	<u>\$ 5,002,267</u>	<u>\$ 1,319,067</u>	<u>\$ 6,321,334</u>

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 3 - INVESTMENTS (Continued)

Activity in the investments during the year was as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Balance, beginning of year	\$ 5,254,191	\$ 1,194,232	\$ 6,448,423
Increases			
Dividends and interest reinvested	247,566	-	247,566
Purchases of investments	<u>2,255,601</u>	<u>509,016</u>	<u>2,764,617</u>
	<u>2,503,167</u>	<u>509,016</u>	<u>3,012,183</u>
Decreases			
Investment management fees	(38,634)	-	(38,634)
Sales from cash held for investments	(1,119,793)	-	(1,119,793)
Sales, redemptions and distributions	<u>(1,158,956)</u>	<u>(486,591)</u>	<u>(1,645,547)</u>
	<u>(2,317,383)</u>	<u>(486,591)</u>	<u>(2,803,974)</u>
Realized and Unrealized Gains (Losses)	<u>(437,708)</u>	<u>102,410</u>	<u>(335,298)</u>
Balance, end of year	<u>\$ 5,002,267</u>	<u>\$ 1,319,067</u>	<u>\$ 6,321,334</u>

In addition to dividends and interest reinvested, the League also earned interest income totaling \$15,595 on its cash designated for special purposes.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>In Use</u>	<u>Held for Sale</u>	<u>Total</u>
Land	\$ 1,269,004	\$ 187,061	\$ 1,456,065
Land improvements	53,873	-	53,873
Buildings and improvements	9,192,760	793,850	9,986,610
Leasehold improvements	431,644	-	431,644
Furniture and fixtures	1,436,869	-	1,436,869
Office and other equipment	107,734	-	107,734
Vehicles	196,615	-	196,615
Computer equipment	338,667	-	338,667
	13,027,166	980,911	14,008,077
Accumulated depreciation and amortization	(6,457,602)	(215,922)	(6,673,524)
	<u>\$ 6,569,564</u>	<u>\$ 764,989</u>	<u>\$ 7,334,553</u>

In April 2012, the Board agreed that property in Panorama City would be offered for sale. The League has retained a commercial real estate broker to facilitate the sale.

NOTE 5 - MORTGAGE PAYABLE

The League has a mortgage payable to a financial institution, secured by the Panorama City land and building being sold (see in Note 4), with monthly payments of principal and interest (at 7.375%) of \$3,174 through January 2017, at which time any remaining principal and interest is due. Upon the sale of the Panorama City land and building, this mortgage will be paid in full. The mortgage note is subject to substantial prepayment penalties and several debt covenants, the most restrictive of which is a requirement to maintain a positive net asset balance. The League is in compliance with all debt covenants as of June 30, 2012.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 5 - MORTGAGE PAYABLE (Continued)

Until the Panorama City land and building are sold, future maturities on the mortgage obligation are scheduled as follows:

Year Ending June 30,

2013	\$	26,327
2014		28,651
2015		31,181
2016		33,925
2017		<u>30,071</u>
	\$	<u>150,155</u>

NOTE 6 - LINE OF CREDIT

The League has a line of credit for working capital from a financial institution for \$300,000 that was unused during the year. The line is unsecured and carries an interest rate of 3.25% and requires the League to be out of debt for thirty consecutive days annually throughout the term of the loan. The line of credit agreement expired in September 2012; management anticipates no problems in negotiating an extension.

NOTE 7 - ASSET RETIREMENT OBLIGATION

The League has estimated the fair value of the cost to provide asbestos remediation to be \$310,950 at June 30, 2012, and it is included within accounts payable and accrued liabilities on the statement of financial position. Accretion expense totaled \$10,365 for the year.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 8 - NET ASSETS

Reclassification of Net Assets Associated with Endowments

During the year, management evaluated net assets associated with endowments and quasi-endowments (i.e., board-designated unrestricted endowments) and determined, based on the donors' intention to restrict the use of the donated assets for specific purposes, that net assets associated with the invested endowments require reclassification in order to be accurately reported as unrestricted board-designated, temporarily restricted, and permanently restricted net assets.

