

# **Assistance League® of Indianapolis**

**Financial Statements  
May 31, 2022 and 2021, with  
Independent Auditors' Report**

**ASSISTANCE LEAGUE® OF INDIANAPOLIS**  
**May 31, 2022 and 2021**

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## Independent Auditors' Report

To the Board of Directors  
Assistance League® of Indianapolis  
Indianapolis, Indiana

### Opinion

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, 2022, and 2021, 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 Indianapolis as of May 31, 2022, and 2021, 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 audits 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 Indianapolis and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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; 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.

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 Indianapolis 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 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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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 Indianapolis' 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 Indianapolis' 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.

*Barnes, Dennig & Co., Ltd.*

September 30, 2022  
Indianapolis, Indiana

**ASSISTANCE LEAGUE® OF INDIANAPOLIS**  
**Statements of Financial Position**  
**May 31, 2022 and 2021**

	2022	2021
<b>Assets</b>		
Cash and cash equivalents	\$ 1,000,455	\$ 1,005,156
Investments	229,390	-
Grants receivable	8,000	22,000
Inventories	203,881	307,367
Other assets	3,224	8,066
Total assets	\$ 1,444,950	\$ 1,342,589
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Deferred revenue	\$ 11,737	\$ 15,438
Accounts payable	25,780	4,949
Total liabilities	37,517	20,387
<b>Net assets</b>		
Without donor restrictions	1,342,855	1,285,078
With donor restrictions	64,578	37,124
Total net assets	1,407,433	1,322,202
Total liabilities and net assets	\$ 1,444,950	\$ 1,342,589

See accompanying notes to financial statements

**ASSISTANCE LEAGUE® OF INDIANAPOLIS**

**Statement of Activities  
Year Ended May 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues</b>			
Special events revenue	\$ 274,272	\$ -	\$ 274,272
Less: cost of direct benefits to attendees	<u>(21,821)</u>	<u>-</u>	<u>(21,821)</u>
Net revenue from special events	252,451	-	252,451
Contributions and grants	77,696	159,085	236,781
Membership	16,344	-	16,344
Net assets released from restrictions	<u>131,631</u>	<u>(131,631)</u>	<u>-</u>
Total revenue and other support	<u>478,122</u>	<u>27,454</u>	<u>505,576</u>
<b>Expenses</b>			
Program services			
Operation School Bell®	292,535	-	292,535
Assault Survivor Kits®	13,497	-	13,497
Other projects	<u>8,661</u>	<u>-</u>	<u>8,661</u>
Total program services	<u>314,693</u>	<u>-</u>	<u>314,693</u>
Supporting services			
Management and general	15,693	-	15,693
Membership development	11,836	-	11,836
Other fundraising	76,383	-	76,383
Special events	<u>1,740</u>	<u>-</u>	<u>1,740</u>
Total supporting services	<u>105,652</u>	<u>-</u>	<u>105,652</u>
Total expenses	<u>420,345</u>	<u>-</u>	<u>420,345</u>
<b>Change in net assets</b>	57,777	27,454	85,231
<b>Net assets, beginning of year</b>	<u>1,285,078</u>	<u>37,124</u>	<u>1,322,202</u>
<b>Net assets, end of year</b>	<u><u>\$ 1,342,855</u></u>	<u><u>\$ 64,578</u></u>	<u><u>\$ 1,407,433</u></u>

See accompanying notes to financial statements

**ASSISTANCE LEAGUE® OF INDIANAPOLIS**  
**Statement of Activities**  
**Year Ended May 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Special events revenue	\$ 237,142	\$ -	\$ 237,142
Less: cost of direct benefits to attendees	-	-	-
Net revenue from special events	237,142	-	237,142
Contributions and grants	51,639	124,198	175,837
Membership	19,055	-	19,055
Net assets released from restrictions	175,220	(175,220)	-
Total revenue and other support	483,056	(51,022)	432,034
<b>Expenses</b>			
Program services			
Operation School Bell®	148,558	-	148,558
Assault Survivor Kits®	13,770	-	13,770
Other projects	7,436	-	7,436
Total program services	169,764	-	169,764
Supporting services			
Management and general	12,568	-	12,568
Membership development	11,298	-	11,298
Other fundraising	87,398	-	87,398
Special events	1,278	-	1,278
Total supporting services	112,542	-	112,542
Total expenses	282,306	-	282,306
<b>Change in net assets</b>	200,750	(51,022)	149,728
<b>Net assets, beginning of year</b>	1,084,328	88,146	1,172,474
<b>Net assets, end of year</b>	<u>\$ 1,285,078</u>	<u>\$ 37,124</u>	<u>\$ 1,322,202</u>

