

URBAN LEAGUE OF
NORTHWEST INDIANA, INC.

AUDITED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Urban League of Northwest Indiana, Inc.
Gary, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Urban League of Northwest Indiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 financial position of Urban League of Northwest Indiana, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

McMahon & Associates CPAs P.C.

McMahon & Associates Certified Public Accountants, P.C.
Munster, Indiana

September 9, 2020

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019		
	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
<u>REVENUE AND SUPPORT:</u>			
<u>PUBLIC SUPPORT:</u>			
Contributions	\$ 66,713	\$ 11,850	\$ 78,563
Grants	0	98,665	98,665
Special events	162,943	0	162,943
Donations in kind	17,925	0	17,925
United Way (Porter County)	2,500	0	2,500
Total public support	<u>250,081</u>	<u>110,515</u>	<u>360,596</u>
<u>REVENUES</u> - Rental income	8,400	0	8,400
NET ASSETS RELEASED FROM RESTRICTIONS	<u>57,052</u>	<u>(57,052)</u>	<u>0</u>
Total revenue and support	<u>315,533</u>	<u>53,463</u>	<u>368,996</u>
<u>EXPENSES:</u>			
Program expenses	247,136	0	247,136
Management and general expenses	41,854	0	41,854
Fundraising	22,123	0	22,123
Total expenses	<u>311,113</u>	<u>0</u>	<u>311,113</u>
<u>OTHER INCOME (EXPENSES):</u>			
Interest expense	(160)	0	(160)
Miscellaneous income	508	0	508
Total other income (expenses)	<u>348</u>	<u>0</u>	<u>348</u>
INCREASE IN NET ASSETS	4,768	53,463	58,231
NET ASSETS - BEGINNING OF YEAR	<u>19,807</u>	<u>19,278</u>	<u>39,085</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 24,575</u>	<u>\$ 72,741</u>	<u>\$ 97,316</u>

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018		
	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
<u>REVENUE AND SUPPORT:</u>			
<u>PUBLIC SUPPORT:</u>			
Contributions	\$ 56,718	\$ 7,035	\$ 63,753
Grants	0	50,252	50,252
Special events	141,726	0	141,726
Donations in kind	20,130	0	20,130
Scholarship	500	0	500
United Way (Lake County)	22,960	0	22,960
Total public support	<u>242,034</u>	<u>57,287</u>	<u>299,321</u>
<u>REVENUES:</u>			
Program service fees	50	0	50
Rental income	9,800	0	9,800
Total revenue	<u>9,850</u>	<u>0</u>	<u>9,850</u>
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>	<u>87,901</u>	<u>(87,901)</u>	<u>0</u>
Total revenue and support	<u>339,785</u>	<u>(30,614)</u>	<u>309,171</u>
<u>EXPENSES:</u>			
Program expenses	244,879	0	244,879
Management and general expenses	46,440	0	46,440
Fundraising	18,495	0	18,495
Total expenses	<u>309,814</u>	<u>0</u>	<u>309,814</u>
<u>OTHER INCOME (EXPENSES):</u>			
Interest expense	(257)	0	(257)
Miscellaneous income	1,138	0	1,138
Total other income (expenses)	<u>881</u>	<u>0</u>	<u>881</u>
<u>INCREASE (DECREASE) IN NET ASSETS</u>	30,852	(30,614)	238
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>(11,045)</u>	<u>49,892</u>	<u>38,847</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 19,807</u>	<u>\$ 19,278</u>	<u>\$ 39,085</u>

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>			
	<u>Community Outreach</u>	<u>Fundraising Expense</u>	<u>Mgmt and Genl Expenses</u>	<u>Total 2019</u>
Salaries and Related Expenses				
Salaries	\$ 85,989	\$ 0	\$ 11,726	\$ 97,715
Employee benefits	4,585	0	625	5,210
Payroll taxes	7,601	0	1,037	8,638
Total salaries and related expenses	<u>98,175</u>	<u>0</u>	<u>13,388</u>	<u>111,563</u>
Advertising expense	2,057	0	281	2,338
Auto expense	187	0	26	213
Bank fees	837	0	114	951
Conferences and training	1,685	0	230	1,915
Contracted services	985	0	134	1,119
Donations	245	0	33	278
Dues and subscriptions	8,570	0	1,169	9,739
Equipment expenses	2,940	0	401	3,341
Fundraising expenses	0	22,123	0	22,123
Insurance expense	6,590	0	899	7,489
Miscellaneous	440	0	60	500
Office expense	3,599	0	491	4,090
Postage	994	0	136	1,130
Professional fees	17,909	0	17,909	35,818
Project expense	17,925	0	0	17,925
Repairs and maintenance	3,227	0	440	3,667
Scholarships, youth recognition and grant expenses	62,324	0	0	62,324
Telephone	5,920	0	807	6,727
Utilities	12,527	0	1,708	14,235
Total expenses before depreciation	<u>247,136</u>	<u>22,123</u>	<u>38,226</u>	<u>307,485</u>
Depreciation	<u>0</u>	<u>0</u>	<u>3,628</u>	<u>3,628</u>
TOTAL EXPENSES	<u>\$ 247,136</u>	<u>\$ 22,123</u>	<u>\$ 41,854</u>	<u>\$ 311,113</u>

