

**ASSISTANCE LEAGUE®  
OF INDIANAPOLIS**

**REPORT ON AUDIT OF  
FINANCIAL STATEMENTS**

**MAY 31, 2016**

**WITH SUMMARIZED INFORMATION AS OF  
AND FOR THE YEAR ENDED MAY 31, 2015**

ASSISTANCE LEAGUE® OF INDIANAPOLIS

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## Independent Auditors' Report

Board of Directors  
Assistance League®  
of Indianapolis  
Indianapolis, Indiana

### **Report on Financial Statements**

We have audited the accompanying financial statements of Assistance League® of Indianapolis (the Chapter), which comprise the statement of financial position as of May 31, 2016, and the related statements of activities, functional expenses and cash flows for the years 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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.

Board of Directors  
Assistance League®  
of Indianapolis  
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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Chapter as of May 31, 2016, 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.

**Report on Summarized Comparative Information**

We have previously audited the Chapter's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 27, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Burns, Donning & Co., Ltd.*

Indianapolis, Indiana  
August 17, 2016

**ASSISTANCE LEAGUE® OF INDIANAPOLIS**  
**STATEMENTS OF FINANCIAL POSITION**  
**MAY 31,**

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	<u>2016</u>	<u>2015</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents (Note 3)	\$ 762,236	\$ 642,750
Inventories (Note 4)	314,772	348,933
Fixed assets (Note 10)	5,194	3,387
Prepaid expenses	<u>1,645</u>	<u>47</u>
Total Assets	<u>\$ 1,083,847</u>	<u>\$ 995,117</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Deferred revenue	<u>\$ 16,525</u>	<u>\$ 72,200</u>
Total Liabilities	<u>16,525</u>	<u>72,200</u>
Net Assets: (Note 6)		
Unrestricted	1,057,751	888,747
Temporarily restricted	<u>9,571</u>	<u>34,170</u>
Total Net Assets	<u>1,067,322</u>	<u>922,917</u>
Total Liabilities and Net Assets	<u>\$ 1,083,847</u>	<u>\$ 995,117</u>

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

**ASSISTANCE LEAGUE® OF INDIANAPOLIS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MAY 31, 2016**  
**WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED MAY 31, 2015**

	2016		2015
	Unrestricted	Temporarily Restricted	Totals
<b>REVENUES</b>			
Special events revenue (Note 8)	\$ 279,153	\$ -	\$ 279,153
Less: cost of direct benefits to attendees	(46,224)	-	(46,224)
Net revenue from special events	232,929	-	232,929
Contributions and grants	176,388	210,350	386,738
Membership	22,330	-	22,330
Investment return	642	-	642
Total Revenues	432,289	210,350	642,639
Net assets released from restrictions			
Expiration of time restrictions	234,949	(234,949)	-
Total Revenue and Other Support	667,238	(24,599)	642,639
<b>EXPENSES</b>			
Program services			
Operation School Bell®	419,499	-	419,499
Assault Survivor Kits®	17,298	-	17,298
Other Projects	10,250	-	10,250
Total Program Services	447,047	-	447,047
Supporting Services			
Management and general	10,107	-	10,107
Membership development	13,326	-	13,326
Fundraising	10,328	-	10,328
Special events	17,426	-	17,426
Total Supporting Services	51,187	-	51,187
Total Expenses	498,234	-	498,234
Change in net assets	169,004	(24,599)	144,405
Net assets - beginning of year	888,747	34,170	922,917
Net assets - end of year	\$ 1,057,751	\$ 9,571	\$ 1,067,322

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

**ASSISTANCE LEAGUE® OF INDIANAPOLIS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MAY 31, 2016  
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED MAY 31, 2015**

