

Assistance League® of Indianapolis

**Financial Statements
May 31, 2021 and 2020, with
Independent Auditors' Report**

ASSISTANCE LEAGUE® OF INDIANAPOLIS
May 31, 2021 and 2020

Contents

	Page(s)
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3 - 4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to the Financial Statements	8 - 12

Independent Auditors' Report

To the 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 (a nonprofit organization), which comprise the statements of financial position as of May 31, 2021 and 2020, 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 audits. We conducted our audits 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assistance League® of Indianapolis as of May 31, 2021 and 2020, 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.



October 26, 2021
Indianapolis, Indiana

ASSISTANCE LEAGUE® OF INDIANAPOLIS
Statements of Financial Position
May 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 1,005,156	\$ 960,692
Grants receivable	22,000	41,500
Inventories	307,367	178,263
Other assets	8,066	10,466
Total assets	\$ 1,342,589	\$ 1,190,921
Liabilities and Net Assets		
Liabilities		
Deferred revenue	\$ 15,438	\$ 18,225
Accounts payable	4,949	222
Total liabilities	20,387	18,447
Net assets		
Without donor restrictions	1,285,078	1,084,328
With donor restrictions	37,124	88,146
Total net assets	1,322,202	1,172,474
Total liabilities and net assets	\$ 1,342,589	\$ 1,190,921

See accompanying notes to financial statements

ASSISTANCE LEAGUE® OF INDIANAPOLIS

**Statement of Activities
Year Ended May 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Special events revenue	\$ 237,142	\$ -	\$ 237,142
Less: cost of direct benefits to attendees	<u>-</u>	<u>-</u>	<u>-</u>
Net revenue from special events	237,142	-	237,142
Contributions and grants	51,348	124,198	175,546
Membership	19,055	-	19,055
Other income	291	-	291
Net assets released from restrictions	<u>175,220</u>	<u>(175,220)</u>	<u>-</u>
Total revenue and other support	<u>483,056</u>	<u>(51,022)</u>	<u>432,034</u>
Expenses			
Program services			
Operation School Bell®	148,558	-	148,558
Assault Survivor Kits®	13,770	-	13,770
Other projects	<u>7,436</u>	<u>-</u>	<u>7,436</u>
Total program services	<u>169,764</u>	<u>-</u>	<u>169,764</u>
Supporting services			
Management and general	12,568	-	12,568
Membership development	11,298	-	11,298
Other fundraising	87,398	-	87,398
Special events	<u>1,278</u>	<u>-</u>	<u>1,278</u>
Total supporting services	<u>112,542</u>	<u>-</u>	<u>112,542</u>
Total expenses	<u>282,306</u>	<u>-</u>	<u>282,306</u>
Change in net assets	200,750	(51,022)	149,728
Net assets, beginning of year	<u>1,084,328</u>	<u>88,146</u>	<u>1,172,474</u>
Net assets, end of year	<u><u>\$ 1,285,078</u></u>	<u><u>\$ 37,124</u></u>	<u><u>\$ 1,322,202</u></u>

See accompanying notes to financial statements

ASSISTANCE LEAGUE® OF INDIANAPOLIS
Statement of Activities
Year Ended May 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Special events revenue	\$ 230,117	\$ -	\$ 230,117
Less: cost of direct benefits to attendees	<u>(14,154)</u>	<u>-</u>	<u>(14,154)</u>
Net revenue from special events	215,963	-	215,963
Contributions and grants	83,493	212,995	296,488
Membership	21,445	-	21,445
Other income	9,197	-	9,197
Net assets released from restrictions	<u>236,899</u>	<u>(236,899)</u>	<u>-</u>
Total revenue and other support	<u>566,997</u>	<u>(23,904)</u>	<u>543,093</u>
Expenses			
Program services			
Operation School Bell®	401,773	-	401,773
Assault Survivor Kits®	15,640	-	15,640
Other projects	<u>7,332</u>	<u>-</u>	<u>7,332</u>
Total program services	<u>424,745</u>	<u>-</u>	<u>424,745</u>
Supporting services			
Management and general	14,973	-	14,973
Membership development	12,057	-	12,057
Other fundraising	51,885	-	51,885
Special events	<u>6,679</u>	<u>-</u>	<u>6,679</u>
Total supporting services	<u>85,594</u>	<u>-</u>	<u>85,594</u>
Total expenses	<u>510,339</u>	<u>-</u>	<u>510,339</u>
Change in net assets	56,658	(23,904)	32,754
Net assets, beginning of year	<u>1,027,670</u>	<u>112,050</u>	<u>1,139,720</u>
Net assets, end of year	<u>\$ 1,084,328</u>	<u>\$ 88,146</u>	<u>\$ 1,172,474</u>