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>			
	<u>Community Outreach</u>	<u>Fundraising Expense</u>	<u>Mgmt and Genl Expenses</u>	<u>Total 2018</u>
Salaries and Related Expenses				
Salaries	\$ 85,174	\$ 0	\$ 11,615	\$ 96,789
Employee benefits	4,576	0	624	5,200
Payroll taxes	6,636	0	905	7,541
Total salaries and related expenses	<u>96,386</u>	<u>0</u>	<u>13,144</u>	<u>109,530</u>
Advertising expense	765	0	104	869
Auto expense	859	0	117	976
Bank fees	409	0	56	465
Conferences and training	1,813	0	247	2,060
Contracted services	287	0	39	326
Dues and subscriptions	8,992	0	1,226	10,218
Equipment expenses	3,639	0	496	4,135
Fundraising expenses	0	18,495	0	18,495
Insurance expense	5,371	0	732	6,103
Miscellaneous	172	0	24	196
Office expense	2,039	0	278	2,317
Postage	143	0	20	163
Professional fees	22,172	0	22,172	44,344
Project expense	20,130	0	0	20,130
Repairs and maintenance	2,398	0	327	2,725
Scholarships, youth recognition and grant expenses	65,273	0	0	65,273
Telephone	3,068	0	418	3,486
Utilities	10,963	0	1,495	12,458
Total expenses before depreciation	<u>244,879</u>	<u>18,495</u>	<u>40,895</u>	<u>304,269</u>
Depreciation	<u>0</u>	<u>0</u>	<u>5,545</u>	<u>5,545</u>
TOTAL EXPENSES	<u>\$ 244,879</u>	<u>\$ 18,495</u>	<u>\$ 46,440</u>	<u>\$ 309,814</u>

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>OPERATING ACTIVITIES:</u>		
Cash received from contributions	\$ 78,563	\$ 63,753
Cash received from grants	98,665	50,252
Cash received from special events	162,943	141,726
Cash received from United Ways (Lake and Porter Counties)	2,500	22,960
Cash received from program revenue	0	50
Cash received from rental income	8,400	9,800
Cash received from miscellaneous income	508	1,138
Cash paid for expenses	<u>(291,335)</u>	<u>(297,308)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	60,244	(7,629)
<u>INVESTING ACTIVITIES</u> - Purchase of fixed assets	(1,741)	0
<u>FINANCING ACTIVITIES</u> - Loan payments	<u>(2,500)</u>	<u>(2,404)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	56,003	(10,033)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>29,346</u>	<u>39,379</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 85,349</u>	<u>\$ 29,346</u>
<u>RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
<u>OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 58,231	\$ 238
Add non-cash items		
Depreciation	3,628	5,545
Decrease (increase) in assets:		
Accounts receivable	1,858	(1,764)
Prepaid expenses	962	2,861
Increase (decrease) in liabilities:		
Accounts payable	(528)	(2,792)
Other current liabilities	667	(2,991)
Funds held for restricted purposes	0	(651)
Deferred revenue	<u>(4,574)</u>	<u>(8,075)</u>
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>\$ 60,244</u>	<u>\$ (7,629)</u>
Supplemental information - In-kind contributions	<u>\$ 17,925</u>	<u>\$ 20,130</u>

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Urban League of Northwest Indiana, Inc. is a non-profit agency in Northwest Indiana that provides programs and services to support education, financial literacy opportunities, health and wellness, civil rights and social justice strategies that would improve the quality of life for citizens in Lake, Porter and LaPorte Counties.

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting.

Reclassifications - Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Change in Accounting Principle - On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statement of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly. See Note 2 - Liquidity and Availability for additional disclosure on the Organization's resources in accordance with the new FASB update.

Net Assets - Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates in Preparation of Financial Statements - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates of revenues and expenses during the reporting period.

Income Taxes - Urban League of Northwest Indiana, Inc. is a not-for-profit corporation organized under the laws of the State of Indiana. The Internal Revenue Service has given the Organization a favorable determination under Section 501 (c) (3) of the Internal Revenue Code, exempting the Organization from taxation.

