

# Agape Pregnancy Resource Center

Reviewed Financial Statements

December 31, 2016

**Robnett Financial LLC**

*Certified Public Accountants & Consultants*

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors of  
Agape Pregnancy Resource Center  
104 E Main St  
Round Rock, TX 78664

We have reviewed the accompanying financial statements of Agape Pregnancy Resource Center (a nonprofit organization), which comprise the statement of financial position of as of December 31, 2016 and December 31, 2015, and the related statements of activities and changes in net assets, and cash flows for the years then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility 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; 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.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Sincerely,

*ROBNETT & CO CPAs*

Robnett & Co. CPAs  
Austin, TX  
April 4, 2017

**Agape Pregnancy Resource Center  
Statement of Financial Position  
As of December 31, 2016 and 2015**

**Assets**

	<b>2016</b>	<b>2015</b>
Cash and Equivalents	\$ 251,900.74	\$ 203,959.39
Cash restricted to investment in Property & Equipment	70,480.55	10,000.00
Other Current Assets	75,072.14	0.00
Property and Equipment, net of depreciation	428,990.52	449,149.55
<b>Total Assets</b>	<b>\$ 826,443.95</b>	<b>\$ 663,108.94</b>

**Liabilities and Net Assets**

Accounts Payable	\$ 383.97	\$ 0.00
Payroll Liabilities	31.59	1,820.45
<b>Total Liabilities</b>	<b>415.56</b>	<b>1,820.45</b>
Unrestricted	755,547.84	651,288.49
Temporarily restricted	70,480.55	10,000.00
<b>Total Net Assets</b>	<b>826,028.39</b>	<b>661,288.49</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 826,443.95</b>	<b>\$ 663,108.94</b>

**Agape Pregnancy Resource Center**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended 12/31/16**

	Unrestricted	Temporarily Restricted	Total
<b>Support</b>			
Cash Contributions	\$ 31,531.62	\$ 0.00	\$ 31,531.62
Contributions-Monthly	125,961.55	0.00	125,961.55
Baby Bottles Contributions	9,088.06	0.00	9,088.06
Bibles - Contributions	0.00	900.00	900.00
Sonogram Bus Contributions	0.00	71,480.55	71,480.55
Other Support - Noncash	21,271.10	22,148.80	43,419.90
Grant Income - Cash	3,100.00	64,000.00	67,100.00
Special event-Banquet, net	69,932.19	0.00	69,932.19
Other Income	222.12	0.00	222.12
Interest Income	552.95	0.00	552.95
<b>Total Support</b>	<u>261,659.59</u>	<u>158,529.35</u>	<u>420,188.94</u>
<b>Net assets released from restrictions</b>			
Satisfaction of program restrictions	98,048.80	(98,048.80)	0.00
<b>Total Support</b>	<u>359,708.39</u>	<u>60,480.55</u>	<u>420,188.94</u>
<b>Expenses</b>			
Program Services Assistance to Individuals	122,564.40	0.00	122,564.40
General and Administrative	92,251.85	0.00	92,251.85
Fundraising	40,632.79	0.00	40,632.79
<b>Total Expenses</b>	<u>255,449.04</u>	<u>0.00</u>	<u>255,449.04</u>
<b>Change in net assets</b>	104,259.35	60,480.55	164,739.90
<b>Net assets, beginning of year</b>	<u>651,288.49</u>	<u>10,000.00</u>	<u>661,288.49</u>
<b>Net assets, end of year</b>	<u>\$ 755,547.84</u>	<u>\$ 70,480.55</u>	<u>\$ 826,028.39</u>

