ASSISTANCE LEAGUE OF KANSAS CITY

FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT

May 31, 2025 and 2024

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MARR AND COMPANY, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Assistance League of Kansas City
Gladstone, Missouri

Opinion

We have audited the accompanying financial statements of the Assistance League of Kansas City (a nonprofit organization), which comprise the statements of financial position as of May 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Kansas City as of May 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Assistance League of Kansas City 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 Kansas City's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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, including omissions, 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.

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INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Kansas City'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 Kansas City'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.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
September 8, 2025

ASSISTANCE LEAGUE OF KANSAS CITY

STATEMENTS OF FINANCIAL POSITION
As of May 31, 2025 and 2024

	2025	2024
ASSETS		
Assets		
Cash	$ 1,370,384	$ 1,265,727
Cash restricted for long-term purposes	116,917	68,417
Unconditional promises to give	83,960	156,109
Accounts receivable	11,718	14,834
Prepaid expenses	13,692	60,405
Thrift store inventories	239,132	228,696
Program supplies	314,429	436,726
Capital assets, net	2,297,757	2,369,570
TOTAL ASSETS	$ 4,447,989	$ 4,600,484
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payables	$ 52,690	$ 62,095
Deferred dues revenue	18,370	21,015
Notes payable	194,882	580,000
Total Liabilities	265,942	663,110
Net Assets		
Without donor restrictions	3,935,406	3,436,018
With donor restrictions	246,641	501,356
Total Net Assets	4,182,047	3,937,374
TOTAL LIABILITIES AND NET ASSETS	$ 4,447,989	$ 4,600,484

See Accompanying Independent Auditor's Report and Notes to the Financial Statements.

ASSISTANCE LEAGUE OF KANSAS CITY

STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, & OTHER INCOME			
Fundraising:			
THE ReSALE SHOP revenue:			
Contributions of merchandise	$ 671,591	$ 0	$ 671,591
Sales of donated merchandise	661,155	0	661,155
Less: Value of merchandise sold	(661,155)	0	(661,155)
Net revenue from THE ReSALE SHOP	671,591	0	671,591
Fundraising events and activities:			
Revenue	75,078	0	75,078
Less: Direct costs	(2,395)	0	(2,395)
Net revenue from other events and activities	72,683	0	72,683
Total net fundraising revenue	744,274	0	744,274
Contributions and grants	57,443	451,567	509,010
Contributed nonfinancial assets	44,312	0	44,312
Membership dues	21,495	0	21,495
Interest	35,223	0	35,223
Other income	329	0	329
Total Support, Revenue & Other Income	903,076	451,567	1,354,643
EXPENSES			
Program Services:			
Operation School Bell ®	632,326	0	632,326
Operation Child In Need	70,282	0	70,282
Assault Survivor Kits ®	33,901	0	33,901
Operation Hug	35,179	0	35,179
Other programs	98,629	0	98,629
Total Program Services	870,317	0	870,317
Supporting Activities:			
THE ReSALE SHOP	61,264	0	61,264
Other fundraising	8,355	0	8,355
Management and general	144,816	0	144,816
Membership development	12,468	0	12,468
Unallocated payment for National Dues	12,750	0	12,750
Total Supporting Activities	239,653	0	239,653
Total Expenses	1,109,970	0	1,109,970
Net Assets Released from Restrictions	706,282	(706,282)	0
Change in net assets	499,388	(254,715)	244,673
NET ASSETS, beginning of year	3,436,018	501,356	3,937,374
NET ASSETS, end of year	$ 3,935,406	$ 246,641	$ 4,182,047

See Accompanying Independent Auditor's Report and Notes to the Financial Statements.