See accompanying notes to financial statements

**ASSISTANCE LEAGUE® OF INDIANAPOLIS**

**Statement of Functional Expenses**

**Year Ended May 31, 2022**

	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	\$ 249,484	\$ 11,052	\$ 7,434	\$ 267,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 267,970
Professional services	-	-	-	-	32,083	-	8,776	-	40,859	40,859
Food and entertainment	-	-	-	-	-	21,821	-	-	21,821	21,821
Other	6,059	366	153	6,578	34,680	1,427	1,713	3,716	41,536	48,114
Repairs and maintenance	10,165	454	301	10,920	2,659	56	514	-	3,229	14,149
Rent	9,016	402	267	9,685	2,359	50	456	-	2,865	12,550
Public relations and advertising	6,594	294	195	7,083	1,726	36	333	-	2,095	9,178
Insurance	7,502	335	222	8,059	1,964	41	379	-	2,384	10,443
National dues	-	-	-	-	-	-	-	8,120	8,120	8,120
National convention and meetings	689	459	-	1,148	118	114	3,369	-	3,601	4,749
Utilities	3,026	135	89	3,250	794	16	153	-	963	4,213
<b>Total expenses</b>	<b>292,535</b>	<b>13,497</b>	<b>8,661</b>	<b>314,693</b>	<b>76,383</b>	<b>23,561</b>	<b>15,693</b>	<b>11,836</b>	<b>127,473</b>	<b>442,166</b>
Less direct donor benefit expenses included on statement of activities	-	-	-	-	-	(21,821)	-	-	(21,821)	(21,821)
<b>Total expenses</b>	<b>\$ 292,535</b>	<b>\$ 13,497</b>	<b>\$ 8,661</b>	<b>\$ 314,693</b>	<b>\$ 76,383</b>	<b>\$ 1,740</b>	<b>\$ 15,693</b>	<b>\$ 11,836</b>	<b>\$ 105,652</b>	<b>\$ 420,345</b>

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
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
<b>Total expenses</b>	<b>148,558</b>	<b>13,770</b>	<b>7,436</b>	<b>169,764</b>	<b>87,398</b>	<b>1,278</b>	<b>12,568</b>	<b>11,298</b>	<b>112,542</b>	<b>282,306</b>
Less direct donor benefit expenses included on statement of activities	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 148,558</b>	<b>\$ 13,770</b>	<b>\$ 7,436</b>	<b>\$ 169,764</b>	<b>\$ 87,398</b>	<b>\$ 1,278</b>	<b>\$ 12,568</b>	<b>\$ 11,298</b>	<b>\$ 112,542</b>	<b>\$ 282,306</b>

See accompanying notes to financial statements

**ASSISTANCE LEAGUE® OF INDIANAPOLIS**

**Statements of Cash Flows  
Years Ended May 31, 2022 and 2021**

	2022	2021
<b>Cash Flows from operating activities</b>		
Change in net assets	\$ 85,231	\$ 149,728
Adjustments to reconcile change in net assets to net cash provided by operations:		
Realized and unrealized loss on investments	1,323	-
Changes in:		
Inventories	103,486	(129,104)
Grants receivable	14,000	19,500
Other assets	4,842	2,400
Deferred revenue	(3,701)	(2,787)
Accounts payable	20,831	4,727
Net cash provided by operating activities	226,012	44,464
<b>Cash Flows from investing activities</b>		
Purchase of investments	(230,713)	-
<b>Net change in cash and cash equivalents</b>	(4,701)	44,464
<b>Cash and cash equivalents, beginning of year</b>	1,005,156	960,692
<b>Cash and cash equivalents, end of year</b>	\$ 1,000,455	\$ 1,005,156

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, 2022 and 2021, 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.

##### *Fair Value Measurements*

GAAP has a three-level hierarchy for fair value measurements based on transparency of valuation inputs as of the measurement. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

##### *Investments and Investment Return*

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value.

