
CROSSROADS CARE CENTER
(A Michigan Non-Profit Corporation)

Financial Report
For the Year Ended
December 31, 2019
With Comparative Totals
For the Year Ended
December 31, 2018



certified public accountants

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CROSSROADS CARE CENTER
Auburn Hills, Michigan

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Crossroads Care Center
Auburn Hills, Michigan

Management is responsible for accompanying financial statements of Crossroads Pregnancy Center, Inc. (a Michigan non-profit corporation), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Summarized Comparative Information

We previously reviewed Crossroads Pregnancy Center, Inc. D/B/A Crossroads Care Center's 2018 financial statements and we noted that we were not aware of any material modifications that should have been made on those reviewed financial statements in our report dated August 26, 2019. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2018, for it to be consistent with the reviewed financial statements from which it has been derived.

Gordon Advisors, P.C.

September 11, 2020

CROSSROADS CARE CENTER
Statement of Financial Position
December 31, 2019 and 2018

ASSETS

	2019	2018
Cash and equivalents	\$ 110,434	\$ 84,599
Prepaid expenses and rent	8,533	9,342
Equipment and leasehold improvements, net	17,024	25,540
Total Assets	\$ 135,991	\$ 119,481

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and other accrued expenses	\$ 1,831	\$ 2,533
Total Liabilities	1,831	2,533
Net Assets		
Without donor restrictions	129,289	112,027
With donor restrictions	4,871	4,921
Total Net Assets	134,160	116,948
Total Liabilities and Net Assets	\$ 135,991	\$ 119,481

CROSSROADS CARE CENTER
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenue				
Contributions	\$ 347,038	\$ 500	\$ 347,538	\$ 261,911
Special events - Net of direct expenses of \$64,715 in 2019 and \$80,156 in 2018	154,643	0	154,643	164,570
Investment income	229	0	229	20
Net assets released from restrictions	550	(550)	0	0
Total Support and Revenue	502,460	(50)	502,410	426,501
Expenses				
Program services				
Program	348,160	0	348,160	347,862
Administrative	77,573	0	77,573	74,247
Fundraising	59,465	0	59,465	57,003
Total Expenses	485,198	0	485,198	479,112
Increase (Decrease) in Net Assets	17,262	(50)	17,212	(52,611)
Net Assets - Beginning of Year	112,027	4,921	116,948	169,559
Net Assets - End of Year	\$ 129,289	\$ 4,871	\$ 134,160	\$ 116,948

CROSSROADS CARE CENTER**Statement of Functional Expenses****Year Ended December 31, 2019****With Comparative Totals for the Year Ended December 31, 2018**

	2019			2018	
	Program	Management	Fundraising	Total	Total
Salaries and benefits	\$ 209,981	\$ 42,777	\$ 42,078	\$ 294,836	\$ 284,369
Payroll tax expense	15,618	3,622	3,395	22,635	22,020
Ministry expenses	36,307	0	0	36,307	33,912
Advertising and promotion	2,319	0	0	2,319	10,662
Bank charges	1,855	0	1,856	3,711	2,928
Conferences/staff training	3,626	0	0	3,626	6,736
Equipment maintenance	327	163	54	544	729
Facility expense	56,661	18,332	8,333	83,326	80,750
Insurance	8,446	1,056	1,057	10,559	9,853
Membership fees	814	621	505	1,940	2,455
Office expense	2,585	369	738	3,692	3,019
Special events	0	0	64,715	64,715	80,156
Printing and postage	1,789	597	597	2,983	3,363
Professional fees	1,020	9,184	0	10,204	9,606
	<u>341,348</u>	<u>76,721</u>	<u>123,328</u>	<u>541,397</u>	<u>550,558</u>
Depreciation	<u>6,812</u>	<u>852</u>	<u>852</u>	<u>8,516</u>	<u>8,710</u>
Total expenses by function	348,160	77,573	124,180	549,913	559,268
Less expenses included in revenues on the statement of activities:					
Special events costs	<u>0</u>	<u>0</u>	<u>(64,715)</u>	<u>(64,715)</u>	<u>(80,156)</u>
Total expenses included in the expense section on the statement of activities	<u>\$ 348,160</u>	<u>\$ 77,573</u>	<u>\$ 59,465</u>	<u>\$ 485,198</u>	<u>\$ 479,112</u>

CROSSROADS CARE CENTER**Statement of Cash Flows****Year Ended December 31, 2019****With Comparative Totals for the Year Ended December 31, 2018**

Operating Activities	<u>2019</u>	<u>2018</u>
Increase (decrease) in net assets	\$ 17,212	\$ (52,611)
Add items not requiring cash:		
Depreciation and amortization	8,516	8,710
(Increase) decrease in operating assets:		
Prepaid expenses	809	(209)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	<u>(702)</u>	<u>482</u>
Net Cash Provided By (Used In) Operating Activities	<u>25,835</u>	<u>(43,628)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	25,835	(43,628)
Cash and Cash Equivalents - Beginning of Year	<u>84,599</u>	<u>128,227</u>
Cash and Cash Equivalents - End of Year	<u>\$ 110,434</u>	<u>\$ 84,599</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	<u>\$ 0</u>	<u>\$ 0</u>
Cash paid for income taxes	<u>\$ 0</u>	<u>\$ 0</u>

See Independent Accountants' Report and Accompanying Footnotes.

