

Crossroads Kids Club
Compiled Financial Statements
Modified Cash Basis

For the Fiscal Year Ended

June 30, 2021

Crossroads Kids Club

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Lynn C. Genn, CPA

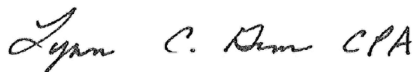
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Independent Accountant's Compilation Report

Crossroads Kids Club
Board of Directors
1275 David Road, Suite #118
Elgin, IL 60123

Management is responsible for the accompanying financial statements of Crossroads Kids Club (a nonprofit organization), which comprise the statement of assets, liabilities and net assets (modified cash basis) as of June 30, 2021, and the related statements of revenues, expenses and other changes in net assets (modified cash basis) for the year then ended, the statement of functional expenses (modified cash basis), and the related cash flow statement (modified cash basis), for the year then ended and the related notes to the financial statements in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note II of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.



Lynn C. Genn, CPA
August 8, 2021

Crossroads Kids Club
Statement of Assets, Liabilities and Fund Balance - Compiled
June 30, 2021
Modified Cash Basis

Assets

Current Assets

Cash & Cash Equivalents	\$	203,744	
Investments		<u>325,464</u>	
Total Current Assets			<u>529,208</u>

Total Assets			<u><u>\$ 529,208</u></u>
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Liabilities & Net Assets

Current Liabilities

Payables	\$	2,434	
Paycheck Protection Loan		<u>52,678</u>	
Total Current Liabilities			55,112

Net Assets

Without Donor Restrictions		472,234	
With Donor Restrictions		<u>1,862</u>	
Total Net Assets			<u>474,096</u>

Total Liabilities & Net Assets			<u><u>\$ 529,208</u></u>
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Crossroads Kids Club
Statement of Revenues, Expenses and Changes in Net Assets - Compiled
Modified Cash Basis
Fiscal Year Ended June 30, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue			
Contributions	\$643,748	\$3,000	\$646,748
PPP Grant	40,761	-	40,761
Other Income	50	-	50
Interest Income	-	-	-
Unrealized Gain/(Loss) Investments	6,507	-	6,507
	<u>691,066</u>	<u>3,000</u>	<u>694,066</u>
 Net Assets Released from Restrictions:			
Satisfaction of Purpose Restrictions	6,938	(6,938)	-
Total Income	<u>\$698,005</u>	<u>(\$3,938)</u>	<u>\$694,066</u>
 Expense			
Program Services			
Programs	321,829	-	321,829
Supporting Services			
General & Administrative	32,695	-	32,695
Fund Raising	55,440	-	55,440
Total Expense	<u>\$ 409,963</u>	<u>\$ -</u>	<u>\$ 409,963</u>
 Change in Net Assets	 \$ 288,041	 \$ (3,938)	 \$ 284,103
Net Assets at Beginning of Year	<u>\$ 184,193</u>	<u>\$ 5,800</u>	<u>\$ 189,993</u>
Net Assets Year End	<u>\$ 472,234</u>	<u>\$ 1,862</u>	<u>\$ 474,096</u>

Crossroads Kids Club
Statement of Functional Expenses - Compiled
Modified Cash Basis
Fiscal Year Ended June 30, 2021

	<u>Program</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries & Wages	\$ 181,142	\$ 22,643	\$ 22,643	\$ 226,428
Employee Benefits	29,225	3,653	3,653	36,531
Payroll Taxes	7,461	933	933	9,326
Contract Labor	10,622	158	2,517	13,298
Club Support	30,650	-	-	30,649
Donor Relations	-	-	3,525	3,525
Equipment	2,059	233	191	2,483
Fees & Other Expense	5,006	750	1,585	7,341
Fundraising Activities	-	-	4,612	4,612
Fundraising Event	-	-	5,787	5,787
Insurance	1,369	171	171	1,711
Occupancy	18,822	2,354	2,354	23,530
Office Supplies	2,827	335	679	3,841
Postage & Shipping	3,958	398	2,087	6,442
Printing & Promotion	3,212	23	3,320	6,555
Professional Development	678	41	41	760
Professional Fees	6,232	716	716	7,665
Software	2,980	105	272	3,357
Telecommunications	887	98	98	1,082
Travel	14,699	84	256	15,039
Total Expense	\$ 321,829	\$ 32,695	\$ 55,440	\$ 409,964

Crossroads Kids Club
Statement of Cash Flows - Compiled
Modified Cash Basis
For the Fiscal Year Ended June 30, 2021

Change In:

