



# ASSISTANCE LEAGUE® OF ST. LOUIS

Financial Statements and Independent  
Auditors' Report

**YEAR ENDED MAY 31, 2025 (WITH SUMMARIZED COMPARATIVE  
INFORMATION FOR THE YEAR ENDED MAY 31, 2024)**



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## Independent Auditors' Report

Board of Directors  
Assistance League of St. Louis  
St. Louis, Missouri

### ***Opinion***

We have audited the accompanying financial statements of Assistance League of St. Louis (a not-for-profit organization), which comprise the statement of financial position as of May 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assistance League of St. Louis as of May 31, 2025, 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.

### ***Basis for Opinion***

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

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Assistance League of St. Louis's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Assistance League of St. Louis's ability to continue as a going concern for a reasonable period of time.

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

## ***Report on Summarized Comparative Information***

We have previously audited Assistance League of St. Louis's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 19, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



August 19, 2025

St. Louis, Missouri

**Assistance League of St. Louis**  
**Statement of Financial Position**  
**May 31, 2025**  
**(With Summarized Comparative Information for 2024)**

**ASSETS**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 167,693	\$ 204,731
Prepaid expenses	41,015	45,820
Inventory (Note 3)	420,908	434,436
Investments (Note 4)	2,766,593	2,230,083
Property and equipment, net (Note 5)	1,475,106	1,475,632
Operating right-of-use asset (Note 6)	<u>294,690</u>	<u>58,097</u>
 Total Assets	 <u><u>\$ 5,166,005</u></u>	 <u><u>\$ 4,448,799</u></u>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable	\$ 3,390	\$ 482
Deferred revenue	33,320	38,480
Operating lease liability (Note 6)	<u>302,219</u>	<u>57,433</u>
Total Liabilities	<u>338,929</u>	<u>96,395</u>
 <b>NET ASSETS (Note 8)</b>		
Without donor restrictions	4,467,346	4,088,441
With donor restrictions	<u>359,730</u>	<u>263,963</u>
Total Net Assets	<u>4,827,076</u>	<u>4,352,404</u>
 Total Liabilities and Net Assets	 <u><u>\$ 5,166,005</u></u>	 <u><u>\$ 4,448,799</u></u>

**Assistance League of St. Louis**  
**Statement of Activities**  
**Year Ended May 31, 2025**  
**(With Summarized Comparative Information for 2024)**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2025	2024
Support and Revenues				
Fundraising:				
Thrift shop revenue:				
Contributions of merchandise	\$ 609,622	\$ -	\$ 609,622	\$ 561,745
Sales of donated merchandise	611,930	-	611,930	565,603
Less: Value of merchandise sold	(609,622)	-	(609,622)	(561,745)
Net revenue - thrift shop	<u>611,930</u>	<u>-</u>	<u>611,930</u>	<u>565,603</u>
Special events and other fundraising activities revenue (Note 12)	500,118	-	500,118	417,691
Less cost of direct benefits to donors	<u>(90,784)</u>	<u>-</u>	<u>(90,784)</u>	<u>(71,549)</u>
Net revenue from special events and other fundraising activities	<u>409,334</u>	<u>-</u>	<u>409,334</u>	<u>346,142</u>
Contributions	424,321	69,151	493,472	313,800
In-kind donations (Note 9)	302,196	-	302,196	478,847
Membership (Note 11)	47,486	-	47,486	48,730
Investment return (Note 4)	<u>294,791</u>	<u>26,616</u>	<u>321,407</u>	<u>271,295</u>
Total Revenues, Gains and Other Support	<u>2,090,058</u>	<u>95,767</u>	<u>2,185,825</u>	<u>2,024,417</u>
Expenses				
Program Services				
Operation School Bell®	782,376	-	782,376	644,740
Steps to Success	-	-	-	180,899
Project ROSE	153,848	-	153,848	125,126
Assistance League Outreach	324,882	-	324,882	295,549
Books From Friends	<u>124,910</u>	<u>-</u>	<u>124,910</u>	<u>108,947</u>
Total Program Services	<u>1,386,016</u>	<u>-</u>	<u>1,386,016</u>	<u>1,355,261</u>
Supporting Activities				
Fundraising:				
Thrift shop	195,583	-	195,583	173,997
Special events and other fundraising activities indirect costs (Note 12)	26,750	-	26,750	28,744
Other fundraising	18,444	-	18,444	14,672
Management and general	48,406	-	48,406	67,194
Membership (Note 11)	<u>35,954</u>	<u>-</u>	<u>35,954</u>	<u>41,013</u>
Total Supporting Activities	<u>325,137</u>	<u>-</u>	<u>325,137</u>	<u>325,620</u>
Total Expenses	<u>1,711,153</u>	<u>-</u>	<u>1,711,153</u>	<u>1,680,881</u>
Change in Net Assets	378,905	95,767	474,672	343,536
Net Assets, Beginning of Year	<u>4,088,441</u>	<u>263,963</u>	<u>4,352,404</u>	<u>4,008,868</u>
Net Assets, End of Year	<u>\$ 4,467,346</u>	<u>\$ 359,730</u>	<u>\$ 4,827,076</u>	<u>\$ 4,352,404</u>