See accompanying notes to financial statements

ASSISTANCE LEAGUE® OF INDIANAPOLIS

**Statement of Functional Expenses
Year Ended May 31, 2021**

	PROGRAM SERVICES				SUPPORTING SERVICES					Total Expenses
	Operation School Bell®	Assault Survivor Kits®	Other Programs	Total Program Services	Other Fundraising	Special Events	Management and General	Membership Development	Total Supporting Services	
Program inventory	\$ 122,612	\$ 11,297	\$ 6,191	\$ 140,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,100
Professional services	-	-	-	-	32,083	-	8,654	474	41,211	41,211
Food and entertainment	-	-	-	-	-	-	-	-	-	-
Other	1,999	113	61	2,173	41,320	1,035	1,582	1,904	45,841	48,014
Repairs and maintenance	7,450	682	373	8,505	4,390	62	612	-	5,064	13,569
Rent	6,890	631	345	7,866	4,061	57	566	-	4,684	12,550
Public relations and advertising	2,954	270	148	3,372	1,743	24	242	-	2,009	5,381
Insurance	4,352	398	218	4,968	2,565	36	357	-	2,958	7,926
National dues	-	-	-	-	-	-	-	8,920	8,920	8,920
National convention and meetings	292	195	-	487	50	48	390	-	488	975
Utilities	2,009	184	100	2,293	1,186	16	165	-	1,367	3,660
Total expenses	148,558	13,770	7,436	169,764	87,398	1,278	12,568	11,298	112,542	282,306
Less direct donor benefit expenses included on statement of activities	-	-	-	-	-	-	-	-	-	-
Total expenses	\$ 148,558	\$ 13,770	\$ 7,436	\$ 169,764	\$ 87,398	\$ 1,278	\$ 12,568	\$ 11,298	\$ 112,542	\$ 282,306

See accompanying notes to financial statements

ASSISTANCE LEAGUE® OF INDIANAPOLIS

Statement of Functional Expenses

	PROGRAM SERVICES			SUPPORTING SERVICES						Total Expenses
	Operation School Bell®	Assault Survivor Kits®	Other Programs	Total Program Services	Other Fundraising	Special Events	Management and General	Membership Development	Total Supporting Services	
Program inventory	\$ 356,974	\$ 12,308	\$ 6,565	\$ 375,847	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375,847
Professional services	-	-	-	-	35,000	-	7,564	266	42,830	42,830
Food and entertainment	-	-	-	-	-	14,154	-	-	14,154	14,154
Other	2,829	380	41	3,250	11,388	5,667	834	2,551	20,440	23,690
Repairs and maintenance	10,687	376	196	11,259	1,377	168	318	-	1,863	13,122
Rent	10,108	356	185	10,649	1,303	159	303	-	1,765	12,414
Public relations and advertising	8,091	285	148	8,524	1,043	127	243	-	1,413	9,937
Insurance	7,685	271	141	8,097	990	121	229	-	1,340	9,437
National dues	-	-	-	-	-	-	-	9,240	9,240	9,240
National convention and meetings	2,334	1,556	-	3,890	389	389	5,389	-	6,167	10,057
Utilities	3,065	108	56	3,229	395	48	93	-	536	3,765
Total expenses	401,773	15,640	7,332	424,745	51,885	20,833	14,973	12,057	99,748	524,493
Less direct donor benefit expenses included on statement of activities	-	-	-	-	-	(14,154)	-	-	(14,154)	(14,154)
Total expenses	\$ 401,773	\$ 15,640	\$ 7,332	\$ 424,745	\$ 51,885	\$ 6,679	\$ 14,973	\$ 12,057	\$ 85,594	\$ 510,339

See accompanying notes to financial statements

ASSISTANCE LEAGUE® OF INDIANAPOLIS

**Statements of Cash Flows
Years Ended May 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Cash Flows from operating activities		
Change in net assets	\$ 149,728	\$ 32,754
Adjustments to reconcile change in net assets to net cash provided by operations:		
Changes in:		
Inventories	(129,104)	78,557
Grants receivable	19,500	(34,000)
Other assets	2,400	(5,609)
Deferred revenue	(2,787)	223
Accounts payable	<u>4,727</u>	<u>(1,657)</u>
Net cash provided by operating activities	<u>44,464</u>	<u>70,268</u>
Net change in cash and cash equivalents	44,464	70,268
Cash and cash equivalents, beginning of year	<u>960,692</u>	<u>890,424</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,005,156</u></u>	<u><u>\$ 960,692</u></u>

See accompanying notes to financial statements

ASSISTANCE LEAGUE OF INDIANAPOLIS

Notes to Financial Statements

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 only include the activities of the Chapter. The Chapter provides the following programs:

- Operation School Bell® – Provides underserved Indianapolis students with new clothing, shoes, new books, 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.

Basis of Accounting

The financial statements of the Chapter have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Chapter is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash and Cash Equivalents

The Chapter considers all liquid investments with original maturities of three months or less to be cash equivalents. At May 31, 2021 and 2020, cash equivalents consisted primarily of money market funds and certificates of deposit. The Chapter maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Chapter has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Inventories

The Chapter maintains an inventory of new clothing, hygiene items, duffel bags, 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.

Deferred Revenue and Revenue Recognition

Membership dues collected prior to the fiscal year to which they apply are deferred and recognized over the periods to which the dues and fees relate. Membership dues are for the same fiscal year as the Chapter.

