

Assistance League® of Los Angeles

Financial Statements

June 30, 2018



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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 (the "League"), which comprise the statement of financial position as of June 30, 2018, 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, 2018, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018, 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 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.

A handwritten signature in cursive script that reads "Armanino LLP".

Armanino^{LLP}
Los Angeles, California

November 30, 2018

Assistance League® of Los Angeles
Statement of Financial Position
June 30, 2018

ASSETS

Cash and cash equivalents	\$ 1,267,592
Accounts receivable	22,206,330
Operating investments	3,581,479
Prepaid expenses and other assets	644,576
Endowment investments	6,789,018
Property and equipment, net	<u>1,003,007</u>
 Total assets	 <u><u>\$ 35,492,002</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued liabilities	\$ 22,417,722
Accrued salaries and related expenses	53,149
Total liabilities	<u>22,470,871</u>
 Commitments and contingencies (Note 8)	
Net assets	
Unrestricted	
Unrestricted - undesignated	3,549,788
Unrestricted - invested in land, building and equipment	1,003,007
Board-designated	<u>5,185,617</u>
Total unrestricted	9,738,412
Temporarily restricted	1,811,062
Permanently restricted	<u>1,471,657</u>
Total net assets	<u>13,021,131</u>
 Total liabilities and net assets	 <u><u>\$ 35,492,002</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, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, gains and other support				
Public support				
Contributions	\$ 22,624,337	\$ 543,630	\$ -	\$ 23,167,967
Government grants	667,596	-	-	667,596
Contributed goods and rent	426,207	-	-	426,207
Fundraising	<u>-</u>	<u>288,086</u>	<u>-</u>	<u>288,086</u>
Total public support	23,718,140	831,716	-	24,549,856
Membership fees and obligations	57,897	-	-	57,897
Program service fees	1,707,117	-	-	1,707,117
Facility rentals	66,732	-	-	66,732
Other income	<u>42,349</u>	<u>-</u>	<u>-</u>	<u>42,349</u>
Total revenues, gains and other support	<u>25,592,235</u>	<u>831,716</u>	<u>-</u>	<u>26,423,951</u>
Net assets released from restriction	<u>925,805</u>	<u>(925,805)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>26,518,040</u>	<u>(94,089)</u>	<u>-</u>	<u>26,423,951</u>
Functional expenses				
Program services	<u>3,981,571</u>	<u>-</u>	<u>-</u>	<u>3,981,571</u>
Support services				
Management and general	625,516	-	-	625,516
Fundraising	<u>532,936</u>	<u>-</u>	<u>-</u>	<u>532,936</u>
Total support services	<u>1,158,452</u>	<u>-</u>	<u>-</u>	<u>1,158,452</u>
Total functional expenses	<u>5,140,023</u>	<u>-</u>	<u>-</u>	<u>5,140,023</u>
Change in net assets from operations	<u>21,378,017</u>	<u>(94,089)</u>	<u>-</u>	<u>21,283,928</u>
Investment returns and other				
Investment interest and dividends	185,569	-	-	185,569
Realized gains on sales of investments	245,767	-	-	245,767
Unrealized gains on investments	187,993	117,003	-	304,996
Grant to affiliate organization	<u>(22,152,146)</u>	<u>-</u>	<u>-</u>	<u>(22,152,146)</u>
Total investment returns and other	<u>(21,532,817)</u>	<u>117,003</u>	<u>-</u>	<u>(21,415,814)</u>
Change in net assets	(154,800)	22,914	-	(131,886)
Net assets, beginning of year	<u>9,893,212</u>	<u>1,788,148</u>	<u>1,471,657</u>	<u>13,153,017</u>
Net assets, end of year	<u>\$ 9,738,412</u>	<u>\$ 1,811,062</u>	<u>\$ 1,471,657</u>	<u>\$ 13,021,131</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, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expenses				
Salaries and wages	\$ 1,337,823	\$ 160,034	\$ 189,557	\$ 1,687,414
Employee benefits	216,446	25,891	30,669	273,006
Payroll taxes	<u>116,942</u>	<u>13,988</u>	<u>16,570</u>	<u>147,500</u>
Total personnel expenses	1,671,211	199,913	236,796	2,107,920
Advertising and recruiting	9,035	2,281	639	11,955
Assistance to individuals	670,061	-	-	670,061
Depreciation and amortization	130,283	15,585	18,460	164,328
Dues, fees and conferences	43,697	4,604	4,624	52,925
Equipment	6,622	73	86	6,781
Insurance	109,480	9,770	11,572	130,822
Mileage reimbursement, transportation, and travel	5,349	209	273	5,831
Miscellaneous	10,200	1,048	722	11,970
Occupancy	619,737	28,622	33,095	681,454
Office and technology supplies	62,876	2,221	1,608	66,705
Printing, copying, postage and publishing	37,837	1,862	3,431	43,130
Professional fees and service contracts	241,305	303,544	143,178	688,027
Program costs	35,463	-	-	35,463
Program supplies - nutrition-related costs	65,809	-	-	65,809
Special events	2,665	358	54,913	57,936
Taxes, licenses, and fees	18,595	41,002	2,935	62,532
Telephone	100,795	5,797	7,438	114,030
Vehicle	3,566	-	-	3,566
Website and internet	<u>136,985</u>	<u>8,627</u>	<u>13,166</u>	<u>158,778</u>
	<u>\$ 3,981,571</u>	<u>\$ 625,516</u>	<u>\$ 532,936</u>	<u>\$ 5,140,023</u>
Percentage of total	<u>77.4 %</u>	<u>12.2 %</u>	<u>10.4 %</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, 2018

