Audited Financial Statements

assistance league®

May 31, 2021

Quigley & Miron

National Assistance League
Audited Financial Statements
Table of Contents
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Quigley & Miron

Certified Public Accountants

Suite 1660
3550 Wilshire Boulevard
Los Angeles, California 90010

Telephone: (213) 639-3550
Facsimile: (213) 639-3555

Suite 700
1999 South Bascom Avenue
Campbell, California 95008

Telephone: (408) 614-0100
Facsimile: (213) 639-3555

Independent Auditor's Report

Board of Directors
National Assistance League
Burbank, California

We have audited the accompanying financial statements of National Assistance League, a nonprofit organization, which comprise the statement of financial position as of May 31, 2021, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 National Assistance League as of May 31, 2021, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Quigley & Miron

Los Angeles, California
August 26, 2021

National Assistance League
Statement of Financial Position
May 31, 2021

Assets		
Cash and cash equivalents	$	461,746
Accounts receivable		161,113
Prepaid expenses		79,722
Investments—Note 4		5,148,714
Property and equipment, net—Note 5		28,860
Total Assets	**$**	**5,880,155**
Liabilities and Net Assets		
Accounts payable and accrued liabilities	$	77,569
PPP advance—Note 6		100,000
Deferred dues and conference revenue		491,157
Capital lease obligation—Note 7		12,092
Total Liabilities		**680,818**
Net Assets		
Without donor restrictions—Note 8		
Undesignated		3,471,660
Board-designated		1,710,000
Total Net Assets Without Donor Restrictions		**5,181,660**
With donor restrictions—Note 9		17,677
Total Net Assets		**5,199,337**
Total Liabilities and Net Assets	**$**	**5,880,155**

See notes to the financial statements.

National Assistance League
Statement of Activities
Year Ended May 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities			
Support and Revenues			
Membership dues	$ 796,455	$	$ 796,455
Grants and contributions	173,197	5,430	178,627
PPP grant—Note 6	92,937		92,937
Interest and dividends	115,832	326	116,158
Partnerships	7,264		7,264
Net assets released from restrictions	850	(850)	
Total Support and Revenues	**1,186,535**	**4,906**	**1,191,441**
Expenses			
Program services			
Chapter educational conferences	313,161		313,161
Chapter services	324,096		324,096
Total Program Services	**637,257**		**637,257**
Supporting services			
Management and general	318,196		318,196
Membership and Fund development	121,884		121,884
Total Supporting Services	**440,080**		**440,080**
Total Expenses	**1,077,337**		**1,077,337**
Change in Net Assets from Operations	**109,198**	**4,906**	**114,104**
Nonoperating Activities			
Investment return, net—Note 4	877,439	2,039	879,478
Change in Nonoperating Activities	**877,439**	**2,039**	**879,478**
Change in Net Assets	**986,637**	**6,945**	**993,582**
Net Assets at Beginning of Year	**4,195,023**	**10,732**	**4,205,755**
Net Assets at End of Year	**$ 5,181,660**	**$ 17,677**	**$ 5,199,337**

See notes to financial statements.

National Assistance League
Statement of Functional Expenses
Year Ended May 31, 2021

	Program Services			Supportive Services			
	Chapter Educational Conferences	**Chapter Services**	**Total Program Services**	**Management and General**	**Membership and Fund Development**	**Total Supporting Services**	**Total**
Salaries and benefits	$ 57,789	$ 212,738	$ 270,527	$ 191,763	$ 60,829	$ 252,592	$ 523,119
Contract termination and restructuring—Note 11	185,013		185,013	850		850	185,863
Accounting services	16,906	19,293	36,199	39,093	29,584	68,677	104,876
Occupancy	11,385	31,604	42,989	24,864	10,665	35,529	78,518
Other professional services	15,380	38,488	53,868	16,967		16,967	70,835
Dues and subscriptions	13,911	14,155	28,066	16,092	13,912	30,004	58,070
Depreciation	11,407	4,109	15,516	8,975	3,850	12,825	28,341
Insurance	686	1,903	2,589	6,507	642	7,149	9,738
Taxes, licenses, and fees				6,996		6,996	6,996
Printing and copier lease	684	1,629	2,313	1,282	550	1,832	4,145
Miscellaneous expenses		22	22	2,836	23	2,859	2,881
Postage and freight				985	1,578	2,563	2,563
Operating supplies		155	155	986	251	1,237	1,392
Total Expenses	**$ 313,161**	**$ 324,096**	**$ 637,257**	**$ 318,196**	**$ 121,884**	**$ 440,080**	**$ 1,077,337**

