URBAN LEAGUE OF
NORTHWEST INDIANA, INC.

AUDITED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

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McMahon & Associates
CERTIFIED PUBLIC ACCOUNTANTS P.C. SINCE 1971

INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Urban League of Northwest Indiana, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Urban League of Northwest Indiana, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Urban League of Northwest Indiana, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Urban League of Northwest Indiana, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

McMahon & Associates CPAs P.C.

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

August 5, 2025

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

ASSETS

	2024	2023
CURRENT ASSETS:		
Cash and cash equivalents	$ 174,279	$ 256,184
Short-term investments - other	208,185	341,793
Restricted cash	237,538	0
Accounts receivable	712	0
Prepaid expenses	4,109	3,408
Total current assets	624,823	601,385
FIXED ASSETS (NET)	101,054	85,606
LONG-TERM ASSETS - Operating lease right-of-use asset	9,337	15,436
TOTAL ASSETS	$ 735,214	$ 702,427

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	$ 9,164	$ 32,351
Other accrued liabilities	2,881	5,542
Current portion of operating lease liability	6,502	6,099
Deferred revenue	350,253	103,182
Total current liabilities	368,800	147,174
NONCURRENT LIABILITIES - Long-term operating lease liability	2,835	9,337
Total liabilities	371,635	156,511
NET ASSETS:		
Without donor restrictions	363,579	545,916
With donor restrictions	0	0
Total net assets	363,579	545,916
TOTAL LIABILITIES AND NET ASSETS	$ 735,214	$ 702,427

See notes to financial statements.

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND SUPPORT:			
PUBLIC SUPPORT:			
Contributions	$ 174,377	$ 0	$ 174,377
Grants	269,349	0	269,349
Special events	167,298	0	167,298
Donations in kind	28,829	0	28,829
Scholarship donations	78,992	0	78,992
Total public support	718,845	0	718,845
NET ASSETS RELEASED FROM RESTRICTIONS	0	0	0
Total revenue and support	718,845	0	718,845
EXPENSES:			
Program expenses	745,756	0	745,756
Management and general expenses	110,378	0	110,378
Fundraising	46,946	0	46,946
Total expenses	903,080	0	903,080
OTHER INCOME (EXPENSES):			
Interest income	14,368	0	14,368
Miscellaneous income	2,799	0	2,799
Loss on disposal of assets	(15,269)	0	(15,269)
Total other income (expenses)	1,898	0	1,898
DECREASE IN NET ASSETS	(182,337)	0	(182,337)
NET ASSETS - BEGINNING OF YEAR	545,916	0	545,916
NET ASSETS - END OF YEAR	$ 363,579	$ 0	$ 363,579

See notes to financial statements.

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND SUPPORT:			
PUBLIC SUPPORT:			
Contributions	$ 178,572	$ 0	$ 178,572
Grants	434,361	0	434,361
Special events	165,786	0	165,786
Donations in kind	24,181	0	24,181
Scholarship donations	62,000	0	62,000
Total public support	864,900	0	864,900
NET ASSETS RELEASED FROM RESTRICTIONS	0	0	0
Total revenue and support	864,900	0	864,900
EXPENSES:			
Program expenses	717,819	0	717,819
Management and general expenses	97,252	0	97,252
Fundraising	37,260	0	37,260
Total expenses	852,331	0	852,331
OTHER INCOME (EXPENSES):			
Interest income	6,461	0	6,461
Miscellaneous income	2,309	0	2,309
Loss on disposal of assets	(622)	0	(622)
Total other income (expenses)	8,148	0	8,148
INCREASE IN NET ASSETS	20,717	0	20,717
NET ASSETS - BEGINNING OF YEAR	525,199	0	525,199
NET ASSETS - END OF YEAR	$ 545,916	$ 0	$ 545,916

See notes to financial statements.