Effective July 1, 2011, net assets were reclassified as follows:

	<u>Unrestricted and Board Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance, July 1, 2011, as originally reported	\$12,303,246	\$ 2,407,115	\$ 2,302,007	\$17,012,368
Reclassification of endowments	<u>670,140</u>	<u>(830,140)</u>	<u>160,000</u>	<u>-</u>
Balance, July 1, 2011, as reclassified	<u>\$12,973,386</u>	<u>\$ 1,576,975</u>	<u>\$ 2,462,007</u>	<u>\$17,012,368</u>

Unrestricted Board-Designated Net Assets

At June 30, 2012, unrestricted board-designated net assets are as follows:

Quasi-endowment	\$ 3,544,860
Nine O'Clock Players - surplus	349,680
Operation School Bell - inventory	156,825
Foster Children's Resource Center - inventory	40,036
Auxiliary carryover	<u>69,222</u>
	<u>\$ 4,160,623</u>

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 8 - NET ASSETS (Continued)

Temporarily Restricted Net Assets

Activity in temporarily restricted net assets during the year was as follows:

	<u>Releases from Restrictions</u>	<u>Balance, June 30, 2012</u>
Donor-restricted term endowment (see Note 9)	\$ -	\$ 1,463,628
Operation School Bell	-	232,177
Theater for Children	-	40,086
Foster Children's Resource Center	(10,507)	75,128
Children's Services	(5,000)	10,000
Senior Multipurpose Center	(31,558)	-
Membership	<u>(12,340)</u>	<u>-</u>
	<u>\$ (59,405)</u>	<u>\$ 1,821,019</u>

NOTE 9 - ENDOWMENTS

The League endowments and quasi-endowments consist of pooled funds established for the purposes as described below. The Board has interpreted the California Uniform Prudent Management of Institutional Funds Act ("Cal UPMIFA") as requiring the preservation of the fair value of donor-restricted endowment funds. Donor-restricted endowment funds not classified as permanently restricted are classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with donor intentions and the standard of prudence prescribed by Cal UPMIFA.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 9 - ENDOWMENTS (Continued)

In accordance with Cal 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 League 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 include those assets of donor-restricted funds classified as permanently and temporarily 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 45%, fixed income 45%, 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 SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 9 - ENDOWMENTS (Continued)

Spending Policy and How Investment Objectives Relate to Spending Policy

In September 2012, the League approved a spending policy which 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 temporarily restricted term endowments may be appropriated for expenditure in accordance with the donors' specific instructions. During the year ended June 30, 2012, \$602,000 was distributed from the quasi-endowment. In September 2012, the Board approved a distribution in the amount of \$613,540 from the quasi-endowment and appropriated \$386,460 for expenditure from the temporarily restricted endowment to be used in accordance with the donors' specific instructions.

Endowment Net Asset Composition by Type of Fund

Endowment net assets have been classified as follows:

	<u>Unrestricted and Board- Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted				
Theater for Children	\$ 5,905	\$ 593,305	\$ 728,687	\$ 1,327,897
Children's Services	237,070	280,060	549,628	1,066,758
Operation School Bell	-	423,018	60,000	483,018
Senior Services	-	57,547	100,000	157,547
Family Resource Center	(61,316)	-	1,000,000	938,684
Community House	-	109,698	-	109,698
General Endowment	<u>3,363,201</u>	<u>-</u>	<u>27,442</u>	<u>3,390,643</u>
	<u>\$ 3,544,860</u>	<u>\$ 1,463,628</u>	<u>\$ 2,465,757</u>	<u>\$ 7,474,245</u>

The fair value of assets associated with individual donor-restricted endowments may fall below the level established by the donor. Deficiencies of this nature totaling \$61,316 resulting from unfavorable market fluctuations were reported in unrestricted net assets as of June 30, 2012.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 9 - ENDOWMENTS (Continued)

Endowment Asset Composition on Statement of Financial Position

Assets held comprising the League's endowments are reported on the statement of financial position as follows:

