

HUMAN LIFE ALLIANCE
REVIEWED FINANCIAL STATEMENTS
July 31, 2023



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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, 2023, and the related statements of activities, cash flows, and functional expenses 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.

We are required to be independent of Human Life Alliance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**Mark Harrington, CPA (Retired) | Wayne Langer, CPA | Greg Emmerich, CPA | Michael Belknap, CPA |
Nichole Fairbanks, CPA | Jesse Fraley, CPA | Anna Anderson, CPA | Steven Schurhamer, CPA | Logan Jenson, CPA**

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.

Hamington Langer & Associates

March 23, 2024

HUMAN LIFE ALLIANCE
STATEMENT OF FINANCIAL POSITION
July 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 183,508
Investments	158,270
Prepaid expenses	14,248
TOTAL CURRENT ASSETS	356,026

PROPERTY AND EQUIPMENT, at cost

Land and building	351,400
Furniture, equipment and videos	92,983
	444,383
Less accumulated depreciation	(200,233)
PROPERTY AND EQUIPMENT, NET	244,150

TOTAL ASSETS	\$ 600,176
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LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 13,718
Accrued expenses	6,648
TOTAL LIABILITIES	20,366

NET ASSETS

Without donor restrictions	578,623
With donor restrictions	1,178
TOTAL NET ASSETS	579,801

TOTAL LIABILITIES AND NET ASSETS	\$ 600,167
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HUMAN LIFE ALLIANCE
STATEMENT OF ACTIVITIES
For the Year Ended July 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and contributions	\$ 332,497	\$ 39,850	\$ 372,347
Special events:			
Sponsors and contributions	49,808	-	49,808
Less: direct expenses	(13,317)	-	(13,317)
Total special events, net	36,491	-	36,491
Miscellaneous	489	-	489
Investment gain, net	4,497	-	4,497
Net assets released from restrictions	41,775	(41,775)	-
TOTAL SUPPORT AND REVENUE	415,749	(1,925)	413,824
Program services			
Campus	107,043	-	107,043
Global	14,093	-	14,093
Community	100,131	-	100,131
Pro-Life organizations	89,227	-	89,227
Total program services	310,494	-	310,494
Management and general	41,652	-	41,652
Fundraising	35,463	-	35,463
TOTAL EXPENSES	387,609	-	387,609
CHANGE IN NET ASSETS	28,140	(1,925)	26,215
NET ASSETS, BEGINNING	550,483	3,103	553,586
NET ASSETS, ENDING	\$ 578,623	\$ 1,178	\$ 579,801

HUMAN LIFE ALLIANCE
STATEMENT OF CASH FLOWS
For the Year Ended July 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 26,215
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	10,350
Realized and unrealized loss on investments	(3,139)
(Increase) decrease in:	
Prepaid expenses	1,932
Increase (decrease) in:	
Accounts payable	(4,747)
Accrued expenses	704
Deferred revenue	<u>(10,000)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	21,315
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(1,565)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	19,750
CASH AND CASH EQUIVALENTS, BEGINNING	<u>163,749</u>
CASH AND CASH EQUIVALENTS, ENDING	<u><u>\$ 183,499</u></u>

HUMAN LIFE ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended July 31, 2023

	Program Services				Supporting Services			
	Campus	Global	Community	Pro-Life Organi- zations	Total Program Services	Management and General	Fundraising	Total
Wages	\$ 38,908	\$ 5,648	\$ 31,887	\$ 31,889	\$ 108,332	\$ 12,538	\$ 6,267	\$ 127,137
Payroll Taxes	3,033	447	2,444	2,444	8,368	975	515	9,858
Benefits	11,777	3,180	12,039	12,039	39,035	6,426	2,761	48,222
Professional services	-	-	9,902	-	9,902	9,400	12,000	31,302
Printing	9,658	380	10,471	4,111	24,620	-	1,378	25,998
Postage and shipping	11,275	486	16,278	13,106	41,145	98	6,812	48,055
Website/Digital outreach	11,898	657	1,343	2,248	16,146	209	673	17,028
Public relations	-	-	-	500	500	-	54	554
Conferences & meetings	3,946	105	1,810	22,458	28,319	205	212	28,736
Equipment rental	3,467	540	2,840	2,840	9,687	1,082	591	11,360
Office expenses	1,638	825	1,704	1,499	5,666	7,034	1,989	14,680
Occupancy	4,205	667	3,425	3,439	11,736	1,356	713	13,805
Telephone/internet	893	147	762	762	2,564	293	191	3,048
Depreciation	3,159	493	2,588	2,587	8,827	985	538	10,350
Insurance	3,186	518	2,588	2,610	8,902	995	542	10,439
Miscellaneous	-	-	50	12	62	56	227	345
Total expenses by function	107,043	14,093	100,131	102,544	323,811	41,652	35,463	400,917
Less expenses included with revenues on the statement of activities								
Special event expenses	-	-	-	(13,317)	(13,317)	-	-	(13,317)
Total expenses included in the statement of activities	<u>\$ 107,043</u>	<u>\$ 14,093</u>	<u>\$ 100,131</u>	<u>\$ 89,227</u>	<u>\$ 310,494</u>	<u>\$ 41,652</u>	<u>\$ 35,463</u>	<u>\$ 387,600</u>

