

**PROLIFE Across AMERICA**  
**Financial Statements**  
**November 30, 2018 and 2017**

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November 30, 2018 and 2017**

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# FREEMAN & BONNEMA, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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To The Board of Directors  
PROLIFE Across AMERICA  
Minneapolis, Minnesota

## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of PROLIFE Across AMERICA (a nonprofit organization), which comprise the statements of financial position as of November 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years 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 these 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 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PROLIFE Across AMERICA as of November 30, 2018 and 2017 and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Freeman & Bonnema, PLLC*

April 1, 2019

**PROLIFE Across AMERICA**  
**Statements of Financial Position**  
**As of November 30, 2018 and 2017**

<b><u>Assets</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b><u>Current Assets</u></b>		
Cash & Cash Equivalents	\$ 346,848	\$ 60,857
Total Current Assets	<u>346,848</u>	<u>60,857</u>
<b><u>Furniture &amp; Equipment</u></b>		
Furniture & Equipment	54,670	54,670
Less Accumulated Depreciation	53,808	52,948
Net Fixed Assets	<u>862</u>	<u>1,722</u>
<b>Total Assets</b>	<b><u>347,710</u></b>	<b><u>62,579</u></b>
 <b><u>Liabilities and Net Assets</u></b>		
<b><u>Liabilities</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	16,539	19,545
Accrued Payroll Tax Liability	<u>1,309</u>	<u>1,026</u>
Total Current Liabilities	<u>17,848</u>	<u>20,571</u>
<b><u>Net Assets</u></b>		
Unrestricted Net Assets	329,862	42,008
<b>Total Liabilities and Net Assets</b>	<b><u>347,710</u></b>	<b><u>62,579</u></b>

See Notes to Financial Statements

**PROLIFE Across AMERICA**  
**Statements of Activities and Changes in Net Assets**  
**Years Ended November 30, 2018 and 2017**

**Change in Unrestricted Net Assets**

<b><u>Support and Revenues</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Contributions	\$ 2,486,442	\$ 2,882,639
Interest Income	45	47
Total Support and Revenues	<u>2,486,487</u>	<u>2,882,686</u>
<b><u>Expenses</u></b>		
Program Services	1,983,207	2,885,888
Supporting Services	48,769	48,934
Fundraising	166,657	213,941
Total Expenses	<u>2,198,633</u>	<u>3,148,763</u>
Change in Net Assets	287,854	(266,077)
Beginning Net Assets	<u>42,008</u>	<u>308,085</u>
Ending Net Assets	<u><u>329,862</u></u>	<u><u>42,008</u></u>

See Notes to Financial Statements

**PROLIFE Across AMERICA**  
**Statements of Cash Flows**  
**Years Ended November 30, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b><u>Cash Flows - Operations</u></b>		
Change in Net Assets	\$ 287,854	\$ (266,077)
Add Back Items Not Requiring the Use of Cash:		
Depreciation	860	1,282
Other Changes:		
Increase (Decrease) in Accounts Payable	(3,006)	(6,077)
Increase in Accrued Payroll Tax Liability	283	241
Cash Flow - Operations	285,991	(270,631)
<b><u>Cash Flows - Investing Activities</u></b>		
None	-	-
Cash Flows - Investing Activities	-	-
<b><u>Cash Flows - Financing Activities</u></b>		
None	-	-
Cash Flows - Financing Activities	-	-
Change in Cash & Cash Equivalents	285,991	(270,631)
Cash & Cash Equivalents - Beginning of the year	60,857	331,488
Cash & Cash Equivalents - End of the year	346,848	60,857

See Notes to Financial Statements

**PROLIFE Across AMERICA**  
**Statement of Functional Expenses**  
**Year Ended November 30, 2018**

<u>Expenses</u>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fund- Raising</u>	<u>Total</u>
Educational Media Costs	\$ 1,816,092	\$ -	\$ 75,670	\$ 1,891,762
Salaries and Wages	44,176	27,610	38,655	110,441
Printing and Publications	33,557	-	13,743	47,300
Supplies	8,152	1,916	2,820	12,888
Postage and Shipping	10,115	2,529	12,644	25,288
Contract Services	46,376	6,641	5,890	58,907
Travel and Mileage	11,349	-	-	11,349
Occupancy Costs	8,424	8,424	8,423	25,271
Telephone	4,679	1,337	668	6,684
Depreciation	287	287	286	860
Miscellaneous	-	25	7,858	7,883
Total	<u>1,983,207</u>	<u>48,769</u>	<u>166,657</u>	<u>2,198,633</u>
% of Total 11-30-2018	90.2%	2.2%	7.6%	100.0%

See Notes to Financial Statements

**PROLIFE Across AMERICA**  
**Statement of Functional Expenses**  
**Year Ended November 30, 2017**

<u>Expenses</u>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fund- Raising</u>	<u>Total</u>
Educational Media Costs	\$ 2,727,314	\$ -	\$ 113,638	\$ 2,840,952
Salaries and Wages	47,953	29,970	41,959	119,882
Printing and Publications	27,506	-	10,751	38,257
Supplies	5,502	1,284	8,098	14,884
Postage and Shipping	9,473	2,368	11,841	23,682
Contract Services	41,402	5,915	11,829	59,146
Travel and Mileage	13,759	-	-	13,759
Occupancy Costs	7,503	7,502	7,503	22,508
Telephone	5,049	1,443	721	7,213
Depreciation	427	427	427	1,281
Miscellaneous	-	25	7,174	7,199
Total	<u>2,885,888</u>	<u>48,934</u>	<u>213,941</u>	<u>3,148,763</u>
% of Total 11-30-2017	91.7%	1.5%	6.8%	100.0%

