
CROSSROADS PREGNANCY CENTER, INC.

(A Michigan Non-Profit Corporation)

**Financial Report
For The Year Ended
December 31, 2013
With Comparative Totals
For the Year Ended
December 31, 2012**



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, 2013 and 2012, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. 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 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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 conformity with accounting principles generally accepted in the United States of America.

Gordon Advisors, P.C.

May 1, 2014

CROSSROADS PREGNANCY CENTER, INC.**Statement of Financial Position****December 31, 2013 and 2012****ASSETS**

Current Assets	<u>2013</u>	<u>2012</u>
Cash and equivalents	\$ 92,730	\$ 108,011
Contributions receivable, net	0	250
Prepaid expenses	<u>8,150</u>	<u>5,326</u>
Total Current Assets	100,880	113,587
Equipment and Leasehold Improvements, Net	4,349	7,791
Other Asset		
Lease deposit	<u>3,725</u>	<u>3,725</u>
Total Assets	<u><u>\$ 108,954</u></u>	<u><u>\$ 125,103</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and other accrued expenses	<u>\$ 7,863</u>	<u>\$ 22,991</u>
Net Assets		
Unrestricted	96,688	98,668
Temporarily restricted	<u>4,403</u>	<u>3,444</u>
Total Net assets	<u>101,091</u>	<u>102,112</u>
Total Liabilities and Net assets	<u><u>\$ 108,954</u></u>	<u><u>\$ 125,103</u></u>

CROSSROADS PREGNANCY CENTER, INC.
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
Support and Revenue				
Contributions	\$ 212,655	\$ 15,098	\$ 227,753	\$ 251,478
Special events - net of direct expenses of \$57,583 in 2013 and \$65,703 in 2012	126,852	0	126,852	162,031
Investment income	361	0	361	72
Net assets released from restrictions	14,139	(14,139)	0	0
Total Support and Revenue	354,007	959	354,966	413,581
Expenses				
Program services				
Program	247,920	0	247,920	255,620
Administrative	62,193	0	62,193	59,811
Fundraising	45,874	0	45,874	45,535
Total Functional Expenses	355,987	0	355,987	360,966
Increase (Decrease) in Net Assets	(1,980)	959	(1,021)	52,615
Net Assets - Beginning of Year	98,668	3,444	102,112	49,497
Net Assets - End of Year	\$ 96,688	\$ 4,403	\$ 101,091	\$ 102,112

See Independent Accountants' Review Report and Accompanying Footnotes.

CROSSROADS PREGNANCY CENTER, INC.**Statement of Functional Expenses****Year Ended December 31, 2013****With Comparative Totals for the Year Ended December 31, 2012**

	2013			2012
	Program	Management	Fundraising	Total
Salaries and benefits	\$ 143,694	\$ 35,160	\$ 37,205	\$ 216,059
Payroll tax expense	12,795	3,056	3,246	19,097
Ministry expenses	14,112	0	0	14,112
Advertising and promotion	599	0	0	599
Bank charges	1,166	0	1,165	2,331
Conferences/staff training	483	0	0	483
Equipment maintenance	314	157	53	524
Facility expense	57,644	16,470	748	74,862
Insurance	7,407	926	926	9,259
Membership fees	624	475	386	1,485
Office expense	1,680	240	480	2,400
Printing and postage	3,121	1,040	1,040	5,201
Professional fees	1,527	4,325	281	6,133
	245,166	61,849	45,530	352,545
Depreciation	2,754	344	344	3,442
	<u>\$ 247,920</u>	<u>\$ 62,193</u>	<u>\$ 45,874</u>	<u>\$ 355,987</u>
				<u>\$ 360,966</u>

CROSSROADS PREGNANCY CENTER, INC.
Statement of Cash Flows
Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

Operating Activities	<u>2013</u>	<u>2012</u>
Increase (decrease) in net assets	\$ (1,021)	\$ 52,615
Add items not requiring cash:		
Depreciation and amortization	3,442	13,949
Loss on disposals of assets	0	109
(Increase) decrease in operating assets:		
Contributions receivable	250	820
Prepaid expenses	(2,823)	483
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	<u>(15,129)</u>	<u>6,617</u>
Net Cash Provided By (Used In) Operating Activities	<u>(15,281)</u>	<u>74,593</u>
Investing Activities		
Purchase of fixed assets	<u>0</u>	<u>(4,157)</u>
Net Cash Provided By (Used In) Investing Activities	<u>0</u>	<u>(4,157)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(15,281)	70,436
Cash and Cash Equivalents - Beginning of Year	<u>108,011</u>	<u>37,575</u>
Cash and Cash Equivalents - End of Year	<u>\$ 92,730</u>	<u>\$ 108,011</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, 2013

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, 2013 and 2012, 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.

Contributions Receivable – Contributions receivable consist of unconditional promises to give, which are recognized as revenue in the period the promise is received.

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, 2013

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

Concentrations – Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Federal Deposit Insurance Corporation (FDIC) insures balances up to \$250,000. There were no uninsured amounts on deposit in banks as of December 31, 2013 and 2012.

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, 2013 and 2012, 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. For federal income tax purposes the tax returns essentially remain open for possible examination for a period up to three years after the date on which those returns are filed.

Subsequent Events – The Company has evaluated events and transactions that occurred through May 1, 2014, 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>2013</u>	<u>2012</u>
Office furniture and equipment	\$ 68,076	\$ 68,398
Leasehold improvements	<u>67,535</u>	<u>67,535</u>
Total	135,611	135,933
Less accumulated depreciation	<u>(131,262)</u>	<u>(128,142)</u>
Net equipment and leasehold improvements	<u>\$ 4,349</u>	<u>\$ 7,791</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, 2012, from which the summarized information was derived.

CROSSROADS PREGNANCY CENTER, INC.
Notes to the Financial Statements (Continued)
December 31, 2013

NOTE:**5. Leases**

The Organization currently leases its office and storage facility under a lease which expires on March 31, 2019. Monthly payments are \$3,725 per month. The future minimum lease payments remaining at December 31, 2013 are as follows:

2014	\$ 44,700
2015	44,700
2016	44,700
2017	44,700
2018	44,700
Thereafter	<u>11,175</u>
Total minimum lease payments	<u>\$ 234,675</u>

The Organization also subleases a room from a facility for the purpose of doing ultra-sound screening under a lease which began May 1, 2009 for a nominal fee of \$1 per month.

6. Temporarily Restricted Net Assets

Temporarily restricted net assets are available as of December 31, 2013 and 2012 for the following purposes:

	<u>2013</u>	<u>2012</u>
Restricted for program activities		
Client Assistance	\$ 4,403	\$ 3,444

7. Unconditional Promises to Give

Unconditional promises to give are due in less than one year and are as follows:

	<u>2013</u>	<u>2012</u>
Receivable	\$ 0	\$ 2,860
Less allowance for uncollectible promises	<u>0</u>	<u>2,610</u>
Net receivable	<u>\$ 0</u>	<u>\$ 250</u>