Cash flows from operating activities	
Change in net assets	\$ (131,886)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation and amortization	164,328
Realized and unrealized gains on investments	(550,763)
Changes in operating assets and liabilities	
Accounts receivable	(22,160,182)
Prepaid expenses and other assets	(235,711)
Accounts payable and accrued liabilities	22,308,475
Accrued salaries and related expenses	731
Net cash used in operating activities	<u>(605,008)</u>
Cash flows from investing activities	
Purchases of property and equipment	(97,710)
Proceeds from sales of investments	2,100,582
Purchases of investments and reinvestment of earnings, net of fees	<u>(2,014,656)</u>
Net cash used in investing activities	<u>(11,784)</u>
Net decrease in cash and cash equivalents	(616,792)
Cash and cash equivalents, beginning of year	<u>1,884,384</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,267,592</u></u>

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

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2018

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 seven 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 numbers of children and families served and the volunteer hours to support those efforts are provided below:

	Number served (Unaudited)
Foster Children's Resource Center	2,133
Operation School Bell	6,741
Preschool Learning Center	74
Theatre for Children	12,000
Apartment 3C Bright Future Scholarship	27
Total	20,975

	Volunteer Hours (Unaudited)
Anne Banning	11,332
College Alumnae	236
Founder Assisteens	2,173
Hilltoppers	8,723
League at Large	677
Mannequins	766
Nine O'Clock Players	17,617
Preschool Auxiliary	575
Young Professionals' Group	50
Total	42,149

Based on the U.S. Department of Labor, Bureau of Labor Statistics valuation of volunteer time for fiscal year ended June 30, 2018, the League benefited from approximately \$1,054,000 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, 2018

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 and increased academic success 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 via 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 Futures 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, 2018

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, 2018, CRVC connected more than 20,000 Angelenos to community services opportunities representing more than 1,547,000 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.

The League's federal tax informational returns for tax years ended June 30, 2015, 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 ended June 30, 2014 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 6).

Unrestricted net assets

Unrestricted-Undesignated Net Assets are currently available for use by the League or were received with donor restrictions that were satisfied in the same period.

Unrestricted-Invested in Land, Building and Equipment Net Assets includes unrestricted net assets the League currently has invested in property and equipment, net of any debt.

Board-Designated Net Assets includes unrestricted net assets designated by the Board of Directors (the "Board") for specific purposes or programs.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Temporarily restricted net assets

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

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.

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 5).

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 3).

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, 2018, management believes 100% of accounts receivable is collectible, and thus there is no allowance for doubtful accounts.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating and endowment investments

Endowment investments are stated at fair value based on a hierarchy discussed in Note 3. 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 to 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.