See Notes to Financial Statements



**PROLIFE Across AMERICA**  
**Notes to Financial Statements**  
**November 30, 2018 and 2017**

**1. NATURE OF ORGANIZATION**

PROLIFE Across AMERICA, is a Minnesota nonprofit corporation which dates its origins to the year 1989. PROLIFE Across AMERICA's educational mission is to reach out through the media to people who may not be reached in any other way. Totally educational in its approach, the Organization is the only group bringing lifesaving, informational messages promoting the dignity and respect for all human life on a country-wide, continuing basis through billboards, radio, newspaper ads and internet ads.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- a) Unrestricted – Those resources over which the board has discretionary control. Designated amounts represent those revenues which the board of directors has set aside for a particular purpose. All property, equipment and related debt are considered unrestricted.
- b) Temporarily Restricted - Those resources that are subject to donor-imposed restrictions which will be satisfied by actions of the Organization or passage of time.
- c) Permanently Restricted - Those resources that are subject to donor-imposed restrictions that they be maintained permanently by the Organization. The donors of these resources permitted the Organization to use all or part of the income earned, including capital appreciation or related investments, for the unrestricted or temporarily restricted purposes.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported activities and changes in its net assets. Actual results could differ from those estimates.

**PROLIFE Across AMERICA**  
**Notes to Financial Statements**  
**November 30, 2018 and 2017**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash and Cash Equivalents

The Organization considers all highly liquid instruments that are readily convertible to known amounts of cash and/or are within three months from maturity as cash equivalents.

Furniture & Equipment

The Organization's furniture and equipment are recorded at cost. The Organization capitalizes additions for expenditures greater than \$500. The Organization is depreciating the furniture and equipment over their five-year estimated useful lives on the straight-line method.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction end or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction. All contributions are considered available for unrestricted use, unless specifically restricted by donor or subject to other legal restrictions.

The Organization maintains the policy of classifying all temporarily restricted donations whose restrictions are met in the same period as unrestricted contributions.

Contribution income is recorded when cash is received, when ownership of donated assets is transferred or when an unconditional promise to give is received. At November 30, 2018 and 2017, there were no outstanding unconditional promises to give that would require recognition of a pledge receivable.

Contributed Services

The Organization receives a substantial amount of services donated by its members in carrying out its mission. No amounts have been reflected in the financial statements for those services because they do not meet the criteria for recognition under accounting guidance.

Concentrations

The Organization is primarily dependent upon contributions to meet expenses for operations. Although management of the Organization expects contributions to be adequate, there can be no assurance that such contributions will be sufficient to meet the expenses of the organization.

**PROLIFE Across AMERICA**  
**Notes to Financial Statements**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Concentrations – (Continued)

During the fiscal year ending November 30, 2018, the Organization received a total of \$400,318 or approximately 16% of its total contribution revenue from three individuals.

During the fiscal year ending November 30, 2017, the Organization received a total of \$489,250 or approximately 17% of its total contribution revenue from three individuals.

Tax Laws

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Any adverse change in tax laws, or any adverse change in the Organization's tax status as a tax-exempt organization, would affect contributors who are currently entitled to deduct their contributions to the Organization from gross income. Any such change, in turn, could adversely affect the level of contributions to the Organization and the ability of the Organization to meet its obligations.

Uncertain Tax Positions

The preparation of financial statements in conformity with accounting principles accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. The Organization has determined whether any tax positions have met the recognition threshold and have measured the Organization's exposure to those tax positions. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax return files. Any interest or penalties assessed to the Organization would be recorded in operating expenses. No interest or penalties from federal or state authorities were recorded in the accompanying financial statements.

**3. CONCENTRATION OF CREDIT RISK**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents. The Organization places its temporary cash with credit worthy, high-quality financial institutions. The amounts on deposit at financial institutions are only insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). From time to time, the balance on deposit may exceed the FDIC insurance limits.

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**4. JOINT COSTS**

During the year ended November 30, 2018, the Organization incurred joint costs of \$1,891,762 for informational materials and media expense that included fundraising appeals. The Organization allocated \$75,670 to fundraising costs. During the year ended November 30, 2017, the Organization incurred joint costs of \$2,840,952 for informational materials and media expense that included fundraising appeals. The Organization allocated \$113,638 to fundraising expense.

**5. OFFICE RENT**

The Organization has a lease agreement for rental of office space. The agreement begins July 1, 2015 and ends June 30, 2019. The monthly rate is \$1,797 for the first twelve-month period, \$1,849 for the second twelve-month period, \$1,913 for the third twelve-month period and \$1,980 for the fourth twelve-month period.

**6. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 1, 2019, the date on which the financial statements were available to be issued.