

Crossroads Kids Club
Compiled Financial Statements
Modified Cash Basis

For the Fiscal Year Ended

June 30, 2022

Crossroads Kids Club

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Lynn C. Genn, CPA

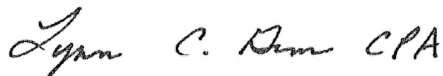
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Independent Accountant's Compilation Report

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, 2022, 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 3, 2022

Crossroads Kids Club
Statement of Assets, Liabilities and Fund Balance - Compiled
 June 30, 2022
Modified Cash Basis

Assets

Current Assets

Cash & Cash Equivalents	\$ 416,943	
Investments	<u>308,578</u>	
Total Current Assets		<u>725,521</u>

Total Assets		<u><u>\$ 725,521</u></u>
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Liabilities & Net Assets

Current Liabilities

Payables	<u>6,357</u>	
Total Current Liabilities		6,357

Net Assets

Without Donor Restrictions	710,932	
With Donor Restrictions	<u>8,232</u>	
Total Net Assets		<u>719,164</u>

Total Liabilities & Net Assets		<u><u>\$ 725,521</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, 2022

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue			
Contributions	\$765,585	\$17,500	\$783,085
PPP Grant	52,678	-	52,678
Other Income	753	-	753
Unrealized Gain/(Loss) Investmemts	<u>(16,886)</u>	<u>-</u>	<u>(16,886)</u>
	\$802,130	\$17,500	\$819,630
 Net Assets Released from Restrictions:			
Satisfaction of Purpose Restrictions	<u>11,130</u>	<u>(11,130)</u>	<u>-</u>
Total Income	<u>\$813,260</u>	<u>\$6,370</u>	<u>\$819,630</u>
 Expense			
Program Services			
Programs	444,600	-	444,600
Supporting Services			
General & Administrative	44,957	-	44,957
Fundraising	<u>85,005</u>	<u>-</u>	<u>85,005</u>
Total Expense	<u>\$ 574,562</u>	<u>\$ -</u>	<u>\$ 574,562</u>
 Change in Net Assets	 \$ 238,698	 \$ 6,370	 \$ 245,068
Net Assets at Beginning of Year	<u>\$ 472,234</u>	<u>\$ 1,862</u>	<u>\$ 474,096</u>
Net Assets Year End	<u>\$ 710,932</u>	<u>\$ 8,232</u>	<u>\$ 719,164</u>

Crossroads Kids Club
Statement of Functional Expenses - Compiled
Modified Cash Basis
Fiscal Year Ended June 30, 2022

	<u>Program</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Compensation & Benefits	\$ 244,477	\$ 30,560	\$ 30,560	\$ 305,597
Payroll Taxes	9,419	1,177	1,177	11,774
Benevolence	6,130	-	-	6,130
Contract Labor	16,260	153	3,348	19,761
Club Support	62,767	-	-	62,767
Donor Relations	-	-	4,230	4,230
Equipment & Furniture	15,893	1,684	1,930	19,507
Fees & Other Expense	3,432	342	3,457	7,231
Fundraising Activities	-	-	27,559	27,559
Insurance	3,059	290	290	3,639
Occupancy	18,013	2,252	2,252	22,517
Office Expenses & Supplies	8,099	710	923	9,731
Postage & Shipping	2,478	246	2,868	5,592
Printing & Promotion	7,377	374	4,417	12,168
Professional Development	1,053	1,104	36	2,194
Professional Fees	8,359	4,657	45	13,061
Software	6,751	1,209	1,443	9,403
Travel	31,031	199	470	31,700
Total Expense	\$ 444,600	\$ 44,957	\$ 85,005	\$ 574,562

Crossroads Kids Club
Statement of Cash Flows - Compiled
Modified Cash Basis
For the Fiscal Year Ended June 30, 2022

Change In:

Unrestricted Net Assets	\$ 238,698	
Restricted Net Assets	<u>6,370</u>	
Change in Net Assets	<u>\$ 245,068</u>	
Net Cash Provided by Operating Activities		\$ 245,068

Cash Flows from Financing Activities

Increase/(Decrease) in Credit Card Liabilities	3,923	
PPP Loan	<u>(52,678)</u>	
Net Cash from Financing Activities		(48,755)

Cash Flows from Investing Activities

(Increase)/Decrease in Investments	<u>16,886</u>	
Net Cash from Investing Activities		<u>16,886</u>

Net Increase in Cash & Cash Equivalents for Year		213,199
Cash Beginning of Year		<u>203,744</u>
Cash End of Year		<u><u>\$ 416,943</u></u>

Crossroads Kids Club
Notes to Compiled Financial Statements
June 30. 2022

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.

Crossroads Kids Club
Notes to Compiled Financial Statements
June 30, 2022

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 year ended June 30, 2022.

Evaluation of Tax Positions

As of June 30, 2022, 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 2019 and 2020 are subject to examination by the IRS, generally for three years after they were filed.

CKC is exempt from filing the Form 990 beginning for the tax year 2021 (fiscal year end 6/30/22), due to reclassification by the IRS as an association of churches.

III. Employee Retention Credit

CKC applied for and received an Employee Retention Credits totaling \$40,437 during fiscal year 6/30/22. This credit is considered a reduction in payroll expense by the IRS.

Therefore, these credits reduced salaries & wages expense in the amount of \$40,437 on the Statement of Functional Expenses for the fiscal year ended 6/30/22.

Crossroads Kids Club
Notes to Compiled Financial Statements
June 30, 2022

IV. Paycheck Protection Loan

CKC received a second draw under the Paycheck Protection Program in the amount of \$52,678 in the previous fiscal year ended 6/30/21. The PPP loan was recorded as a loan payable in that fiscal year. The loan and accrued interest were forgiven during the current fiscal year ended 6/30/22. The forgiveness of the loan in the amount of \$52,678 was recognized as grant income and a payment in full of the loan payable during the current fiscal year ended 6/30/22.

V. 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.

VI. Liquidity and Availability of Resources

The following table reflects CKC's financial assets as of June 20,2022, 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, 2022</u>
Financials Assets:	
Cash	\$ 416,943
Investments	308,578
Less those unavailable for general expenditure within one year due to:	
Net assets with donor restrictions	<u>(8,232)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 717,289</u>