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services			
	Community Outreach	Fundraising Expense	Mgmt and Genl Expenses	Total 2024
Salaries and Related Expenses				
Salaries	$ 161,461	$ 0	$ 22,017	$ 183,478
Employee benefits	16,786	0	2,289	19,075
Payroll taxes	8,961	0	1,222	10,183
Total salaries and related expenses	187,208	0	25,528	212,736
Advertising expense	8,006	0	1,092	9,098
Auto expense	4,228	0	577	4,805
Bank fees	443	0	60	503
Conferences and training	1,529	0	208	1,737
Contracted services	30,105	0	4,105	34,210
Dinner and luncheon expense	4,501	0	614	5,115
Donations	15,210	0	2,074	17,284
Dues and subscriptions	1,272	0	174	1,446
Fundraising expenses	0	46,946	0	46,946
Insurance expense	11,199	0	1,527	12,726
Miscellaneous	3,594	0	490	4,084
Office expense	24,541	0	3,347	27,888
Postage	534	0	73	607
Professional fees	53,817	0	53,817	107,634
Project expense	233,887	0	0	233,887
Repairs and maintenance	3,974	0	542	4,516
Scholarships, youth recognition and grant expenses	141,398	0	0	141,398
Telephone	6,085	0	830	6,915
Utilities	14,225	0	1,940	16,165
Total expenses before depreciation	745,756	46,946	96,998	889,700
Depreciation	0	0	13,380	13,380
TOTAL EXPENSES	$ 745,756	$ 46,946	$ 110,378	$ 903,080

See notes to financial statements.

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services			
	Community Outreach	Fundraising Expense	Mgmt and Genl Expenses	Total 2023
Salaries and Related Expenses				
Salaries	$ 201,450	$ 0	$ 27,471	$ 228,921
Employee benefits	20,248	0	2,761	23,009
Payroll taxes	9,067	0	1,236	10,303
Total salaries and related expenses	230,765	0	31,468	262,233
Advertising expense	1,192	0	163	1,355
Auto expense	6,355	0	867	7,222
Bank fees	513	0	70	583
Conferences and training	2,057	0	281	2,338
Contracted services	5,798	0	791	6,589
Dinner and luncheon expense	4,917	0	670	5,587
Donations	10,278	0	1,402	11,680
Dues and subscriptions	902	0	123	1,025
Fundraising expenses	0	37,260	0	37,260
Insurance expense	10,775	0	1,469	12,244
Miscellaneous	158	0	22	180
Office expense	16,055	0	2,189	18,244
Postage	440	0	60	500
Professional fees	45,703	0	45,702	91,405
Project expense	220,769	0	0	220,769
Repairs and maintenance	3,182	0	434	3,616
Scholarships, youth recognition and grant expenses	143,071	0	0	143,071
Telephone	4,336	0	591	4,927
Utilities	10,553	0	1,439	11,992
Total expenses before depreciation	717,819	37,260	87,741	842,820
Depreciation	0	0	9,511	9,511
TOTAL EXPENSES	$ 717,819	$ 37,260	$ 97,252	$ 852,331

See notes to financial statements.

URBAN LEAGUE OF NORTHWEST INDIANA, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
OPERATING ACTIVITIES:		
Cash received from contributions	$ 174,377	$ 178,572
Cash received from grants	269,349	434,361
Cash received from special events	167,298	165,786
Cash received from miscellaneous income	2,799	2,309
Cash received from interest income	14,368	6,461
Cash paid for expenses	(562,069)	(728,598)
NET CASH PROVIDED BY OPERATING ACTIVITIES	66,122	58,891
INVESTING ACTIVITIES:		
Purchase of fixed assets	(44,097)	(20,233)
Redemption (purchase) of CDs	133,608	(221,462)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	89,511	(241,695)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	155,633	(182,804)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	256,184	438,988
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 411,817	$ 256,184
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING ACTIVITIES:		
Change in net assets	$ (182,337)	$ 20,717
Add non-cash items		
Depreciation	13,380	9,511
Loss on disposal of assets	15,269	622
In-kind donations	(28,829)	(24,181)
Expenses recorded from in-kind donations	28,829	24,181
Decrease (increase) in assets:		
Accounts receivable	(712)	0
Prepaid expenses	(701)	3,904
Increase (decrease) in liabilities:		
Accounts payable	(23,187)	11,415
Other current liabilities	(2,661)	280
Deferred revenue	247,071	12,442
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 66,122	$ 58,891

See notes to financial statements.

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.

Recently Adopted Accounting Pronouncements - In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organizations that are subject to the guidance in FASB ASC 326 were accounts receivable.

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.

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.

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

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.

Cash and Cash Equivalents - Cash and cash equivalents as presented on the accompanying statements of financial position and statements 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.

