

**ASSISTANCE LEAGUE OF METRO COLUMBUS**

**FINANCIAL STATEMENTS**

**MAY 31, 2015**



Richard B. Dumas, CPA      Dominic J. DiBartolomeo, CPA  
**INDEPENDENT ACCOUNTANTS REVIEW REPORT**

Board of Directors  
Assistance League of Metro Columbus  
Columbus, Ohio

We have reviewed the accompanying financial statements of Assistance League of Metro Columbus (a nonprofit organization), which comprise the statement of financial position as of May 31, 2015 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*HHH CPA Group, LLC*

HHH CPA GROUP, LLC  
Columbus, Ohio

August 27, 2015

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**Assistance League of Metro Columbus**  
**Statement of Financial Position**  
**May 31, 2015**  
**(With Comparative Totals for 2014)**

<b><u>ASSETS</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Assets:		
Cash and cash equivalents (Note 3)	\$ 91,861	\$ 86,369
Investments (Note 4)	12,938	24,653
Inventories (Note 5)	3,255	2,747
Prepaid expenses	3,405	779
Other assets	<u>1,119</u>	<u>587</u>
 TOTAL ASSETS	 <u><u>\$ 112,578</u></u>	 <u><u>\$ 115,135</u></u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
Liabilities (Note 6):		
Accounts payable	\$ 171	\$ -
Accrued liabilities	6,657	876
Deferred membership dues (Note 1)	<u>3,900</u>	<u>2,520</u>
 TOTAL LIABILITIES	 10,728	 3,396
 Net assets (Note 8):		
Unrestricted	101,850	104,571
Temporarily restricted	<u>-</u>	<u>7,168</u>
 TOTAL NET ASSETS	 <u><u>101,850</u></u>	 <u><u>111,739</u></u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 112,578</u></u>	 <u><u>\$ 115,135</u></u>

See accountant's report and accompanying notes.

**Assistance League of Metro Columbus**  
**Statement of Activities and Changes in Net Assets**  
**May 31, 2015**  
**(With Comparative Totals for 2014)**

	<u>Year Ended May 31, 2015</u>			<u>Year Ended May 31, 2014 Totals</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
<b>SUPPORT AND REVENUES</b>				
Special events and other fundraising activities (Note 7)				
Revenues	\$ 59,479	\$ -	\$ 59,479	\$ 58,719
Less: Direct costs	<u>(20,611)</u>	<u>-</u>	<u>(20,611)</u>	<u>(20,340)</u>
Total special events and other fundraising activities	38,868	-	38,868	38,379
Grant Revenue	1,000	-	1,000	7,500
Contributions	2,318	-	2,318	6,843
Membership dues	3,797	-	3,797	4,100
Interest revenue (Note 4)	324	-	324	168
Miscellaneous revenue	<u>1,668</u>	<u>-</u>	<u>1,668</u>	<u>3,458</u>
TOTAL REVENUES	47,975	-	47,975	60,448
Noncash contributions (Note 2)	9,751	-	9,751	9,651
Net assets released from restrictions	<u>7,168</u>	<u>(7,168)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	64,894	(7,168)	57,726	70,099
<b>EXPENSES</b>				
Program services:				
Assault Survivor Kits	27,157	-	27,157	23,226
Operation School Bell	18,679	-	18,679	7,829
PALS	<u>1,001</u>	<u>-</u>	<u>1,001</u>	<u>800</u>
Total program service expenses	46,837	-	46,837	31,855
Supporting services:				
Fundraising	4,878	-	4,878	1,628
Management and general	12,045	-	12,045	15,802
Membership development	<u>3,855</u>	<u>-</u>	<u>3,855</u>	<u>6,071</u>
Total supporting services expenses	20,778	-	20,778	23,501
TOTAL EXPENSES	<u>67,615</u>	<u>-</u>	<u>67,615</u>	<u>55,356</u>
CHANGE IN NET ASSETS	(2,721)	(7,168)	(9,889)	14,743
NET ASSETS AT BEGINNING OF YEAR	<u>104,571</u>	<u>7,168</u>	<u>111,739</u>	<u>96,996</u>
NET ASSETS AT END OF YEAR	\$ <u>101,850</u>	\$ <u>-</u>	\$ <u>101,850</u>	\$ <u>111,739</u>

See accountant's report and accompanying notes.