**Assistance League of St. Louis**  
**Statement of Functional Expenses**  
**Year Ended May 31, 2025**  
**(With Summarized Comparative Information for 2024)**

	Year Ended May 31, 2025				
	PROGRAM SERVICES				
	Operation School Bell®	Project ROSE	Assistance League Outreach	Books From Friends	Total
Supplies	\$ 568,775	\$ 57,739	\$ 195,387	\$ 64,150	\$ 886,051
Scholarships	-	25,000	-	-	25,000
Rent and CAM charges	-	-	-	-	-
Utilities	11,904	1,786	2,778	992	17,460
Repairs and maintenance	11,791	1,769	2,751	983	17,294
Insurance	7,071	1,061	1,650	589	10,371
Credit card expenses	4,478	943	629	471	6,521
Value of merchandise	-	-	-	-	-
Food	-	-	-	-	-
Entertainment	-	-	-	-	-
Office supplies	2,434	162	433	270	3,299
Other	-	-	-	-	-
Printing and postage	-	-	-	-	-
Professional services	23,850	2,120	2,120	1,060	29,150
Information technology	9,309	698	698	465	11,170
Promotion	29,293	1,953	5,208	3,255	39,709
National Conference and meetings	1,437	57	29	86	1,609
Education	338	23	60	38	459
National dues	-	-	-	-	-
In-kind	79,979	55,780	105,739	49,908	291,406
Depreciation and amortization	31,717	4,757	7,400	2,643	46,517
Total Expenses	782,376	153,848	324,882	124,910	1,386,016
Less: Expenses included with revenue on statement of activities	-	-	-	-	-
Total Expenses Per Statement of Activities	<u>\$ 782,376</u>	<u>\$ 153,848</u>	<u>\$ 324,882</u>	<u>\$ 124,910</u>	<u>\$ 1,386,016</u>

**Assistance League of St. Louis**  
**Statement of Functional Expenses (Continued)**  
**Year Ended May 31, 2025**  
**(With Summarized Comparative Information for 2024)**