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:

Computers and software	3 years
Furniture and fixtures	5 - 7 years
Office and other 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 of 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 6).

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed goods, rents, 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 7). 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.

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.

Concentrations of risk

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 13% of total revenue during the year and 3% of accounts receivable at June 30, 2018, after excluding the effects of the Bequest at Note 11.

Subsequent events

The League has evaluated events subsequent to June 30, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through November 30, 2018, 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 Notes 8 and 9.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2018

3. 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, 2018).

Investments are categorized as follows:

Endowment (see Note 5)	\$ 6,789,018
Operating	<u>3,581,479</u>
	<u>\$ 10,370,497</u>

The following table sets forth by level, within the fair value hierarchy, the League's investments at fair value as of June 30, 2018:

	Level 1	Level 2	Level 3	Fair Value
Mutual funds	\$ 3,598,786	\$ -	\$ -	\$ 3,598,786
Equities	5,189,549	-	-	5,189,549
Corporate bonds	-	695,154	-	695,154
Government securities	515,657	99,666	-	615,323
Money market accounts	<u>271,685</u>	<u>-</u>	<u>-</u>	<u>271,685</u>
	<u>\$ 9,575,677</u>	<u>\$ 794,820</u>	<u>\$ -</u>	<u>\$10,370,497</u>

Activity in the investments during the year was as follows:

Balance, beginning of year	\$ 9,905,660
Proceeds from sales of investments	2,014,656
Purchases of investments and reinvestment of earnings, net of fees	(2,100,582)
Realized gains on sales of investments	245,767
Unrealized gains on investments	<u>304,996</u>
Balance, end of year	<u>\$ 10,370,497</u>

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2018

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Computers and software	\$ 191,497
Furniture and fixtures	536,071
Land	268,967
Leasehold improvements	596,957
Office and other equipment	148,180
Vehicles	<u>351,684</u>
	2,093,356
Accumulated depreciation and amortization	<u>(1,090,349)</u>
	<u>\$ 1,003,007</u>

5. 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.

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.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2018

5. ENDOWMENTS (continued)

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.

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 temporarily restricted term endowments may be appropriated for expenditure in accordance with the donors' specific instructions. During the year ended June 30, 2018, \$146,714 was distributed from the unrestricted Board-designated endowment and \$89,038 from the temporarily restricted term endowment.

Endowment net asset composition by type of fund

Endowment net asset composition by type of fund as of June 30, 2018 is as follows:

	Unrestricted Board- Designated	Temporarily Restricted	Permanently Restricted	Total
Operation School Bell	\$ -	\$ 393,934	\$ 60,000	\$ 453,934
Theatre for Children	-	664,881	734,587	1,399,468
Senior Services	-	18,164	100,000	118,164
Children's Services	-	104,093	549,628	653,721
General Endowment	<u>4,131,848</u>	<u>4,441</u>	<u>27,442</u>	<u>4,163,731</u>
	<u>\$ 4,131,848</u>	<u>\$ 1,185,513</u>	<u>\$ 1,471,657</u>	<u>\$ 6,789,018</u>

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2018

5. ENDOWMENTS (continued)

Changes in endowment net assets during the year

Changes in endowment net assets for the fiscal year ended June 30, 2018 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance, beginning of year	\$ 3,931,978	\$ 1,157,548	\$ 1,471,657	\$ 6,561,183
Investment return				
Investment earnings, net	346,584	117,003	-	463,587
Appropriated for expenditure and distributed	<u>(146,714)</u>	<u>(89,038)</u>	<u>-</u>	<u>(235,752)</u>
Balance, end of year	<u>\$ 4,131,848</u>	<u>\$ 1,185,513</u>	<u>\$ 1,471,657</u>	<u>\$ 6,789,018</u>

6. NET ASSETS

The League has net assets that fall into one of three categories - unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets may be designated by the Board for specific purposes, as described below. Temporarily restricted net assets have been designated by donors for specific purposes as described below. Permanently restricted net assets are detailed in Note 5.