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**Assistance League of Metro Columbus**  
**Statement of Cash Flows**  
**May 31, 2015**  
**(With Comparative Totals for 2014)**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (9,889)	\$ 14,744
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
(Increase) decrease in assets:		
Inventory	(508)	(95)
Prepaid expenses	(2,626)	2,277
Other assets	(532)	135
Increase (decrease) in liabilities:		
Accounts payable	171	(12,082)
Accrued Liabilities	5,781	876
Deferred membership dues	1,380	(1,280)
Restricted assets	-	1,093
Total adjustments	<u>3,666</u>	<u>(9,076)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(6,223)	5,668
CASH FLOWS FROM INVESTING ACTIVITIES:		
Redemption of Investments	<u>11,715</u>	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	11,715	-
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE IN CASH	5,492	5,668
CASH AT BEGINNING OF YEAR	<u>86,369</u>	<u>80,701</u>
CASH AT END OF YEAR	\$ <u><u>91,861</u></u>	\$ <u><u>86,369</u></u>
SUPPLEMENTARY INFORMATION:		
Cash paid during the period for interest	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Cash paid during the period for income taxes	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

See accountant's report and accompanying notes.

**Assistance League of Metro Columbus**  
**Notes to Financial Statements**  
**May 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Assistance League of Metro Columbus (the Chapter) is a nonprofit corporation and is a chartered Chapter of National Assistance League. The Chapter provides the following programs.

- The Chapter assembles and distributes Assault Survivor Kits (ASK) to the emergency rooms of hospitals in Franklin County. These kits contain personal hygiene items for survivors of physical and sexual abuse seen in both adult and pediatric hospitals.
- The Chapter distributes new teddy bears and books to Franklin County Children's Services (Buddy Bears and Books). The social workers give these comforting bears and books to the children during their intake interviews. We also provide them with ASK kits for children. The teddy bears are also distributed to The Center for Safety and Healing/Nationwide Children's Hospital to comfort children who are physically or mentally abused during their interviews.
- Crisis Clothing and Domestics is a program that provides clothing items for survivors of physical or sexual assault seen at the emergency rooms of hospitals in Franklin County. The clothing is provided so they will have something to wear when they leave as the police keep the clothing they were wearing when they arrived at the hospital as evidence. Clothing and other household items are also provided to Huckleberry House, an organization that provides shelter to teenagers who have run away from home or are experiencing a crisis.
- Operation School Bell is comprised of three programs that provide services to children in need in the Columbus City Schools. Shoe and haircut vouchers, and bus passes (Head & Toe) are provided throughout the year to needy children in eight city schools and the Clintonville Resource Center. Member volunteers provide one-on-one tutoring for kindergarten students in reading at the Hubbard Mastery School (Book Buddies). The Chapter also provides funds to needy senior high school students of The Graham School that allow them to complete their senior project.
- Providing Assistance and Laughter for Seniors (PALS) is a program in which member volunteers provide companionship, assistance, and complimentary personal and food items to the senior citizens at Westminster Thurber Assisted Living Community.
- The Chapter provides assistance to meet the needs that arise in the community as a one time or short-term project (Community Outreach).

The primary sources of revenues for the Chapter are contributions and fundraising events such as an annual Gala, Style Show and Flower Sale.

