

**PROLIFE Across AMERICA
Financial Statements
November 30, 2022 and 2021**

**PROLIFE Across AMERICA
Financial Statements
November 30, 2022 and 2021**

Table of Contents

| | |
|---|------|
| Independent Auditor's Report | 1-2 |
| Statements of Financial Position | 3 |
| Statements of Activities and Changes in Net Assets | 4 |
| Statements of Cash Flows | 5 |
| Statement of Functional Expenses – November 30, 2022..... | 6 |
| Statement of Functional Expenses – November 30, 2021..... | 7 |
| Notes to Financial Statements | 8-13 |



To The Board of Directors
PROLIFE Across AMERICA
Minneapolis, Minnesota

INDEPENDENT AUDITOR'S REPORT

Opinion

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, 2022 and November 30, 2021 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and November 30, 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PROLIFE Across AMERICA, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about PROLIFE Across AMERICA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 PROLIFE Across AMERICA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PROLIFE Across AMERICA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Freeman ; Bonnewa, LLC

March 8, 2023

PROLIFE Across AMERICA
Statements of Financial Position
As of November 30, 2022 and 2021

| <u>Assets</u> | <u>2022</u> | <u>2021</u> |
|--|------------------------------|--------------------------------|
| <u>Current Assets</u> | | |
| Cash & Cash Equivalents | \$ 802,774 | \$ 1,040,764 |
| Total Current Assets | <u>802,774</u> | <u>1,040,764</u> |
| <u>Furniture & Equipment</u> | | |
| Furniture & Equipment | 18,000 | 18,000 |
| Less Accumulated Depreciation | 10,800 | 7,200 |
| Net Fixed Assets | <u>7,200</u> | <u>10,800</u> |
| <u>Other Assets</u> | | |
| Security Deposit | <u>4,069</u> | <u>4,069</u> |
| Total Assets | <u><u>814,043</u></u> | <u><u>1,055,633</u></u> |
| <u>Liabilities and Net Assets</u> | | |
| <u>Current Liabilities</u> | | |
| Accounts Payable | 28,043 | 20,089 |
| Accrued Payroll Tax Liability | <u>12,902</u> | <u>7,807</u> |
| Total Current Liabilities | <u>40,945</u> | <u>27,896</u> |
| <u>Net Assets</u> | | |
| Net Assets Without Donor Restrictions | 773,098 | 1,027,737 |
| Total Liabilities and Net Assets | <u><u>814,043</u></u> | <u><u>1,055,633</u></u> |

SEE NOTES TO THE FINANCIAL STATEMENTS

PROLIFE Across AMERICA
Statements of Activities and Changes in Net Assets
For the Years Ended November 30, 2022 and 2021

| <u>Support and Revenues</u> | <u>2022</u> | <u>2021</u> |
|------------------------------------|-----------------------|-------------------------|
| Contributions | \$ 5,411,886 | \$ 5,001,161 |
| Interest Income | 2,497 | 3,048 |
| Total Support and Revenues | <u>5,414,383</u> | <u>5,004,209</u> |
| | | |
| <u>Expenses</u> | | |
| Program Services | <u>5,236,751</u> | <u>4,151,420</u> |
| Management and General | 85,317 | 69,286 |
| Fundraising | <u>346,954</u> | <u>291,137</u> |
| Total Supporting Activities | <u>432,271</u> | <u>360,423</u> |
| Total Expenses | <u>5,669,022</u> | <u>4,511,843</u> |
| Change in Net Assets | (254,639) | 492,366 |
| Beginning Net Assets | <u>1,027,737</u> | <u>535,371</u> |
| Ending Net Assets | <u><u>773,098</u></u> | <u><u>1,027,737</u></u> |