ASSISTANCE LEAGUE OF INDIANAPOLIS

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class. When a donor restriction expires, that is, when a donor releases restrictions, when a stipulated time restriction ends or when a 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. Contributions with donor restrictions whose restrictions are met in the same reporting period are reported as contributions with donor restrictions and then released from restriction.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and reported as contribution revenue. All grants receivable are expected to be collected within one year.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional. In 2016, the Chapter received a 3-year conditional gift of \$45,000, of which \$15,000 was recognized in 2020. No conditional gifts were received in 2021.

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, 2021, these volunteers donated 14,042 hours with an estimated value of \$394,019. This value was computed using an estimated hourly rate of \$28.06, based upon the average hourly earnings of nonagricultural workers for the fiscal year ended May 31, 2021, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits. During the year ended May 31, 2020 volunteers donated 23,468 hours valued at \$630,350 using a similar valuation methodology.

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. The most significant allocations are occupancy and office costs.

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.

ASSISTANCE LEAGUE OF INDIANAPOLIS

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the Chapter's year ending May 31, 2023.

The Chapter is currently in the process of evaluating the impact of adoption of the ASU on the financial statements.

Subsequent Events

Subsequent events have been evaluated through October 26, 2021, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Chapter's total financial assets at May 31 are as follows as:

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,005,156	\$ 960,692
Accounts receivable	22,000	41,500
Total financial assets available	<u>\$ 1,027,156</u>	<u>\$ 1,002,192</u>

The following reflects the Chapter's total financial assets reduced by amounts not available for general use due to restrictions provided by donor-imposed restrictions within one year of the statement of financial position date.

Financial assets available, per above	\$ 1,027,156	\$ 1,002,192
Less assets with donor restrictions (purpose restrictions)	<u>(37,124)</u>	<u>(88,146)</u>
Net financial assets available	<u>\$ 990,032</u>	<u>\$ 914,046</u>

The Chapter strives to maintain liquid financial assets sufficient to cover one year of general expenditures. The Chapter's policy is to have unrestricted cash and cash equivalents, investments, or other current assets sufficient for one year's operation of program services, including direct and indirect costs. The Chapter's operating budget for the year ending May 31, 2021 and 2020 is \$522,930 and \$539,442, respectively. This amount has been set aside by the Chapter for this purpose.

ASSISTANCE LEAGUE OF INDIANAPOLIS

**Notes to Financial Statements
(Continued)**

NOTE 3 INVENTORIES

Inventories at May 31 consisted of the following:

	2021	2020
New clothing and other items for use in its Operation School Bell® program	\$ 294,112	\$ 164,172
Assault Survivor Kits®	8,778	9,923
ALI programs inventory	4,477	4,168
	\$ 307,367	\$ 178,263

NOTE 4 NET ASSETS

Net assets at May 31 consisted of the following:

	2021	2020
Net assets without donor restrictions:		
Designated for building expansion	\$ 86,922	\$ 100,000
Undesignated	1,198,156	984,328
Total net assets without donor restrictions	1,285,078	1,084,328
Net assets with donor restrictions:		
Operation School Bell®	37,124	88,146
Total net assets with donor restrictions	37,124	88,146
Total	\$ 1,322,202	\$ 1,172,474

NOTE 5 LEASES

The chapter leases office space under an operating lease that expires on August 31, 2022. Monthly lease payments are \$1,046 for September 1, 2016 through August 31, 2019 and \$1,150 from September 9, 2019 through August 31, 2022. Rental expense for the years ended May 31, 2021 and 2020 was \$12,550 and \$12,413, respectively.

Minimum rental payments required under the operating lease as of May 31, 2021, are as follows:

Year Ending May 31,	Rental Payments
2022	\$ 13,800
2023	3,450

ASSISTANCE LEAGUE OF INDIANAPOLIS

**Notes to Financial Statements
(Continued)**

NOTE 6 SPECIAL FUNDRAISING EVENTS

The Chapter held various fundraising events to help fund current operations. The revenues and related expenses from such events for the years ended May 31, 2021 and 2020, are as follows:

2021			
Event	Gross Revenue	Cost of Direct Benefit for Attendees	Net Revenue
Spring Fundraiser	\$ 106,828	\$ -	\$ 106,828
Holiday luncheon	76,590	-	76,590
Other fundraising	53,724	-	53,724
	<u>\$ 237,142</u>	<u>\$ -</u>	<u>\$ 237,142</u>
2020			
Event	Gross Revenue	Cost of Direct Benefit for Attendees	Net Revenue
Spring Fundraiser	\$ 103,145	\$ -	\$ 103,145
Holiday luncheon	85,876	(14,154)	71,722
Other fundraising	41,096	-	41,096
	<u>\$ 230,117</u>	<u>\$ (14,154)</u>	<u>\$ 215,963</u>

NOTE 7 COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy.

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the organization's business and financial results will depend on future developments, including the duration and spread of the outbreak within the market in which the Chapter operates and the related impact on consumer confidence and spending, all of which are highly uncertain. As a result, the Chapter's normal operations have been disrupted, including an increase in inventory supply at May 31, 2021 due to delayed distributions. Interruptions to operations are expected to continue into fiscal year 2022 with a possible reduction of students served.