See notes to financial statements.

National Assistance League
Statement of Cash Flows
Year Ended May 31, 2021

Cash Flows from Operating Activities		
Change in net assets	$	993,582
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation		28,341
Investment gains		(926,095)
Changes in operating assets and liabilities:		
Accounts receivable		(157,615)
Prepaid expenses		(50,702)
Accounts payable and accrued liabilities		11,620
PPP advance		7,063
Deferred dues and conference revenue		331,635
Other deferred revenue		(6,000)
Net Cash Provided by Operating Activities		**231,829**
Cash Flows from Investing Activities		
Proceeds on sales/maturities of investments		690,227
Purchases of investments		(771,179)
Net Cash Used in Investing Activities		**(80,952)**
Cash Flows from Financing Activities		
Principal payments on capital lease obligation		(6,438)
Net Cash Used in Financing Activities		**(6,438)**
Net Increase in Cash and Cash Equivalents		**144,439**
Cash and Cash Equivalents at Begining of Year		**317,307**
Cash and Cash Equivalents at End of Year	**$**	**461,746**
Supplemental Disclosures		
Income taxes paid	$	
Interest paid	$	2,069

See notes to financial statements.

Note 1—Organization

Organization—National Assistance League®(Organization), founded in 1935, is a California nonprofit corporation dedicated to a philosophy of training and empowering member volunteers to address unmet social needs in their communities. With 120 chapters in 26 states across the United States, the Organization supports its chapters to carry out their work of creating and maintaining programs targeted to meet the specific needs of the communities which they serve. Member volunteers have a voice in governing their chapters, thereby becoming valued voices in their local communities. National Assistance League volunteers touch over 1.5 million lives, while contributing over 3.5 million hours in service to their communities, which in turn generated over $44,200,000 in aggregate that was returned to local economies.

Nature of Activities—Over the years, the Organization has trained thousands of volunteers to effectively lead their local chapters by providing administrative, legal, and operational guidance. The guidance includes written resources available on the website; annual chapter president, treasurer, and Assisteens® leader training; and a National Conference in odd numbered years. Additionally, with the onset of the COVID-19 pandemic, the organization heavily relied on online communication tools to hold regular formal and informal conversations, meetings, and webinars. The following outlines the tools used by the Organization to support the growth of effective volunteerism in the chapters:

Chapter Educational Conferences—Chapter educational conferences provide education, networking, and training for member volunteers. The sessions cover many relevant topics on both the strategic, as well as day-to-day management of a chapter, including meeting management, financial and technical knowledge, new concepts and trends in nonprofits, and human resources. In addition, the educational sessions offer great networking opportunities for attendees to meet members from across the country, compare notes, offer suggestions, share ideas, and support each other.

Chapter Services—Chapter Services Support Team is a committee composed of experienced volunteers who have held or are holding leadership positions at the national level. They partner with chapters to support and carry out the Organization's shared mission by empowering chapter leaders to understand the basic legal, fiscal, and fiduciary requirements of managing a 501(c)(3); to serve as a valuable resource to help guide chapters through the challenges of running their chapter; and most importantly, to listen and celebrate chapters' successes while providing a valuable link and touchpoint to the national organization and current initiatives.

