

HUMAN LIFE ALLIANCE

REVIEWED FINANCIAL STATEMENTS

July 31, 2017

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Human Life Alliance
Minneapolis, Minnesota

We have reviewed the accompanying financial statements of Human Life Alliance (a nonprofit organization), which comprise the statement of financial position as of July 31, 2017, 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.

Harrington Langer & Associates

March 23, 2018

HUMAN LIFE ALLIANCE
STATEMENT OF FINANCIAL POSITION
July 31, 2017

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 271,059
Publications inventory	46,669
Prepaid expenses	6,021
TOTAL CURRENT ASSETS	323,749

PROPERTY AND EQUIPMENT

Land and building	351,400
Furniture, equipment and videos	88,754
	440,154
Less accumulated depreciation	(108,962)
	331,192

TOTAL ASSETS	\$ 654,941
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LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 10,099
Accrued expenses	8,722
TOTAL LIABILITIES	18,821

NET ASSETS

Unrestricted	636,120
TOTAL NET ASSETS	636,120

TOTAL LIABILITIES AND NET ASSETS	\$ 654,941
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HUMAN LIFE ALLIANCE
STATEMENT OF ACTIVITIES
For the Year Ended July 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants and contributions	\$ 564,530	\$ -	\$ 564,530
Conference:			
Sponsors and contributions	5,850	-	5,850
Registrations	4,285	-	4,285
Total conference	<u>10,135</u>	<u>-</u>	<u>10,135</u>
Special events:			
Sponsors and contributions	36,851	-	36,851
Tickets	1,050	-	1,050
Less: direct expenses	(6,492)	-	(6,492)
Total special event	<u>31,409</u>	<u>-</u>	<u>31,409</u>
Miscellaneous	5,023	-	5,023
Interest	491	-	491
Net assets released from restrictions	<u>15,000</u>	<u>(15,000)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>626,588</u>	<u>(15,000)</u>	<u>611,588</u>
Program services			
Campus	126,853	-	126,853
Global and community	114,890	-	114,890
Pro-Life organizations	90,264	-	90,264
Pro-Life Health Alliance	128,493	-	128,493
Total program services	<u>460,500</u>	<u>-</u>	<u>460,500</u>
Management and general	27,324	-	27,324
Fundraising	34,869	-	34,869
TOTAL EXPENSES	<u>522,693</u>	<u>-</u>	<u>522,693</u>
CHANGE IN NET ASSETS	103,895	(15,000)	88,895
NET ASSETS, BEGINNING	<u>532,225</u>	<u>15,000</u>	<u>547,225</u>
NET ASSETS, ENDING	<u>\$ 636,120</u>	<u>\$ -</u>	<u>\$ 636,120</u>

See independent accountant's review report
and notes to financial statements

HUMAN LIFE ALLICANE
STATEMENT OF CASH FLOWS
For the Year Ended July 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 88,895
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	35,647
(Increase) decrease in operating assets	
Publications inventory	21,520
Prepaid expenses	4,823
Increase (decrease) in operating liabilities	
Accounts payable	(3,522)
Accrued expenses	2,294
	149,657
 NET CASH PROVIDED BY OPERATING ACTIVITIES	
	149,657
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(639)
	(639)
 NET CASH USED IN INVESTING ACTIVITIES	
	(639)
 INCREASE IN CASH AND CASH EQUIVALENTS	
	149,018
 CASH AND CASH EQUIVALENTS, BEGINNING	 122,041
 CASH AND CASH EQUIVALENTS, ENDING	 \$ 271,059

HUMAN LIFE ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended July 31, 2017

	<u>Campus</u>	<u>Global and Community</u>	<u>Pro-Life Organi- zations</u>	<u>Pro-Life Health Alliance</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Wages	\$ 44,856	\$ 42,145	\$ 36,302	\$ 55,351	\$ 178,654	\$ 9,037	\$ 12,146	\$199,837
Taxes	3,455	3,228	2,753	4,202	13,638	735	926	15,299
Benefits	13,945	14,896	11,268	14,036	54,145	2,935	5,084	62,164
Professional service	2,216	1,997	1,694	2,068	7,975	4,910	432	13,317
Office expenses	2,006	2,004	1,915	1,536	7,461	6,315	5,312	19,088
Information techno	9,835	2,006	1,434	2,536	15,811	451	684	16,946
Occupancy	2,564	2,587	2,035	3,504	10,690	511	853	12,054
Conferences	1,346	8,785	3,816	16,905	30,852	902	293	32,047
Depreciation	8,452	1,751	3,156	20,865	34,224	508	915	35,647
Insurance	1,680	1,692	1,329	2,292	6,993	326	555	7,874
Printing and postage	36,498	33,799	24,562	5,198	100,057	694	7,669	108,420
	<u>\$ 126,853</u>	<u>\$114,890</u>	<u>\$ 90,264</u>	<u>\$128,493</u>	<u>\$ 460,500</u>	<u>\$ 27,324</u>	<u>\$ 34,869</u>	<u>\$522,693</u>

