

Client Documents

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Pro-Life Action League, Inc.
d/b/a Pro Life Action League
Chicago, Illinois 60646

We have audited the accompanying financial statements of Pro-Life Action League, Inc. (a nonprofit organization), which comprise the balance sheet (Part X) of Pro-Life Action League, Inc. (a nonprofit organization) as of May 31, 2022, and the related statement of revenues (Part VIII) and statement of functional expenses (Part IX) for the year then ended included in the accompanying Internal Revenue Service Form 990 and the related notes to the financial statements .

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Internal Revenue Service and the Illinois Attorney General Office State Regulatory Agency. Management is also responsible for 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 an opinion 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 from 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 the 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 entity'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 entity'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 opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Pro-Life Action League, Inc. as of May 31, 2022, and its revenues, expenses, and changes in net assets for the year then ended, in accordance with the financial reporting provisions prescribed by the Internal Revenue Service and Illinois Attorney General Office State Regulatory Agency as described in Note B.

Basis of Accounting

We draw attention to Note B of the financial statements which describes the basis of accounting. As described in Note B, the financial statements included in Form 990 were prepared on the basis of the financial reporting provisions prescribed by the Internal Revenue Service and the Illinois Attorney General Office State Regulatory Agency, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restriction on Use

This report is intended solely for the information and use of the Board of Trustees and management of Pro-Life Action League, Inc., the Internal Revenue Service, and the Illinois Attorney General Office State Regulatory Agency and is not intended to be and should not be used by anyone other than these specified parties.



Vincent M. Marotta, CPA
Vincent M. Marotta & Associates, Ltd.
December 26, 2022

Pro-Life Action League, Inc.

***Financial Statements
and
Independent Auditor's Report - Cash Basis
For the Period Ended May 31, 2022***

***Prepared By Vincent M. Marotta & Associates, Ltd.
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Pro-Life Action League, Inc.

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Financial Reports

Pro-Life Action League, Inc.
Statement of Financial Position - Cash Basis
As of May 31, 2022

ASSETS

Current Assets:

Cash in bank - Associated	\$ 12,849
Cash in bank - Small Business NP	580,295
Petty cash	116
Investments - Vanguard	2,016
Investments - Associated	<u>500</u>

Total Current Assets 595,776

Property and Equipment:

Computer Software	45,934
Computer Equipment	48,900
Office Furniture & Equipment	42,882
Transportation Vehicle	17,790
Less: Accumulated Depreciation	<u>(151,867)</u>

Net Property and Equipment 3,639

Other Assets:

Rent deposit	<u>4,212</u>
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Total Other Assets 4,212

Total Assets \$ 603,627

The accompanying Notes to the Financial Statements
are an integral part of these statements

Pro-Life Action League, Inc.
Statement of Financial Position - Cash Basis
As of May 31, 2022

LIABILITIES AND NET ASSETS

Current Liabilities:

Net Assets:

Unrestricted

Beginning Net Assets	347,655
Change in Unrestricted Net Assets	<u>255,972</u>
<u>Total Net Assets</u>	<u>603,627</u>
<u>Total Liabilities and</u>	
<u>Net Assets</u>	<u>\$ 603,627</u>

The accompanying Notes to the Financial Statements
are an integral part of these statements

Pro-Life Action League, Inc.
Notes to the Financial Statements
For the Year Ended May 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE A. REPORTING ENTITY

Pro-Life Action League, Inc. (the Organization) was incorporated in 1980 as a not-for-profit corporation in Illinois. The Organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization conducts ongoing public awareness campaigns relating to abortion and other life issues.

NOTE B. BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Under this basis of accounting, assets are recognized when paid for in cash, such as depreciable property and equipment and investments. Also, revenues are recognized when received in cash rather than when earned, and expenses are recognized when paid rather than when the obligations are incurred. Consequently, the Organization has not recognized pledges receivable from donors, accounts payable to vendors, and their related effects on the change in net assets in the accompanying financial statements. Also, the statement of cash flows has been omitted.