	Year Ended May 31, 2025							
	SUPPORTING ACTIVITIES							
	Thrift Shop	Special Events	Other Fundraising	Management and General	Membership	Total	Year Ended May 31, 2025 Total	Year Ended May 31, 2024 Total
Supplies	\$ 8,451	\$ -	\$ -	\$ -	\$ 14,156	\$ 22,607	\$ 908,658	\$ 794,921
Scholarship	-	-	-	-	-	-	25,000	-
Rent and CAM charges	115,787	-	-	-	-	115,787	115,787	113,640
Utilities	15,477	397	397	1,587	-	17,858	35,318	30,699
Repairs and maintenance	8,032	393	393	1,572	-	10,390	27,684	37,561
Insurance	5,930	236	236	943	-	7,345	17,716	15,143
Credit card expenses	15,365	7,283	157	1,178	-	23,983	30,504	29,823
Value of merchandise	609,622	-	-	-	-	609,622	609,622	561,745
Food	-	57,036	-	-	-	57,036	57,036	51,362
Entertainment	-	33,749	-	-	-	33,749	33,749	20,641
Office supplies	541	541	433	541	54	2,110	5,409	7,288
Other	250	-	-	6,215	-	6,465	6,465	7,286
Printing and postage	571	5,987	4,551	-	-	11,109	11,109	9,904
Professional services	6,360	2,120	3,180	11,660	530	23,850	53,000	45,306
Information technology	931	2,327	1,629	5,585	1,629	12,101	23,271	22,519
Promotion	6,509	6,509	5,208	6,509	651	25,386	65,095	51,636
National Conference and meetings	977	57	86	86	57	1,263	2,872	703
Education	75	75	60	75	8	293	752	688
National dues	-	-	-	-	18,840	18,840	18,840	19,400
In-kind	-	824	-	8,226	29	9,079	300,485	433,674
Depreciation and amortization	10,327	-	2,114	4,229	-	16,670	63,187	60,236
Total Expenses	805,205	117,534	18,444	48,406	35,954	1,025,543	2,411,559	2,314,175
Less: Expenses included with revenue on statement of activities	(609,622)	(90,784)	-	-	-	(700,406)	(700,406)	(633,294)
Total Expenses Per Statement of Activities	\$ 195,583	\$ 26,750	\$ 18,444	\$ 48,406	\$ 35,954	\$ 325,137	\$ 1,711,153	\$ 1,680,881



**Assistance League of St. Louis**  
**Statement of Cash Flows**  
**Year Ended May 31, 2025**  
**(With Summarized Comparative Information for 2024)**

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 474,672	\$ 343,536
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	63,187	60,236
Unrealized gain on investments	(139,390)	(182,193)
Loss on disposal of property and equipment	2,239	1,326
Non-cash lease expense	8,193	(394)
(Increase) decrease in assets:		
Prepaid expenses	4,805	(4,541)
Inventory	13,528	(1,380)
Increase (decrease) in liabilities:		
Accounts payable	2,908	(3,285)
Deferred revenue	(5,160)	1,080
Net Cash Provided by Operating Activities	<u>424,982</u>	<u>214,385</u>
Cash Flows From Investing Activities		
Purchases of investments	(450,158)	(34,204)
Proceeds from sales of investments	53,036	25,000
Purchases of property and equipment	(64,898)	(224,800)
Net Cash Used in Investing Activities	<u>(462,020)</u>	<u>(234,004)</u>
Net Decrease in Cash and Cash Equivalents	(37,038)	(19,619)
Cash and Cash Equivalents, Beginning of Year	<u>204,731</u>	<u>224,350</u>
Cash and Cash Equivalents, End of Year	<u>\$ 167,693</u>	<u>\$ 204,731</u>

**Noncash Operating, Investing, and Financing Activities**

During 2025, Assistance League of St. Louis capitalized an operating right-of-use asset totaling \$312,820 with a corresponding operating lease liability totaling the same amount.

**Assistance League of St. Louis**  
**Notes to Financial Statements**  
**May 31, 2025**  
**(With Summarized Comparative Information for 2024)**

**1. Summary of Accounting Policies**

**Nature of Activities**

Assistance League of St. Louis (the "Chapter") is a not-for-profit volunteer service corporation whose members identify, develop, implement, and fund ongoing philanthropic programs to serve specific needs of children and adults in the St. Louis community. The Chapter was established in October 1987 under the guidelines of National Assistance League ("NAL") and is a chartered chapter of NAL. The Chapter provides the following programs:

- Operation School Bell® distributes new clothing, personal care items, and literary material to students in public schools.
- Steps to Success provides public school students with new shoes and socks. Steps to Success was combined with Operation School Bell® during the year ended May 31, 2025.
- Project ROSE provides women and their children in secure shelters, women in transition services, or residential support programs with personal items, clothing, household, and special occasion items. In cooperation with other agencies, Project ROSE also provides personal care items and clothing to victims of sexual assault.
- Assistance League Outreach provides opportunities to fulfill needs in the community by responding to unmet needs on a one-time basis by providing services or goods.
- Books From Friends provides books to various local schools to promote literacy in the St. Louis Community.