See notes to financial statements

HUMAN LIFE ALLIANCE
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Human Life Alliance (HLA and the Organization) is a Minnesota nonprofit corporation. 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.

HLA has served the pro-life community around the globe 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 distributes powerful pro-life information across the United States and around the globe on topics of abortion, teen sexual risk avoidance, euthanasia, assisted suicide, and the dignity of all human life. Since 1990, its pro-life magazines and materials have informed, inspired and involved a diverse audience of over 234.8 million readers in 88 countries. HLA currently serves people in the following outreach categories through its informative materials:

Campus/Student Outreach: HLA seeks to reach students on every campus every year with a pro-life message. *Ready or Not, Just for Girls/Just for Guys, Life Begins and Carlos & Isabel Save Esperanza* are current student editions. (Available in digital flipbook formats.)

Pro-Life Organization Support: HLA strives to support pro-life organizations with a goal of serving every pregnancy center in the United States. All magazines, Fact Cards, and other materials offer assistance for these organizations. Many centers have teen sexual risk avoidance speakers who hand out *Just for Girls/Just for Guys* at local high schools and church youth groups during presentations. Some centers request HLA support for communication initiatives in their own neighborhoods.

Community Outreach: Increased community outreach initiatives encourage church pro-life efforts and sidewalk counseling. *The Truth About Planned Parenthood, This is Not Your Only Choice, She’s a Child Not a “Choice”, Endangered: A World in Peril, Did You Know?, A Favor de la Vida, Ella es una niña, no una opción, Esta no es tu única opción, and Imposed Death.*

Global Outreach: Through cooperative efforts with pro-life individuals and organizations around the globe, HLA shares a special edition of *She’s a Child Not a “Choice”* in many languages and other materials as requested.

HUMAN LIFE ALLIANCE
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Basis of Presentation:

The financial statements of HLA have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require HLA to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of HLA. These net assets may be used at the discretion of HLA's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of HLA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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, except cash and cash equivalents that are included with investments.

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.

HUMAN LIFE ALLIANCE
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND 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 40 years.

Income Taxes:

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Organization other than a private foundation under Section 509(a)(2).

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) for uncertain positions that more likely than not would not be sustained upon examination by the applicable tax authorities. 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.

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.

Functional Allocation of Expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

HUMAN LIFE ALLIANCE
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Cost Recognition:

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or 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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Subsequent Events:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 23, 2024, the date the financial statements were available to be issued.

NOTE 2. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available for general expenditure within one year at July 31, 2023.

Financial assets at year-end	
Cash and cash equivalents	\$ 183,508
Investments	<u>158,270</u>
 Total financial assets	 <u>\$ 341,778</u>

The Organization's goal is generally to maintain financial assets to meet three (3) months of operating expenses.

HUMAN LIFE ALLIANCE
NOTES TO FINANCIAL STATEMENTS

NOTE 3. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances at local credit unions. Accounts at these institutions are insured by the National Credit Union Administration (NCUA) up to \$250,000. As of July 31, 2023, all cash balances were fully insured.

NOTE 4. FAIR VALUE MEASUREMENT

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. HLA uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for when Level 1 inputs are not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available. There were no changes in the valuation methodologies.

The Organization's investments consisted of mutual funds which are valued at the net asset value (NAV) of shares on the last trading day of the fiscal year, which is the basis for transactions at that date and are considered Level 1 investments.

NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS

At July 31, 2023, net assets with donor restrictions consisted of the following:

Specific purpose:	
St. Cloud 40 days project	<u>\$ 1,178</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the years ended July 31, 2023:

Specific purpose:		
Sidewalk counseling project	\$ 3,103	\$10,000
Campus project	15,000	-
St. Cloud 40 days project	<u>23,672</u>	<u>-</u>
	<u>\$41,775</u>	<u>\$10,000</u>