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HUMAN LIFE ALLIANCE
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Human Life Alliance (HLA) is a Minnesota nonprofit organization. HLA promotes awareness of the inherent dignity and personhood of human life, born and unborn, without exception or compromise. HLA proclaims and defends a culture of life and chastity through education, social and political awareness and life-affirming alternatives to abortion, infanticide, assisted suicide and euthanasia. HLA accomplishes its mission in a spirit of prayer and non-violence.

Human Life Alliance has served the pro-life community around the world for several decades by pioneering educational initiatives, working with policy makers, assisting unwed mothers, reaching teens, and saving the lives of young women and their babies—especially young women between the ages 15 and 24 who are in the greatest danger of crisis pregnancies. HLA presents the truth about abortion and supports life-affirming alternatives to infanticide, euthanasia, assisted suicide and the so-called “safer-sex” myths to change hearts and save lives every day.

HLA’s seeks to develop a pro-life worldview with the following goals in mind:

- Reach students on Every Campus Every Year with our pro-life message.
- Support all pro-life organizations including each Pregnancy Resource Center.
- Increase Community Outreach initiatives to encourage church pro-life efforts.
- Develop the Pro-life Healthcare Alliance to safeguard and protect all human life.
- Expand Global Outreach opportunities.

Each year HLA updates its pro-life publications to reach its diverse audiences. HLA currently serves the following outreach areas through its informative materials:

Campus: Students between the ages of 15 and 24. Through personal stories, accurate facts and informative statistics, issued publications encourage young people to critically think about abortion rhetoric, biological facts of the child in the womb, and how abortion affects women.

Community: Helps churches share a pro-life message with 30 to 49 year-old women. Other HLA resources are used for youth groups, Sunday school classes and street evangelization projects.

Global: HLA materials have been made available at United Nations conferences in New York and Brussels. In addition, fact sheets and publications present comprehensive pro-life information in multiple countries annually.

Pro-Life Organizations: HLA provides materials to pregnancy resource centers, maternity homes, sidewalk counselors and other organizations to reach young women in crisis pregnancies in their own communities.

HUMAN LIFE ALLIANCE
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Nature of Activities - continued

Pro-Life Health Alliance: HLA created the Pro-Life Health Alliance to promote the pro-life healthcare philosophy and develop a network of pro-life healthcare providers, attorneys and patient advocates. Through regional conferences and programs on euthanasia and assisted suicide across the nation HLA is developing this new network.

Basis of Accounting and Presentation

The financial statements of HLA have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. HLA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Unrestricted assets are resources over which the Board of Directors has discretionary control. Temporarily restricted net assets are resources which are subject to a donor imposed restriction which generally will be satisfied by organizational actions or the passage of time.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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

The Organization considers cash and cash equivalents to include cash on hand, cash in bank, and short-term investments with original maturities of three months or less.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Publications Inventory

Publications inventory consists of publications to be distributed and is valued at cost.

HUMAN LIFE ALLIANCE
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are recorded at cost. Donated property is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives of 30 months to forty years.

Support and Expenses

Contributions received and unconditional promises to give are measured at their fair value and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. 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.

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Income Taxes

The Organization is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code, and similar State statutes.

Federal and State tax authorities generally have the right to examine the current and three previous years of income tax returns. The Organization is not currently under examination by any taxing jurisdiction.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

HUMAN LIFE ALLIANCE
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Contributed Services

Contributed services are recognized if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under generally accepted accounting principles were not met. Volunteers perform a variety of tasks that assist with specific programs. HLA received 2,010 volunteer hours.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 23, 2018, the date the financial statements were available to be issued.

LEASES

HLA has a noncancelable operating equipment lease of \$200 per month that expires June 2019. For the year ending July 31, 2017, rent expense for the basic lease was approximately \$2,400.

CONCENTRATIONS

Credit Risk

The Organization maintains its cash balances at local credit unions. Accounts at this institution are insured by the National Credit Union Administration (NCUA) up to \$250,000. As of July 31, 2017, there were no uninsured cash balances.

Contributions

HLA received from two donors approximately 36% and 16% of its support in 2017.