PROLIFE Across AMERICA
Financial Statements
November 30, 2019 and 2018

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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, 2019 and 2018, 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, 2019 and 2018 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

March 6, 2020

PROLIFE Across AMERICA
Statements of Financial Position
As of November 30, 2019 and 2018

Assets	**2019**	**2018**
Current Assets		
Cash & Cash Equivalents	$ 814,947	$ 346,848
Total Current Assets	814,947	346,848
Furniture & Equipment		
Furniture & Equipment	54,670	54,670
Less Accumulated Depreciation	54,670	53,808
Net Fixed Assets	-	862
Total Assets	814,947	347,710
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accounts Payable	11,506	16,539
Accrued Payroll Tax Liability	3,749	1,309
Total Current Liabilities	15,255	17,848
Net Assets		
Net Assets Without Donor Restrictions	799,692	329,862
Total Liabilities and Net Assets	814,947	347,710

PROLIFE Across AMERICA
Statements of Activities and Changes in Net Assets
Years Ended November 30, 2019 and 2018

Support and Revenues	**2019**	**2018**
Contributions	$ 3,712,619	$ 2,486,442
Interest Income	16,762	45
Total Support and Revenues	3,729,381	2,486,487
Expenses		
Program Services	2,976,770	1,983,207
Supporting Services	55,459	48,769
Fundraising	227,322	166,657
Total Expenses	3,259,551	2,198,633
Change in Net Assets	469,830	287,854
Beginning Net Assets	329,862	42,008
Ending Net Assets	799,692	329,862

SEE NOTES TO THE FINANCIAL STATEMENTS

PROLIFE Across AMERICA
Statements of Cash Flows
Years Ended November 30, 2019 and 2018

	2019	2018
Cash Flows - Operations		
Change in Net Assets	$ 469,830	$ 287,854
Add Back Items Not Requiring the Use of Cash:		
Depreciation	862	860
Other Changes:		
Increase (Decrease) in Accounts Payable	(5,033)	(3,006)
Increase in Accrued Payroll Tax Liability	2,440	283
Cash Flow - Operations	468,099	285,991
Cash Flows - Investing Activities		
None	-	-
Cash Flows - Investing Activities	-	-
Cash Flows - Financing Activities		
None	-	-
Cash Flows - Financing Activities	-	-
Change in Cash & Cash Equivalents	468,099	285,991
Cash & Cash Equivalents - Beginning of the year	346,848	60,857
Cash & Cash Equivalents - End of the year	814,947	346,848

SEE NOTES TO THE FINANCIAL STATEMENTS

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

Expenses	Program Services	Supporting Services	Fund-Raising	Total
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
Total	2,976,770	55,459	227,322	3,259,551
% of Total 11-30-2019	91.3%	1.7%	7.0%	100.0%

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

Expenses	**Program Services**	**Supporting Services**	**Fund-Raising**	**Total**
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	1,983,207	48,769	166,657	2,198,633
% of Total 11-30-2018	90.2%	2.2%	7.6%	100.0%

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.

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, 2019 and 2018, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations – (Continued)

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.

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 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.

3. AVAILABILITY AND LIQUIDITY

The Organization had liquid assets totaling $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 church operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of the organization's cash and shows positive cash generated by operations for fiscal years ending November 30, 2019 and 2018, respectively.

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, 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. 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 expense.

6. 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.

On January 21, 2020, the Organization entered into a lease of office space in a new location. The lease term begins 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 prorata share of the operating expenses and real estate taxes.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 6, 2020, the date on which the financial statements were available to be issued.