ASSISTANCE LEAGUE OF KANSAS CITY

STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, & OTHER INCOME			
Fundraising:			
THE ReSALE SHOP revenue:			
Contributions of merchandise	$ 660,146	$ 0	$ 660,146
Sales of donated merchandise	635,742	0	635,742
Less: Value of merchandise sold	(635,742)	0	(635,742)
Net revenue from THE ReSALE SHOP	660,146	0	660,146
Fundraising events and activities:			
Revenue	92,853	0	92,853
Less: Direct costs	(11,911)	0	(11,911)
Net revenue from other events and activities	80,942	0	80,942
Total net fundraising revenue	741,088	0	741,088
Contributions and grants	263,600	506,356	769,956
Contributed nonfinancial assets	230,677	0	230,677
Membership dues	21,350	0	21,350
Interest	10,873	0	10,873
Other income	13,078	0	13,078
Total Support, Revenue & Other Income	1,280,666	506,356	1,787,022
EXPENSES			
Program Services:			
Operation School Bell ®	658,228	0	658,228
Operation Child In Need	73,204	0	73,204
Assault Survivor Kits ®	24,348	0	24,348
Operation Hug	34,602	0	34,602
Other programs	68,879	0	68,879
Total Program Services	859,261	0	859,261
Supporting Activities:			
THE ReSALE SHOP	59,193	0	59,193
Other fundraising	11,587	0	11,587
Management and general	135,756	0	135,756
Membership development	5,740	0	5,740
Unallocated payment for National Dues	13,270	0	13,270
Total Supporting Activities	225,366	0	225,366
Total Expenses	1,084,627	0	1,084,627
Net Assets Released from Restrictions	5,000	(5,000)	0
Change in net assets	201,039	501,356	702,395
NET ASSETS, beginning of year	3,234,979	0	3,234,979
NET ASSETS, end of year	$ 3,436,018	$ 501,356	$ 3,937,374

See Accompanying Independent Auditor's Report and Notes to the Financial Statements.

ASSISTANCE LEAGUE OF KANSAS CITY

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended May 31, 2025

	Program Services						Supporting Activities						
	Operation School Bell ®	Operation Child In Need	Assault Survivor Kits ®	Operation Hug	Other Programs	Total Program Services	THE ReSALE SHOP	Other Fundraising	Management & General	Membership Development	Unallocated Payment for National Dues	Total Supporting Activities	Total Expenses
Program supplies	$ 561,736	$ 49,632	$ 25,824	$ 25,567	$ 86,698	$ 749,457	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 749,457
Occupancy:													
Utilities	14,525	679	164	163	1,009	16,540	13,977	0	3,167	0	0	17,144	33,684
Property management	8,222	530	243	241	978	10,214	17,754	0	4,692	0	0	22,446	32,660
Repairs and maintenance	6,834	425	208	206	848	8,521	5,035	0	4,011	0	0	9,046	17,567
Insurance	14,083	1,246	650	644	2,195	18,818	0	0	9,437	0	0	9,437	28,255
Mortgage note interest	0	0	0	0	0	0	0	0	25,499	0	0	25,499	25,499
Depreciation	25,638	17,674	6,762	8,309	6,236	64,619	10,546	0	18,747	0	0	29,293	93,912
Postage	0	0	0	0	497	497	0	0	0	13	0	13	510
Printing	0	0	0	0	0	0	0	0	0	1,095	0	1,095	1,095
Professional service fees	201	0	0	0	0	201	0	0	54,148	534	0	54,682	54,883
Public relations & advertising	0	0	0	0	0	0	398	4,282	1,205	166	0	6,051	6,051
Office supplies	904	80	42	41	140	1,207	209	418	1,239	0	0	1,866	3,073
Technology & web related	183	16	8	8	28	243	1,713	2,647	2,933	0	0	7,293	7,536
National dues & committee	0	0	0	0	0	0	0	0	0	0	12,750	12,750	12,750
National meetings	0	0	0	0	0	0	0	0	0	0	0	0	0
Education chapter development	0	0	0	0	0	0	0	0	17,040	6,372	0	23,412	23,412
Chapter meetings	0	0	0	0	0	0	0	0	0	3,249	0	3,249	3,249
Bank and credit card fees	0	0	0	0	0	0	11,632	0	2,648	444	0	14,724	14,724
Other	0	0	0	0	0	0	0	1,008	50	595	0	1,653	1,653
Total Expenses	$ 632,326	$ 70,282	$ 33,901	$ 35,179	$ 98,629	$ 870,317	$ 61,264	$ 8,355	$ 144,816	$ 12,468	$ 12,750	$ 239,653	$1,109,970

See Accompanying Independent Auditor's Report and Notes to the Financial Statements.