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Cash and Cash Equivalents - Cash and cash equivalents as presented on the accompanying statement of financial position and statement of cash flows includes cash on hand and deposits in interest bearing and non-interest bearing accounts in financial institutions. Cash equivalents consist of highly liquid accounts with original maturities of 90 days or less. Certificates of deposit and other securities with original maturities over 90 days are classified as short-term investments and stated at cost, which approximates market value.

The Organization has a separate account for raffle proceeds.

Accounts Receivable - Accounts receivable consist of billings for grants and membership dues that have been earned in the current year but have not yet been received. The Organization records bad debts on the direct write-off method when, in management's opinion, an account becomes uncollectible. The direct write-off method is a departure from generally accepted accounting principles. Bad debt expense calculated using the direct write-off method does not differ materially from those calculated using generally accepted methods.

Fixed Assets - The Organization capitalizes expenses with an expected useful life of more than one year, as determined by management. The fair market value of donated assets is also capitalized. Depreciation expense is computed using straight-line methods over the estimated useful life of the assets. When assets are retired or otherwise disposed of, the cost of related accumulated depreciation are removed from the accounts and any gain or loss resulting from the transactions is recognized as income for the period. The cost of repairs and maintenance is charged to income as incurred; significant renewals and betterments are capitalized.

Contributed (In-Kind) Services, Supplies, and Advertising - Most volunteer services neither create nor enhance non-financial assets and do not require specialized skills, and thus are not recognized as support in the accompanying Statement of Activities. Nevertheless, a substantial number of volunteers donated significant amounts of their time in the Organizations' program services. At volunteer minimum wage rates for Indiana, the Organization has documented 1,005 and 1,533 volunteer hours amounting to \$7,284 and \$11,114 of unrecorded time for the years ended December 31, 2019 and 2018, respectively.

Certain contributed services, supplies and advertising are recorded as support and expensed at fair market value when determinable, otherwise at values indicated by the donor. Included in statement of activities as donations in kind is \$17,925 and \$20,130 in donated professional services for the years ended December 31, 2019 and 2018, respectively.

Concentration of Credit Risk - The Organization received 29.88% and 32.02% of its revenue for the years ended December 31, 2019 and 2018, respectively, from the major fundraiser. Reduction or loss of this funding could severely limit the Organization's ability to continue operations.

Allocation of Functional Expenses - The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Most of the expenses that are allocated on the basis of estimates of time and effort at 88% program and 12% management and general.

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Newly Adopted Accounting Pronouncements - In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requires entities to recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The Organization adopted this standard on January 1, 2019 using the cumulative catch up adjustment method. Due to the short-term nature of the products within the Organization's revenue streams, the adoption of this standard did not have a material impact on the amount and timing of revenue recognition for revenue from rent. Other remaining revenue streams not related to rent including Contributions, Grants, and special events are not within the scope of Topic 606 Revenue Recognition. The adoption of this standard did not materially affect changes in net assets, financial position, or cash flow. The Organization's revenue is classified by category on the statements of activities.

In June 2018, the FASB issued ASU No. 2018-08- Not-for Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance applies to all entities that receive or make contributions. This ASU includes specific criteria to consider when determining whether a contract or agreement should be accounted for as a contribution or as an exchange transaction. ASU No. 2018-08 also provides a framework to determine whether a contribution is conditional or unconditional, which may impact the timing of revenue recognition. Under the new guidance, if a transaction is considered an exchange transaction, it is accounted for under the applicable revenue recognition standards. The Organization adopted this standard prospectively for contributions received for the fiscal year ended December 31, 2019. The adoption of this standard resulted in most grants being accounted for as contributions than were under previous guidance. The Organization does not make significant contributions and the impact of ASU No. 2018-08 related to contributions made is not expected to be material to the financial statement or disclosures.

Contributions - donation from the general public some of which is restricted for scholarships.

Grants - revenue from companies for specific programs.

Special events - revenue from diversity and inclusion luncheon and symposium fundraising events.

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following at December 31, 2019 and 2018:

	2019	2018
Cash and equivalents	\$ 85,349	\$ 29,346
Accounts receivable	309	2,167
Total	\$ 85,658	\$ 31,513

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 - LIQUIDITY AND AVAILABILITY - (Continued)

The Organization is substantially supported by restricted grants. The Organization must maintain sufficient resources to meet restricted responsibilities to its donors. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition the Organization's policy is to keep three months of expenses in cash on hand.

