

ASSISTANCE LEAGUE OF METRO COLUMBUS

FINANCIAL STATEMENTS

MAY 31, 2016



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INDEPENDENT ACCOUNTANT'S 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, 2016 and the related statements of activities and changes in net assets, functional expenses 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.

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Summarized Comparative Information

We previously reviewed Assistance League of Metro Columbus's 2015 financial statements and in our conclusion dated August 27, 2015, stated that based on our review, we were not aware of any material modifications that should be made to the 2015 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended May 31, 2016, for it to be consistent with the reviewed financial statements from which it has been derived.

HHH CPA Group, LLC

HHH CPA GROUP, LLC
Columbus, Ohio

August 23, 2016

Assistance League of Metro Columbus
Statement of Financial Position
May 31, 2016
(With Comparative Totals for 2015)

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Assets:		
Cash and cash equivalents (Note 3)	\$ 69,039	\$ 91,861
Investments (Note 4)	25,000	12,938
Inventories (Note 5)	4,330	3,255
Prepaid expenses	50	3,405
Other assets	<u>1,409</u>	<u>1,119</u>
 TOTAL ASSETS	 <u><u>\$ 99,828</u></u>	 <u><u>\$ 112,578</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities (Note 6):		
Accounts payable	\$ -	\$ 171
Accrued liabilities	740	6,657
Deferred membership dues (Note 1)	<u>3,900</u>	<u>3,900</u>
 TOTAL LIABILITIES	 4,640	 10,728
 Net assets (Note 8):		
Unrestricted	95,163	101,850
Temporarily restricted	<u>25</u>	<u>-</u>
 TOTAL NET ASSETS	 <u><u>95,188</u></u>	 <u><u>101,850</u></u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 99,828</u></u>	 <u><u>\$ 112,578</u></u>

See accompanying notes and independent accountant's review report

Assistance League of Metro Columbus
Statement of Activities and Changes in Net Assets
May 31, 2016
(With Comparative Totals for 2015)

	Year Ended May 31, 2016			Year Ended May 31, 2015
	Unrestricted	Temporarily Restricted	Total	Totals
SUPPORT AND REVENUES				
Special events and other fundraising activities (Note 7)				
Revenues	\$ 44,297	\$ -	\$ 44,297	\$ 59,479
Less: Direct costs	(16,891)	-	(16,891)	(20,611)
Total special events and other fundraising activities	27,406	-	27,406	38,868
Grant Revenue	1,000	-	1,000	1,000
Contributions	5,112	2,430	7,542	2,318
Noncash contributions (Note 9)	13,172	-	13,172	9,751
Membership	4,830	-	4,830	3,797
Interest revenue (Note 4)	207	-	207	324
Miscellaneous revenue	322	-	322	1,668
TOTAL REVENUES	52,049	2,430	54,479	57,726
Net assets released from restrictions	2,405	(2,405)	-	-
TOTAL SUPPORT AND REVENUES	54,454	25	54,479	57,726
EXPENSES				
Program services:				
Assault Survivor Kits	35,608	-	35,608	27,157
Operation School Bell	7,644	-	7,644	18,679
PALS	863	-	863	-
Community Outreach	342	-	342	1,001
Total program service expenses	44,457	-	44,457	46,837
Supporting services:				
Fundraising	1,789	-	1,789	4,878
Management and general	9,157	-	9,157	12,045
Membership development	5,738	-	5,738	3,855
Total supporting services expenses	16,684	-	16,684	20,778
TOTAL EXPENSES	61,141	-	61,141	67,615
CHANGE IN NET ASSETS	(6,687)	25	(6,662)	(9,889)
NET ASSETS AT BEGINNING OF YEAR	101,850	-	101,850	111,739
NET ASSETS AT END OF YEAR	\$ 95,163	\$ 25	\$ 95,188	\$ 101,850

With Comparative Totals for 2015)

TOTAL EXPENSES PER STATEMENT OF ACTIVITIES

Assistance League of Metro Columbus
Statement of Cash Flows
May 31, 2016
(With Comparative Totals for 2015)

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (6,662)	\$ (9,889)
Adjustments to reconcile change in net assets to net cash used in operating activities		
(Increase) decrease in assets:		
Inventory	(1,075)	(508)
Prepaid expenses	3,355	(2,626)
Other assets	(290)	(532)
Increase (decrease) in liabilities:		
Accounts payable	(171)	171
Accrued liabilities	(5,917)	5,781
Deferred membership dues	-	1,380
Total adjustments	<u>(4,098)</u>	<u>3,666</u>
NET CASH USED IN OPERATING ACTIVITIES	(10,760)	(6,223)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(12,062)	-
Proceeds from sale of investment	<u>-</u>	<u>11,715</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(12,062)	11,715
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	(22,822)	5,492
CASH AT BEGINNING OF YEAR	<u>91,861</u>	<u>86,369</u>
CASH AT END OF YEAR	\$ <u><u>69,039</u></u>	\$ <u><u>91,861</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 accompanying notes and independent accountant's review report

Assistance League of Metro Columbus
Notes to Financial Statements
May 31, 2016

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 two programs that provide services to children in need in the Columbus City Schools. The Head & Toe program provides shoe and haircut vouchers, and bus passes throughout the year to needy children in eight city schools. The member volunteers of the Book Buddies program provide one-on-one tutoring for kindergarten students in reading at the Hubbard Mastery School.
- 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 Community Outreach program provides assistance to meet the needs that arise in the community as a one time or short-term project.

