

---

**CROSSROADS PREGNANCY CENTER, INC.**

**(A Michigan Non-Profit Corporation)**

---

**Financial Report  
For The Year Ended  
December 31, 2014  
With Comparative Totals  
For the Year Ended  
December 31, 2013**



**GORDON**  
Advisors, P.C.

certified public accountants

**1301 WEST LONG LAKE ROAD, SUITE 200, TROY MI 48098**

**PH: 248-952-0200 • FAX: 248-952-0290**

**CROSSROADS PREGNANCY CENTER, INC.**  
**Auburn Hills, Michigan**

---

**I N D E X**

	<b><u>Page</u></b>
Independent Accountants' Review Report	1
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 8



1301 W. Long Lake Rd., Ste. 200  
Troy, MI 48098-6319  
t 248.952.0200 f 248.952.0290

## 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, 2014, 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.

We previously reviewed Crossroads Pregnancy Center, Inc.'s 2013 financial statements and in our report dated May 1, 2014, stated that based on our procedures, we were not aware of any material modifications that should be made to the 2013 financial statements in order for them to be in conformity 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, 2013, for it to be consistent with the reviewed financial statements from which it has been derived.

*Gordon Advisors, P.C.*

May 7, 2015

**CROSSROADS PREGNANCY CENTER, INC.****Statement of Financial Position****December 31, 2014 and 2013****ASSETS**

<b>Current Assets</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Cash and equivalents	\$ 80,181	\$ 92,730
Prepaid expenses	4,514	8,150
<b>Total Current Assets</b>	<b>84,695</b>	<b>100,880</b>
<b>Equipment and Leasehold Improvements, Net</b>	<b>3,717</b>	<b>4,349</b>
<b>Other Asset</b>		
Lease deposit	3,725	3,725
<b>Total Assets</b>	<b><u>\$ 92,137</u></b>	<b><u>\$ 108,954</u></b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>		
Accounts payable and other accrued expenses	\$ 2,598	\$ 7,863
Total Liabilities	2,598	7,863
<b>Net Assets</b>		
Unrestricted	85,123	96,688
Temporarily restricted	4,416	4,403
Total Net Assets	89,539	101,091
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 92,137</u></b>	<b><u>\$ 108,954</u></b>

**CROSSROADS PREGNANCY CENTER, INC.**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended December 31, 2014**  
**With Comparative Totals for the Year Ended December 31, 2013**

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
<b>Support and Revenue</b>				
Contributions	\$ 191,423	\$ 25,512	\$ 216,935	\$ 227,753
Special events - net of direct expenses of \$58,446 in 2014 and \$57,583 in 2013	152,960	0	152,960	126,852
Investment income	33	0	33	361
Net assets released from restrictions	25,499	(25,499)	0	0
<b>Total Support and Revenue</b>	<b>369,915</b>	<b>13</b>	<b>369,928</b>	<b>354,966</b>
<b>Expenses</b>				
Program services				
Program	273,338	0	273,338	247,920
Administrative	64,875	0	64,875	62,193
Fundraising	43,267	0	43,267	45,874
<b>Total Functional Expenses</b>	<b>381,480</b>	<b>0</b>	<b>381,480</b>	<b>355,987</b>
<b>Decrease in Net Assets</b>	<b>(11,565)</b>	<b>13</b>	<b>(11,552)</b>	<b>(1,021)</b>
<b>Net Assets - Beginning of Year</b>	<b>96,688</b>	<b>4,403</b>	<b>101,091</b>	<b>102,112</b>
<b>Net Assets - End of Year</b>	<b>\$ 85,123</b>	<b>\$ 4,416</b>	<b>\$ 89,539</b>	<b>\$ 101,091</b>

See Independent Accountants' Review Report and Accompanying Footnotes.

**CROSSROADS PREGNANCY CENTER, INC.****Statement of Functional Expenses****Year Ended December 31, 2014****With Comparative Totals for the Year Ended December 31, 2013**

	2014			2013	
	Program	Management	Fundraising	Total	
Salaries and benefits	\$ 157,481	\$ 36,279	\$ 35,142	\$ 228,902	\$ 216,059
Payroll tax expense	14,060	3,260	3,056	20,376	19,097
Ministry expenses	16,840	0	0	16,840	14,112
Advertising and promotion	1,984	0	0	1,984	599
Bank charges	1,393	0	1,392	2,785	2,331
Conferences/staff training	292	0	0	292	483
Equipment maintenance	249	125	41	415	524
Facility expense	66,220	18,920	860	86,000	74,862
Insurance	7,990	999	999	9,988	9,259
Membership fees	556	424	345	1,325	1,485
Office expense	2,769	396	791	3,956	2,400
Printing and postage	493	165	165	823	5,201
Professional fees	1,550	4,124	293	5,967	6,133
	<u>271,877</u>	<u>64,692</u>	<u>43,084</u>	<u>379,653</u>	<u>352,545</u>
Depreciation	<u>1,461</u>	<u>183</u>	<u>183</u>	<u>1,827</u>	<u>3,442</u>
	<u>\$ 273,338</u>	<u>\$ 64,875</u>	<u>\$ 43,267</u>	<u>\$ 381,480</u>	<u>\$ 355,987</u>

**CROSSROADS PREGNANCY CENTER, INC.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2014**  
**With Comparative Totals for the Year Ended December 31, 2013**

---

<b>Operating Activities</b>	<u>2014</u>	<u>2013</u>
Decrease in net assets	\$ (11,552)	\$ (1,021)
Add items not requiring cash:		
Depreciation and amortization	1,827	3,442
(Increase) decrease in operating assets:		
Contributions receivable	0	250
Prepaid expenses	3,636	(2,823)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	<u>(5,265)</u>	<u>(15,129)</u>
<b>Net Cash Used In Operating Activities</b>	<u>(11,354)</u>	<u>(15,281)</u>
<b>Investing Activities</b>		
Purchase of fixed assets	<u>(1,195)</u>	<u>0</u>
<b>Net Cash Used In Investing Activities</b>	<u>(1,195)</u>	<u>0</u>
<b>Net Decrease In Cash and Cash Equivalents</b>	(12,549)	(15,281)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>92,730</u>	<u>108,011</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 80,181</u>	<u>\$ 92,730</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
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, 2014**

---

**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, 2014 and 2013, 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, 2014**

---

**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, 2014 and 2013.

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, 2014 and 2013, 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 7, 2015, 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>2014</u>	<u>2013</u>
Office furniture and equipment	\$ 68,331	\$ 68,076
Leasehold improvements	<u>67,535</u>	<u>67,535</u>
Total	135,866	135,611
Less accumulated depreciation	<u>(132,149)</u>	<u>(131,262)</u>
Net equipment and leasehold improvements	<u>\$ 3,717</u>	<u>\$ 4,349</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, 2013, from which the summarized information was derived.

**CROSSROADS PREGNANCY CENTER, INC.**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2014**

---

**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, 2014 are as follows:

2015	\$ 44,700
2016	44,700
2017	44,700
2018	44,700
2019	<u>11,175</u>
Total minimum lease payments	<u>\$ 189,975</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, 2014 and 2013 for the following purposes:

	<u>2014</u>	<u>2013</u>
Restricted for program activities		
Client Assistance	\$ 4,416	\$ 4,403