Investments (see Note 3)	\$ 6,305,675
Cash designated for special purposes	<u>1,168,570</u>
	<u>\$ 7,474,245</u>

Changes in Endowment Net Assets During the Year

Activity in the endowments during the year was as follows:

	<u>Unrestricted and Board- Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance, July 1, 2011, as originally reported	\$ 3,534,403	\$ 2,320,988	\$ 2,302,007	\$ 8,157,398
Reclassification of endowments (see Note 8)	<u>670,140</u>	<u>(830,140)</u>	<u>160,000</u>	<u>-</u>
Balance, July 1, 2011, as reclassified	4,204,543	1,490,848	2,462,007	8,157,398
Contributions	14,690	11,270	3,750	29,710
Dividends and interest	172,586	90,575	-	263,161
Investment fees	(38,634)	-	-	(38,634)
Net realized and unrealized appreciation	(206,325)	(129,065)	-	(335,390)
Appropriated for expenditure and distributed	<u>(602,000)</u>	<u>-</u>	<u>-</u>	<u>(602,000)</u>
Balance, June 30, 2012	<u>\$ 3,544,860</u>	<u>\$ 1,463,628</u>	<u>\$ 2,465,757</u>	<u>\$ 7,474,245</u>

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 10 - CONTRIBUTED GOODS AND SERVICES

Contributed goods and services during the year were as follows:

Professional fees and service contracts	\$ 43,828
Rent	103,500
Program supplies - other costs	34,778
Participant expense	72,582
Assistance to individuals	103,620
Miscellaneous	<u>2,795</u>
	361,103
Less balances included in discontinued operations	<u>(126,307)</u>
	<u>\$ 234,796</u>

NOTE 11 - FUNDRAISING INCOME

Fundraising income and related contributions and expenses were as follows:

Fundraising income	\$ 157,334
Contributions in connection with fundraising events	<u>852,263</u>
	1,009,597
Less special event expenses	<u>(95,572)</u>
	<u>\$ 914,025</u>

NOTE 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 20% of their compensation 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, 2012, the League contributed \$28,613 as matching contributions.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

Retirement Plan (Continued)

Employees who are Plan participants and received a WARN notice, as described in Note 1, will be 100% vested immediately on termination from the League.

Operating Leases

The League leases certain equipment and facilities under noncancellable operating leases expiring various dates through 2014.

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>
2013	\$ 46,362	\$ 47,023	\$ 93,385
2014	<u>8,554</u>	<u>12,784</u>	<u>21,338</u>
	<u>\$ 54,916</u>	<u>\$ 59,807</u>	<u>\$ 114,723</u>

Rent expense for the year under operating leases	<u>\$ 121,342</u>	<u>\$ 56,386</u>	<u>\$ 177,728</u>
--	-------------------	------------------	-------------------

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. After consultation with legal counsel, management is of the opinion that liabilities, if any, arising from such litigation and examinations would not have a material adverse effect on the financial position of the League.

Government Grants

Certain programs of the League receive funding and support from the 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 SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 13 - SUBSEQUENT EVENTS

Discontinued Programs

As described in Note 1, the League has discontinued several of its programs and has recorded a charge to operations totaling \$801,839, consisting of the loss from operations (\$428,715) and the costs and operating losses expected to be incurred to discontinue these operations for the period July through September 2012 (\$373,124).

No assets or liabilities will be transferred in connection with discontinued programs.

The loss from operations from discontinued programs during the year ended June 30, 2012, is as follows:

Revenue and Support	<u>\$ 4,384,619</u>
Functional Expenses	
Program services	4,409,101
Supporting services	404,233
Fundraising	<u>-</u>
	<u>4,813,334</u>
	<u>\$ (428,715)</u>

Volunteer Los Angeles

In July 2012, the Board voted to take actions to create a separate IRC Section 501(c)(3) charity, Volunteer Los Angeles. All the services associated with the Volunteer Los Angeles program, described in Note 1, are intended to be transferred to this new entity.

Future Rental Income

In August 2012, the League entered into a lease arrangement with a nonprofit school. The school has agreed to a five-year lease to rent the League facilities vacated by the discontinued children's programs.