ASSISTANCE LEAGUE OF KANSAS CITY

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended May 31, 2024

	Program Services						Supporting Activities						
	Operation School Bell ®	Operation Child In Need	Assault Survivor Kits ®	Operation Hug	Other Programs	Total Program Services	THE ReSALE SHOP	Other Fundraising	Management & General	Membership Development	Unallocated Payment for National Dues	Total Supporting Activities	Total Expenses
Program supplies	$ 603,646	$ 57,850	$ 18,628	$ 27,376	$ 60,497	$ 767,997	$ 0	$ 0	$ 2,505	$ 0	$ 0	$ 2,505	$ 770,502
Occupancy:													
Utilities	9,692	418	135	198	835	11,278	14,023	0	5,300	0	0	19,323	30,601
Property management	6,197	413	133	195	575	7,513	17,154	0	3,656	0	0	20,810	28,323
Repairs and maintenance	4,670	238	77	113	413	5,511	5,749	0	2,108	0	0	7,857	13,368
Insurance	10,781	1,033	333	489	1,090	13,726	0	0	6,883	0	0	6,883	20,609
Mortgage note interest	0	0	0	0	0	0	0	0	42,272	0	0	42,272	42,272
Depreciation	18,591	12,816	4,903	6,025	4,522	46,857	7,648	0	13,595	0	0	21,243	68,100
Postage	108	10	3	5	499	625	0	0	136	17	0	153	778
Professional service fees	106	0	0	0	0	106	0	0	53,054	284	0	53,338	53,444
Public relations & advertising	1,331	127	41	60	134	1,693	393	7,906	752	193	0	9,244	10,937
Office supplies	960	92	30	44	97	1,223	148	296	952	0	0	1,396	2,619
Technology & web related	569	55	17	26	57	724	3,100	2,249	842	0	0	6,191	6,915
National dues & committee	0	0	0	0	0	0	0	0	0	0	13,270	13,270	13,270
National meetings	1,425	137	43	65	145	1,815	0	0	0	0	0	0	1,815
Education chapter development	152	15	5	6	15	193	0	0	1,550	327	0	1,877	2,070
Chapter meetings	0	0	0	0	0	0	0	0	0	3,894	0	3,894	3,894
Bank and credit card fees	0	0	0	0	0	0	10,978	0	1,853	461	0	13,292	13,292
Other	0	0	0	0	0	0	0	1,136	118	564	0	1,818	1,818
Total Expenses	$ 658,228	$ 73,204	$ 24,348	$ 34,602	$ 68,879	$ 859,261	$ 59,193	$ 11,587	$ 135,576	$ 5,740	$ 13,270	$ 225,366	$1,084,627

See Accompanying Independent Auditor's Report and Notes to the Financial Statements.

ASSISTANCE LEAGUE OF KANSAS CITY

STATEMENTS OF CASH FLOWS
For the Years Ended May 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 244,673	$ 702,395
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Proceeds from contributions restricted for long-term purposes	(274,493)	(480,041)
Depreciation	93,912	68,100
Changes in assets and liabilities:		
Accounts receivable	3,116	(10,745)
Prepaid expenses	46,713	(51,388)
Thrift store inventories	(10,436)	(24,405)
Program supplies	122,297	39,495
Accounts payable	(9,405)	(10,055)
Deferred dues revenue	(2,645)	1,575
Net cash flows from operating activities	213,732	234,931
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and improvements	(22,099)	(959,753)
Net cash flows from investing activities	(22,099)	(959,753)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for long-term purposes	346,642	323,932
New borrowings of long-term debt	0	835,000
Principal payments of long-term debt	(385,118)	(255,000)
Net cash flows from financing activities	(38,476)	903,932
Net increase in cash and cash equivalents	153,157	179,110
Cash, beginning of year	1,334,144	1,155,034
Cash, end of year	$ 1,487,301	$ 1,334,144
Supplemental disclosures of reconciliation of cash:		
Unrestricted operating cash	$ 1,370,384	$ 1,265,727
Cash restricted for long-term purposes	116,917	68,417
	$ 1,487,301	$ 1,334,144
Supplemental disclosures		
Cash paid for interest on notes payable	$ 25,499	$ 42,272

See Accompanying Independent Auditor's Report and Notes to the Financial Statements.