Basis of Accounting

The financial statements of the chapter have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

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**Assistance League of Metro Columbus**  
**Notes to Financial Statements**  
**May 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Basis of Presentation

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. Under ASC 958, the chapter is required to report information regarding its financial position and activities in three classes of net assets:

- Unrestricted net assets are net assets not subject to donor-imposed restrictions or law.
- Temporarily restricted net assets are net assets subject to donor-imposed restrictions that can be fulfilled by actions of the chapter pursuant to those restrictions or that expire by the passage of time. Temporarily restricted resources whose restrictions are met in the same reporting periods are recorded as unrestricted.
- Permanently restricted net assets are net assets subject to donor-imposed restrictions that the gift cannot be wholly expended on a current basis. Investment returns generated from these funds are available for general support of the chapter's programs and operations unless otherwise stipulated by the donor.

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, 2014, from which the summarized information was derived. Currently, the Chapter requested donations received at fundraising events be included in the event's total revenue instead of separately stated as contributions. Prior year numbers were adjusted for this change.

Fair Value Measurements

The chapter follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. This guidance establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair values into Levels 1, 2, and 3.

Level 1 inputs consist of unadjusted quoted prices in active markets for identical instruments and have the highest priority. Level 2 inputs include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or inputs other than quoted prices that are directly or indirectly observable. Level 3 inputs are unobservable and are given the lowest priority.

For purposes of financial reporting, the chapter has determined that the fair values of its financial instruments, which include cash equivalents, accounts receivable and accounts payable, approximate the carrying values at May 31, 2015, and 2014, based on their short maturities and/or the terms available to the chapter in financial markets..

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**Assistance League of Metro Columbus**  
**Notes to Financial Statements**  
**May 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Use of Estimates

Preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

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

Inventories

The chapter maintains an inventory of bus passes for Head and Toe program and clothing and toiletries for use in its Assault Survivor Kits; items are stated at estimated fair value. Purchased inventory is valued at the lower of cost or market determined by the first-in, first-out method.

Investments

The chapter carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values 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 unrestricted revenue.

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Chapter to concentrations of credit and market risk consist primarily of cash, cash equivalents and a certificate of deposit (CD). Cash and cash equivalents and the CD are maintained at high-quality financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At May 31, 2015, the Chapter does not have any uninsured balances at these institutions. The Chapter has not experienced any losses on its cash or cash equivalents.

Property and Equipment

Property and equipment are stated at cost or at the fair value at the date of donation in the case of donated assets. Expenditures over \$500 are considered for capitalization. There was no depreciation expense in 2015.

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**Assistance League of Metro Columbus**  
**Notes to Financial Statements**  
**May 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Property and Equipment – (Continued)

The chapter provides for depreciation and amortization of property and equipment by the use of the straight-line method over the estimated useful lives as follows:

Buildings and improvements	10 to 45 years
Furniture and equipment	3 to 10 years
Equipment under capital lease	6 years
Vehicles	5 years

Contributions of long-lived assets, or of cash or other assets, must be used to acquire long-lived assets, are reported as increases in temporarily restricted net assets. Restrictions are considered met, and an appropriate amount reclassified to unrestricted net assets, over the useful life of the long-lived assets as determined by the chapter's depreciation policy.

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 stipulated time restriction ends or purpose restriction is accomplished, temporarily 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.

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.

Tax Status

This 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 Section 1702 of the Revised Code of the State of Ohio.

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**Assistance League of Metro Columbus**  
**Notes to Financial Statements**  
**May 31, 2015**

NOTE 2 – NONCASH CONTRIBUTIONS

Significant materials and services are donated to the Chapter by various individuals, corporations and other organizations. The donated materials consisted primarily of books, hygiene, and household items donated by Chapter members and others for use in the chapter programs, resale, or auctioning at fundraising events.

In addition, a significant portion of the Chapter's functions and programs are conducted by unpaid volunteers. 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, 2015, these volunteers donated approximately 10,257 hours with an estimated value of \$238,578. This value was computed using the average hourly earnings of all nonagricultural workers in the US as determined by the U.S. Department of Labor's Bureau of Labor Statistics, of \$23.26, which is \$20.77 plus 12% for estimated fringe benefits.

