

ALLENFORCE

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2018

ALLENFORCE

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT..... 1 - 2

FINANCIAL STATEMENTS

Statement of Financial Position.....3
Statement of Activities4
Statement of Cash Flows.....5
Statement of Functional Expenses6

Notes to the Financial Statements 7 - 10

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

July 10, 2018

Members of the Board of Directors
AllenForce
Plainfield, Illinois

We have audited the accompanying financial statements of the financial statements of AllenForce, a non-profit organization, which comprise the statement of financial position as of April 30, 2018, and the related notes to the financial statements, which collectively comprise the AllenForce's basic financial statements as listed in the table of contents.

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 opinions on these financial statements based on our audit. We conducted our audit 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks 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 AllenForce'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 AllenForce'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the financial position of AllenForce as of April 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Lauterbach + Amen LLP
LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

ALLENFORCE

**Statement of Financial Position
April 30, 2018**

	Without Donor Restrictions	With Donor Restrictions	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 17,477	-	17,477
Accounts Receivable	1,172	-	1,172
Total Current Assets	18,649	-	18,649
Noncurrent Assets			
Depreciable Capital Assets	89,827	-	89,827
Accumulated Depreciation	(37,893)	-	(37,893)
Total Noncurrent Assets	51,934	-	51,934
Total Assets	70,583	-	70,583
LIABILITIES			
Current Liabilities			
Accounts Payable	2,742	-	2,742
NET ASSETS			
With Donor Restrictions	-	-	-
Without Donor Restrictions	67,841	-	67,841
Total Net Assets	67,841	-	67,841

The notes to the financial statements are an integral part of this statement.

ALLENFORCE

**Statement of Activities
For the Fiscal Year Ended April 30, 2018**

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues			
Program Service Fees	\$ 14,807	-	14,807
Contributions	116,273	-	116,273
Interest	1	-	1
Total Revenues	<u>131,081</u>	<u>-</u>	<u>131,081</u>
Expenses			
Program Services	78,028	-	78,028
Management and General	50,020	-	50,020
Fundraising	30,126	-	30,126
Total Expenses	<u>158,174</u>	<u>-</u>	<u>158,174</u>
Change in Net Assets	(27,093)	-	(27,093)
Net Assets - Beginning	<u>94,934</u>	<u>-</u>	<u>94,934</u>
Net Assets - Ending	<u>67,841</u>	<u>-</u>	<u>67,841</u>

The notes to the financial statements are an integral part of this statement.

ALLENFORCE

Statement of Cash Flows For the Fiscal Year Ended April 30, 2018

Cash Flows from Operating Activities	
Increase (Decrease) in Net Assets	\$ (27,093)
Adjustments to Reconcile Changes in Net Assets Without Donor Restrictions to Net Cash Provided by Operating Activities:	
Depreciation	12,070
(Increase) Decrease in Current Assets	937
Increase (Decrease) in Current Liabilities	564
Net Cash Provided by Operating Activities	<u>(13,522)</u>
 Cash Flows from Investing Activities	
Interest Income	<u>1</u>
 Change in Cash and Cash Equivalents	(13,521)
 Cash and Cash Equivalents	
Beginning	<u>30,998</u>
Ending	<u><u>17,477</u></u>

The notes to the financial statements are an integral part of this statement.

ALLENFORCE**Statement of Functional Expenses
For the Fiscal Year Ended April 30, 2018**

	Program Services	Management and General	Fundraising	Totals
Salaries and Wages	\$ 16,255	3,751	5,002	25,008
Insurance/ Other Expenses	9,758	3,504	1,750	15,012
Processing Fees	263	61	157	481
Interest Expense	-	6	-	6
Contingency	-	8	-	8
Meals and Entertainment	532	15	1,350	1,897
Dues and Subscriptions	-	-	200	200
Conferences and Meetings	4,217	-	-	4,217
Travel	285	34	67	386
Printing and Copying	81	40	40	161
Postage and Shipping	3	98	-	101
Supplies*	486	384	832	1,702
Information Technology	452	754	302	1,508
Corps Expenses	49	32	14	95
Contracts - Programs	100	-	-	100
Audit and Accounting	-	5,230	-	5,230
Professional Fees*	36,495	35,499	17,998	89,992
Depreciation	9,052	604	2,414	12,070
Total Functional Expenses	78,028	50,020	30,126	158,174