Unrestricted board-designated net assets

Unrestricted Board-designated net assets consist of the following:

Unrestricted Board-designated endowment (see Note 5)	\$ 4,131,848
Theatre for Children	180,420
Preschool Learning Center	301,818
Operation School Bell - inventory	341,475
Foster Children's Resource Center - inventory	107,890
Auxiliary carryover	<u>122,166</u>
	<u>\$ 5,185,617</u>

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2018

6. NET ASSETS (continued)

Temporarily restricted net assets

Temporarily restricted net assets during the year are as follows:

	<u>Released from Restrictions</u>	<u>Balance, June 30, 2018</u>
Donor-restricted term endowment (see Note 5)	\$ (89,038)	\$ 1,185,513
Operation School Bell	(608,154)	328,667
Theatre for Children	(113,702)	-
Foster Children's Resource Center	(8,232)	211,588
Hollywood Children's Club	-	18,004
Children's Services	(14,534)	39,731
NOP Capital Improvements	(17,718)	10,282
Bekins Grant - NOP Facility Repairs	(63,877)	15,077
Scholarships	<u>(10,550)</u>	<u>2,200</u>
	<u>\$ (925,805)</u>	<u>\$ 1,811,062</u>

7. CONTRIBUTED GOODS AND RENT

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

Rent	\$ 124,991
Assistance to individuals	297,942
Miscellaneous	<u>3,274</u>
	<u>\$ 426,207</u>

8. 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, 2018, the League contributed \$5,322 as matching contributions.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2018

8. COMMITMENTS AND CONTINGENCIES (continued)

Operating leases

In 2015, the League began a 3-year lease of its Chapter House through July 2018. Subsequent to year-end, the League extended the lease 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>
2019	\$ 284,989	\$ 8,653	\$ 293,642
2020	253,104	4,990	258,094
2021	<u>4,671</u>	<u>2,937</u>	<u>7,608</u>
	<u>\$ 542,764</u>	<u>\$ 16,580</u>	<u>\$ 559,344</u>

Rent expense for the year under operating leases was \$402,751 and \$11,446 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.

9. NEW CHAPTER HOUSE

During the year, the League began an in-depth search for a property that would be suitable for a new permanent Chapter House. In August 2018, the League made an offer of \$10 million on a property located at 6640 Sunset Blvd. The purchase closed on October 30, 2018, and 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 December 2019.

Assistance League® of Los Angeles
Notes to Financial Statements
June 30, 2018

10. 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, 2018 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>
Operation School Bell					
<i>A Spring Affaire</i>	\$ 261,994	\$ 2,279	\$ 41,354	\$ 10,496	\$ 207,865
Assisteens <i>Shop the Street</i>	23,521	-	3,761	46	19,714
NOP <i>Bizarre Bazaar</i>	<u>2,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,571</u>
	<u>\$ 288,086</u>	<u>\$ 2,279</u>	<u>\$ 45,115</u>	<u>\$ 10,542</u>	<u>\$ 230,150</u>

11. BEQUEST

In November 2017, the League was notified that it was named as the beneficiary of a significant bequest (the "Bequest"). The value of the Bequest was estimated to be \$22,152,146 and is included in Contributions in the accompanying Statement of Activities. A final accounting of the Bequest was pending as of November 30, 2018.

12. RELATED PARTY TRANSACTIONS

During the year, the League received \$430,000 in contributions from its affiliate organization, Friends of the League Foundation (the "Foundation"). The Foundation was established for the exclusive benefit of the League and distributes funds annually to the League according to a spending plan. The funds offset administrative costs so that League fundraising can directly benefit the services of the League.

In June 2018, the League approved a grant to the Foundation of an amount equal to the pending Bequest of \$22,152,146 (see Note 11) to be paid after receipt of funds, which will be used for the Foundation's stated purposes of supporting the League and for costs related to the purchase of a new Chapter House.

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 (the "U.S.") 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 (the "League"), which comprise the statement of financial position as of June 30, 2018, 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 30, 2018.