Chapter Services Support Team provides chapters with:

1) A complete library of resources for managing the chapter, including policies and procedures, as well as an archive of recorded webinars;
2) Interactions that promote the interchange of ideas;
3) Training of incoming boards; and

Note 1—Organization—*Continued*

4) A staff of paid and volunteer experts to respond to the specific chapter concerns in the areas of:
   a) Bylaws, governance, membership;
   b) Finance, accounting;
   c) Programs;
   d) Resource development, strategic planning, marketing communications; and
   e) Technology.

Highlights of the Year—During the year ended May 31, 2021 fiscal year, the Organization continued on the path of organizational innovation due to the COVID-19 pandemic.

As with the previous fiscal year, the change from in-person to virtual events also allowed the national organization to realize savings on event expenses and have income to support ongoing operations and continued investment in organizational infrastructure through a modest surplus for the fiscal year ending May 31, 2021. Upon additional examination of financial practices and policies, the Board adopted an annual spending policy for the investment account that permits between 3% and 5% of the 12-quarter trailing average of the investment portfolio to be used for annual operating expenses. Finally, the Board adopted an annual budgeting process which includes 5-year budget projections.

Looking ahead to the fiscal year ending May 31, 2022, the Organization will continue to evaluate, examine, and diversify its revenue streams and evaluate expenses. The organization continues to examine opportunities for shared services with chapters (accounting) and development of an online thrift shop platform. Additionally, the Board will study the potential contracting of a grant writer and a planned giving consultant. Progress continues to be made in evaluating and recommending potential changes to sustain and increase membership, streamline and standardize program concepts that augment Operation School Bell® and deepen engagement with program recipients, and refine education strategy and delivery. Additionally, a new program partnership with a national provider will be confirmed with a formal Memorandum of Understanding in the later part of 2021.

With the likely continuation of the worldwide pandemic, the Organization will continue to operate in a virtual mode and will research new options for delivering programs and services to chapters. Additionally, the Board of Directors continues its transition from a working board to a governance model for the organization and is examining the important role that professional staff plays in the future of the organization.

Support and Revenue—The Organization's support and revenue during the year ended May 31, 2021, is primarily derived from per-capita membership dues, conference fees, contributions, and investment return. Currently, most contributions are received from Assistance League members and local chapters donating to the Circle Fund. Circle Fund supports the educational programs provided at the national level for all members.

Note 2—Summary of Significant Accounting Policies

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization recognizes grants and contributions as revenue in the period received if a right of return and barrier does not exist. Contributions and net assets are classified on the existence or absence of donor-imposed restrictions. The net assets of the Organization and changes therein are classified and reported as follows:

> Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
>
> Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Measure of Operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of membership services, conference activities, and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Income Taxes—The Organization is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered 'more likely than not' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at May 31, 2021. Generally, the Organization's information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Note 2—Summary of Significant Accounting Policies—*Continued*

Cash and Cash Equivalents—The Organization considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments—Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair value 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 investment income whose restrictions are met in the same period the gains or income are recognized are reported as net assets without donor restrictions.

Property and Equipment—Property and equipment are stated at cost when purchased or estimated fair market value at the date of gift or bequest. The Organization depreciates its property and equipment using the straight-line-method over the following estimated useful lives.

Furniture and equipment	3 to 10 years
Website and software	3 to 5 years
Leasehold improvements	5 years

The Organization follows the practice of capitalizing all expenditures for property in excess of $1,000.

Deferred Membership Dues and Conference Fees—Membership dues and conference fees collected prior to the fiscal year to which they apply are deferred and recognized over the period to which the dues and fees relate.

Concentration of Credit Risk—Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents and investments in securities. The Organization places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. Cash held in investment accounts at investment custodians are insured by the Securities Investors Protection Corporation (SIPC) up to $250,000 and the investments in securities are insured up to $500,000, per institution. SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in market value. At times, such balances are in excess of the FDIC and SIPC coverage limits. Management regularly reviews the financial stability of its cash and money market fund depositories and its allocation of investments and deems the risk of loss due to these concentrations to be minimal.

Contributions—All contributions are considered to be available for unrestricted use unless specifically restricted by the grantor/donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. 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 whose restrictions are satisfied in the same reporting period are reported as net assets without donor restrictions.