Restricted cash on the statements of financial position is from two grants. The Organization opened new bank accounts to track the activity. The remaining balance in these bank accounts at year end are restricted for use on these grants. The revenue is recorded as deferred revenue until it is used to satisfy the grant. Consequently, there are no restricted net assets for the restricted cash at December 31, 2024.

The Organization has a separate account for raffle proceeds.

Investments - Other - Certificates of deposit held for investment that are not debt securities are included in “investments - other”. Certificates of deposit with original maturities greater than three months and less than one year are classified as “short-term investments – other”. Certificates of deposit with remaining maturities greater than one year are classified as “long-term investments – other”.

Accounts Receivable and Allowance for Credit Losses - The Organization operates as a nonprofit and its accounts receivable are primarily derived from services provided to the community. The allowance estimate is derived from a review of the Organization’s historical losses based on the aging of receivables. The estimate is adjusted for management’s assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is reasonable starting point in which to calculate the expected allowance for credit losses as the Organization’s portfolio segments have remained constant.

Based on the review of accounts receivable, management believes all receivables are fully collectible at December 31, 2024. No allowance for credit losses was recorded.

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

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.

Estimated useful lives of the assets are as follows:

Equipment and furniture	1 - 10 Years
Building and improvements	5 - 40 Years

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 Statements 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 471 and 1,341.75 volunteer hours amounting to $3,415 and $9,728 of unrecorded time for the years ended December 31, 2024 and 2023, 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 statements of activities as donations in kind is $28,829 and $24,181 in donated professional services for the years ended December 31, 2024 and 2023, respectively.

Concentration of Credit Risk - The Organization received 17.43% and 14.28% of its revenue for the years ended December 31, 2024 and 2023, respectively, from the major fundraiser. During 2023 the Organization also received $250,000 of unrestricted donations from a donor accounting for 28.91% of revenue.

During the years ended December 31, 2024 and 2023, the Organization occasionally had balances in financial institutions in excess of the Federal Deposit Insurance Corporations' (FDIC) insured level of $250,000. At December 31, 2024 and 2023 the cash and cash equivalents at one financial institution exceeded the federally insured limit by a total of $393,393 and $312,037, respectively.

Advertising - Advertising costs are expensed as they are incurred. Advertising expense for the years ended December 31, 2024 and 2023 is $9,098 and $1,355, respectively.

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. Expenses are allocated between program, fundraising, and management and general expenses at a percentage allocated on the basis of estimates of time and effort.

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

The costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Indirect costs have been allocated between the various program and support services based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting function of the Organization. Those expenses and the allocation methods used for each are described as follows:

- Utility costs - square footage by building function
- Salaries and related expenses - time spent on each function by employees

Revenue Recognition - Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the used of donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Conditional contributions, that is, those with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met. At December 31, 2024 and 2023, there were no contributions that have not been recognized in the accompanying financial statements because the conditions have not been met.

Contributions - donations from the general public.

Grants - revenue from companies for specific programs.

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

Scholarship donations - donations from the general public that are restricted for scholarships.

Leases - The Organization accounts for leases in accordance with FASB ASC 842. The Organization is a lessee in one noncancellable operating lease for office equipment. Leases for other equipment are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right of use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and ROU asset at the commencement date of the lease.

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

ROU assets - A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

Lease liabilities - A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Organization uses its incremental borrowing rate. The implicit rates of the Organization's leases are not readily determinable; accordingly, the Organization uses its incremental borrowing rate based on the information available at the commencement date for each lease. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. The Organization determines its incremental borrowing rates by starting with the interest rates on recent borrowings and other observable market rates and adjusting those rates to reflect differences in the amount of collateral and the payment terms of the leases.

Subsequent Events - Subsequent events were evaluated through August 5, 2025, which is the date the financial statements were available to be issued.

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 statements of financial position date, comprise of the following at December 31, 2024 and 2023:

	2024	2023
Cash and equivalents	$ 174,279	$ 256,184
Short-term investments - other	208,185	341,793
Accounts receivable	712	0
Total	$ 383,176	$ 597,977

The Organization is substantially supported by restricted grants that are included in deferred revenue on the statements of financial position. 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. Excess cash is invested in certificates of deposit.