During the year ended May 31, 2015, the Chapter received noncash contributions of materials and services that have been reflected in the financial statements of the chapter as follows:

Program supplies	\$6,251
Professional services	<u>3,500</u>
Total noncash donations	<u>\$9,751</u>

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at May 31, 2015 consists of the following:

Checking accounts	
Fifth Third Bank	\$10,313
Money market accounts	
Arlington Bank	<u>81,548</u>
Total cash and cash equivalents	<u>\$91,861</u>

NOTE 4 – INVESTMENTS

Investments are stated at fair value and consist of the following at May 31, 2015:

	<u>Unrestricted</u>
Certificate of Deposit	
Arlington Bank- 18 month CD	<u>\$12,938</u>
Total investments	<u>\$12,938</u>

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**Assistance League of Metro Columbus**  
**Notes to Financial Statements**  
**May 31, 2015**

NOTE 4 – INVESTMENTS – (Continued)

Investments returns for the year ended May 31, 2015 is summarized as follows:

Interest income	<u>\$324</u>
Total investment returns	<u>\$324</u>

NOTE 5 – INVENTORIES

Inventories at May 31, 2015 consist of the following:

Clothing and toiletries for use in the A.S.K.	\$2,781
Bus passes for use in Head to Toe	124
Giant Eagle Gift Cards	<u>350</u>
Total Inventories	<u>\$3,255</u>

Note 6 – OPERATING LEASE OBLIGATIONS

The Chapter leases office space under a long-term operating lease expiring in March 2015. Per Debra Paul, treasurer, the lease has not been renewed, however, the Chapter continues to pay a monthly rent of \$500. Rent expense for the year ended May 31, 2015 was \$5,700. The other \$900 was for a month-to-month storage space rental.

In May 2015, Assistance League of Metro Columbus entered into a lease agreement for office space. The lease will commence on September 14, 2015 and terminates on December 13, 2020. The first three months' rent is abated, and the minimum monthly payment is \$1,299.23 through December 2016, then escalating annually for the remainder of the lease. The lease also requires that ALMC pay a proportionate share of operating expenses and taxes of 2.025%, which is included as part of the monthly rental payments.

Future minimum payments under the leases are as follows for fiscal years ended May 31:

2016	\$ 7,795
2017	15,723
2018	15,987
2019	16,251
2020	16,648
Thereafter	<u>8,456</u>
	<u>\$80,860</u>

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**Assistance League of Metro Columbus**  
**Notes to Financial Statements**  
**May 31, 2015**

NOTE 7 – SPECIAL EVENTS

The Chapter has annual fund raising events to help fund current operations. In the current year, donations received at fund raising events are included in the revenue for the event. The revenue and related expenses for these events for the year ending May 31, 2015 are as follows:

Event	Revenue	Cost of Direct Benefits	Other Event Costs	Net Revenue
Gala	\$32,317	\$ 9,464	\$ 2,100	\$21,753
Flower Sale	10,158	5,699	114	4,345
Style Show	15,406	5,448	2,221	7,737
Garage Sale	<u>1,598</u>	<u>-</u>	<u>443</u>	<u>1,155</u>
Total special events	<u>\$59,479</u>	<u>\$20,611</u>	<u>\$ 4,878</u>	<u>\$33,989</u>

NOTE 8 – NET ASSETS

At May 31, 2015, net assets were restricted by donors or designated by the chapter as follows:

Unrestricted net assets:	
Designated for future operating needs	<u>\$101,850</u>
Total unrestricted net assets	<u>\$101,850</u>
Temporarily restricted net assets	-
Permanently restricted net assets	<u>-</u>
Total net assets	<u>\$101,850</u>

NOTE 9 – SUBSEQUENT EVENTS

Assistance League of Metro Columbus has evaluated events subsequent to May 31, 2015, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through August 27, 2015, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.