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 30, 2018

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 (the "League") as of and for the year ended June 30, 2018, and have issued our report thereon dated November 30, 2018, 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, 2018, 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 U.S. GAAS. 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 30, 2018

Assistance League® of Los Angeles
General Information
For the Year Ended June 30, 2018

Full Official Name of the Agency	Assistance League of Los Angeles
Program Name and Contract Number: Preschool Program	CSPP-7146
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	Lisa Wierwille
Telephone Number	(323) 465-5281
Period Covered by Examination	July 1, 2017 through June 30, 2018
Number of Days of Agency's Operation	249
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, 2018

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	07/01/2017-09/30/2017	10.558	04524-CACFP-19-NP-IC (CNIPS)	\$ 18,918	\$ 18,918	\$ -	\$ -	\$ 18,918
Child and Adult Care Food Program	10/01/2017-6/30/2018 (Prog to 9/30/2018)	10.558	04524-CACFP-19-NP-IC (CNIPS)	<u>50,895</u>	<u>50,895</u>	<u>-</u>	<u>-</u>	<u>50,895</u>
				<u>69,813</u>	<u>69,813</u>	<u>-</u>	<u>-</u>	<u>69,813</u>
Pass-Through Awards Other Governments								
State of California								
California Department of Education								
Pre-Kinder and Family Literacy	07/01/2017-06/30/2018	N/A	19-E760-00-6 CPKS-7022	2,500	-	2,500	-	2,500
California State Preschool Program	07/01/2017-06/30/2018	N/A	19-E760-00-6 CSPP-7146	<u>590,283</u>	<u>-</u>	<u>590,283</u>	<u>-</u>	<u>590,283</u>
State of California				<u>592,783</u>	<u>-</u>	<u>592,783</u>	<u>-</u>	<u>592,783</u>
Total Government Awards				<u>\$ 662,596</u>	<u>\$ 69,813</u>	<u>\$ 592,783</u>	<u>\$ -</u>	<u>\$ 662,596</u>

Assistance League® of Los Angeles
Notes to Schedule of Expenditures of Federal Awards
June 30, 2018

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 Statements of Activities
For the Year Ended June 30, 2018

	Preschool CSPP-7146	Pre-Kinder and Family Literacy CPKS-7022	Other Programs	Total
Revenue				
Contributions	\$ 5,738	\$ -	\$ 23,162,229	\$ 23,167,967
Government grants	590,283	2,500	5,000	597,783
Government grants - nutrition	69,813	-	-	69,813
Contributed goods and rent	-	-	426,207	426,207
Fundraising	-	-	288,086	288,086
Membership fees and obligations	-	-	57,897	57,897
Program service fees	5,009	-	1,702,108	1,707,117
Facility rentals	-	-	66,732	66,732
Other income	-	-	42,349	42,349
Total revenue	<u>670,843</u>	<u>2,500</u>	<u>25,750,608</u>	<u>26,423,951</u>
Expenses				
Personnel expenses				
Salaries and wages	369,680	-	1,317,734	1,687,414
Employee benefits	93,107	-	179,899	273,006
Payroll taxes	30,975	-	116,525	147,500
Total personnel expenses	<u>493,762</u>	<u>-</u>	<u>1,614,158</u>	<u>2,107,920</u>
Other expenses				
Advertising and recruiting	555	-	11,400	11,955
Assistance to individuals	4,799	-	665,262	670,061
Depreciation and amortization	-	-	164,328	164,328
Dues, fees and conferences	1,096	-	51,829	52,925
Equipment	939	-	5,842	6,781
Insurance	1,640	-	129,182	130,822
Mileage, transportation, travel	-	-	5,831	5,831
Miscellaneous	462	-	11,508	11,970
Occupancy	52,365	-	629,089	681,454
Office and technology supplies	16,347	-	50,358	66,705
Printing, copying, postage and publishing	-	-	43,130	43,130
Professional fees and service contracts	24,992	-	663,035	688,027
Program costs	5,600	2,500	27,363	35,463
Program supplies - nutrition-related costs	65,809	-	-	65,809
Special events	-	-	57,936	57,936
Taxes and licenses	824	-	61,708	62,532
Telephone	4,279	-	109,751	114,030
Vehicle expense	-	-	3,566	3,566
Website and internet	2,132	-	156,646	158,778
Total other expenses	<u>181,839</u>	<u>2,500</u>	<u>2,847,764</u>	<u>3,032,103</u>
Indirect costs	52,426	-	(52,426)	-
Non-reimbursable indirect costs	<u>56,358</u>	<u>-</u>	<u>(56,358)</u>	<u>-</u>
Total expenses	<u>784,385</u>	<u>2,500</u>	<u>4,353,138</u>	<u>5,140,023</u>
Changes in net assets from operations	<u>\$ (113,542)</u>	<u>\$ -</u>	<u>\$ 21,397,470</u>	<u>\$ 21,283,928</u>

