

**PROLIFE Across AMERICA  
Financial Statements  
November 30, 2020 and 2019**

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**Table of Contents**

Independent Auditor's Report .....	1
Statements of Financial Position .....	2
Statements of Activities and Changes in Net Assets .....	3
Statements of Cash Flows .....	4
Statement of Functional Expenses – November 30, 2020.....	5
Statement of Functional Expenses – November 30, 2019.....	6
Notes to Financial Statements .....	7-11



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, 2020 and 2019, 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, 2020 and 2019 and the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Emphasis of a Matter***

As discussed in Note 8 to the financial statements, the outbreak of a coronavirus (COVID-19) pandemic has created economic uncertainties which are likely to negatively impact net income. Other financial impact could occur though such potential impact is unknown at this time. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not modified with respect to this matter.

*Freeman ; Bonnema, PLLC*

March 2, 2021

**PROLIFE Across AMERICA**  
**Statements of Financial Position**  
**As of November 30, 2020 and 2019**

<b><u>Assets</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b><u>Current Assets</u></b>		
Cash & Cash Equivalents	\$ 662,321	\$ 814,947
Total Current Assets	<u>662,321</u>	<u>814,947</u>
<b><u>Furniture &amp; Equipment</u></b>		
Furniture & Equipment	18,000	54,670
Less Accumulated Depreciation	3,600	54,670
Net Fixed Assets	<u>14,400</u>	<u>-</u>
<b><u>Other Assets</u></b>		
Security Deposit	<u>4,069</u>	<u>-</u>
<b>Total Assets</b>	<b><u><u>680,790</u></u></b>	<b><u><u>814,947</u></u></b>
 <b><u>Liabilities and Net Assets</u></b>		
<b><u>Liabilities</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	140,838	11,506
Accrued Payroll Tax Liability	<u>4,581</u>	<u>3,749</u>
Total Current Liabilities	<u>145,419</u>	<u>15,255</u>
<b><u>Net Assets</u></b>		
Net Assets Without Donor Restrictions	535,371	799,692
<b>Total Liabilities and Net Assets</b>	<b><u><u>680,790</u></u></b>	<b><u><u>814,947</u></u></b>

SEE NOTES TO THE FINANCIAL STATEMENTS

**PROLIFE Across AMERICA**  
**Statements of Activities and Changes in Net Assets**  
**For the Years Ended November 30, 2020 and 2019**

<b><u>Support and Revenues</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Contributions	\$ 3,737,383	\$ 3,712,619
Gift-In-Kind Contribution	29,085	-
Interest Income	5,684	16,762
Total Support and Revenues	<u>3,772,152</u>	<u>3,729,382</u>
<b><u>Expenses</u></b>		
Program Services	3,707,557	2,976,770
Supporting Services	71,414	55,459
Fundraising	257,502	227,322
Total Expenses	<u>4,036,473</u>	<u>3,259,551</u>
Change in Net Assets	(264,321)	469,831
Beginning Net Assets	<u>799,692</u>	<u>329,861</u>
Ending Net Assets	<u><u>535,371</u></u>	<u><u>799,692</u></u>

SEE NOTES TO THE FINANCIAL STATEMENTS

**PROLIFE Across AMERICA**  
**Statements of Cash Flows**  
For the Years Ended November 30, 2020 and 2019

	2020	2019
<b><u>Cash Flows - Operations</u></b>		
Change in Net Assets	\$ (264,321)	\$ 469,830
Items that are not a Source or Use of Cash:		
Depreciation	3,600	862
Gift-In-Kind	(18,000)	-
Other Changes:		
Increase in Security Deposit Asset	(4,069)	-
Increase (Decrease) in Accounts Payable	129,332	(5,033)
Increase in Accrued Payroll Tax Liability	832	2,440
Cash Flow - Operations	(152,626)	468,099
<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	(152,626)	468,099
Cash & Cash Equivalents - Beginning of the year	814,947	346,848
Cash & Cash Equivalents - End of the year	662,321	814,947

SEE NOTES TO THE FINANCIAL STATEMENTS

**PROLIFE Across AMERICA**  
**Statement of Functional Expenses**  
**For the Year Ended November 30, 2020**

<u>Expenses</u>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fund- Raising</u>	<u>Total</u>
Educational Media Costs	\$ 3,529,500	\$ -	\$ 147,063	\$ 3,676,563
Salaries and Wages	99,354	47,607	60,027	206,988
Printing and Publications	23,583	-	9,467	33,050
Supplies	2,374	579	7,632	10,585
Postage and Shipping	9,779	2,445	12,224	24,448
Contract Services	6,290	6,000	1,384	13,674
Travel and Mileage	14,685	-	-	14,685
Occupancy Costs	10,700	10,700	10,700	32,100
Telephone	10,092	2,883	1,442	14,417
Depreciation	1,200	1,200	1,200	3,600
Miscellaneous	-	-	6,363	6,363
Total	<u>3,707,557</u>	<u>71,414</u>	<u>257,502</u>	<u>4,036,473</u>
% of Total 11-30-2020	91.8%	1.8%	6.4%	100.0%