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NOTE 1: NATURE OF ACTIVITIES

Assistance League of Kansas City is a nonprofit corporation organized under the laws of the State of Missouri. The accompanying financial statements include the activities of Assistance League of Kansas City and its Membership (collectively, the "Chapter"). The Chapter provides the following philanthropic programs:

- Assault Survivor Kits® provides personal care items for sexual assault survivors in hospital emergency rooms.
- I'm In Charge is a school curriculum which includes a DVD, student workbook and a facilitator guide for elementary -age students. This program focuses on safety in emergency and non-emergency situations when a child is home alone, responding to strangers, gun safety and cyber-bullying.
- Operation Child In Need helps children in our community whose family is unable to financially provide for their educational, physical or emotional development.
- Operation Hug distributes teddy bears to children in crisis and/or schools, nursing homes and homebound senior citizens.
- Operation School Bell® provides clothing, health supplies, books, and other essential items to local K-12 students in need.
- Senior Outreach Service provides friendship and support to residents of area senior care facilities and/or homebound senior citizens.
- Scholarships are awarded to deserving candidates to assist them in paying for their post-secondary education and non-traditional education.
- Teens in Action (formerly Operation Celebration) focuses on meeting the needs of children in foster care and/or residing in temporary shelter facilities.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The 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.

B. 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash consists of cash on hand, cash held as deposits with local financial institutions in checking and money market accounts, certificates of deposit and all highly liquid investments with original maturities of three months or less.

E. Financial Instruments and Credit Risk

The Chapter manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by the Board to be creditworthy. Cash and cash equivalents are maintained at high-quality financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. The Chapter has a signed master repurchase agreement attached to its operating checking account that sweeps funds exceeding $10,000 overnight and invests such monies in repurchase transactions of U.S. Government and U.S. Government Agency Securities. Excluding the invested repurchase transaction amounts, the Chapter had $37,078 and $0 of bank balances in excess of federally insured limits as of May 31, 2025 and 2024, respectively. To date, the Chapter has not experienced any losses on such deposit accounts and believes it is not exposed to any significant credit risk on cash.

F. Promises to Give Receivable

Promises to give receivables are reported at the amount management expects to collect on balances outstanding at year-end. Based on an assessment of the collection history with those having outstanding balances and current relationships with the donors, management has concluded that any uncollectible promise to give will be immaterial.

Unconditional promises to give receivables that are expected to be received within one year are recorded at their net realizable value. Unconditional promises to give receivables that are expected to be collected in future years are recorded at the present value of the estimated future cash flows, using either a risk-free interest rate or a borrowing rate on debt financing applicable to the year in which the contribution is made. Amortization of the discount is to be included in contribution revenue. However, the calculated discounting future cash flows using the borrowing rate for contribution promises received in the current year was considered immaterial and not performed.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. 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. This guidance establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair values 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.

For purposes of financial reporting, the Chapter has determined that the fair values of its financial instruments, which include cash equivalents, accounts receivable and accounts payable, approximate the carrying values at May 31, 2025 and 2024, based on their short maturities and/or the terms available to the Chapter in financial markets.

H. Thrift Shop Inventories

The Chapter maintains an inventory of used clothing and household items donated by Chapter members and the area community for resale by THE ReSALE SHOP operated by the Chapter, which is stated at its estimated fair value as determined by average sale prices.

I. Program Supplies on Hand

The Chapter maintains prepaid program supplies on hand of new clothing and vouchers for use in its Operation School Bell program as well as other prepaid program supplies that are all stated at the lower of cost or market determined by the first-in, first-out method.

J. Capital Assets

Capital assets are stated at cost if purchased or at the fair value at the date of donation in the case of donated assets. The Chapter's policy is to capitalize property and equipment with a cost of $1,000 or more per item and a multi-year useful life. 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:

Buildings and improvements	10 to 40 years
Land improvements	10 to 15 years
Furniture and equipment	5 to 10 years
Technology related	4 to 7 years

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed (or certain grantor) restrictions or law.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed into service.

The Chapter reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

L. Revenue and Revenue Recognition

The Chapter recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met and becomes unconditional.

Membership dues, which are nonrefundable, are comprised entirely of a contribution element and is recognized immediately. Payments are required at the start of the membership period; amounts received in advance are deferred to the applicable period. Due to the nature and timing of the performance and/or transfer of services, substantially all contract liabilities at May 31 of each year are recognized in the following year.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Chapter recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Chapter recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

NOTE 2: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (continued)

M. Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which increases the transparency regarding contributed nonfinancial assets through presentation and disclosure, both quantitative and qualitative. The standard requires the Chapter to present additional information regarding contributed nonfinancial assets. Donated assets are reflected as contributed nonfinancial assets at their estimated fair value when received. Such donations are reported as support without restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire long-lived assets are reported as restricted support. The Chapter's policy is to utilize the assets given to carry out the mission of the organization.