Assistance League® of Los Angeles
Combining Schedule of Renovation and Repair Expenditures
For the Year Ended June 30, 2018

	Preschool CSPP-7146	Pre-Kinder and Family Literacy CPKS-7022	Total
Unit cost under \$10,000			
Repaired sink p-trap	\$ 581	\$ -	\$ 581
Replaced kitchen counters	<u>368</u>	<u>-</u>	<u>368</u>
	<u>949</u>	<u>-</u>	<u>949</u>
 Unit cost over \$10,000 (with CDE Approval)			
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
 Unit cost over \$10,000 (without CDE Approval)			
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
 Total Renovation and Repair Expenditures	<u>\$ 949</u>	<u>\$ -</u>	<u>\$ 949</u>

Description of Renovations/Repairs:

Repaired sink p-trap; replaced kitchen counters

Assistance League® of Los Angeles
 Combining Schedule of Equipment Expenditures
 For the Year Ended June 30, 2018

Unit cost under \$7,500	
Computer	\$ 939
Total	<u>939</u>
Unit cost over \$10,000 (with CDE Approval)	
Total	<u>-</u>
Unit cost over \$10,000 (without CDE Approval)	
Total	<u>-</u>
Total Equipment Expenditures	<u>\$ 939</u>

Assistance League® of Los Angeles
Combining Schedule of Administrative Costs
For the Year Ended June 30, 2018

	Preschool CSPP-7146	Pre-Kinder & Family Literacy CPKS-7022	Total
Administrative salaries	\$ 34,053	\$ -	\$ 34,053
Employee benefits	<u>11,351</u>	-	<u>11,351</u>
Total	45,404	-	45,404
 Indirect costs @ 8% Maximum	 <u>52,426</u>	 <u>-</u>	 <u>52,426</u>
 Total Administrative Costs	 <u><u>\$ 97,830</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 97,830</u></u>

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, 2018

		<u>Preschool</u> <u>CSPP-7146</u>	<u>Pre-Kinder & Family Literacy</u> <u>CPKS-7022</u>	<u>Total</u> <u>Reimbursable</u>
1000	CERTIFICATED SALARIES			
1000	Certificated salaries	\$ 342,493	\$ -	\$ 342,493
		<u>342,493</u>	<u>-</u>	<u>342,493</u>
2000	CLASSIFIED SALARIES			
2300	Clerical and other office salaries	27,187	-	27,187
		<u>27,187</u>	<u>-</u>	<u>27,187</u>
3000	EMPLOYEE BENEFITS			
3300	Social Security	26,200	-	26,200
3400	Health and welfare benefits	25,656	-	25,656
3500	State unemployment insurance	4,774	-	4,774
3600	Workers' compensation insurance	67,452	-	67,452
		<u>124,082</u>	<u>-</u>	<u>124,082</u>
4000	BOOKS, SUPPLIES, AND EQUIPMENT			
4000	Books, supplies, and equipment	1,829	-	1,829
4300	Instructional material and supplies	68,002	2,500	70,502
		<u>69,831</u>	<u>2,500</u>	<u>72,331</u>
5000	SERVICES AND OTHER OPERATING EXPENSES			
5200	Travel, conferences, and other expenses	246	-	246
5500	Utilities and housekeeping services	32,422	-	32,422
5800	Other services and operating expenses	59,063	-	59,063
		<u>91,731</u>	<u>-</u>	<u>91,731</u>
6000	CAPITAL OUTLAY			
	Indirect costs	52,426	-	52,426
		<u>52,426</u>	<u>-</u>	<u>52,426</u>
	Non-reimbursable	76,635	-	-
		<u>76,635</u>	<u>-</u>	<u>-</u>
	Total expenditures by state categories	<u>\$ 784,385</u>	<u>\$ 2,500</u>	<u>\$ 710,250</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
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Fiscal Year Ending June 30, 2018
 Contract Number CSPP7146
 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 and Four Year Olds Full-time-plus				1.1800	0
Three and Four Year Olds Full-time				1.0000	0
Three and Four Year Olds Three-quarters-time				0.7500	0
Three and Four Year Olds One-half-time				0.6193	0
Exceptional Needs Full-time-plus				1.4160	0
Exceptional Needs Full-time				1.2000	0
Exceptional Needs Three-quarters-time				0.9000	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	13,010		13,010	1.1000	14,311
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
 A U D 8501 Page 2 of 9 (09/18)