NOTE 3 - FIXED ASSETS

Fixed assets consist of the following at December 31, 2019:

	Cost	Accumulated Depreciation	Net Book Value
Buildings and land	\$ 128,685	\$ 101,981	\$ 26,704
Furniture and equipment	97,271	96,120	1,151
Leasehold improvements	1,741	124	1,617
Total fixed assets - net	<u>\$ 227,697</u>	<u>\$ 198,225</u>	<u>\$ 29,472</u>

Fixed assets consist of the following at December 31, 2018:

	Cost	Accumulated Depreciation	Net Book Value
Buildings and land	\$ 128,685	\$ 98,764	\$ 29,921
Furniture and equipment	99,133	97,695	1,438
Equipment - Lilly foundation	4,469	4,469	0
Software	11,760	11,760	0
Total fixed assets - net	<u>\$ 244,047</u>	<u>\$ 212,688</u>	<u>\$ 31,359</u>

Depreciation expense was \$3,628 and \$5,545 for the years ended December 31, 2019 and 2018, respectively.

NOTE 4 - NOTE PAYABLE

The Organization has the following note payable at December 31, 2019 and 2018:

	2019	2018
Horizon Bank, \$12,036 note payable, interest rate of 3.95%, 60 monthly principal and interest payments of \$222 maturing December 2020, secured by all business assets.	\$ 2,574	\$ 5,074
Total	2,574	5,074
Less: current portion	2,574	2,502
Total long - term notes payable	<u>\$ 0</u>	<u>\$ 2,572</u>

A summary of maturities over the next year is as follows:

2020	<u>\$ 2,574</u>
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URBAN LEAGUE OF NORTHWEST INDIANA, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 5 - LEASES

The Organization leases office equipment for \$495 per month through an operating lease that expires in May 2021. Lease expense was \$5,940 for both of the years ended December 31, 2019 and 2018, which is included on the statement of functional expenses in equipment expenses and scholarships, youth recognition and grant expenses.

Minimum lease payments for the next two years are:

2020	\$ 5,940
2021	<u>2,475</u>
	<u>\$ 8,415</u>

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

The Organization has received donations restricted by the donor for purposes that had not been expended as of December 31, 2019 and 2018. These funds are recorded on the balance sheet as net assets with donor restrictions. At December 31, 2019 and 2018 the Organization's net assets with donor restrictions were \$72,741 and \$19,278, respectively. Following is a reconciliation on how the net assets with donor restrictions must be used:

	<u>2019</u>	<u>2018</u>
College Readiness Program	\$ 26,117	\$ 14,620
Digital Literacy Program	6,671	220
VITA - Income Tax Assistance Program	1,263	1,875
Block club	30,639	563
Scholarships	8,051	2,000
Total	<u>\$ 72,741</u>	<u>\$ 19,278</u>

NOTE 7 - CONTINGENT LIABILITIES

At December 31, 2019 and 2018, there was a lawsuit pending, filed on May 3, 2017. The lawsuit involves a slip and fall incident that took place at the Organization. The matter is handled by the general liability insurer. The lawsuit was settled subsequent to the year ended December 31, 2018 for \$260,000, which will be covered by the insurance policy that has a limit of \$1,000,000, and will not materially affect the financial position of the Organization.

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 8 - FUNDRAISERS

For the years ended December 31, 2019 and 2018 the Organization had two major fundraisers and a few minor ones. The revenue from the fundraisers is recorded on the Statement of Activities as special events and the expenses from the fundraisers are recorded on the Statement of Activities as fundraising. The Organization recorded \$162,943 and \$141,726 in fundraiser revenue and \$22,123 and \$18,495 in fundraiser expenses for the years ended December 31, 2019 and 2018, respectively.

NOTE 9 - RETIREMENT PLAN

The national organization required the local Organization to provide a pension plan for its President/CEO effective January 1, 1993. The Organization is required to contribute 3% of the CEO's base salary. At December 31, 2019 and 2018, there are no un-funded retirement plan costs. The Organization made a contribution of \$1,950 and \$1,950 for the years ending December 31, 2019, and 2018, respectively.

NOTE 10 - INCOME TAX UNCERTAINTIES

The Organization has adopted the provisions of ASC 740-10-25, which requires an organization to disclose any income tax uncertainties, including tax positions, for which it is reasonably possible that the unrecognized tax benefit will significantly change in the next 12 months. The Organization believes that all income tax positions are reasonable and that the total amounts of unrecognized tax benefits will not significantly increase or decrease within 12 months of the reporting date. As a non-profit organization, the entity is exempt from income taxes. The Organization has not recognized any interest or penalties in their December 31, 2019 and 2018 financial statements. In general, the Organization is no longer subject to examination for the years prior to 2017.

NOTE 11 - SUBSEQUENT EVENTS

Subsequent events were evaluated through September 9, 2020, which is the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact future contributions, special events and grant revenue. Any financial impact is unknown at this time.