

***Pro-Life Action League, Inc.***

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***Financial Statements  
and  
Independent Auditor's Report - Cash Basis  
For the Period Ended May 31, 2021***

***Prepared By Vincent M. Marotta & Associates, Ltd.***  
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## **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, 2021, 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**

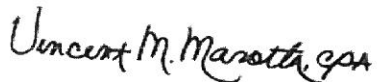
In our opinion the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Pro-Life Action League, Inc. as of May 31, 2021, and its revenues, expenses, and changes in net assets for the year then ended, in accordance with the financial 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.



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Vincent M. Marotta, CPA  
Vincent M. Marotta & Associates, Ltd.  
January 13, 2022

# **Pro-Life Action League, Inc.**

## **Table of Contents**

Independent Auditor's Report.....	1-2
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### **Financial Statements**

Statement of Financial Position - Cash Basis for the Year Ended May 31, 2021 .....	3-4
Statements of Activities - Cash Basis for the Year Ended May 31, 2021 .....	5-8
Notes to the Financial Statements for the Year Ended May 31, 2021 .....	9-12

**Pro-Life Action League, Inc.**  
**Statement of Financial Position - Cash Basis**  
**As of May 31, 2021**

**ASSETS**

**Current Assets:**

Cash in bank - Associated	\$ 66,093
Cash in bank - Small Business NP	360,181
Petty cash	116
Investments - Vanguard	2,016
Investments - Associated	<u>9,386</u>
<b><u>Total Current Assets</u></b>	<b><u>437,792</u></b>

**Property and Equipment:**

Computer Software	45,934
Computer Equipment	46,801
Office Furniture & Equipment	42,882
Transportation Vehicle	17,790
Less: Accumulated Depreciation	<u>(148,035)</u>
<b><u>Net Property and Equipment</u></b>	<b><u>5,372</u></b>

**Other Assets:**

Rent deposit	<u>5,112</u>
<b><u>Total Other Assets</u></b>	<b><u>5,112</u></b>
<b><u>Total Assets</u></b>	<b><u>\$ 448,276</u></b>

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, 2021**

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Employee 401(k) payable	\$ 540
Note Payable - PPP - 2	<u>100,082</u>
<b><u>Total Current Liabilities</u></b>	<u>100,622</u>

<b><u>Total Liabilities</u></b>	<u>100,622</u>
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**Net Assets:**

**Unrestricted**

Beginning Net Assets	74,289
Change in Unrestricted Net Assets	<u>273,365</u>

<b><u>Total Net Assets</u></b>	<u>347,654</u>
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**Total Liabilities and**  
**Net Assets**

\$ 448,276

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**  
**For the Year Ended May 31, 2021**

	<b><u>2021</u></b>	<b><u>%</u></b>
<b><u>Support &amp; Revenues</u></b>		
Contributions - Direct Public Support	1,072,006	90.05
Interest & dividends	\$ 129	0.01
PPP Loan Forgiveness	<u>107,700</u>	<u>9.05</u>
<b><u>Total Support &amp; Revenues</u></b>	<u>\$ 1,179,835</u>	<u>99.11</u>
<b><u>Literature &amp; Tapes Sales</u></b>		
Literature & Tapes	<u>10,613</u>	<u>0.89</u>
<b><u>Total Literature &amp; Tapes Sales</u></b>	<u>10,613</u>	<u>0.89</u>
<b><u>Total Support &amp; Revenues and Literature &amp; Tapes Sales</u></b>	<u>\$ 1,190,448</u>	<u>100.00</u>

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are an integral part of these statements

**Pro-Life Action League, Inc.**  
**Statement of Financial Position - Cash Basis**  
**For the Year Ended May 31, 2021**

	<b><u>2021</u></b>	<b><u>%</u></b>
<b><u>Functional Expenses</u></b>		
<b><u>Program Services</u></b>		
Salaries	\$ 270,494	22.72
Salaries - officers	64,825	5.45
Credit card processing fee	19,480	1.64
Insurance - workers' compensation	7,242	0.61
Insurance - health	66,076	5.55
Insurance - liability	2,062	0.17
Rent	47,805	4.02
Telephone	12,328	1.04
Memorial mass or donation	200	0.02
Depreciation and amortization	11,088	0.93
Printing & stationery	33,787	2.84
Printing PLAL newspaper	15,843	1.33
Brochures, etc.	18,416	1.55
Postcards & invitations	1,408	0.12
Office supplies	4,384	0.37
Postal meter fees	3,514	0.30
Postage	8,214	0.69
Consulting - general	5,000	0.42
Travel & staff expenses	36	-
Staff expenses - other	159	0.01
Auto expenses	1,472	0.12
Advertising & promotion	740	0.06
Computer supplies	944	0.08
Computer support	11,571	0.97
Brunch	135	0.01
Book - closed	572	0.05
Stipend	300	0.03
Payroll taxes	26,681	2.24
Special events	8,849	0.74
<b><u>Total Program Services</u></b>	<b><u>\$ 643,625</u></b>	<b><u>54.07</u></b>

