
CROSSROADS PREGNANCY CENTER, INC.

(A Michigan Non-Profit Corporation)

**Financial Report
For The Year Ended
December 31, 2015
With Comparative Totals
For the Year Ended
December 31, 2014**



certified public accountants

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CROSSROADS PREGNANCY CENTER, INC.
Auburn Hills, Michigan

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Crossroads Pregnancy Center, Inc.
Auburn Hills, Michigan

We have reviewed the accompanying statement of financial position of Crossroads Pregnancy Center, Inc. (a Michigan non-profit corporation), as of December 31, 2015, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We previously reviewed Crossroads Pregnancy Center, Inc.'s 2014 financial statements and in our report dated May 7, 2015, stated that based on our review, we were not aware of any material modifications that should be made to the 2014 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. 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, 2014, for it to be consistent with the reviewed financial statements from which it has been derived.

Gordon Advisors, P.C.

July 19, 2016

CROSSROADS PREGNANCY CENTER, INC.**Statement of Financial Position****December 31, 2015 and 2014****ASSETS**

	<u>2015</u>	<u>2014</u>
Cash and equivalents	\$ 82,241	\$ 80,181
Prepaid expenses and rent	7,015	8,239
Construction deposit	12,068	0
Equipment and leasehold improvements, net	<u>3,336</u>	<u>3,717</u>
Total Assets	<u>\$ 104,660</u>	<u>\$ 92,137</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and other accrued expenses	<u>\$ 2,285</u>	<u>\$ 2,598</u>
Total Liabilities	<u>2,285</u>	<u>2,598</u>
Net Assets		
Unrestricted	97,424	85,123
Temporarily restricted	<u>4,951</u>	<u>4,416</u>
Total Net Assets	<u>102,375</u>	<u>89,539</u>
Total Liabilities and Net Assets	<u>\$ 104,660</u>	<u>\$ 92,137</u>

CROSSROADS PREGNANCY CENTER, INC.
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2015
With Comparative Totals for the Year Ended December 31, 2014

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Support and Revenue				
Contributions	\$ 207,009	\$ 45,395	\$ 252,404	\$ 216,935
Special events - net of direct expenses of \$56,990 in 2015 and \$58,446 in 2014	157,659	0	157,659	152,960
Investment income	20	0	20	33
Gain on sale of asset	2,500	0	2,500	0
Net assets released from restrictions	44,860	(44,860)	0	0
Total Support and Revenue	412,048	535	412,583	369,928
Expenses				
Program services				
Program	280,637	0	280,637	273,338
Administrative	66,594	0	66,594	64,875
Fundraising	52,516	0	52,516	43,267
Total Expenses	399,747	0	399,747	381,480
Increase (Decrease) in Net Assets	12,301	535	12,836	(11,552)
Net Assets - Beginning of Year	85,123	4,416	89,539	101,091
Net Assets - End of Year	\$ 97,424	\$ 4,951	\$ 102,375	\$ 89,539

CROSSROADS PREGNANCY CENTER, INC.**Statement of Functional Expenses****Year Ended December 31, 2015****With Comparative Totals for the Year Ended December 31, 2014**

	2015			2014
	Program	Management	Fundraising	Total
Salaries and benefits	\$ 160,729	\$ 34,912	\$ 37,145	\$ 232,786
Payroll tax expense	14,052	3,259	3,055	20,366
Ministry expenses	30,460	0	0	30,460
Advertising and promotion	627	0	0	627
Bank charges	1,966	0	1,966	3,932
Conferences/staff training	6,174	0	0	6,174
Equipment maintenance	375	188	62	625
Facility expense	52,217	16,894	7,678	76,789
Insurance	7,904	988	988	9,880
Membership fees	750	571	464	1,785
Office expense	2,441	349	697	3,487
Printing and postage	1,046	349	349	1,744
Professional fees	997	8,972	0	9,969
	<u>279,738</u>	<u>66,482</u>	<u>52,404</u>	<u>398,624</u>
Depreciation	<u>899</u>	<u>112</u>	<u>112</u>	<u>1,123</u>
	<u>\$ 280,637</u>	<u>\$ 66,594</u>	<u>\$ 52,516</u>	<u>\$ 399,747</u>
				<u>\$ 381,480</u>

CROSSROADS PREGNANCY CENTER, INC.
Statement of Cash Flows
Year Ended December 31, 2015
With Comparative Totals for the Year Ended December 31, 2014

Operating Activities	<u>2015</u>	<u>2014</u>
Increase (Decrease) in net assets	\$ 12,836	\$ (11,552)
Add items not requiring cash:		
Depreciation and amortization	1,123	1,827
(Increase) decrease in operating assets:		
Prepaid expenses	1,224	3,636
Construction deposits	(12,068)	0
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	<u>(313)</u>	<u>(5,265)</u>
Net Cash Provided By (Used In) Operating Activities	<u>2,802</u>	<u>(11,354)</u>
Investing Activities		
Purchase of fixed assets	<u>(742)</u>	<u>(1,195)</u>
Net Cash Used In Investing Activities	<u>(742)</u>	<u>(1,195)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	2,060	(12,549)
Cash and Cash Equivalents - Beginning of Year	<u>80,181</u>	<u>92,730</u>
Cash and Cash Equivalents - End of Year	<u>\$ 82,241</u>	<u>\$ 80,181</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' Review Report and Accompanying Footnotes.

CROSSROADS PREGNANCY CENTER, INC.
Notes to the Financial Statements
December 31, 2015

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. (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.

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

Financial Statement Presentation – The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2015, there were no permanently restricted net assets.

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.

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.

CROSSROADS PREGNANCY CENTER, INC.
Notes to the Financial Statements (Continued)
December 31, 2015

NOTE:**1. Summary of Significant Accounting Policies (Continued)**

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, 2015, 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, 2015, 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 July 19, 2016, which is the date the financial statements were available for issue.

2. Equipment and Leasehold Improvements

Equipment and leasehold improvements consist of the following:

	<u>2015</u>	<u>2014</u>
Office furniture and equipment	\$ 42,717	\$ 68,331
Leasehold improvements	<u>67,535</u>	<u>67,535</u>
Total	110,252	135,866
Less accumulated depreciation	<u>(106,916)</u>	<u>(132,149)</u>
Net equipment and leasehold improvements	<u>\$ 3,336</u>	<u>\$ 3,717</u>

3. 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.

4. 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, 2014, from which the summarized information was derived.

CROSSROADS PREGNANCY CENTER, INC.
Notes to the Financial Statements (Continued)
December 31, 2015

NOTE:**5. Leases**

The Organization leases its office and storage facility in the amount of \$3,725 per month under a lease which expires on March 31, 2019. During May 2016, the Organization renegotiated its lease terms to a range of \$3,533 to \$3,754 per month under a lease which expires March 31, 2024. The future minimum lease payments remaining at December 31, 2015 are as follows:

2016	\$ 43,167
2017	42,400
2018	42,400
2019	43,394
2020	43,725
Thereafter	<u>143,431</u>
Total minimum lease payments	<u>\$ 358,517</u>

6. Temporarily Restricted Net Assets

Temporarily restricted net assets are available as of December 31, 2015 and 2014 for the following purposes:

	<u>2015</u>	<u>2014</u>
Restricted for program activities:		
Client Assistance	<u>\$ 4,951</u>	<u>\$ 4,416</u>

7. Construction Deposit

Construction deposit represents leasehold improvements expended during 2015 that were not placed into service as of the balance sheet date.