	PROGRAM SERVICES										SUPPORTING SERVICES			2016	2015
	Assault		Other		Total		Other Fundraising	Special Events	Management and General	Membership Development	Supporting Services	Total Expenses	Total Expenses	Total Expenses	
	Operation School Bell®	Survivor Kits®	Projects	Program Services	Program Services	Program Services									
Program inventory	\$ 359,856	\$ 13,151	\$ 9,062	\$ 382,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 382,069	\$ 475,102		
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-		
Utilities	3,114	111	76	3,301	72	126	40	-	-	238	3,539	3,920			
Repairs and maintenance	12,073	433	297	12,803	282	488	155	-	-	925	13,728	16,667			
Rent	11,034	396	272	11,702	258	446	142	-	-	846	12,548	12,550			
Insurance	7,939	284	195	8,418	185	321	102	-	-	608	9,026	7,247			
Depreciation	2,526	90	62	2,678	59	102	32	-	-	193	2,871	533			
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	3,380		
Postage	-	-	-	-	94	126	105	-	-	325	325	476			
Printing	-	-	-	-	1,490	2,010	-	1,653	-	5,153	5,153	6,672			
Professional services	-	-	-	-	-	-	6,050	157	-	6,207	6,207	7,635			
Public relations and advertising	7,625	273	188	8,086	178	308	98	-	-	584	8,670	9,790			
Office supplies	1,212	-	-	1,212	-	-	95	-	-	95	1,307	3,729			
National dues	-	-	-	-	-	-	-	9,160	-	9,160	9,160	8,120			
National convention and meetings	3,554	2,369	-	5,923	592	592	6,839	-	-	8,023	13,946	13,792			
Education	680	24	16	720	15	27	8	-	-	50	770	637			
Telephone	1,634	58	40	1,732	38	66	21	-	-	125	1,857	1,916			
Food and entertainment	-	-	-	-	-	46,224	-	-	-	46,224	46,224	48,446			
Other	8,252	109	42	8,403	7,065	12,814	(3,580)	-	-	18,655	27,058	35,858			
<b>Total Expenses</b>	<b>419,499</b>	<b>17,298</b>	<b>10,250</b>	<b>447,047</b>	<b>10,328</b>	<b>63,650</b>	<b>10,107</b>	<b>13,326</b>	<b>13,326</b>	<b>97,411</b>	<b>544,458</b>	<b>656,470</b>			
Less direct donor benefit expenses included on statement of activities	-	-	-	-	-	(46,224)	-	-	-	(46,224)	(46,224)	(48,446)			
<b>Total Expenses Per Statement of Activities</b>	<b>\$ 419,499</b>	<b>\$ 17,298</b>	<b>\$ 10,250</b>	<b>\$ 447,047</b>	<b>\$ 10,328</b>	<b>\$ 17,426</b>	<b>\$ 10,107</b>	<b>\$ 13,326</b>	<b>\$ 13,326</b>	<b>\$ 51,187</b>	<b>\$ 498,234</b>	<b>\$ 608,024</b>			

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

**ASSISTANCE LEAGUE® OF INDIANAPOLIS  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED MAY 31,**

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	<u>2016</u>	<u>2015</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 144,405	\$ (62,556)
Adjustments to reconcile net income to net cash provided by (used in) operations:		
Depreciation	2,871	533
Donations of property	-	(2,155)
Decrease (increase) in inventories	34,161	11,067
Decrease (increase) in prepaid expenses	(1,598)	48
(Decrease) increase in accounts payable	-	(43,328)
(Decrease) increase in deferred revenue	<u>(55,675)</u>	<u>26,390</u>
Net Cash Provided By (Used In) Operating Activities	<u>124,164</u>	<u>(70,001)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of fixed assets	<u>(4,678)</u>	<u>-</u>
Net Cash Provided By (Used In) Investing Activities	<u>(4,678)</u>	<u>-</u>
Net change in cash and cash equivalents	119,486	(70,001)
Cash - beginning of year	<u>642,750</u>	<u>712,751</u>
Cash - end of year	<u>\$ 762,236</u>	<u>\$ 642,750</u>

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



ASSISTANCE LEAGUE® OF INDIANAPOLIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MAY 31, 2016  
WITH SUMMARIZED INFORMATION AS OF AND FOR  
THE YEAR ENDED MAY 31, 2015

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1. NATURE OF THE ORGANIZATION

Nature of activities – Assistance League® of Indianapolis (the chapter) is a nonprofit corporation and is a chartered chapter of National Assistance League®. The accompanying financial statements include the activities of the chapter. The chapter provides the following programs:

- Operation School Bell® – Provides underserved Indianapolis students with new clothing, shoes, school supplies and hygiene kits.
- Assault Survivor Kits® – Clothing is distributed to assault victims.
- ALI Bears – Teddy bears are distributed to children and adults in trauma situations and to hospice patients.
- ALI Friends – Crafts and entertainment are provided for residents in a local nursing home and an elder day care facility.

The chapter's support comes from contributions, fundraising efforts, and volunteerism.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – The financial statements of the chapter have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of presentation – The financial statement presentation follows accounting standards recommended for financial statements of not-for-profit organizations in accordance with Accounting Codification Standards (ASC) 958. These accounting standards require the chapter to report information regarding its financial position and activities in three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Comparative financial information – The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the chapter's financial statements for the year ended May 31, 2015, from which the summarized information was derived.