The primary sources of revenues for the Chapter are contributions and fundraising events such as an annual 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.

(Continued)

Assistance League of Metro Columbus
Notes to Financial Statements
May 31, 2016

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, 2015, 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, 2016, and 2015, based on their short maturities and/or the terms available to the chapter in financial markets.

(Continued)

Assistance League of Metro Columbus
Notes to Financial Statements
May 31, 2016

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 and all highly liquid investments with original maturities of three months or less.

Inventories

The Chapter maintains an inventory of bus passes for the 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, 2016, 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 2016.

(Continued)

Assistance League of Metro Columbus
Notes to Financial Statements
May 31, 2016

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, that 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.

(Continued)

Assistance League of Metro Columbus
Notes to Financial Statements
May 31, 2016

NOTE 2 – DONATED MATERIALS AND SERVICES

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, 2016, these volunteers donated approximately 11,023 hours with an estimated value of \$259,041. 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 \$23.50, which is \$20.98 plus 12% for estimated fringe benefits.

NOTE 3 – CASH AND CASH EQUIVALENTS

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

Checking accounts	
Fifth Third Bank	\$14,302
Money market accounts	
Arlington Bank	<u>54,737</u>
Total cash and cash equivalents	<u>\$69,039</u>

NOTE 4 – INVESTMENTS

Investments are stated at fair value and consist of the following at May 31, 2016:

	<u>Unrestricted</u>
Certificate of Deposit	
Arlington Bank- 12 month CD	<u>\$25,000</u>
Total investments	<u>\$25,000</u>

Investments returns for the year ended May 31, 2016 is summarized as follows:

Interest income	<u>\$207</u>
Total investment returns	<u>\$207</u>

(Continued)

Assistance League of Metro Columbus
Notes to Financial Statements
May 31, 2016

NOTE 5 – INVENTORIES

Inventories at May 31, 2016 consist of the following:

Hygiene items for use in the ASK kits	\$3,738
Bus passes for use in Head to Toe	47
Giant Eagle Gift Cards	450
Personal and food items for PALS program	71
Supplies for Book Buddies	24
Total Inventories	<u>\$4,320</u>

Note 6 – OPERATING LEASE OBLIGATIONS

In May 2015, the Chapter entered into a lease agreement for office space. The lease commenced on September 14, 2015 and terminates on December 13, 2020. The first three months' rent was 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%.

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

2017	\$15,723
2018	15,987
2019	16,251
2020	16,648
2021	8,456
	<u>\$73,065</u>

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, 2016 are as follows:

Events	Revenue	Cost of Direct Benefits	Other Event Costs	Net Revenue
Flower Sale	\$ 9,201	\$ 4,966	\$ 35	\$ 4,200
Style Show	13,655	5,211	315	8,129
Fall Social	5,801	1,887	129	3,785
Garage Sale	2,148	1,000	-	1,148
Craft Sale	1,156	-	398	758
Harder Card Sale	4,052	3,827	150	75
Annual Appeal	8,234	-	762	7,472
Gift Cards	50	-	-	50
	<u>\$ 44,297</u>	<u>\$ 16,891</u>	<u>\$ 1,789</u>	<u>\$ 25,617</u>

(Continued)

Assistance League of Metro Columbus
Notes to Financial Statements
May 31, 2016

NOTE 8 – NET ASSETS

At May 31, 2016, net assets were restricted by donors or designated by the Chapter as follows:

Unrestricted net assets:	
Designated for future operating needs	\$ 68,112
Undesignated net assets	<u>27,051</u>
Total unrestricted net assets	<u>95,163</u>
Temporarily restricted net assets:	
Restricted for the purchase of office chairs	<u>25</u>
Total temporarily restricted net assets	<u>25</u>
Permanently restricted net assets	<u>-</u>
Total net assets	<u>\$ 95,188</u>

NOTE 9 – NONCASH CONTRIBUTIONS

During the year ended May 31, 2016, the Chapter received noncash contributions of materials and services that have been reflected in the financial statements of the chapter as follows:

Program supplies	\$ 9,672
Professional services	<u>3,500</u>
Total noncash donations	<u>\$13,172</u>

NOTE 10 – SUBSEQUENT EVENTS

Assistance League of Metro Columbus has evaluated events subsequent to May 31, 2016, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through August 23, 2016, 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.