NOTE C. NET ASSETS

Net assets and revenues and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified 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.

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 the Organization or by the passage of time.

Pro-Life Action League, Inc.
Notes to the Financial Statements
For the Year Ended May 31, 2022

NOTE D. USE OF ESTIMATES

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities and the reported revenues and expenses. Accordingly, actual results could differ from those estimates that are used.

NOTE E. PROPERTY & EQUIPMENT

Property and equipment are recorded at cost. Depreciation is computed using the Modified Accelerated Cost Recovery System (MACRS) and is used for financial accounting purposes and for federal income tax purposes. The use of MACRS depreciation is not in conformity with generally accepted accounting principles. The rates are based on the following estimated useful lives:

Estimated Useful Life

Computer Software	3 years
Computer Equipment	5 years
Office Furniture & Equipment	5-7 years
Transportation Vehicle	5 years

Depreciation expense for the year ended May 31, 2022, under the accelerated method was \$3,833. Expenses for maintenance and repairs are charged to expense as incurred, whereas major improvements are capitalized.

NOTE F. CONTRIBUTIONS

Contributions: The Organization records contributions when they are received. Contributions received in the form of cash, checks, money orders, credit card charges, wire transfers, and other transfers are deposited into one of the Organization's bank accounts. Gifts of cash and other assets are reported as with donor restriction if they are received with donor stipulations that limit their use or if they are intended to support activities in future periods.

Revenue recognition: Revenue is recognized when received and consists primarily of contributions from direct public.

Donated stock: Donated stock is recorded at its fair market value at the time of the donation.

Pro-Life Action League, Inc.
Notes to the Financial Statements
For the Year Ended May 31, 2022

NOTE G. INCOME TAXES

No provision has been made for income taxes in the financial statements. The Organization is exempt from federal and state income taxes under Internal Revenue Service Code Section 501(c)(3.) This code section enables the Organization to accept donations which qualify as charitable contributions to the donor.

NOTE 2 - COMMITMENTS AND CONTINGENCIES

The Organization leases its office facility in Chicago for \$3,425 per month. As of February 1, 2022, the Organization signed a new lease modification and extended terms from February 1, 2022 (the "modification date") through January 31, 2023. The new rent will be at the rate of \$3,635 per month.

Rent expense under the current lease was \$44,977 for the year ended May 31, 2022.

The Organization leases a second office facility in Aurora for \$1,920 per month. As of November 1, 2021, the Organization signed a new 24-month lease, expiring January 31, 2024.

Rent expense under this lease was \$22,919 for the year ended May 31, 2022.

In addition to the above office facilities, the Organization leases a storage facility for \$379 per month.

Rent expense under this lease was \$4,139 for the year ended May 31, 2022.

NOTE 3 - SUBSEQUENT EVENTS

Date of Management's Review - Management has evaluated subsequent events through December 26, 2022, the date on which the financial statements were available to be issued.

Pro-Life Action League, Inc.
Notes to the Financial Statements
For the Year Ended May 31, 2022

NOTE 4 - NOTE PAYABLE - PAYMENT PROTECTION PROGRAM LOAN

In February 2021, the Organization received a second loan in the amount of \$100,802 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses and not-for-profit organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 24-week period.

On October 26, 2021, the Organization met the conditions for the forgiveness and was issued a notice of Paycheck Protection Program Forgiveness Payment from the Small Business Administration. The amount of \$100,082 was recorded as an addition in the Statement of Support & Revenues for the year ending May 31, 2022.

NOTE 5 - LIQUIDITY AND AVAILABILITY

Total financial statements at year end May 31, 2022:

Cash and cash equivalents	\$ 593,760
Investments at cost value	<u>2,016</u>
Total financial assets at year end	595,776

Less: amounts not available to be used within one year: -

Financial assets available to meet cash needs for general expenditures within one year	\$ <u>595,776</u>
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The Organization receives contributions from the general public for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.