

**CROSSLINES CHURCHES OF  
THE JOPLIN AREA, INC.**

**Auditor's Report and Financial Statements  
For the years ended June 30, 2021 and 2020**



**W. BENMILLER, CPA LLC**

**CROSSLINES CHURCHES OF THE JOPLIN AREA, INC.**

**For the Years Ended June 30, 2021 and 2020**

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W. BENMILLER, CPA LLC

## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors of Crosslines Churches of the Joplin Area

We have audited the accompanying financial statements of Crosslines Churches of the Joplin Area (a nonprofit organization), which comprise the statements of financial position (modified cash basis) as of June 30, 2021 and 2020, and the related statements of activities (modified cash basis) and cash flows (modified cash basis) 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 the modified cash basis of accounting; 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Crosslines Churches of the Joplin Area as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with the modified cash basis of accounting.

W. Ben Miller, CPA LLC  
Webb City, Missouri  
March 12, 2022

**Crosslines Churches of the Joplin Area, Inc.**  
**Statements of Financial Position – Modified Cash Basis**  
**June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 247,539	\$ 182,589
Other current assets	-	250
<b>Total current assets</b>	247,539	182,839
<b>Property and Equipment</b>		
Land, buildings, and improvement	1,103,644	1,103,644
Equipment and fixtures	60,166	60,166
Vehicles	12,900	12,900
	1,176,710	1,176,710
Accumulated depreciation	(207,655)	(176,931)
<b>Total property and equipment</b>	969,055	999,779
<b>Total Assets</b>	\$1,216,594	\$1,182,618
<b>Current Liabilities</b>		
Accrued expenses	\$ 1,956	\$ 1,777
<b>Total current liabilities</b>	1,956	1,777
<b>Long-term Liabilities</b>		
PPP SBA Loan	-	18,000
	-	18,000
<b>Net Assets</b>		
Net assets without donor restrictions	1,214,638	1,162,841
<b>Total net assets</b>	1,214,638	1,162,841
<b>Total Liabilities and Net Assets</b>	\$1,216,594	\$1,182,618

See independent auditor's report and notes to the financial statements

**Crosslines Churches of the Joplin Area, Inc.  
Statements of Activities – Modified Cash Basis  
For the Years Ended June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Unrestricted Net Assets</b>		
Revenues and gains		
Contributions	\$ 293,437	\$ 299,329
In-kind contributions	1,397,415	1,528,685
PPP loan forgiveness	18,000	-
Miscellaneous income	744	3,024
Interest income	92	76
<b>Total unrestricted revenues and gains         and other support</b>	<b>1,709,688</b>	<b>1,831,114</b>
 <b>Expenses</b>		
Program services	1,630,128	1,742,181
Management and general	27,763	22,688
<b>Total expenses</b>	<b>1,657,891</b>	<b>1,764,869</b>
 <b>Increase in unrestricted net assets</b>	<b>51,797</b>	<b>66,245</b>
 <b>Change in Net Assets</b>	<b>51,797</b>	<b>66,245</b>
<b>Net Assets, Beginning of Year</b>	<b>1,162,841</b>	<b>1,096,596</b>
<b>Net Assets, End of Year</b>	<b>\$1,214,638</b>	<b>\$1,162,841</b>

See independent auditor's report and notes to the financial statements

**Crosslines Churches of the Joplin Area, Inc.**  
**Statements of Functional Expenses – Modified Cash Basis**  
**For the Years Ended June 30, 2021 and 2020**

	<b>Year Ended June 30, 2021</b>		
	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Salaries and payroll taxes	\$ 89,013	\$ 9,890	\$ 98,903
Accounting fees	-	9,707	9,707
Advertising and promotion	6	-	6
Office expenses	4,684	520	5,204
Occupancy	32,437	3,604	36,041
Travel	-	-	-
Depreciation	27,652	3,072	30,724
Insurance	2,710	301	3,011
Food	1,401,385	-	1,401,385
Garden	619	-	619
Individual assistance	65,603	-	65,603
Volunteer appreciation	363	40	403
Vehicle expenses	1,039	115	1,154
Miscellaneous	4,619	513	5,132
	<b>\$1,630,128</b>	<b>\$ 27,763</b>	<b>\$1,657,891</b>

	<b>Year Ended June 30, 2020</b>		
	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Salaries and payroll taxes	\$ 90,315	\$ 10,035	\$ 100,350
Accounting fees	-	5,500	5,500
Advertising and promotion	371	-	371
Office expenses	5,845	649	6,494
Occupancy	19,629	2,181	21,810
Depreciation	28,944	3,216	32,160
Insurance	6,827	758	7,585
Food	1,541,208	-	1,541,208
Garden	639	-	639
Individual assistance	44,762	-	44,762
Volunteer appreciation	511	-	511
Vehicle expenses	2,385	265	2,650
Miscellaneous	745	84	829
	<b>\$1,742,181</b>	<b>\$ 22,688</b>	<b>\$1,764,869</b>