Unrestricted Net Assets	\$ 288,041	
Restricted Net Assets	<u>(3,938)</u>	
Change in Net Assets	<u>\$ 284,103</u>	
Net Cash Provided by Operating Activities		\$ 284,103
Cash Flows from Financing Activities		
Increase/(Decrease) in Credit Card Liabilities	(349)	
PPP Loan	<u>11,918</u>	
Net Cash from Financing Activities		11,569
Cash Flows from Investing Activities		
(Increase)/Decrease in Investments	<u>(238,305)</u>	
Net Cash from Investing Activities		<u>(238,305)</u>
Net Increase in Cash & Cash Equivalents for Year		57,366
Cash Beginning of Year		<u>146,378</u>
Cash End of Year		<u><u>\$ 203,744</u></u>

I. Nature of Ministry

Crossroads Kids Club (hereafter CKC) was organized on September 9, 1998, and recognized on March 23, 1999, as a tax-exempt organization under Sections 501(c)(3) of the Internal Revenue Code. CKC exists to mobilize God's people to share the Good News of Jesus with children in public schools.

II. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of CKC have been prepared on a modified cash basis of accounting. Consequently revenues are recognized when received, and expenses are recognized when cash is disbursed. Fixed assets are capitalized and depreciated rather than expensed. Debts other than operating accounts payable are recognized as a liability. Investments are stated at market value as of fiscal year end.

Classes of Net Assets

Information regarding the financial position and activities of CKC are reported in two classes of net assets as applicable: unrestricted and restricted. These classes of net assets are based on the existence or absence of donor-imposed restrictions. Accordingly net assets of CKC and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions are not subject to donor-imposed stipulations and are currently available at the discretion of the board for use in the ministries of CKC.

Net Assets With Donor Restrictions are those subject to donor-imposed stipulations that can be removed either through the passage of time (time restrictions) or expenditures by CKC in satisfaction of purpose restrictions, or permanent restriction which require that the principal be invested in perpetuity.

Cash and Cash Equivalents

Cash and cash equivalents include checking, savings and money market accounts with maturities of three months or less.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets in the statement of assets, liabilities and fund balance. Unrealized gains and losses are included in the statement of revenues, expenses and change in net assets.

Revenue

Contributions, event income, and investment income are recorded when received. All contributions are considered available for unrestricted use unless restricted by the donor. Contributions that have restrictions are reported as restricted, if the restrictions are not met in the same reporting period. Unrealized gain (loss) on investments are recognized at fair market value as of fiscal year end.

Functional Allocation of Expenses

The cost of providing various program and supporting services are summarized on a functional basis in the statement of activities – modified cash basis. Accordingly some operating costs have been allocated among the programs and supporting services that benefited from those expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount and disclosures. Accordingly, actual results could differ from the estimates.

Income Taxes

CKC is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code for all business income related to its exempt purpose. CKC is subject to income taxes on unrelated business income after related expenses. There was no unrelated business activity during the years ended June 30, 2021.

Evaluation of Tax Positions

As of June 30, 2021, CKC had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization's federal Exempt Organization Business Income Tax Returns (Form 990) for 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they were filed.

III. Paycheck Protection Loan

CKC received a second draw under the Paycheck Protection Program in the amount of \$52,678 in the current fiscal year ended 6/30/21. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible expenses. CKC believes that the entirety of the loan and accrued interest will qualify for forgiveness during the subsequent fiscal year.

CKC received a loan under the Paycheck Protection Program in the amount of \$40,760, in the previous fiscal year ended 6/30/20. The loan and accrued interest were forgiven during the current fiscal year and the loan was recognized as grant income, in the amount of \$40,760.

IV. Donated Services

No amounts have been reflected in the financial statement for donated services. The majority of CKC's activities are conducted by many individuals who volunteer their time and perform a wide variety of tasks. As the value of these donated services is not clearly measurable, it is not recorded.

V. Liquidity and Availability of Resources

The following table reflects CKC's financial assets as of June 30, 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year because of contractual or donor-imposed restrictions.

	<u>June 30, 2021</u>
Financials Assets:	
Cash	\$ 203,744
Investments	325,464
Less those unavailable for general expenditure within one year due to:	
Net assets with donor restrictions	<u>(1,862)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 527,346</u>

VI. Risks and Uncertainties

In March of 2020, the World Health Organization declared the outbreak of coronavirus as a pandemic which continues to spread throughout the United States. Coronavirus has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the Coronavirus pandemic, as well as the effectiveness of government and central bank responses remains unclear at this time. It is not possible to reliably estimate the impact on the financial position and results of CKC for future fiscal years. Management is monitoring the situation and evaluating its options as circumstances evolve.