Contributed Services
Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals processing those skills, and would typically need to be purchased if not provided by donation. 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 year ended May 31, 2025, volunteers donated 62,062 hours with an estimated value of $2,159,137, computed using an estimated hourly rate of $34.79. During the year ended May 31, 2024, these volunteers donated 67,171 hours with an estimated value of $2,249,557, computed using an estimated hourly rate of $33.49. The estimated hourly rate is based upon the average hourly earnings of "production and nonsupervisory employees on private nonfarm payrolls, seasonally adjusted", as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 15% for estimated fringe benefits.

N. Leases

The Chapter records leases in accordance with FASB ASC 842, *Leases*. For leases with a lease term greater than one year, the Chapter recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The Chapter determines whether an arrangement is or contains a lease at contract inception. The Chapter includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The weighted-average discount rate is based on the discount rate implicit in the lease. The Chapter has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Chapter had no significant long-term leases as of May 31, 2025.

The Chapter has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Income 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 has applied the provisions of the FASB's ASC 740 10, *Accounting for Uncertainty in Income Taxes*. Under ASC 740 10, nonpublic enterprises, including nonprofit organizations, are required to record a tax liability when substantial uncertainties exist as to whether certain income is exempt from federal, state and local income tax. As of May 31, 2025 and 2024, the Chapter had no substantial uncertain income tax positions. Federal form 990 has been filed in a timely manner.

P. Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Chapter. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, property management and insurance, education, and information technology. Depreciation, property management, and property insurance are allocated based on estimated square footage, certain costs of education related are allocated based on attendees, and the information technology is allocated based on estimates of time and costs of specific technology utilized.

Q. Subsequent Events

Management has evaluated subsequent events through September 8, 2025, the date the financial statements were available to be issued.

NOTE 3: LIQUIDITY RESOURCE MANAGEMENT

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

NOTE 3: LIQUIDITY RESOURCE MANAGEMENT (continued)

As of May 31, 2025, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

Cash	$ 1,487,301
Promises to give receivables	83,960
Accounts receivable	11,718
Total financial assets	1,582,979
Less amounts not available for general expenditures:	
Cash restricted for capital expenditures	(116,917)
Promises to give receivables restricted for capital campaign	(83,960)
Financial assets available	$ 1,382,102

To build upon its past achievements and ensure future sustainability, the Chapter has a long-standing policy that requires the governing board to maintain unrestricted net assets sufficient for one year's operating expenses. Assets received with donor restrictions to be used in the next fiscal year for operating purposes are considered to be available for general expenditure spending as of May 31.

In addition to the financial assets available to meet general expenditures over the next 12-months noted above, the Chapter has other current assets and deferred revenue that will likely be converted to cash or available for general expenditures during the normal course of next year's operations. Such current assets include the Chapter's program supplies and thrift shop inventories.

NOTE 4: PROMISES TO GIVE RECEIVABLE

Unconditional promises to give receivable are estimated to be collected as follows as of May 31, 2025 and 2024:

	2025	2024
Receivable due within one year	$ 51,005	$ 99,938
Receivable due in one to five years	32,955	56,171
Receivable due in more than five years	0	0
Allowance for uncollectible promises receivable	0	0
Total promises to give receivable, net	$ 83,960	$ 156,109

NOTE 5: DONATED MERCHANDISE AND THRIFT STORE INVENTORIES

Significant household furnishings and merchandise are donated to the Chapter by various individuals, corporations, and other organizations, and are reflected in the accompanying financial statements at their fair values at the date of donation. Items are donated to THE ReSALE SHOP by Chapter members and supporters and totaled $671,591 and $660,146 for the years ended May 31, 2025 and 2024, respectively.

The Chapter's thrift store inventory held at the THE ReSALE SHOP was $239,132 and $228,696 as of May 31, 2025 and 2024, respectively.

NOTE 6: PROGRAM SUPPLIES ON HAND

Prepaid program supplies on hand consisted of the following as of May 31, 2025 and 2024:

	2025	2024
Operation Child in Need	$ 699	$ 8,955
Operation Hug	0	1,327
I'm In Charge materials	331	597
New clothing and shoe vouchers for use in its Operation School Bell program ®	294,009	365,563
Assault Survivor Kits (ASK) ®	9,535	23,077
Other program supplies	9,855	37,027
Total program supplies on hand	$ 314,429	$ 436,726

NOTE 7: CAPITAL ASSETS

Capital assets consisted of the following as of May 31, 2025 and 2024:

	2025	2024
Land	$ 416,018	$ 416,018
Construction in progress	0	912,189
Land improvements	135,559	135,559
Buildings and improvements	2,650,537	1,738,676
Furniture and equipment	98,527	84,845
Technology related	28,768	20,023
Gross capital assets	3,329,409	3,307,310
Less accumulated depreciation	(1,031,652)	(937,740)
Total capital assets, net	$ 2,297,757	$ 2,369,570

Depreciation expense totaled $93,912 and $68,100 for the years ended May 31, 2025 and 2024, respectively.