SEE NOTES TO THE FINANCIAL STATEMENTS

PROLIFE Across AMERICA
Statements of Cash Flows
For the Years Ended November 30, 2022 and 2021

| | 2022 | 2021 |
|---|--------------|-------------|
| <u>Cash Flows - Operations</u> | | |
| Change in Net Assets | \$ (254,639) | \$ 492,366 |
| Items that are not a Source or Use of Cash: | | |
| Depreciation | 3,600 | 3,600 |
| Other Changes: | | |
| Increase in Security Deposit Asset | | - |
| Increase (Decrease) in Accounts Payable | 7,954 | (120,749) |
| Increase in Accrued Payroll Tax Liability | 5,095 | 3,226 |
| Cash Flow - Operations | (237,990) | 378,443 |
| <u>Cash Flows - Investing Activities</u> | | |
| None | - | - |
| Cash Flows - Investing Activities | - | - |
| <u>Cash Flows - Financing Activities</u> | | |
| None | - | - |
| Cash Flows - Financing Activities | - | - |
| Change in Cash & Cash Equivalents | (237,990) | 378,443 |
| Cash & Cash Equivalents - Beginning of the year | 1,040,764 | 662,321 |
| Cash & Cash Equivalents - End of the year | 802,774 | 1,040,764 |

SEE NOTES TO THE FINANCIAL STATEMENTS

PROLIFE Across AMERICA
Statement of Functional Expenses
For the Year Ended November 30, 2022

| <u>Expenses</u> | <u>Program Services</u> | <u>Supporting Activities</u> | | <u>Supporting Subtotal</u> | <u>Total</u> |
|---------------------------|-------------------------|-------------------------------|---------------------|----------------------------|------------------|
| | | <u>Management and General</u> | <u>Fund-Raising</u> | | |
| Educational Media Costs | \$ 4,986,940 | \$ - | \$ 205,492 | \$ 205,492 | \$ 5,192,432 |
| Salaries and Wages | 152,413 | 49,720 | 64,287 | 114,007 | 266,420 |
| Printing and Publications | 33,462 | - | 8,895 | 8,895 | 42,357 |
| Supplies | 1,390 | 695 | 7,840 | 8,535 | 9,925 |
| Postage and Shipping | 7,103 | 3,552 | 24,862 | 28,414 | 35,517 |
| Contract Services | 5,114 | 12,786 | 7,672 | 20,458 | 25,572 |
| Travel and Mileage | 28,992 | - | - | - | 28,992 |
| Occupancy Costs | 15,515 | 15,515 | 15,516 | 31,031 | 46,546 |
| Telephone | 4,622 | 1,849 | 2,773 | 4,622 | 9,244 |
| Depreciation | 1,200 | 1,200 | 1,200 | 2,400 | 3,600 |
| Legal and Professional | - | - | 8,417 | 8,417 | 8,417 |
| Total | <u>5,236,751</u> | <u>85,317</u> | <u>346,954</u> | <u>432,271</u> | <u>5,669,022</u> |
| % of Total 11-30-2022 | 92.4% | 1.5% | 6.1% | 7.6% | 100.0% |

SEE NOTES TO THE FINANCIAL STATEMENTS

PROLIFE Across AMERICA
Statement of Functional Expenses
For the Year Ended November 30, 2021

| <u>Expenses</u> | <u>Program Services</u> | <u>Supporting Activities</u> | | <u>Supporting Subtotal</u> | <u>Total</u> |
|---------------------------|-------------------------|-------------------------------|-----------------------|----------------------------|-------------------------|
| | | <u>Management and General</u> | <u>Fund-Raising</u> | | |
| Educational Media Costs | \$ 3,931,327 | \$ - | \$ 162,084 | \$ 162,084 | \$ 4,093,411 |
| Salaries and Wages | 131,206 | 39,268 | 54,414 | 93,682 | 224,888 |
| Printing and Publications | 33,481 | - | 8,542 | 8,542 | 42,023 |
| Supplies | 2,691 | 1,743 | 11,387 | 13,130 | 15,821 |
| Postage and Shipping | 7,183 | 3,591 | 25,142 | 28,733 | 35,916 |
| Contract Services | 2,484 | 6,211 | 3,727 | 9,938 | 12,422 |
| Travel and Mileage | 22,319 | - | - | - | 22,319 |
| Occupancy Costs | 15,769 | 15,769 | 15,769 | 31,538 | 47,307 |
| Telephone | 3,760 | 1,504 | 2,256 | 3,760 | 7,520 |
| Depreciation | 1,200 | 1,200 | 1,200 | 2,400 | 3,600 |
| Legal and Professional | - | - | 6,616 | 6,616 | 6,616 |
| Total | <u><u>4,151,420</u></u> | <u><u>69,286</u></u> | <u><u>291,137</u></u> | <u><u>360,423</u></u> | <u><u>4,511,843</u></u> |
| % of Total 11-30-2021 | 92.0% | 1.5% | 6.5% | 8.0% | 100.0% |

