
CROSSROADS CARE CENTER

(A Michigan Non-Profit Corporation)

**Financial Report
For The Year Ended
December 31, 2016
With Comparative Totals
For the Year Ended
December 31, 2015**



certified public accountants

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CROSSRAODS CARE CENTER
Auburn Hills, Michigan

I N D E X

	<u>Page</u>
Independent Auditors' Report	1 - 2
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 9



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INDEPENDENT AUDITORS' REPORT

Crossroads Care Center
Auburn Hills, Michigan

We have audited the accompanying financial statements of Crossroads Pregnancy Center, Inc. D/B/A Crossroads Care Center (a Michigan non-profit corporation), which comprise the statement of financial position as of December 31, 2016, 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.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crossroads Pregnancy Center, Inc. D/B/A Crossroads Care Center as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Summarized Comparative Information

We previously reviewed Crossroads Pregnancy Center, Inc. D/B/A Crossroads Care Center's 2015 financial statements and in our report dated July 19, 2016, stated that based on our review, we were not aware of any material modifications that should be made to the 2015 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, 2015, for it to be consistent with the reviewed financial statements from which it has been derived.

Gordon Advisors, P.C.

October 26, 2017

CROSSROADS CARE CENTER
Statement of Financial Position
December 31, 2016 and 2015

ASSETS

	<u>2016</u> <u>Audited</u>	<u>2015</u> <u>Unaudited</u>
Cash and equivalents	\$ 93,059	\$ 82,241
Prepaid expenses and rent	7,133	7,015
Construction deposit	0	12,068
Equipment and leasehold improvements, net	<u>43,209</u>	<u>3,336</u>
Total Assets	<u><u>\$ 143,401</u></u>	<u><u>\$ 104,660</u></u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and other accrued expenses	<u>\$ 12,094</u>	<u>\$ 2,285</u>
Total Liabilities	<u>12,094</u>	<u>2,285</u>
Net Assets		
Unrestricted	126,749	97,424
Temporarily restricted	<u>4,558</u>	<u>4,951</u>
Total Net Assets	<u>131,307</u>	<u>102,375</u>
Total Liabilities and Net Assets	<u><u>\$ 143,401</u></u>	<u><u>\$ 104,660</u></u>

CROSSROADS CARE CENTER
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

	2016 Audited			2015 Unaudited
	Unrestricted	Temporarily Restricted	Total	Total
Support and Revenue				
Contributions	\$ 277,698	\$ 17,425	\$ 295,123	\$ 252,404
Special events - net of direct expenses of \$50,263 in 2016 and \$56,990 in 2015	133,792	0	133,792	157,659
Investment income	17	0	17	20
Gain on sale of asset	0	0	0	2,500
Net assets released from restrictions	17,818	(17,818)	0	0
Total Support and Revenue	429,325	(393)	428,932	412,583
Expenses				
Program services				
Program	278,770	0	278,770	280,637
Administrative	66,569	0	66,569	66,594
Fundraising	54,661	0	54,661	52,516
Total Expenses	400,000	0	400,000	399,747
Increase (Decrease) in Net Assets	29,325	(393)	28,932	12,836
Net Assets - Beginning of Year	97,424	4,951	102,375	89,539
Net Assets - End of Year	\$ 126,749	\$ 4,558	\$ 131,307	\$ 102,375

See Independent Auditors' Report and Accompanying Footnotes.

CROSSROADS CARE CENTER**Statement of Functional Expenses****Year Ended December 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016 Audited			2015 Unaudited	
	Program	Management	Fundraising	Total	Total
Salaries and benefits	\$ 163,442	\$ 36,481	\$ 39,447	\$ 239,370	\$ 232,786
Payroll tax expense	13,868	3,216	3,015	20,099	20,366
Ministry expenses	22,763	0	0	22,763	30,460
Advertising and promotion	4,041	0	0	4,041	627
Bank charges	1,608	0	1,609	3,217	3,932
Conferences/staff training	3,609	0	0	3,609	6,174
Equipment maintenance	405	203	67	675	625
Facility expense	49,841	16,125	7,330	73,296	76,789
Insurance	7,280	910	910	9,100	9,880
Membership fees	747	570	463	1,780	1,785
Office expense	1,644	235	470	2,349	3,487
Printing and postage	1,266	422	422	2,110	1,744
Professional fees	831	7,479	0	8,310	9,969
	<u>271,345</u>	<u>65,641</u>	<u>53,733</u>	<u>390,719</u>	<u>398,624</u>
Depreciation	<u>7,425</u>	<u>928</u>	<u>928</u>	<u>9,281</u>	<u>1,123</u>
	<u>\$ 278,770</u>	<u>\$ 66,569</u>	<u>\$ 54,661</u>	<u>\$ 400,000</u>	<u>\$ 399,747</u>

See Independent Auditors' Report and Accompanying Footnotes.

CROSSROADS CARE CENTER**Statement of Cash Flows****Year Ended December 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016	2015
	Audited	Unaudited
Operating Activities		
Increase (Decrease) in net assets	\$ 28,932	\$ 12,836
Add items not requiring cash:		
Depreciation and amortization	9,281	1,123
Non-cash donations	(15,800)	
(Increase) decrease in operating assets:		
Prepaid expenses	(309)	1,224
Construction deposits	12,068	(12,068)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	9,807	(313)
Net Cash Provided By Operating Activities	43,979	2,802
Investing Activities		
Purchase of fixed assets	(33,161)	(742)
Net Cash Used In Investing Activities	(33,161)	(742)
Net Increase In Cash and Cash Equivalents	10,818	2,060
Cash and Cash Equivalents - Beginning of Year	82,241	80,181
Cash and Cash Equivalents - End of Year	\$ 93,059	\$ 82,241
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 0	\$ 0
Cash paid for income taxes	\$ 0	\$ 0

See Independent Auditors' Report and Accompanying Footnotes.

CROSSROADS CARE CENTER
Notes to the Financial Statements
December 31, 2016

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. In 2016, the organization also began offering 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.

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, 2016, 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 CARE CENTER
Notes to the Financial Statements (Continued)
December 31, 2016

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, 2016, 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, 2016, 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 October 26, 2017, 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>2016</u>	<u>2015</u>
Office furniture and equipment	\$ 48,591	\$ 42,717
Leasehold improvements	<u>77,453</u>	<u>67,535</u>
Total	126,044	110,252
Less accumulated depreciation	<u>(82,835)</u>	<u>(106,916)</u>
Net equipment and leasehold improvements	<u>\$ 43,209</u>	<u>\$ 3,336</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, 2015, from which the summarized information was derived.

CROSSROADS CARE CENTER
Notes to the Financial Statements (Continued)
December 31, 2016

NOTE:**5. Leases**

The Organization has a 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, 2016 are as follows:

2017	\$ 42,400
2018	42,400
2019	43,394
2020	43,725
2021	43,725
Thereafter	<u>99,706</u>
Total minimum lease payments	<u>\$ 315,350</u>

6. Temporarily Restricted Net Assets

Temporarily restricted net assets are available as of December 31, 2016 and 2015 for the following purposes:

	<u>2016</u>	<u>2015</u>
Restricted for program activities:		
Client Assistance	<u>\$ 4,558</u>	<u>\$ 4,951</u>