*As stated in Note 1 to the financial statements on page 8, the expense includes \$89,992 of in-kind contributed services and supplies. The total consists of the following: Professional Fees of \$89,992 (Program and Services - \$36,495; Management and General - \$35,499; and Fundraising - \$17,998)

The notes to the financial statements are an integral part of this statement.

ALLENFORCE

Notes to the Financial Statements April 30, 2018

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

AllenForce was formed in 2012 and received the IRS determination letter recognizing its exempt status on April 20, 2012. The purpose of AllenForce is to promote a healthy and successful lifestyle for all veterans of all eras of the United States Armed Forces and their families by providing positive networking, fitness and recreational opportunities and community events. AllenForce strives to bridge the gap between military and civilian life as veterans face an ever-changing adjustment process after serving our nation.

BASIS OF ACCOUNTING

The financial statements are prepared using the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

NET ASSETS

AllenForce's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Net assets of AllenForce and changes therein are classified and reported as follows:

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 the organization. These net assets may be used at the discretion of AllenForce'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 AllenForce or by the passage of time. Other donor restrictions are perpetual in nature, where by 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 Statement of Activities.

BASIS OF ACCOUNTING

AllenForce maintains its accounting records on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when incurred.

ALLENFORCE

Notes to the Financial Statements April 30, 2018

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, AllenForce considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

CAPITAL ASSETS

AllenForce capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their acquisition value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, AllenForce reports expirations of donor restrictions when the donated or acquired assets are placed in service. AllenForce reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to seven years.

CONTRIBUTED SERVICES

Donated equipment, goods and services are reflected as a contribution at their estimated value at the date of receipt as determined by management. Contributions to be received after one year are discounted at an appropriate discount commensurate with the risk involved. During the year ended April 30, 2018, there were \$89,992 of contributed services and supplies.

In addition, a substantial number of volunteers have donated significant amounts of their time to the Foundation's activities, but these services do not meet the criteria for recognition as contributed services. The criteria are for services that require specialized skills and would, typically, be purchased if not provided by donation.

SUPPORT AND EXPENSES

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received are measured at their fair values and are reported as an increase in net assets. AllenForce 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 activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. AllenForce uses the direct write off method to record uncollectible receivables, based on management's analysis of specific receivables.

ALLENFORCE

Notes to the Financial Statements April 30, 2018

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

TAX STATUS

AllenForce is exempt from income tax under IRC section 501(c)(3), and similarly, is exempt from State of Illinois taxes under the Illinois Tax Act Section 205(a), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. AllenForce has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. AllenForce has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. There was no unrelated business income for the year ended April 30, 2018.

AllenForce's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally, for three years after they were filed. Annual filings with the State of Illinois are, similarly, subject to examination.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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.

NOTE 2 – CAPITAL ASSETS

Capital assets consist of the following at year-end:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Equipment & Vehicles	\$ 89,827	-	-	89,827
Less Accumulated Depreciation				
Equipment & Vehicles	25,823	12,070	-	37,893
Total Net Capital Assets	64,004	(12,070)	-	51,934

ALLENFORCE

Notes to the Financial Statements April 30, 2018

NOTE 4 – AVAILABILITY AND LIQUIDITY

The following represents Foundation's financial assets at April 30, 2018:

Financial Assets at Year End:	
Cash and Investments	\$ 17,447
Less Amounts not Available to be used within one year:	<u>-</u>
Financial Assets Available to Meet General Expenditures over the Next Twelve Months	<u>17,447</u>

The AllenForce's goal is generally to maintain financial assets to meet 90 days of operating expenses.

NOTE 3 – SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through July 10, 2018 which is the date the financial statements were issued. There were no significant findings.