

Assistance League® of Indianapolis

**Financial Statements
May 31, 2018 and 2017, with
Independent Auditors' Report**

ASSISTANCE LEAGUE® OF INDIANAPOLIS
May 31, 2018 and 2017

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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, 2018 and 2017, 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 the Assistance League of Indianapolis as of May 31, 2018 and 2017, 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 8, 2018
Indianapolis, Indiana

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ASSISTANCE LEAGUE® OF INDIANAPOLIS
Statements of Financial Position
May 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 893,935	\$ 854,700
Inventories	190,235	253,638
Fixed assets	1,286	2,070
Prepaid expenses	<u>1,475</u>	<u>1,700</u>
Total assets	<u>\$ 1,086,931</u>	<u>\$ 1,112,108</u>
Liabilities and Net Assets		
Liabilities		
Deferred revenue	<u>\$ 16,040</u>	<u>\$ 16,425</u>
Total liabilities	<u>16,040</u>	<u>16,425</u>
Net assets		
Unrestricted:		
Undesignated	385,692	397,031
Board designated	<u>641,631</u>	<u>630,300</u>
Total unrestricted	1,027,323	1,027,331
Temporarily restricted	<u>43,568</u>	<u>68,352</u>
Total net assets	<u>1,070,891</u>	<u>1,095,683</u>
Total liabilities and net assets	<u>\$ 1,086,931</u>	<u>\$ 1,112,108</u>

See accompanying notes to financial statements

ASSISTANCE LEAGUE® OF INDIANAPOLIS

**Statement of Activities
Year Ended May 31, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues			
Special events revenue	\$ 203,405	\$ -	\$ 203,405
Less: cost of direct benefits to attendees	<u>(25,952)</u>	<u>-</u>	<u>(25,952)</u>
Net revenue from special events	177,453	-	177,453
Contributions and grants	97,069	224,006	321,075
Membership	21,368	-	21,368
Other income	887	-	887
Net assets released from restrictions	<u>248,790</u>	<u>(248,790)</u>	<u>-</u>
Total revenue and other support	<u>545,567</u>	<u>(24,784)</u>	<u>520,783</u>
Expenses			
Program services			
Operation School Bell®	455,260	-	455,260
Assault Survivor Kits®	17,262	-	17,262
Other Projects	<u>10,853</u>	<u>-</u>	<u>10,853</u>
Total program services	<u>483,375</u>	<u>-</u>	<u>483,375</u>
Supporting services			
Management and general	32,079	-	32,079
Membership development	12,192	-	12,192
Fundraising	10,224	-	10,224
Special events	<u>7,705</u>	<u>-</u>	<u>7,705</u>
Total supporting services	<u>62,200</u>	<u>-</u>	<u>62,200</u>
Total expenses	<u>545,575</u>	<u>-</u>	<u>545,575</u>
Change in net assets	(8)	(24,784)	(24,792)
Net assets, beginning of year	<u>1,027,331</u>	<u>68,352</u>	<u>1,095,683</u>
Net assets, end of year	<u>\$ 1,027,323</u>	<u>\$ 43,568</u>	<u>\$ 1,070,891</u>

See accompanying notes to financial statements

ASSISTANCE LEAGUE® OF INDIANAPOLIS
Statement of Activities
Year Ended May 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues			
Special events revenue	\$ 219,677	-	\$ 219,677
Less: cost of direct benefits to attendees	<u>(14,737)</u>	<u>-</u>	<u>(14,737)</u>
Net revenue from special events	204,940	-	204,940
Contributions and grants	56,750	273,465	330,215
Membership	21,511	-	21,511
Other income	620	-	620
Net assets released from restrictions	<u>214,684</u>	<u>(214,684)</u>	<u>-</u>
Total revenue and other support	<u>498,505</u>	<u>58,781</u>	<u>557,286</u>
Expenses			
Program services			
Operation School Bell®	446,331	-	446,331
Assault Survivor Kits®	13,802	-	13,802
Other Projects	<u>13,544</u>	<u>-</u>	<u>13,544</u>
Total program services	<u>473,677</u>	<u>-</u>	<u>473,677</u>
Supporting services			
Management and general	20,339	-	20,339
Membership development	13,126	-	13,126
Fundraising	17,906	-	17,906
Special events	<u>3,877</u>	<u>-</u>	<u>3,877</u>
Total supporting services	<u>55,248</u>	<u>-</u>	<u>55,248</u>
Total expenses	<u>528,925</u>	<u>-</u>	<u>528,925</u>
Change in net assets	(30,420)	58,781	28,361
Net assets, beginning of year	<u>1,057,751</u>	<u>9,571</u>	<u>1,067,322</u>
Net assets, end of year	<u>\$ 1,027,331</u>	<u>\$ 68,352</u>	<u>\$ 1,095,683</u>