## ASSISTANCE LEAGUE OF INDIANAPOLIS

### Notes to Financial Statements (Continued)

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

##### *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.

##### *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. No conditional gifts were received in 2022 or 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, 2022, these volunteers donated 16,563 hours with an estimated value of \$492,238. This value was computed using an estimated hourly rate of \$29.72, based upon the average hourly earnings of nonagricultural workers for the fiscal year ended May 31, 2022, 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, 2021 volunteers donated 14,042 hours valued at \$394,019 using a similar valuation methodology.

## ASSISTANCE LEAGUE OF INDIANAPOLIS

### Notes to Financial Statements (Continued)

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

##### ***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.

##### ***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 September 30, 2022, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

**ASSISTANCE LEAGUE OF INDIANAPOLIS**

**Notes to Financial Statements  
(Continued)**

**NOTE 2 LIQUIDITY AND AVAILABILITY**

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

	2022	2021
Cash	\$ 1,000,455	\$ 1,005,156
Investments	229,390	-
Grants receivable	8,000	22,000
Total financial assets available	\$ 1,237,845	\$ 1,027,156

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	\$ 1,237,845	\$ 1,027,156
Less assets with donor restrictions (purpose restrictions)	(64,578)	(37,124)
Net financial assets available	\$ 1,173,267	\$ 990,032

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, 2022 and 2021 is \$443,000 and \$522,930, respectively.

**NOTE 3 INVESTMENTS**

Investments as of May 31, 2022 consisted of the following:

	2022	2021
<b>Level 1:</b>		
Equity securities	\$ 134,299	\$ -
<b>Level 2:</b>		
U.S. Treasury securities	95,091	-
	\$ 229,390	\$ -

**NOTE 4 INVENTORIES**

Inventories at May 31 consisted of the following:

	2022	2021
New clothing and other items for use in its Operation School Bell® program	\$ 194,772	\$ 294,112
Assault Survivor Kits®	7,052	8,778
ALI programs inventory	2,057	4,477
	\$ 203,881	\$ 307,367

**ASSISTANCE LEAGUE OF INDIANAPOLIS**

**Notes to Financial Statements  
(Continued)**

**NOTE 5 NET ASSETS**

Net assets at May 31 consisted of the following:

	<u>2022</u>	<u>2021</u>
Net assets without donor restrictions:		
Designated for building expansion	\$ 71,501	\$ 86,922
Undesignated	<u>1,271,354</u>	<u>1,198,156</u>
Total net assets without donor restrictions	1,342,855	1,285,078
Net assets with donor restrictions:		
Operation School Bell®	<u>64,578</u>	<u>37,124</u>
Total	<u>\$ 1,407,433</u>	<u>\$ 1,322,202</u>

**NOTE 6 LEASES AND SUBSEQUENT EVENT**

The Chapter leases office space under an operating lease that expires on August 31, 2022. Monthly lease payments are \$1,150 through August 31, 2022. The Chapter signed and extended the lease in 2022. Monthly lease payments are \$1,150 for the first 3 years, and increase by \$.25 per square foot each year following until termination of lease. The amended lease commences September 2022 and expires August 2028. Rental expense for the years ended May 31, 2022 and 2021 was \$12,550.

Subsequent to May 31, 2022, the Chapter entered into a lease agreement to rent warehouse space to operate its program in Indianapolis, Indiana. The lease commences December 2022 and expires at November 2027. Rent will be payable in monthly installments of \$4,083 increasing after the first 3 years. The total amount of rent for the lease term of 5 years is \$255,500.

Minimum rental payments for the next five years required under the operating leases as of May 31, 2022, are as follows:

<u>Year Ending May 31,</u>	<u>Rental Payments</u>
2023	\$ 38,300
2024	62,800
2025	62,800
2026	65,027
2027	69,154

**ASSISTANCE LEAGUE OF INDIANAPOLIS**

**Notes to Financial Statements  
(Continued)**

**NOTE 7 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, 2022 and 2021, are as follows:

2022			
Event	Gross Revenue	Cost of Direct Benefit for Attendees	Net Revenue
Spring Fundraiser	\$ 78,702	\$ -	\$ 78,702
Holiday luncheon	103,099	(21,821)	81,278
OSB Mailer	46,543	-	46,543
Other fundraising	45,928	-	45,928
	<u>\$ 274,272</u>	<u>\$ (21,821)</u>	<u>\$ 252,451</u>
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>

**NOTE 8 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 were disrupted in fiscal year 2021, including an increase in inventory supply at May 31, 2021 due to delayed distributions. Operations returned to their to normal state in fiscal year 2022.