NOTE 8: NOTE PAYABLE

In September 2023, the Chapter purchased a new building for the Chapter's Operation School Bell program by financing $835,000 through the financial institution; payable in monthly interest-only payments beginning October 2023 for 12 months followed by 47 monthly installments of $2,753 beginning in October 2024, including calculated interest rate charged of 7.50%. A balloon payment of remaining unpaid principal and accrued interest is due on September 29, 2028. The Chapter made accelerated and scheduled principal payments totaling $385,118 in 2025. The outstanding balance as of May 31, 2025 and 2024 was $194,882 and $580,000, respectively.

Considering the accelerated principal payments, the maturities of long-term debt are as follows:

Year Ended May 31,	Total
2026	$ 18,855
2027	20,340
2028	21,911
2029	133,776
Total	$ 194,882

Interest expense related to the agreement was $25,499 and $42,272 for the years ended May 31, 2025 and 2024, respectively.

NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS

The Chapter's net assets with donor restrictions included the following purposes as of May 31:

	2025	2024
Scholarship Fund	$ 25,764	$ 22,240
New program center	20,000	0
Capital Campaign – new building and renovations	0	254,590
Capital Campaign – THE ReSALE SHOP renovations	116,917	68,417
Capital Campaign – promises to give	83,960	156,109
Total Net assets with donor restrictions	$ 246,641	$ 501,356

The Chapter's net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows for the years ending May 31:

	2025	2024
Restricted purpose: scholarships awarded	$ 5,000	$ 5,000
Restricted purpose: new program center	20,000	0
Restricted purpose: new building renovation	609,132	0
Restricted purpose: promises to give	72,150	0
Total net assets released from restrictions	$ 706,282	$ 5,000

NOTE 10: FUNDRAISING EVENTS AND ACTIVITIES

The Chapter conducts various events and activities to help fund current operations. The revenue and related expenses from such events and activities for the year ending May 31, 2025, are as follows:

		Direct Costs		
Event/Activity	Revenue	Cost of Sales (Merchandise)	Other Costs	Net Revenue
Step UP for Students mailer	$ 75,078	$ 2,321	$ 0	$ 72,757

The revenue and expenses from events and activities for the year ending May 31, 2024, are as follows:

		Direct Costs		
Event/Activity	Revenue	Cost of Sales (Merchandise)	Other Costs	Net Revenue
Auction	$ 13,975	$ 5,233	$ 0	$ 8,742
Step UP for Students mailer	78,878	2,291	$ 0	76,587
	$ 92,853	$ 7,524	$ 0	$ 85,329

NOTE 11: OTHER PROGRAMS EXPENSE

As detailed in Note 1, the Chapter provides services through several programs. The related expenses for those programs listed in the financial statements as "Other Programs" are as follows for the years ended May 31, 2025 and 2024:

	2025	2024
Senior Outreach Services	$ 41,688	$ 21,551
I'm in Charge	11,751	11,506
Scholarship	33,800	28,166
Teens in Action	11,390	7,656
Total Other Programs Expenses	$ 98,629	$ 68,879

NOTE 12: TRANSACTION WITH NATIONAL ASSISTANCE LEAGUE

The Chapter annually remits a portion of its membership dues to the National Assistance League. For the years ended May 31, 2025 and 2024, the Chapter paid the National Assistance League $12,750 and $13,270, respectively. These payments are recorded as total national dues and are not allocated as a functional expense in the Statements of Activities.

NOTE 13: SUBSEQUENT EVENT

Effective June 11, 2025, the Chapter members approved to legally change the name from Assistance League of Kansas City to Boost KC. The name change was reflective of the Chapter disaffiliating from the National Assistance League. The Chapter's mission and its initiatives remain the same, but under new program names. The name change does not affect the Chapter's legal status or tax-exempt designation under Section 501(c)(3) of the Internal Revenue Code.