SEE NOTES TO THE FINANCIAL STATEMENTS

**PROLIFE Across AMERICA**  
**Statement of Functional Expenses**  
**For the Year Ended November 30, 2019**

<u>Expenses</u>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fund- Raising</u>	<u>Total</u>
Educational Media Costs	\$ 2,807,043	\$ -	\$ 116,960	\$ 2,924,003
Salaries and Wages	59,640	37,275	52,185	149,100
Printing and Publications	31,132	-	11,492	42,624
Supplies	4,182	1,046	13,441	18,669
Postage and Shipping	11,102	2,776	13,878	27,756
Contract Services	37,631	4,704	4,704	47,039
Travel and Mileage	12,758	-	-	12,758
Occupancy Costs	7,920	7,920	7,920	23,760
Telephone	5,075	1,450	725	7,250
Depreciation	287	288	287	862
Miscellaneous	-	-	5,730	5,730
<b>Total</b>	<u>2,976,770</u>	<u>55,459</u>	<u>227,322</u>	<u>3,259,551</u>
% of Total 11-30-2019	91.3%	1.7%	7.0%	100.0%

SEE NOTES TO THE FINANCIAL STATEMENTS

**PROLIFE Across AMERICA**  
**Notes to Financial Statements**  
**November 30, 2020 and 2019**

**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:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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, 2020 and 2019**

**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 \$1,000. 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 either contribution revenue with or without donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in Net Assets With Donor Restrictions. These restricted donations can be either temporary or permanent, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction end or purpose restriction is accomplished), Net Assets With Donor Restrictions are reclassified to Net Assets Without Donor Restrictions 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 donations with donor restrictions whose restrictions are met in the same period as increases in net assets without donor restrictions.

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, 2020 and 2019, 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**  
**November 30, 2020 and 2019**

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

Concentrations – (Continued)

During the fiscal year ending November 30, 2020, the Organization received a total of \$997,234 or approximately 27% of its total contribution revenue from three donors.

During the fiscal year ending November 30, 2019, the Organization received a total of \$1,050,000 or approximately 28% of its total contribution revenue from three donors.

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.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

**PROLIFE Across AMERICA**  
**Notes to Financial Statements**  
**November 30, 2020 and 2019**

**3. AVAILABILITY AND LIQUIDITY**

The Organization had liquid assets totaling \$662,321 at November 30, 2020 and \$814,947 at November 30, 2019.

The Organization regularly monitors cash needs required to meet its operations and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has operated with the goal to maintain a cash balance of at least \$200,000 to cover approximately 30 days of operating expenses. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures

**4. 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.

**5. JOINT COSTS**

During the year ended November 30, 2020, the Organization incurred joint costs of \$3,676,563 for informational materials and media expense that included fundraising appeals. The Organization allocated \$183,828 to fundraising expense. During the year ended November 30, 2019, the Organization incurred joint costs of \$2,924,003 for informational materials and media expense that included fundraising appeals. The Organization allocated \$116,960 to fundraising costs.

**6. GIFT IN KIND**

During the year ended November 30, 2020, the Organization moved to its new office location. The previous tenants in the location that the Organization moved to left a majority of its office furnishings. The Organization estimated the value of these items to be \$18,000. The Organization recorded a gift-in-kind for this amount and will depreciate the items on a straight-line basis over an estimated life of ten years.

**PROLIFE Across AMERICA**  
**Notes to Financial Statements**  
**November 30, 2020 and 2019**

**7. OFFICE RENT**

The Organization has a lease agreement for rental of office space. The agreement began July 1, 2015 and ended June 30, 2019. The monthly rate was \$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.

On January 21, 2020, the Organization entered into a lease of office space in a new location. The lease term began April 1, 2020 and ends May 31, 2025. The agreement requires minimum rental payments as follows:

Month 1-2	\$ -0-
Months 3-12	1,868
Months 13-24	1,919
Months 25-36	1,971
Months 37-48	2,023
Months 49-62	2,075

In addition, the lease requires the Organization to pay a pro-rata share of the operating expenses and real estate taxes. These amounts totaled \$2,276 per month for the year ended November 30, 2020.

Estimated rent payments over the next five years are as follows:

November 30, 2021	\$ 22,824
November 30, 2022	23,444
November 30, 2023	24,068
November 30, 2024	24,692
November 30, 2025	8,300

Total rent expense including the operating expenses and real estate taxes were \$31,644 and \$23,760 during the years ended November 30, 2020 and 2019, respectively.

**8. COVID UNCERTAINTY**

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) as a pandemic. As a result of the COVID-19 coronavirus pandemic, economic uncertainties have arisen which could have a negative impact on the change in net assets. Other financial impact could occur though such potential impact is unknown at this time.

**9. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 2, 2021, the date on which the financial statements were available to be issued.