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**  
**For the Year Ended May 31, 2021**

	<b><u>2021</u></b>	<b><u>%</u></b>
<b><u>Management &amp; General</u></b>		
Salaries	\$ 60,007	5.04
Salaries - officers	6,500	0.55
Bank charges	3,222	0.27
Insurance - health	11,660	0.98
Insurance - workers' compensation	1,171	0.10
Insurance - office equipment	1,729	0.15
Rent	18,418	1.55
Copier rental	4,219	0.35
Accounting tabulating fees	2,497	0.21
Accounting fees	8,035	0.67
Delivery service fees	2,078	0.17
Payroll taxes	4,708	0.40
Illinois annual report fee	10	-
Annual fee	75	0.01
Sundry taxes & licenses	<u>103</u>	<u>0.01</u>
<b><u>Total Management &amp; General</u></b>	<b><u>\$ 124,432</u></b>	<b><u>10.45</u></b>

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**  
**For the Year Ended May 31, 2021**

	<b><u>2021</u></b>	<b><u>%</u></b>
<b><u>Fundraising</u></b>		
Salaries - officers	500	0.04
Salaries	13,000	1.09
Rent	635	0.05
Fundraising printing	54,373	4.57
Fundraising postage	44,948	3.78
Fundraising mailing list	12,339	1.04
Consulting - fundraiser	10,731	0.90
Consulting - copyright	<u>12,500</u>	<u>1.05</u>
<b><u>Total Fundraising</u></b>	<u>149,026</u>	<u>12.52</u>
<b><u>Total Functional Expenses</u></b>	<u>917,083</u>	<u>77.04</u>
 <b><u>Change in Net Assets</u></b>	 <u><u>\$ 273,365</u></u>	 <u><u>22.96</u></u>
 <b><u>Net Assets at Beginning of Year</u></b>	 <u><u>\$ 74,289</u></u>	
 <b><u>Net Assets at End of Year</u></b>	 <u><u>\$ 347,654</u></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, 2021**

**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 Organization's policy is to maintain its books and prepare its financial statements on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than in accordance with generally accepted accounting principles. Under this basis, revenues and the related assets are recognized when received 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.

**NOTE C. ESTIMATES**

The preparation of financial statements requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Pro-Life Action League, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended May 31, 2021**

**NOTE D. 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, 2021, under the accelerated method was \$11,088. Expenses for maintenance and repairs are charged to expense as incurred, whereas major improvements are capitalized.

**NOTE E. CONTRIBUTIONS**

The Organization records contributions when they are received. Contributions received in form of cash, checks, money orders, credit card charges, wire transfers, and other transfers are deposited into one of the Organization's bank accounts.

**NOTE F. 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.

**Pro-Life Action League, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended May 31, 2021**

**NOTE 2 - COMMITMENTS AND CONTINGENCIES**

The Organization leases its office facility in Chicago for \$3,224 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 \$3,425 per month.

Rent expense under the current lease was \$40,829 for the year ended May 31, 2021.

The Organization leases a second office facility in Aurora for \$1,890 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 \$22,680 for the year ended May 31, 2021.

**NOTE 3 - SUBSEQUENT EVENTS**

Date of Management's Review - Management has evaluated subsequent events through January 13, 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, 2021**

**NOTE 4 - NOTE PAYABLE - PAYMENT PROTECTION PROGRAM LOAN**

In April 2020, the Organization received loan proceeds in the amount of \$107,700 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 loans 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 March 4, 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 \$107,700 was recorded as an addition in the Statement of Activities for the year ending May 31, 2021.

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.

As of this report date, the Organization has been forgiven for the second loan with their financial institution in the amount of \$100,802. This amount is recorded as a current liability in the Statement of Financial Position for the year ending May 31, 2021.