Fiscal Year Ending June 30, 2018
 Contract Number CSPP7146
 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				1.7700	0
Severely Disabled Full-time				1.5000	0
Severely Disabled Three-quarters-time				1.1250	0
Severely Disabled One-half-time				0.6193	0
TOTAL DAYS OF ENROLLMENT	13,010		13,010	N/A	14,311
DAYS OF OPERATION	249		249	N/A	N/A
DAYS OF ATTENDANCE	13,010		13,010	N/A	N/A

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

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
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Fiscal Year Ending
 Contract Number
 Vendor Code

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	69,813		69,813
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal	69,813		69,813
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
Transfer from Reserve Total			
Family Fees for Certified Children	5,009		5,009
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income: Fees for Non-Certified Children			
Unrestricted Income: Head Start			
Unrestricted Income - Other:			
Total Revenue	74,822		74,822

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
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Fiscal Year Ending
 Contract Number
 Vendor Code

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	352,075	-9,582	342,493
2000 Classified Salaries	22,613	4,574	27,187
3000 Employee Benefits	133,232	-9,150	124,082
4000 Books and Supplies	69,839	-8	69,831
5000 Services and Other Operating Expenses	103,491	-11,760	91,731
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)	54,500	-2,074	52,426
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	735,750	-28,000	707,750
Total Administrative Cost (included in section 4 above)	99,904	-2,074	97,830

Approved Indirect Cost Rate:

Comments:

No Supplemental Revenue check this box and omit Page 8.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
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Fiscal Year Ending June 30, 2018

Contract Number CSPP7146

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	58,587	18,048	76,635
Other:			
Total Supplemental Revenue	58,587	18,048	76,635

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	58,588	-2,230	56,358
Non-reimbursable Expenses 6100-6500 Non-reimbursable Capital Outlay		20,277	20,277
Total Supplemental Expenses	58,588	18,047	76,635

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

A U D 8501 Page 9 of 9 (09/18)

Fiscal Year Ending	June 30, 2018
Contract Number	CSPP7146
Vendor Code	E760

Full Name of Contractor ASSISTANCE LEAGUE OF LOS ANGELES

Section 7 - Summary	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Total Certified Days of Enrollment	13,010		13,010
Days of Operation	249		249
Days of Attendance	13,010		13,010
Total Non-Certified Days of Enrollment			
Restricted Program Income	69,813		69,813
Transfer from Reserve			
Family Fees for Certified Children	5,009		5,009
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	735,750	-28,000	707,750
Total Administrative Cost	99,904	-2,074	97,830

Total Certified Adjusted Days of Enrollment 14,311

Total Non-Certified Adjusted Days of Enrollment 0

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 (formerly Early Education and Support Division):

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

No

Reimbursable expenses claimed above 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.

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 CHILD DEVELOPMENT SUPPORT CONTRACTS
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Fiscal Year End	June 30, 2018
Contract Number	CPKS7022
Vendor Code	E760

Full Name of Contractor ASSISTANCE LEAGUE OF LOS ANGELES

Section 1 - Revenue	Column A Cumulative CDNFS 9529	Column B Audit Adjustments	Column C Cumulative Fiscal Year 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			

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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.

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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, 2018

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, 2018

There were no prior year findings.