The Chapter's support and revenues come primarily from contributions and other fundraising efforts including special events and the operation of a thrift shop.

The Chapter is required by NAL to expend at least 65 percent of total expenditures on philanthropic programs each year.

**Basis of Accounting**

The accompanying financial statements of the Chapter have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Assistance League of St. Louis**  
**Notes to Financial Statements**  
**May 31, 2025**  
**(With Summarized Comparative Information for 2024)**

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with the provisions of the Financial Accounting Standards Board ("FASB"), Accounting Standards Codification (the "FASB ASC"), which is the source of authoritative, non-governmental U.S. GAAP. All references to authoritative accounting guidance contained in our disclosures are based on the general accounting topics within the FASB ASC.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Chapter and changes therein are classified into two categories of net assets, as applicable, and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Board designated funds are established by the Board of Directors and represent net assets without donor restrictions that have been set aside for future operating needs.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may be satisfied by specific activities or the passage of time, or are required to be maintained in perpetuity by the Chapter. The income earned on any related investments may be subject to donor-imposed stipulations.

**Comparative Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by class of net assets. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Chapter's financial statements for the year ended May 31, 2024, from which the summarized information was derived.

**Fair Value Measurements**

The Chapter follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. The three general valuation techniques used to measure fair value are the market approach, cost approach, and income approach. The guidance establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into Levels 1, 2, and 3.

Level 1 inputs consist of unadjusted quoted prices in active markets for identical instruments and have the highest priority. Level 2 inputs include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or inputs other than quoted prices that are directly or indirectly observable. Level 3 inputs are unobservable and are given the lowest priority.

**Assistance League of St. Louis**  
**Notes to Financial Statements**  
**May 31, 2025**  
**(With Summarized Comparative Information for 2024)**

**Cash and Cash Equivalents**

Cash and cash equivalents include cash held in checking and money market accounts and all highly liquid investments with original maturities of three months or less.

**Inventory**

The Chapter maintains an inventory of new clothing for use in its Operation School Bell® program which is stated at the lower of cost or net realizable value determined by the average cost method. The Chapter also maintains an inventory of used clothing and household items donated by Chapter members and others for resale by a thrift shop operated by the Chapter which is stated at its estimated fair value. Additionally, the Chapter maintains other inventories for other programs which are stated at lower of cost or net realizable value. Cost is determined by the first-in, first-out, method, and net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

**Investments**

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

**Concentrations of Credit and Market Risk**

Financial instruments that potentially expose the Chapter to concentrations of credit and market risk consist primarily of cash and cash equivalents and investments. Cash and cash equivalents are maintained at two financial institutions and accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At May 31, 2025, there were cash no balances of in excess of FDIC limits at these banks. The Chapter has not experienced any losses on its cash or cash equivalents. Investments are maintained by one investment institution, and are insured by the Securities Investor Protection Corporation (the "SIPC") up to \$500,000, as well as additional coverage offered by the individual brokerage firm. Market risk is not covered by the SIPC.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying Statement of Financial Position. The Chapter does not believe investments represent a significant concentration of market risk inasmuch as the Chapter's investment portfolio is adequately diversified among issuers.

**Assistance League of St. Louis**  
**Notes to Financial Statements**  
**May 31, 2025**  
**(With Summarized Comparative Information for 2024)**

**Property and Equipment**

The Chapter capitalizes all expenditures over \$500 for property and equipment at cost. Property and equipment is stated at cost for purchased assets or fair value at the date of donation in the case of donated assets. Major additions and improvements are capitalized, while maintenance and repairs are expensed as incurred. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation and amortization are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition. The Chapter provides for depreciation and amortization of property and equipment by use of the straight-line method over the estimated useful lives as follows:

Building and building improvements	5-39 years
Land improvements	5-39 years
Computer equipment	3-7 years
Office equipment	5-7 years
Office furniture	5-7 years
Website	5 years
Leasehold improvements	3-5 years

**Leases**

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

The lease agreement includes charges for common area maintenance, and are billed to the Chapter monthly based on the expected charges for the year by the lessor. The Chapter has elected to treat these charges as variable lease payments and these variable lease payments are included in lease expense in the period the obligation is incurred. The lease agreement does not contain any material residual value guarantees or material restrictive covenants.