Note 2—Summary of Significant Accounting Policies—*Continued*

Donated Services—Services donated to the Organization are recognized as in-kind donations when services received 1) create or enhance nonfinancial assets or 2) require specialized skills. A significant portion of the Organization's program services, fundraising, and administrative functions are conducted by unpaid volunteers, which do not meet these criteria. During the year ended May 31, 2021, these volunteers donated approximately 36,264 hours with an estimated value of $1,017,568. This value was computed using an estimated hourly rate of $28.06, based upon the average hourly earnings of nonagricultural workers for the twelve-month periods ended May 31, 2021, respectively, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, and includes 12% for estimated fringe benefits.

Functional Expenses—The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted. Salaries and benefits, accounting services, occupancy, and depreciation are allocated on the basis of time studies. Contract termination and restructuring is charged directly to programs or function benefitted. All other functional expenses are charged directly to programs or function benefitted and by time studies.

Note 3—Availability and Liquidity

The Organization's goal is generally to maintain cash to meet two to three months of operating expenses (approximately $300,000-$400,000). As part of its liquidity plan, excess cash is invested in a diversified investment portfolio, including money market and other funds described in Note 4.

The following represents the availability and liquidity of the Organization's financial assets at May 31, 2021 to cover operating expenses for the next fiscal year:

Cash and cash equivalents	$	456,316
Accounts receivable		161,113
Investments		3,426,467
Current Availability of Financial Assets	**$**	**4,043,896**

The Organization also has a $1,710,000 board designated reserve fund available for appropriation.

Note 4—Investments and Fair Value

In determining the fair value of investments, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Organization determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Note 4—Investments and Fair Value—*Continued*

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Organization at the measurement date.

Level 2—Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment.

The Organization may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by the Organization to value is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. The Organization had no investments classified at NAV as a practical expedient during the year ended May 31, 2021.

Investments measured on a recurring basis at May 31, 2021 consist of the following:

	Fair Value	Level 1	Level 2	Level 3
Equity funds	$ 2,765,880	$ 2,765,880	$	$
Fixed income funds	1,991,342	1,991,342		
Real estate fund	274,809	274,809		
Commodities fund	116,683	116,683		
Totals	**$ 5,148,714**	**$ 5,148,714**	**$**	**$**

Investment activity for the year ended May 31, 2021 consists of the following

Realized and unrealized gains, net	$ 926,095
Investment management fees	(46,617)
Investment Return, Net	**879,478**
Interest and dividends	116,158
Total Investment Return	**$ 995,636**

Note 5—Property and Equipment, Net

Net property and equipment at May 31, 2021 consists of the following:

Furniture, fixtures and equipment	$	72,339
Website and software		192,234
Leasehold improvements		15,000
Gross		**279,573**
Less accumulated depreciation		(250,713)
Property and Equipment, Net	**$**	**28,860**

Total depreciation expense recorded for the year ended May 31, 2021 was $28,341.

Note 6—PPP Advance

On May 1, 2020, the Organization received $92,937 in funding from the Small Business Administration (SBA) through the Paycheck Protection Program (PPP). The advance is designed to provide a direct incentive for small businesses struggling from the impact of the COVID-19 pandemic (see Note 12) to keep their workers on the payroll. As of May 31, 2021, the Organization recognized a total of $92,937 in PPP grant revenue during the year ended May 31, 2021 based on qualifying expenditures incurred, with no outstanding balance at year-end. On December 31, 2021, the Organization received official notice of forgiveness from the SBA for the full advance amount.

On March 16, 2021, the Organization received $100,000 in funding from the Small Business Administration (SBA) through the Paycheck Protection Program (PPP). It is the opinion of management and the board of directors that all funds received will be forgiven under the present terms of the PPP.