SEE NOTES TO THE FINANCIAL STATEMENTS

PROLIFE Across AMERICA
Notes to Financial Statements
November 30, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021, there were no outstanding unconditional promises to give that would require recognition of a pledge receivable.

Contributed Services

The Organization receives a substantial number 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, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations – (Continued)

During the fiscal year ending November 30, 2022, the Organization received a total of \$1,200,000 or approximately 22% of its total contribution revenue from three donors.

During the fiscal year ending November 30, 2021, the Organization received a total of \$1,550,000 or approximately 31% 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.

Functional Allocation of Expenses

The cost of providing programs and other activities have been summarized on a functional basis in the statement of functional expenses. Supporting services include management and general expenses that are not directly identifiable with any specific function or program but provide for the overall support, development and direction of the Organization. Certain costs have been allocated among programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

PROLIFE Across AMERICA
Notes to Financial Statements
November 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses-(Continued)

| <u>Expense</u> | <u>Method of Allocation</u> |
|---------------------------|-----------------------------|
| Educational Media Costs | Time and Effort |
| Salaries and Wages | Time and Effort |
| Printing and Publications | Time and Effort |
| Supplies | Time and Effort |
| Postage and Shipping | Time and Effort |
| Contract Services | Time and Effort |
| Travel and Mileage | Direct Allocation |
| Occupancy Costs | Estimated Square Footage |
| Telephone | Time and Effort |
| Depreciation | Estimated Square Footage |
| Legal and Professional | Direct Allocation |

3. AVAILABILITY AND LIQUIDITY

The Organization had financial assets totaling \$802,774 on November 30, 2022 and \$1,040,764 on November 30, 2021.

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.

PROLIFE Across AMERICA
Notes to Financial Statements
November 30, 2022 and 2021

5. JOINT COSTS

During the year ended November 30, 2022, the Organization incurred joint costs of \$5,192,432 for informational materials and media expense that included fundraising appeals. The Organization allocated \$205,492 to fundraising costs. During the year ended November 30, 2021, the Organization incurred joint costs of \$4,093,411 for informational materials and media expense that included fundraising appeals. The Organization allocated \$162,084 to fundraising expense.

6. RELATED PARTY

The Treasurer of the Organization, John Kuharski is also the spouse of the President, Mary Ann Kuharski. Also, the bookkeeper at the Organization is a daughter-in-law of the Treasurer and President.

7. OFFICE RENT

On January 21, 2020, the Organization entered into a lease of office space. 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 an average of \$1,925 per month for the fiscal year ended November 30, 2022 and \$2,040 per month for the year ended November 30, 2021.

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

| | |
|-------------------|----------|
| November 30, 2023 | \$24,068 |
| November 30, 2024 | 24,692 |
| November 30, 2025 | 8,300 |
| November 30, 2026 | - |
| November 30, 2027 | - |

Total rent expense including the operating expenses and real estate taxes were \$46,546 and \$47,307 during the years ended November 30, 2022 and 2021, respectively.

PROLIFE Across AMERICA
Notes to Financial Statements
November 30, 2022 and 2021

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 8, 2023, the date on which the financial statements were available to be issued.