**Assistance League of St. Louis**  
**Notes to Financial Statements**  
**May 31, 2025**  
**(With Summarized Comparative Information for 2024)**

**Long-Lived Asset Impairment**

The Chapter evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. Management does not believe any impairment exists as of May 31, 2025 and 2024.

**Endowment Fund**

The Chapter's primary investment objective, as it relates to the Endowment Fund, is to preserve principal, and the secondary investment objective is to maximize long-term growth and current income while avoiding excessive risk. One hundred percent of the original funds and the gains and losses generated by the funds with donor restrictions are to be held in perpetuity by the Chapter. The interest and dividends may be used to supplement the Chapter's annual operating budget.

The State of Missouri enacted the State Prudent Management of Institutional Funds Act ("SPMIFA") effective August 28, 2009. The Chapter follows FASB guidance on accounting for the net assets classification of endowment funds with donor restrictions for a not-for-profit organization that is subject to the enacted version of the SPMIFA. The Chapter has determined that the donations made meet the definition of endowment funds under SPMIFA.

The Chapter has interpreted the SPMIFA as requiring the preservation of the original gift amount. As a result of this interpretation, the Chapter classifies as net assets with donor restrictions the original value of gifts donated to the endowment. The remaining portion of funds are appropriated for expenditure by the Chapter in a manner consistent with the standard of prudence prescribed by SPMIFA.

**Deferred Revenue**

Deferred revenue at May 31, 2025 and 2024 consists of payments received for membership dues for the 2026 and 2025 fiscal year, respectively, and payments received for events in the next fiscal year. These payments will be recognized as income in the period in which they are earned. Changes in the deferred revenue balances during the years ended May 31, 2025 and 2024 were not materially impacted by any other factors. Deferred revenue at May 31, 2025, 2024, and 2023 totaled \$33,320, \$38,480, and \$37,400, respectively.

**Assistance League of St. Louis**  
**Notes to Financial Statements**  
**May 31, 2025**  
**(With Summarized Comparative Information for 2024)**

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Donor-restricted contributions in which the restrictions are met in the same reporting period as received are reported as support without donor restrictions.

**Revenue Recognition**

Revenue from product sales is recognized at a point in time when control of these products is transferred to the customer, in an amount that reflects the consideration the Chapter expects to be entitled to in exchange for those products. The Chapter does not have any significant financing components as payment is received at or shortly after the point of sale. Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than one year.

Revenue from membership dues is generally recognized over time as the Chapter's performance allows the members to simultaneously receive and consume the benefits as the Chapter performs the service. Generally, membership dues are recognized on a straight-line basis over such service period when the Chapter's inputs are expended evenly, and the member receives and consumes the benefits of the Chapter's performance throughout the contract term.

**Donated Materials and Services**

Significant materials and services are donated to the Chapter by various individuals, corporations, and other organizations and are reflected in the accompanying Statement of Activities at their fair values at the date of donation.

**Tax Status**

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

The Chapter follows guidance issued by the FASB on accounting for income taxes and has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax laws and new authoritative rulings, and believes that no provision for income taxes is necessary to cover any uncertain tax positions. The Chapter's returns for tax years 2021 and later remain subject to examination by taxing authorities.

**Assistance League of St. Louis**  
**Notes to Financial Statements**  
**May 31, 2025**  
**(With Summarized Comparative Information for 2024)**

**Use of Estimates**

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

**Expense Allocation**

The costs of program services and supporting activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

**Subsequent Events**

The Chapter has evaluated subsequent events through August 19, 2025, the date the financial statements were available to be issued.