Effective October 1, 2012, a nonprofit voluntary health and welfare organization assumed responsibility for the administration of all Senior Services funded by the City of Los Angeles Department of Aging ("DOA"). DOA programs that serve seniors in the Hollywood Senior Center will be provided by the new organization. The new organization has entered into a short-term lease arrangement with the League for use of the facilities to provide these services.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 13 - SUBSEQUENT EVENTS (Continued)

As a result of the leasing arrangements described above, future minimum lease rentals are scheduled to be received as follows:

Year Ending June 30,

2013	\$	133,833
2014		290,696
2015		313,914
2016		306,398
2017		297,262
Thereafter		<u>24,040</u>
	\$	<u>1,366,143</u>

SUPPLEMENTAL SCHEDULES

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

**SUPPLEMENTAL SCHEDULE OF CONTINUING PROGRAM SERVICES
REVENUE AND EXPENSES**

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Family Service Agency</u>	<u>Children's Services</u>	<u>Multipurpose Senior Center</u>	<u>Volunteer LA</u>	<u>Total Program Activity</u>
Revenue and Support					
Contributions	\$ 23,473	\$ 801,041	\$ 186,729	\$ 37,580	\$ 1,048,823
Government grants	2,700,782	17,453	-	399,924	3,118,159
Contributed goods and services	<u>10,989</u>	<u>216,308</u>	<u>6,651</u>	<u>-</u>	<u>233,948</u>
	<u>2,735,244</u>	<u>1,034,802</u>	<u>193,380</u>	<u>437,504</u>	<u>4,400,930</u>
Program service fees	6,501	287,465	-	3,301,731	3,595,697
Other income	<u>599</u>	<u>4,766</u>	<u>6,566</u>	<u>400</u>	<u>12,331</u>
	<u>7,100</u>	<u>292,231</u>	<u>6,566</u>	<u>3,302,131</u>	<u>3,608,028</u>
Total Revenue and Support	<u>2,742,344</u>	<u>1,327,033</u>	<u>199,946</u>	<u>3,739,635</u>	<u>8,008,958</u> ⁽¹⁾
Personnel Expenses					
Salaries and wages	1,656,026	305,061	50,081	1,828,137	3,839,305
Employee benefits	169,020	47,988	6,646	225,706	449,360
Payroll taxes	<u>147,249</u>	<u>26,571</u>	<u>4,554</u>	<u>159,673</u>	<u>338,047</u>
	<u>1,972,295</u>	<u>379,620</u>	<u>61,281</u>	<u>2,213,516</u>	<u>4,626,712</u>
Other Expenses					
Advertising and recruiting	1,608	3,519	75	1,050	6,252
Assistance to individuals	2,817	370,520	9,296	-	382,633
Dues, fees and conferences	8,933	82	1,480	23,657	34,152
Equipment	-	5,965	879	8,606	15,450
Insurance	23,770	16,339	16,106	16,300	72,515
Occupancy	164,169	234,380	101,247	113,925	613,721
Office and technology supplies	91,592	8,638	2,907	135,039	238,176
Participants expense	-	390	-	343	733
Printing, copying, postage and publishing	14,890	10,047	2,454	19,843	47,234
Professional fees and service contracts	77,632	13,611	-	156,261	247,504
Program costs - nutrition related	-	81	1,359	-	1,440
Program costs - supplies and other	15,157	5,665	4,186	64,665	89,673
Taxes and licenses	5,078	2,924	2,908	10,294	21,204
Telephone	44,477	11,777	2,004	53,367	111,625
Travel	79,098	32,870	14	13,115	125,097
Vehicle expense	-	1,596	-	7,711	9,307
Interest	-	-	-	150	150
Depreciation and amortization	69,224	69,224	69,224	69,224	276,896
Miscellaneous	<u>748</u>	<u>2,250</u>	<u>1,038</u>	<u>3,527</u>	<u>7,563</u>
	<u>599,193</u>	<u>789,878</u>	<u>215,177</u>	<u>697,077</u>	<u>2,301,325</u>
Total Expenses	<u>2,571,488</u>	<u>1,169,498</u>	<u>276,458</u>	<u>2,910,593</u>	<u>6,928,037</u>
Net Surplus (Loss) from Continuing Program Services	<u>\$ 170,856</u>	<u>\$ 157,535</u>	<u>\$ (76,512)</u>	<u>\$ 829,042</u>	<u>\$ 1,080,921</u>

(1) The League has reported additional revenue and support totaling \$720,323 on the statement of activities not directly attributable to a specific program service activity.