See accompanying notes to financial statements

ASSISTANCE LEAGUE® OF INDIANAPOLIS

Statement of Functional Expenses

Year Ended May 31, 2018

	PROGRAM SERVICES				SUPPORTING SERVICES					
	Operation School Bell®	Assault Survivor Kits®	Other Projects	Total Program Services	Other Fundraising	Special Events	Management and General	Membership Development	Total Supporting Services	Total Expenses
Program inventory	\$ 399,918	\$ 12,669	\$ 9,657	\$ 422,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 422,244
Utilities	3,575	113	86	3,774	75	55	211	-	341	4,115
Repairs and maintenance	10,133	323	244	10,700	213	157	592	-	962	11,662
Rent	10,905	347	262	11,514	229	168	639	-	1,036	12,550
Insurance	9,168	292	220	9,680	193	142	536	-	871	10,551
Depreciation	684	21	16	721	14	10	39	-	63	784
Postage	-	-	-	-	137	-	49	-	186	186
Printing	-	-	-	-	1,028	-	-	1,494	2,522	2,522
Professional services	-	-	-	-	-	-	19,203	608	19,811	19,811
Public relations and advertising	13,279	423	319	14,021	279	205	777	-	1,261	15,282
Office supplies	1,029	-	-	1,029	-	-	74	-	74	1,103
National dues	-	-	-	-	-	-	-	9,000	9,000	9,000
National convention and meetings	4,338	2,892	-	7,230	723	723	8,236	-	9,682	16,912
Education	435	13	10	458	9	6	28	-	43	501
Telephone	1,199	38	28	1,265	25	18	72	-	115	1,380
Food and entertainment	-	-	-	-	-	25,952	-	-	25,952	25,952
Other	597	131	11	739	7,299	6,221	1,623	1,090	16,233	16,972
Total expenses	455,260	17,262	10,853	483,375	10,224	33,657	32,079	12,192	88,152	571,527
Less direct donor benefit expenses included on statement of activities	-	-	-	-	-	(25,952)	-	-	(25,952)	(25,952)
Total expenses	\$ 455,260	\$ 17,262	\$ 10,853	\$ 483,375	\$ 10,224	\$ 7,705	\$ 32,079	\$ 12,192	\$ 62,200	\$ 545,575

See accompanying notes to financial statements

ASSISTANCE LEAGUE® OF INDIANAPOLIS

**Statement of Functional Expenses
Year Ended May 31, 2017**

	PROGRAM SERVICES			SUPPORTING SERVICES						Total Expenses
	Operation School Bell®	Assault Survivor Kits®	Other Projects	Total Program Services	Other Fundraising	Special Events	Management and General	Membership Development	Total Supporting Services	
Program inventory	\$ 385,565	\$ 10,572	\$ 11,891	\$ 408,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408,028
Utilities	3,466	94	105	3,665	136	26	131	-	293	3,958
Repairs and maintenance	11,735	318	358	12,411	462	90	445	-	997	13,408
Rent	10,981	298	335	11,614	432	85	416	-	933	12,547
Insurance	9,901	268	302	10,471	389	76	375	-	840	11,311
Depreciation	2,736	74	83	2,893	107	21	103	-	231	3,124
Postage	-	-	-	-	38	-	-	-	38	38
Printing	-	-	-	-	1,192	-	80	2,079	3,351	3,351
Professional services	-	-	-	-	2,877	-	6,450	96	9,423	9,423
Public relations and advertising	12,133	329	370	12,832	477	94	460	-	1,031	13,863
Office supplies	3,963	-	-	3,963	-	-	169	-	169	4,132
National dues	-	-	-	-	-	-	-	9,040	9,040	9,040
National convention and meetings	2,621	1,747	-	4,368	436	436	5,770	-	6,642	11,010
Education	354	9	10	373	13	2	13	-	28	401
Telephone	1,783	48	54	1,885	70	13	67	-	150	2,035
Food and entertainment	-	-	-	-	-	14,737	-	-	14,737	14,737
Other	1,093	45	36	1,174	11,277	3,034	5,860	1,911	22,082	23,256
Total expenses	446,331	13,802	13,544	473,677	17,906	18,614	20,339	13,126	69,985	543,662
Less direct donor benefit expenses included on statement of activities	-	-	-	-	-	(14,737)	-	-	(14,737)	(14,737)
Total expenses	\$ 446,331	\$ 13,802	\$ 13,544	\$ 473,677	\$ 17,906	\$ 3,877	\$ 20,339	\$ 13,126	\$ 55,248	\$ 528,925