**2. Cash and Cash Equivalents**

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

	<u>2025</u>	<u>2024</u>
Checking accounts:		
US Bank	\$ 107,576	\$ 81,737
Total checking accounts	<u>107,576</u>	<u>81,737</u>
Savings accounts:		
Edward Jones - money market funds	60,117	122,994
Total savings accounts	<u>60,117</u>	<u>122,994</u>
Total Cash and Cash Equivalents	<u>\$ 167,693</u>	<u>\$ 204,731</u>



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**3. Inventory**

Inventory at May 31, consists of the following:

	<u>2025</u>	<u>2024</u>
New clothing for use in Operation School Bell® program	\$ 127,908	\$ 179,601
Books for use in Books From Friends program	81,018	58,463
Used clothing and household items held for sale at thrift shop	131,945	130,235
Items for Assistance League Outreach	38,030	24,734
Clothing and personal items for use in Project ROSE program	42,007	39,169
Shoes for use in Steps to Success program	-	2,234
	<u>\$ 420,908</u>	<u>\$ 434,436</u>

**4. Investments**

Investments are stated at fair value and consist of the following at May 31, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Mutual funds:			
Large U.S. Equity	\$ 1,790,452	\$ 216,517	\$ 2,006,969
Large Blend	319,157	-	319,157
Large International Equity	302,506	137,961	440,467
Total Investments	<u>\$ 2,412,115</u>	<u>\$ 354,478</u>	<u>\$ 2,766,593</u>

Investments are stated at fair value and consist of the following at May 31, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Certificates of Deposit:	\$ 49,978	\$ -	\$ 49,978
Mutual funds:			
Large U.S. Equity	1,526,671	152,378	1,679,049
Large Blend	186,093	-	186,093
Large International Equity	208,631	106,332	314,963
Total Mutual Funds	<u>1,921,395</u>	<u>258,710</u>	<u>2,180,105</u>
Total Investments	<u>\$ 1,971,373</u>	<u>\$ 258,710</u>	<u>\$ 2,230,083</u>

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Following is a description of the valuation methodologies used for instruments measured at fair value.

- Level 1      Instruments consist of publicly traded mutual funds, which are valued at the net asset value of shares at year-end.
- Level 2      Instruments consist of certificates of deposit. Certificates of deposit are valued by the Chapter's independent investment custodian based on yields currently available on comparable securities of issuers with similar credit ratings as of the last business day of the year.

The fair value of investments at May 31, is measured as follows:

<u>2025</u>				
	Fair Value Measurements			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds:				
Large U.S. Equity	\$ 2,006,969	\$ 2,006,969	\$ -	\$ -
Large Blend	319,157	319,157	-	-
Large International Equity	<u>440,467</u>	<u>440,467</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 2,766,593</u>	<u>\$ 2,766,593</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>2024</u>				
	Fair Value Measurements			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	\$ 49,978	\$ -	\$ 49,978	\$ -
Mutual funds:				
Large U.S. Equity	1,679,050	1,679,050	-	-
Large Blend	186,093	186,093	-	-
Large International Equity	<u>314,962</u>	<u>314,962</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 2,230,083</u>	<u>\$ 2,180,105</u>	<u>\$ 49,978</u>	<u>\$ -</u>

Investments and net assets with donor restrictions (the "Endowment Fund") consist of funds designated by the donor to be held in perpetuity by the Chapter. The interest and dividends may be used to supplement the Chapter's annual operating budget.

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Investment return for the year ended May 31, 2025 is summarized as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Interest and dividends	\$ 182,017	\$ -	\$ 182,017
Net unrealized gain	112,774	26,616	139,390
Total Investment Return, net	<u>\$ 294,791</u>	<u>\$ 26,616</u>	<u>\$ 321,407</u>

Investment return for the year ended May 31, 2024 is summarized as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Interest and dividends	\$ 89,102	\$ -	\$ 89,102
Net unrealized gain	161,350	20,843	182,193
Total Investment Return, net	<u>\$ 250,452</u>	<u>\$ 20,843</u>	<u>\$ 271,295</u>