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

(Continued)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a donor releases restriction, when a stipulated time restriction ends or when a purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Donated services – The chapter is an all-volunteer member organization with no paid employees. 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, 2016, these volunteers donated 28,043 hours with an estimated value of \$659,011. This value was computed using an estimated hourly rate of \$23.50, based upon the average hourly earnings of nonagricultural workers for the fiscal year ended May 31, 2016, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits.

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 IC 6-3-2-2.8(1) of the Revenue and Taxation Code of the State of Indiana. Management believes that the chapter has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. The chapter believes it is no longer subject to income tax examination for years prior to 2012.

Use of estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts may differ from these estimates.

Expense allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the percentage of program service or supporting service expense to total expenses excluding total development expense.

Inventories – The chapter maintains an inventory of new clothing, school supplies, hygiene items, and books for use in its Operation School Bell® program which is stated at the lower of cost or market determined by the first-in, first-out method. The chapter also maintains an inventory of sweat suits, underwear and teddy bears, for use in its other programs which are stated at estimated fair value.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred revenue – Membership dues and program service fees collected prior to the fiscal year to which they apply are deferred and recognized over the periods to which the dues and fees relate.

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. The chapter maintains cash in bank accounts which may at times exceed federally insured limits. At May 31, 2016, no such excesses exist. The chapter has not experienced any losses in its accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Advertising – Advertising costs are expensed in the period in which they were incurred. Advertising costs totaled \$8,673 for the year ended May 31, 2016.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at May 31, 2016, consist of the following:

Checking accounts:	
Chase Bank	\$ 53,514
National Bank of Indianapolis	14,293
Old National Bank - gaming account	5,346
Old National Bank	<u>45,395</u>
Total checking accounts	<u>118,548</u>
Savings accounts:	
Old National Bank - money market savings	186,219
Savings One Bank - savings	85,927
National Bank of Indianapolis - savings	194,927
Chase Bank - money market savings	<u>173,124</u>
Total savings accounts	<u>640,197</u>
Money market accounts:	
Fidelity Government Money Market	<u>3,491</u>
Total money market accounts	<u>3,491</u>
Total cash and cash equivalents	<u>\$762,236</u>

4. INVENTORIES

Inventories at May 31, 2016, consist of the following:

New clothing and other items for use in its Operation School Bell® program	\$ 303,706
Assault Survivor Kits®	10,122
ALI programs inventory	<u>944</u>
	<u>\$ 314,772</u>

5. PROMISES TO GIVE

There are no promises to give at May 31, 2016

6. NET ASSETS

The chapter's net assets at May 31, 2016, consist of the following:

Unrestricted net assets:	
Designated for future operating needs	\$ 547,750
Designated for building expansion	200,000
Undesignated	<u>310,001</u>
Total unrestricted net assets	<u>1,057,751</u>
Total temporarily restricted net assets - consists of Operation School Bell® funds received during the final three months of the fiscal year	<u>9,571</u>
Total	<u>\$1,067,322</u>

7. LEASES

The chapter leases office space under an operating lease that expires on August 31, 2019 with an option to extend for one period of three years. Monthly lease payments are \$1,046. Rental expense, included in the chapter's statement of functional expenses for the year ended May 31, 2016 was \$12,550.

7. LEASES – Continued

Minimum rental payments required under the operating lease as of May 31, 2016, are as follows:

Year Ending May 31,	Rental Payments
2017	\$ 12,550
2018	12,550
2019	3,137
2020	-
2021	-

8. SPECIAL FUNDRAISING EVENTS

The chapter held various fundraising events to help fund current operations. The revenues and related expenses from such events for the year ended May 31, 2016, are as follows:

Event	Gross Revenue	Cost of Direct Benefit for Attendees	Other Event Costs	Net Revenue
Gala	\$ 162,246	\$ (30,334)	\$ (11,670)	\$ 120,242
Holiday luncheon	80,943	(15,890)	(3,206)	61,847
Other fundraising	35,964	-	(2,550)	33,414
Total	<u>\$ 279,153</u>	<u>\$ (46,224)</u>	<u>\$ (17,426)</u>	<u>\$ 215,503</u>

The Gala gross revenue includes \$1,190 in in-kind contributions.

9. INVESTMENTS

The chapter had no investments at May 31, 2016.

10. FIXED ASSETS

Fixed assets for the year ended of May 31, 2016, are as follows:

Fixed Asset	Basis	Accumulated Depreciation	Balance
Building Improvements	\$ 82,264	\$ 82,264	\$ -
Equipment	21,845	19,505	2,340
Furniture & Fixtures	3,920	1,066	2,854
Total	<u>\$ 108,029</u>	<u>\$ 102,835</u>	<u>\$ 5,194</u>

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the August 17, 2016, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.