See independent auditor's report and notes to the financial statements

**Crosslines Churches of the Joplin Area, Inc.  
Statements of Cash Flows – Modified Cash Basis  
For the Years Ended June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 51,797	\$ 66,245
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	30,724	32,160
Changes in operating assets and liabilities		
(Increase) decrease in other current assets	250	-
Increase (decrease) in accrued expenses	179	388
<b>Net cash flows from operating activities</b>	<b>82,950</b>	<b>98,793</b>
<b>Cash Flows From Financing Activities</b>		
Borrowings on SBA PPP Loan	-	18,000
SBA PPP loan forgiveness	(18,000)	-
<b>Net cash flows from financing activities</b>	<b>(18,000)</b>	<b>18,000</b>
 <b>Net Increase in Cash and Cash Equivalents</b>	 64,950	 116,793
<b>Cash and Cash Equivalents - Beginning of Year</b>	182,589	65,796
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 247,539</b>	<b>\$ 182,589</b>

See independent auditor's report and notes to the financial statements

**Crosslines Churches of the Joplin Area, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**Note 1 – Nature of Activities and Significant Accounting Policies**

Nature of Activities - These financial statements represent the continuing operations of Crosslines Churches of the Joplin Area, Inc. (a non-profit organization). The Organization's purpose is to promote the general welfare of the poor, indigent, aged, maimed, dependent, sick, illiterate, and needy persons and their dependents, and particularly those who are residents of Jasper County, Missouri.

Basis of Accounting - The accounts of Crosslines Churches of the Joplin Area, Inc. are maintained, and the accompanying financial statements have been prepared, on the modified cash basis of accounting. Therefore, revenues and expenditures are recognized only when collected or paid, and receivables and accrued liabilities are not reflected in the financial statements. The financial statements do however, reflect property and equipment, withheld payroll liabilities, and prepaid expenses.

Cash and cash equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Net Assets - The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

***Net Assets With Donor Restrictions***

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

See independent auditor's report



**Crosslines Churches of the Joplin Area, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**Note 1 – Nature of Activities and Significant Accounting Policies (continued)**

Property and equipment – The Organization capitalizes property and equipment over \$2,500. Property and equipment acquired by purchase are stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on their estimated useful lives, ranging from 3 to 39 years. Depreciation was \$30,724 and \$32,160 for the years ended June 30, 2021 and 2020, respectively.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Contributed Services - No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 3,000 volunteer hours per year.

Classification of Transactions - All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Accounting for Contributions - Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met. The organization is a beneficiary under several donors' wills. Contributions from bequests are recognized as contributions receivable when the probate court declares that the will is valid and the organization has an irrevocable right to the bequest.

Income Tax Status - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

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**Crosslines Churches of the Joplin Area, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**Note 1 – Nature of Activities and Significant Accounting Policies (continued)**

Expense Recognition and Allocation - The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Other costs are allocated based on tracking by management and consistent use of general ledger coding.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2 – Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021 and 2020 are:

	<b>2021</b>	<b>2020</b>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 247,539	\$ 182,589
Total financial assets	247,539	182,589
<b>Less financial assets held to meet</b>		
Net asset with donor restrictions	-	-
<b>Amount available for general expenditures within one year</b>	247,539	182,589

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**Crosslines Churches of the Joplin Area, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**Note 3 – Concentration of Credit Risk**

The Organization maintains its cash balances at two local financial institutions located in Southwest Missouri. Accounts held by the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization had no balances over the insured level at June 30, 2021 and 2020.

**Note 4 – Risk and Uncertainties**

During the early part of 2020, the spread of the coronavirus (COVID-19) in the United States began to impact the Organization's operations. Government recommendations and mandates have caused the Organization to alter operations, and individuals were strongly urged to avoid public contact to control the spread of COVID-19, potentially hampering the ability of the Organization to raise funds and distribute donated resources. These events will likely have future financial impact on the revenues and expenses of the Organization; an estimate of the financial effects of these events can't be made at this time due to the uncertainties of the duration of these effects, and the uncertainty related to sources of revenue.

**Note 5 – Long-Term Liabilities**

In the Spring of 2020, the Organization received \$18,000 from the Small Business Administration's (SBA) "Paycheck Protection Program" (PPP) loan program. The loan amount was based on historical payroll levels, and is potentially forgivable based on program criteria requiring payment of employees and other approved expenses during the COVID-19 pandemic.

During the year ended June 30, 2021, the Organization submitted an application for forgiveness of the PPP loan. If the loan balance had not been forgiven, the loan would have been repaid over a 2 year period at an interest rate of 1%. The loan was forgiven by the SBA, and therefor income in the amount of \$18,000 was recognized in the year ended June 30, 2021.

**Note 6 – Evaluation of Subsequent Events**

The Organization has evaluated subsequent events through March 12, 2022, the date which the financial statements were available to be issued.

See independent auditor's report