**5. Property and Equipment**

Property and equipment at May 31, consists of the following:

	<u>2025</u>	<u>2024</u>
Building and building improvements	\$ 1,263,652	\$ 1,247,646
Land and land improvements	623,820	623,820
Computer equipment	44,905	45,634
Office equipment	14,735	12,526
Office furniture	16,334	16,333
Website	16,401	16,401
Leasehold improvements	<u>76,898</u>	<u>59,094</u>
	2,056,745	2,021,454
Less: Accumulated depreciation and amortization	<u>581,639</u>	<u>545,822</u>
Net Property and Equipment	<u>\$ 1,475,106</u>	<u>\$ 1,475,632</u>

Depreciation and amortization expense was \$63,187 and \$60,236 for the years ended May 31, 2025 and 2024, respectively.

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**6. Leases**

The Chapter leases retail space for its resale shop under a lease agreement that expires in February 2029. The following summarizes the weighted average remaining lease term and discount rate as of May 31,:

	<u>2025</u>	<u>2024</u>
Weighted Average Remaining Lease Term		
Operating leases	3.75 years	0.75 years
Weighted Average Discount Rate		
Operating leases	3.98 %	2.84 %

The maturities of lease liabilities as of May 31, are as follows:

<u>Years Ending May 31,</u>	
2026	\$ 82,604
2027	85,408
2028	88,700
2029	<u>68,583</u>
Total Lease Payments	325,295
Less: Interest	<u>23,076</u>
Present Value of Lease Liabilities	<u><u>\$ 302,219</u></u>

The components of lease expense for the years ended May 31, are as follows,

	<u>2025</u>	<u>2024</u>
Operating lease expense	\$ 79,826	\$ 78,188
Variable lease expense	<u>35,961</u>	<u>35,452</u>
Total net lease expense	<u><u>\$ 115,787</u></u>	<u><u>\$ 113,640</u></u>

The following summarizes cash flow information related to leases for the years ended May 31,:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 71,633	\$ 78,518

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**7. Liquidity and Availability of Financial Assets**

The following reflects the Chapter's financial assets as of May 31, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Board of Directors approves that action.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 167,693	\$ 204,731
Operating investments	2,766,593	2,230,083
Contractual or donor-imposed restrictions:		
Restricted net assets	<u>(359,730)</u>	<u>(263,963)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 2,574,556</u>	<u>\$ 2,170,851</u>

The Chapter's restricted investments consist of donor-restricted endowments and building maintenance funds. Income from donor-restricted endowments is available for general use. Donor-restricted endowment funds and building maintenance funds are not available for general expenditure.

The Chapter's primary sources of support are contributions, thrift shop revenue, special events, membership income, and income from investing. Some support is required to be used in accordance with the purpose restrictions imposed by the donors. As part of a liquidity management plan, the Chapter invests cash in excess of daily requirements in money market funds, certificates of deposits, and mutual funds.

**8. Net Assets**

At May 31, net assets are restricted by donors or designated by the Chapter as follows:

	<u>2025</u>	<u>2024</u>
Net Assets Without Donor Restrictions:		
Undesignated	<u>\$ 4,467,346</u>	<u>\$ 4,088,441</u>
Net Assets With Donor Restrictions:		
Endowment	<u>359,730</u>	<u>263,963</u>
Total Net Assets With Donor Restrictions	<u>359,730</u>	<u>263,963</u>
Total Net Assets	<u>\$ 4,827,076</u>	<u>\$ 4,352,404</u>

For the year ended May 31, 2024, net assets released from restrictions totaling \$15,753 were for headquarters building and improvements. There were no releases from restrictions for the year ended May 31, 2025.

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**9. Contributed Nonfinancial Assets**

The Chapter received the following contributions of nonfinancial assets for the years ended May 31,:

	<u>2025</u>	<u>2024</u>
Supplies and inventory:	<u>\$ 302,196</u>	<u>\$ 478,847</u>

Contributed supplies and inventory received by the Chapter are recorded as in-kind revenue with a corresponding increase to inventory. Contributed supplies were utilized in the Chapter's May 31, 2025 program, or are included in inventory and will be utilized in future years. Contributed supplies and inventory are valued by the donor and approximate the fair value of the items contributed.