See accompanying notes to financial statements

ASSISTANCE LEAGUE® OF INDIANAPOLIS

**Statements of Cash Flows
Years Ended May 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Cash Flows from operating activities		
Change in net assets	\$ (24,792)	\$ 28,361
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	784	3,124
Changes in:		
Inventories	63,403	61,134
Prepaid expenses	225	(55)
Deferred revenue	<u>(385)</u>	<u>(100)</u>
Net cash provided by operating activities	<u>39,235</u>	<u>92,464</u>
Net change in cash and cash equivalents	39,235	92,464
Cash and cash equivalents, beginning of year	<u>854,700</u>	<u>762,236</u>
Cash and cash equivalents, end of year	<u>\$ 893,935</u>	<u>\$ 854,700</u>

See accompanying notes to financial statements

ASSISTANCE LEAGUE OF INDIANAPOLIS

Notes to Financial Statements

NOTE 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 only 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.

NOTE 2 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.

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, 2018, cash equivalents consisted primarily of money market funds. 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, 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.

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.

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.

ASSISTANCE LEAGUE OF INDIANAPOLIS

Notes to Financial Statements (Continued)

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2018, these volunteers donated 25,484 hours with an estimated value of \$635,826. This value was computed using an estimated hourly rate of \$24.95, based upon the average hourly earnings of nonagricultural workers for the fiscal year ended May 31, 2018, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits. For fiscal year May 31, 2017 volunteers donated 28,077 hours valued at \$684,236.

Advertising – Advertising costs are expensed in the period in which they were incurred. Advertising costs totaled \$15,282 and \$13,866 for the year ended May 31, 2018 and 2017, respectively.

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.

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.

Subsequent events - Subsequent events have been evaluated through the October 8, 2018, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

NOTE 3 INVENTORIES

Inventories at May 31 consisted of the following:

	2018	2017
New clothing and other items for use in its Operation School Bell® program	\$ 183,743	\$ 241,513
Assault Survivor Kits®	4,137	11,669
ALI programs inventory	2,355	456
	<u>\$ 190,235</u>	<u>\$ 253,638</u>

ASSISTANCE LEAGUE OF INDIANAPOLIS

**Notes to Financial Statements
(Continued)**

NOTE 4 NET ASSETS

Net assets at May 31 consisted of the following:

	2018	2017
Unrestricted net assets:		
Designated for future operating needs	\$ 541,631	\$ 530,300
Designated for building expansion	100,000	100,000
Undesignated	385,692	397,031
Total unrestricted net assets	1,027,323	1,027,331
Total temporarily restricted net assets:		
Contributions restricted for purpose	12,685	3,550
Foundation grants	25,174	46,005
Operation School Bell®	5,709	18,797
Total temporarily restricted net assets	43,568	68,352
Total	\$ 1,070,891	\$ 1,095,683

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 \$1,140 from September 9, 2019 through August 31, 2022. Rental expense, for the years ended May 31, 2018 and 2017 were \$12,550, and \$12,547, respectively.

Minimum rental payments required under the operating lease as of May 31, 2018, are as follows:

Year Ending May 31,	Rental Payments
2019	\$ 13,487
2020	13,800
2021	13,800
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 year ended May 31, 2018 and 2017, are as follows:

2018			
Event	Gross Revenue	Cost of Direct Benefit for Attendees	Net Revenue
Spring Fundraiser	\$ 77,775	\$ -	\$ 77,775
Holiday luncheon	93,595	(25,952)	67,643
Other fundraising	32,035	-	32,035
	\$ 203,405	\$ (25,952)	\$ 177,453
2017			
Event	Gross Revenue	Cost of Direct Benefit for Attendees	Net Revenue
Spring Fundraiser	\$ 109,854	\$ -	\$ 109,854
Holiday luncheon	73,530	(14,737)	58,793
Other fundraising	36,293	-	36,293
	\$ 219,677	\$ (14,737)	\$ 204,940