NOTE 3 - CERTIFICATES OF DEPOSIT

	2024	2023
The Organization had a CD. The CD matured in May 2024 and was closed. The interest rate was 4.88%.	$ 0	$ 60,756
The Organization had a CD. The CD matured in April 2024 and was closed. The interest rate was 4.88%.	0	41,016
The Organization has a CD. The CD matures in November 2025 and automatically renews. The interest rate is 3.92%.	21,459	20,510
The Organization has a CD. The CD matures in May 2025 and automatically renews. The interest rate is 3.92%.	186,726	177,878
The Organization had a CD. The CD matured in January 2024 and was closed. The interest rate was 4.48%.	0	41,633
Total	$ 208,185	$ 341,793

NOTE 4 - FIXED ASSETS

Fixed assets consist of the following at December 31, 2024:

	Cost	Accumulated Depreciation	Net Book Value
Buildings and land	$ 104,992	$ 104,992	$ 0
Furniture and equipment	113,823	107,440	6,383
Leasehold improvements	114,632	19,961	94,671
Total fixed assets - net	$ 333,447	$ 232,393	$ 101,054

Fixed assets consist of the following at December 31, 2023:

	Cost	Accumulated Depreciation	Net Book Value
Buildings and land	$ 128,685	$ 113,285	$ 15,400
Furniture and equipment	113,823	103,877	9,946
Leasehold improvements	70,537	10,277	60,260
Total fixed assets - net	$ 313,045	$ 227,439	$ 85,606

Depreciation expense was $13,380 and $9,511 for the years ended December 31, 2024 and 2023, respectively.

NOTE 5 - OPERATING LEASE AGREEMENT

The Organization has obligations as a lessee for equipment with initial noncancelable terms in excess of one year. The equipment has an initial term of 5 years. The Organization classifies this lease as an operating lease, except for any equipment leases that meet the FASB ASC 842 criteria to be classified as a finance lease. Because the Organization is not reasonably certain to exercise these renewal options, the optional periods are not included in determining the lease term, and associated payments under these renewal options are excluded from lease payments used to determine the lease liabilities. The Organization's lease does not include termination options for either party to the lease, guaranteed residual values or restrictive financial or other covenants. Payments due under lease contracts include fixed payments and, for many leases, variable payments. These leases generally contain renewal options for periods ranging from 1 to 5 years.

The Organization has elected not to separate non-lease components from lease components in its lease for equipment.

	Statement of Functional Expenses	Year ended December 31, 2024	Year ended December 31, 2023
Operating lease cost:	Office expense	$ 6,876	$ 6,876

NOTE 5 - OPERATING LEASE AGREEMENT - (Continued)

Other information related to leases as of or for the year ended December 31 is as follows:

	2024	2023
Weighted-average remaining lease term (years):		
Operating leases	17 months	29 months
Weighted-average discount rate:		
Operating leases	6.42%	6.42%

Supplemental cash flow information for the year ended December 31:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows - operating leases	$ 6,876	$ 6,876
Reduction to right-of-use assets resulting from reduction to lease liabilities:		
Operating leases	$ 6,099	$ 5,721

Maturities of operating lease liabilities as of December 31, 2024, are as follows:

	Operating Leases
2025	$ 6,876
2026	2,865
Total lease payments	9,741
Less: present value adjustment	(404)
Present value of lease liabilities	$ 9,337

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, 2024 and 2023. During 2024 and 2023, these funds are recorded as deferred liabilities until the funds are used for their designated purpose. At December 31, 2024 and 2023 there were no net assets with donor restrictions.

NOTE 7 - FUNDRAISERS

For the years ended December 31, 2024 and 2023 the Organization had two major fundraisers and a few minor ones. The revenue from the fundraisers is recorded on the Statements of Activities as special events and the expenses from the fundraisers are recorded on the Statements of Activities as fundraising. The Organization recorded $167,298 and $165,786 in fundraiser revenue and $46,946 and $37,260 in fundraiser expenses for the years ended December 31, 2024 and 2023, respectively.

NOTE 8 - 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, 2024 and 2023, there are no un-funded retirement plan costs. The Organization made a contribution of $2,639 and $3,240 for the years ending December 31, 2024 and 2023, respectively.

NOTE 9 - 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, 2024 and 2023 financial statements. In general, the Organization is no longer subject to examination for the years prior to 2022.