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA
SUPPLEMENTAL SCHEDULE OF DISCONTINUED PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Loss from Operations - FYE 2012</u>				<u>Costs to Discontinue Programs and Operating Losses Expected to be Incurred - July-September 2012</u>							
	<u>Children's Programs</u>	<u>Department of Aging Senior Programs</u>	<u>Corporation for National and Community Programs</u>	<u>Support for Discontinued Programs</u>	<u>Subtotal FYE 2012</u>	<u>Children's Programs July-September 2012</u>	<u>Department of Aging Senior Programs July-September 2012</u>	<u>Corporation for National and Community Programs July-August 2012</u>	<u>Support for Discontinued Programs July-September 2012</u>	<u>Severance Costs for Discontinued Programs</u>	<u>Subtotal July-September 2012</u>	<u>Total Discontinued Programs</u>
Public Support												
Government grants	\$ 1,147,610	\$ 1,290,646	\$ 783,187	\$ -	\$ 3,221,443	\$ 187,552	\$ 274,125	\$ 131,058	\$ -	\$ -	\$ 592,735	\$ 3,814,178
Contributed goods and services	-	<u>53,725</u>	<u>72,582</u>	-	<u>126,307</u>	-	<u>8,707</u>	<u>11,844</u>	-	-	<u>20,551</u>	<u>146,858</u>
	<u>1,147,610</u>	<u>1,344,371</u>	<u>855,769</u>	-	<u>3,347,750</u>	<u>187,552</u>	<u>282,832</u>	<u>142,902</u>	-	-	<u>613,286</u>	<u>3,961,036</u>
Revenue												
Program service fees	860,370	167,509	-	-	1,027,879	110,980	36,148	-	-	-	147,128	1,175,007
Other income	<u>5,880</u>	<u>3,059</u>	<u>51</u>	-	<u>8,990</u>	-	<u>1,332</u>	<u>11</u>	-	-	<u>1,343</u>	<u>10,333</u>
	<u>866,250</u>	<u>170,568</u>	<u>51</u>	-	<u>1,036,869</u>	<u>110,980</u>	<u>37,480</u>	<u>11</u>	-	-	<u>148,471</u>	<u>1,185,340</u>
Total Revenue and Support	<u>2,013,860</u>	<u>1,514,939</u>	<u>855,820</u>	-	<u>4,384,619</u>	<u>298,532</u>	<u>320,312</u>	<u>142,913</u>	-	-	<u>761,757</u>	<u>5,146,376</u>
Personnel Expenses												
Salaries and wages	1,272,390	619,591	177,999	230,060	2,300,040	226,513	156,044	27,341	37,024	170,685	617,607	2,917,647
Employee benefits	265,955	98,253	19,787	25,755	409,750	53,376	27,678	3,757	7,112	4,740	96,663	506,413
Payroll taxes	<u>114,251</u>	<u>59,204</u>	<u>15,801</u>	<u>17,382</u>	<u>206,638</u>	<u>22,480</u>	<u>16,022</u>	<u>2,145</u>	<u>2,605</u>	<u>13,575</u>	<u>56,827</u>	<u>263,465</u>
	<u>1,652,596</u>	<u>777,048</u>	<u>213,587</u>	<u>273,197</u>	<u>2,916,428</u>	<u>302,369</u>	<u>199,744</u>	<u>33,243</u>	<u>46,741</u>	<u>189,000</u>	<u>771,097</u>	<u>3,687,525</u>

(Continued on Next Page)

ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA

SUPPLEMENTAL SCHEDULE OF DISCONTINUED PROGRAMS (Continued)

FOR THE YEAR ENDED JUNE 30, 2012

	Loss from Operations - FYE 2012				Costs to Discontinue Programs and Operating Losses Expected to be Incurred - July-September 2012							
	Children's Programs	Department of Aging Senior Programs	Corporation for National and Community Programs	Support for Discontinued Programs	Subtotal FYE 2012	Children's Programs July-September 2012	Department of Aging Senior Programs July-September 2012	Corporation for National and Community Programs July-August 2012	Support for Discontinued Programs July-September 2012	Severance Costs for Discontinued Programs	Subtotal July-September 2012	Total Discontinued Programs
Other Expenses												
Advertising and recruiting	\$ 970	\$ 1,698	\$ -	\$ 97	\$ 2,765	\$ -	\$ 448	\$ -	\$ 36	\$ -	\$ 484	\$ 3,249
Assistance to individuals	-	52,969	-	-	52,969	-	5,932	-	-	-	5,932	58,901
Dues, fees and conferences	4,720	7,613	2,738	5,593	20,664	955	1,600	-	103	-	2,658	23,322
Equipment	6,032	9,547	1,262	2,468	19,309	-	-	-	-	-	-	19,309
Insurance	41,824	5,290	5,052	10,018	62,184	-	12,000	1,013	-	-	13,013	75,197
Occupancy	149,007	23,543	-	25,649	198,199	36,485	11,562	2,200	-	-	50,247	248,446
Office and technology supplies	41,874	17,951	8,464	12,696	80,985	3,664	6,561	2,192	657	-	13,074	94,059
Participant expense	-	1,116	518,167	-	519,283	87	-	91,730	-	-	91,817	611,100
Printing, copying, postage and publishing	20,476	19,484	5,647	5,268	50,875	3,377	4,692	918	508	-	9,495	60,370
Professional fees and service contracts	120	60,134	-	48,910	109,164	-	11,387	-	10,674	11,000	33,061	142,225
Program costs - nutrition related	76,001	454,938	11,514	-	542,453	14,229	98,194	-	-	-	112,423	654,876
Program costs - supplies and other	30,524	23,965	10,842	-	65,331	2,813	-	1,453	-	-	4,266	69,597
Taxes and licenses	10,386	866	565	9,319	21,136	599	41	-	2,656	-	3,296	24,432
Telephone	19,617	20,483	7,568	3,122	50,790	3,920	5,994	-	120	-	10,034	60,824
Travel	830	4,542	1,273	947	7,592	-	717	164	87	-	968	8,560
Vehicle expense	11,107	69,280	-	225	80,612	1,219	9,435	-	-	-	10,654	91,266
Interest	-	-	16	-	16	-	-	-	-	-	-	16
Miscellaneous	3,716	2,139	-	6,724	12,579	315	2,005	-	42	-	2,362	14,941
	<u>417,204</u>	<u>775,558</u>	<u>573,108</u>	<u>131,036</u>	<u>1,896,906</u>	<u>67,663</u>	<u>170,568</u>	<u>99,670</u>	<u>14,883</u>	<u>11,000</u>	<u>363,784</u>	<u>2,260,690</u>
Total Expenses	<u>2,069,800</u>	<u>1,552,606</u>	<u>786,695</u>	<u>404,233</u>	<u>4,813,334</u>	<u>370,032</u>	<u>370,312</u>	<u>132,913</u>	<u>61,624</u>	<u>200,000</u>	<u>1,134,881</u>	<u>5,948,215</u>
Net Surplus (Loss) from Discontinued Programs	<u>\$ (55,940)</u>	<u>\$ (37,667)</u>	<u>\$ 69,125</u>	<u>\$ (404,233)</u>	<u>\$ (428,715)</u>	<u>\$ (71,500)</u>	<u>\$ (50,000)</u>	<u>\$ 10,000</u>	<u>\$ (61,624)</u>	<u>\$ (200,000)</u>	<u>\$ (373,124)</u>	<u>\$ (801,839)</u>