CROSSROADS CARE CENTER
Notes to the Financial Statements
December 31, 2019

NOTE:

1. Summary of Significant Accounting Policies

The following are accounting principles and policies followed by the Organization:

Nature of Operations – Crossroads Pregnancy Center, Inc. D/B/A Crossroads Care Center (the Organization) is a non-profit, Christian organization dedicated to assisting abortion-vulnerable women and men who are involved in a crisis pregnancy to choose life for their unborn child. Toward the same end, the organization is committed to encouraging godly sexual attitudes and practices in the community. The organization also offers STI/STD testing and treatment.

Basis of Accounting – The financial statements are prepared based on the accrual basis of accounting, in accordance with generally accepted accounting principles (U.S. GAAP).

Financial Statement Presentation – The Organization classifies, and reports net assets, revenues, gains and losses based upon donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Represent those resources over which the Board has discretionary control. These include designated amounts which are revenues or funds the Board has set aside for a particular purpose. All property, equipment and related debt are considered unrestricted.

Net Assets With Donor Restrictions – Represents those resources subject to donor-imposed restrictions which will be satisfied by actions of the Organization or passage of time. When donor restrictions expire, that is, when stipulated time restrictions end or a purpose restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions.

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

Cash and Cash Equivalents – The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Equipment and Leasehold Improvements – Equipment and leasehold improvements are stated at cost if purchased or fair value at date of donation and depreciated over their estimated useful lives using the straight-line method. Upon sale or retirement, the cost and accumulated depreciation is eliminated from the respective accounts and a gain or loss is recorded in operations.

Contributions – Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received from the donor, measured at fair value. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. The Organization receives donations of clothes, diapers, and other baby items that are given out to the families they service free of charge. No revenue or expense has been reported for these items.

CROSSROADS CARE CENTER
Notes to the Financial Statements (Continued)
December 31, 2019

NOTE:

1. Summary of Significant Accounting Policies (Continued)

Contributed Services – No amounts have been reflected in the statements for volunteer services since these services are not recordable under accounting principles generally accepted in the United States of America; however, volunteers have donated countless hours to the Organization.

Tax-Exempt Status – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation by the Internal Revenue Service.

Advertising – Advertising costs are charged to operations when incurred.

Concentrations –The Organization maintains its cash accounts at financial institutions whose balances are insured up to limits established by the Federal Deposit Insurance Corporation. At December 31, 2019, the Organization was not in excess of the FDIC insured limits. Management does not believe the Organization is exposed to any unusual credit risk on uninsured balances.

Income Tax Uncertainties – Accounting principles generally accepted in the United States of America require the Organization to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Subsequent Events – The Organization has evaluated events and transactions that occurred through September 11, 2020, which is the date the financial statements were available for issue.

2. Functional Allocation of Expenses

The cost of providing the program and supporting services are reported in the statement of functional expenses. Indirect costs have been allocated between the various programs and supporting services based on estimates by management.

3. Comparative Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

CROSSROADS CARE CENTER
Notes to the Financial Statements (Continued)
December 31, 2019

NOTE:**4. Equipment and Leasehold Improvements**

Equipment and leasehold improvements consist of the following:

	<u>2019</u>	<u>2018</u>
Office furniture and equipment	\$ 48,591	\$ 48,591
Leasehold improvements	<u>77,453</u>	<u>77,453</u>
Total	126,044	126,044
Less: Accumulated depreciation	<u>(109,020)</u>	<u>(100,504)</u>
Net equipment and leasehold improvements	<u>\$ 17,024</u>	<u>\$ 25,540</u>

5. Leases

The Organization has an operating lease for its office and storage facility with monthly payments ranging from \$3,533 to \$3,754. This lease is set to expire March 31, 2024. The future minimum lease payments remaining at December 31, 2019 are as follows:

2020	\$ 43,725
2021	43,725
2022	43,725
2023	44,719
2024	<u>11,263</u>
Total minimum lease payments	<u>\$ 187,157</u>

6. Temporarily Restricted Net Assets

Temporarily restricted net assets are available as of December 31, 2019 and 2018 for the following purposes:

	<u>2019</u>	<u>2018</u>
Restricted for program activities:		
Client Assistance	<u>\$ 4,871</u>	<u>\$ 4,921</u>

7. Liquidity

The Organization has \$110,434 of liquid financial assets available within one year of the statement of financial position to meet cash needs for general expenditures, subject to \$4,871 of funds required to satisfy net assets with donor restrictions. As part of its liquidity management, the Organization invests excess cash in a savings account held by one financial institution.

CROSSROADS CARE CENTER
Notes to the Financial Statements (Continued)
December 31, 2019

NOTE:

8. Subsequent Event

On March 13, 2020 a National Emergency was declared in response to the outbreak of a novel strain of coronavirus in the United States. To further contain the spread of the virus, on March 24, 2020, the State of Michigan issued a stay-at-home Executive Order, modified and extended through the date these statements were issued, that limits the ability of individuals to engage in many social and work related activities, that sustain or protect life, as defined by the order. While this disruption is expected to be temporary, there is considerable uncertainty as to the duration and spread of the outbreak, its impact on the economy as a whole, and on the Organization's operations. Because of this the Organization did receive \$61,400 on April 17, 2020 from the Payroll Protection Program to help sustain the Organization through this trying time. This loan amount may be forgiven if all qualifications are met. Therefore, management cannot reasonably estimate how this matter will affect results of operations and financial position.