Note 7—Leases

The Organization leases equipment under a capital lease. The cost of the equipment and the corresponding accumulated depreciation as of May 31, 2021 amounted to $31,000 and $21,183, respectively. Future minimum payments under this lease at May 31, 2021 consist of the following:

Year Ending May 31,		
2022	$	8,508
2023		4,958
Total Minimum Lease Payments		**13,466**
Less: total interest expense		(1,374)
Present Value of Minimum Lease Payments	**$**	**12,092**

Note 7—Leases—*Continued*

The Organization leases office space under an operating lease expiring in May 2023. Future minimum lease payments under this lease are as follows:

Year Ending May 31,		
2022	$	69,393
2023		71,474
Total	**$**	**140,867**

Note 8—Net Assets Without Donor Restrictions

Net assets without donor restrictions at May 31, 2021 consist of the following:

Undesignated	$	3,471,660
Board-designated		
Designated for future operating reserves		1,560,000
Designated for future capital needs		150,000
Total Board-Designated		**1,710,000**
Total Net Assets Without Donor Restrictions	**$**	**5,181,660**

Note 9—Net Assets With Donor Restrictions

Net assets with donor restrictions at May 31, 2021 consist of the following:

Subject to time restrictions:		
Circle fund	$	5,430
Subject to the Organization's endowment spending policy and appropriation:		
Endowment fund		2,247
Held in perpetuity:		
Endowment		10,000
Total Net Assets With Donor Restrictions	**$**	**17,677**

Net assets released from donor restrictions for the year ended May 31, 2021 are as follows:

Satisfaction of purpose restrictions:		
Circle fund	$	850
Total Net Assets Released from Donor Restriction	**$**	**850**

Note 10—Endowment Fund

Generally accepted accounting principles provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). It also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and Board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The Organization's Endowment Fund includes donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization classifies as net assets with donor restrictions held in perpetuity (Corpus) (a) the original value of the gifts to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization.

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

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

The primary long-term financial objective is to preserve and enhance the real (i.e., inflation-adjusted) purchasing power of the endowment through a prudent long-term investment strategy expected to earn an average annual nominal return consistent with the market. The Organization manages its endowment on a total rate of return basis consisting of dividends, interest, and any net increase / decrease in market value of securities for the fiscal year, not favoring returns from one source over another.

The Organization has a policy governing the amount of endowment earnings that can be released annually for spending, consistent with the restrictions, if any, placed on the endowment by donors. The spending policy authorizes an annual distribution equal to the annual net realized investment return, including interest and dividends during the year.

Note 10—Endowment Fund—*Continued*

Changes in endowment net assets for the year ended May 31, 2021 are as follows:

	Purpose Restricted	Perpetual in Nature	Total
Endowment Net Assets at May 31, 2020	**$ (118)**	**$ 10,000**	**$ 9,882**
Interest and dividends	326		326
Investment return, net	2,039		2,039
Endowment Net Assets at May 31, 2021	**$ 2,247**	**$ 10,000**	**$ 12,247**

During the year ended May 31, 2021, the Organization did not appropriate any endowment funds for expenditure.

Note 11—Contract Termination and Restructuring

During the year ended May 31, 2021, the Organization incurred expenses relating to the cancellation of various contracts through September 2023 for meeting space and room rentals associated with educational conferences. As a result of the COVID-19 pandemic and the related conference cancellations, the Organization recorded $185,863 in Contract Termination and Restructuring in the statement of functional expenses.

Note 12—Recent Accounting Pronouncement

Leases—In February 2016, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for nonprofit organizations with fiscal years beginning after December 15, 2021, with early adoption permitted. The Organization is currently evaluating the impact that the adoption of ASU No. 2016-02 will have on its financial statements.

Note 13—Risks and Uncertainties

In early March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been, and continues to be, severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. The Organization has continued to conduct its chapter educational conferences and chapter services, primarily on a remote basis, and to monitor the ongoing impact of the pandemic response on its overall operations. At the time of this reporting, the cumulative financial impact of the pandemic on the Organization, if any, cannot be fully determined, therefore no related adjustment has been made to these financial statements.

Note 14—Subsequent Events

Management evaluated all activities of National Assistance League through August 26, 2021, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.