The Chapter receives items to be sold at various fundraising events, including the Gala. Contributed auction items are valued at the gross selling price received.

In addition, all of the Chapter's functions and programs are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. During the years ended May 31, 2025 and 2024, these volunteers donated approximately 65,557 and 68,544 hours, respectively, with an estimated value of \$2,280,728 and \$2,295,539, respectively. This value was computed using an estimated hourly rate of \$34.79 in 2025 and \$33.49 in 2024, based upon the average hourly earnings of nonagricultural workers for the time period, as determined by the U.S. Department of Labor's Bureau of Labor Statistics.

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**10. Endowment Funds**

Endowment funds consists of funds established by donors to provide annual funding for general operations. The Board of Directors has interpreted SPMIFA as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At May 31, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, the Chapter retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Chapter in a manner consistent with the standard of prudence prescribed by SPMIFA. The Chapter considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Chapter and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Chapter
- The investment policies of the Chapter

Endowment funds at May 31, are as follows:

		2025		
		Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Donor-restricted endowment funds				
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ -	\$ 359,730	\$ 359,730
		2024		
		Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Donor-restricted endowment funds				
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ -	\$ 263,963	\$ 263,963

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The Chapter has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the Endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments.

Changes in endowment net assets for the years ended May 31, are as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Endowment net assets, beginning of year	\$ -	\$ 263,963	\$ 263,963
Contributions	-	69,151	69,151
Investment income	26,268	-	26,268
Unrealized gain	8,176	26,616	34,792
Amounts appropriated for expenditure	<u>(34,444)</u>	<u>-</u>	<u>(34,444)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 359,730</u>	<u>\$ 359,730</u>
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Endowment net assets, beginning of year	\$ -	\$ 237,898	\$ 237,898
Contributions	-	5,222	5,222
Investment income	12,550	-	12,550
Unrealized gain	10,852	20,843	31,695
Amounts appropriated for expenditure	<u>(23,402)</u>	<u>-</u>	<u>(23,402)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 263,963</u>	<u>\$ 263,963</u>



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**11. Membership Activities**

For the years ended May 31, revenues and expenses associated with membership activities are as follows:

	2025	2024
Revenues:		
Members' dues	\$ 41,075	\$ 41,300
Other	6,411	7,430
Total Revenues	<u>47,486</u>	<u>48,730</u>
Expenses:		
NAL dues	18,840	19,400
Membership committee	473	610
Other	16,641	21,003
Total Expenses	<u>35,954</u>	<u>41,013</u>
	<u>\$ 11,532</u>	<u>\$ 7,717</u>

**12. Special Events and Other Fundraising Activities**

The Chapter conducts various special events and other fundraising activities to help fund current operations. The revenue and related expenses from such events and other fundraising activities are as follows:

For the year ended May 31, 2025:

Event	Revenue	Direct Costs			Net Revenue
		Cost of Merchandise Sold	Cost of Direct Benefits to Attendees	Other Costs	
Dinner Auction	\$ 331,997	\$ -	\$ 43,875	\$ 15,662	\$ 272,460
Author's Brunch	168,121	1,797	45,112	10,269	110,943
Total Special Events	<u>\$ 500,118</u>	<u>\$ 1,797</u>	<u>\$ 88,987</u>	<u>\$ 25,931</u>	<u>\$ 383,403</u>

For the year ended May 31, 2024:

Event	Revenue	Direct Costs			Net Revenue
		Cost of Merchandise Sold	Cost of Direct Benefits to Attendees	Other Costs	
Dinner Auction	\$ 294,372	\$ -	\$ 39,259	\$ 16,785	\$ 238,328
Author's Brunch	123,319	2,051	30,239	10,091	80,938
Total Special Events	<u>\$ 417,691</u>	<u>\$ 2,051</u>	<u>\$ 69,498</u>	<u>\$ 26,876</u>	<u>\$ 319,266</u>