**Agape Pregnancy Resource Center**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended 12/31/15**

	Unrestricted	Temporarily Restricted	Total
<b>Support</b>			
Cash Contributions	\$ 43,923.51	\$ 0.00	\$ 43,923.51
Contributions-Monthly	88,239.49	0.00	88,239.49
Baby Bottles Contributions	14,388.08	0.00	14,388.08
Bibles - Contributions	0.00	1,200.00	1,200.00
Adopt-A-Room Contributions	0.00	10,209.54	10,209.54
Sonogram Bus Contributions	0.00	10,000.00	10,000.00
Other Support - Noncash	23,655.35	25,170.14	48,825.49
Grant Income - Cash	37,490.00	0.00	37,490.00
Special event-Banquet, net	82,025.52	0.00	82,025.52
Other Income	226.62	0.00	226.62
Interest Income	364.06	0.00	364.06
<b>Total Support</b>	<u>290,312.63</u>	<u>46,579.68</u>	<u>336,892.31</u>
<b>Net assets released from restrictions</b>			
Satisfaction of program restrictions	36,579.68	(36,579.68)	0.00
<b>Total Support</b>	<u>326,892.31</u>	<u>10,000.00</u>	<u>336,892.31</u>
<b>Expenses</b>			
Program Services Assistance to Individuals	117,734.52	0.00	117,734.52
General and Administrative	98,843.33	0.00	98,843.33
Fundraising	35,449.60	0.00	35,449.60
<b>Total Expenses</b>	<u>252,027.45</u>	<u>0.00</u>	<u>252,027.45</u>
<b>Change in net assets</b>	74,864.86	10,000.00	84,864.86
<b>Net assets, beginning of year</b>	<u>576,423.63</u>	<u>0.00</u>	<u>576,423.63</u>
<b>Net assets, end of year</b>	<u>\$ 651,288.49</u>	<u>\$ 10,000.00</u>	<u>\$ 661,288.49</u>

**Agape Pregnancy Resource Center**  
**Statement of Cash Flows**  
**For the Years Ended December 31, 2016 and December 31, 2015**

	<u>For the Year Ended December 31, 2016</u>	<u>For the Year Ended December 31, 2015</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 164,739.90	\$ 84,864.86
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and Amortization	20,489.00	20,106.00
Losses (Gains) on Sales of Fixed Assets	0.00	0.00
Decrease (Increase) in Operating Assets:		
Other	(75,072.14)	0.00
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	383.97	0.00
Payroll Liabilities	(1,788.86)	1,714.32
Total Adjustments	<u>(55,988.03)</u>	<u>21,820.32</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>108,751.87</u>	<u>106,685.18</u>
<b>Cash Flows from Investing Activities</b>		
Capital Expenditures	(329.97)	(16,756.46)
Cash Received Restricted to Purchase Property and Equipment	<u>(60,480.55)</u>	<u>(10,000.00)</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>	<u>(60,810.52)</u>	<u>(26,756.46)</u>
<b>Cash Flows from Financing Activities</b>		
Notes Payable Repayments	<u>0.00</u>	<u>(19,107.62)</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>	<u>0.00</u>	<u>(19,107.62)</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	47,941.35	60,821.10
<b>Beginning Cash and Cash Equivalents</b>	<u>203,959.39</u>	<u>143,138.29</u>
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 251,900.74</u>	<u>\$ 203,959.39</u>

# AGAPE PREGNANCY RESOURCE CENTER

Notes to Financial Statements

December 31, 2016 and 2015

## NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of Activities

Agape Pregnancy Resource Center (the Ministry) is a nonprofit corporation incorporated in the State of Texas which exists to demonstrate and share the life changing message of Jesus Christ by providing practical help and loving support to those facing an unplanned pregnancy. The Ministry impacts lives by providing information about available options, encouraging clients through practical support, educating about positive lifestyle choices and offering restoration and healing through Jesus Christ.

### Income Tax Status

The Ministry qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for federal or state income taxes has been recorded. There was no interest or penalties to the Internal Revenue Service included in these financial statements. The Ministry's tax returns are generally subject to examination by the Internal Revenue Service for a period of three years from the date they are to be filed.

### Financial Statement Presentation

The financial statements are presented in accordance with the Financial Accounting Standards Board Accounting Standards Codification 958 (FASB ASC 958), *Financial Statements of Not-for-Profit Organizations*, which requires the Ministry to report net assets based on the existence or absence of donor-imposed restrictions. The Ministry reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Ministry does not imply time restrictions on gifts of long-lived assets. In the absence of explicit donor stipulation as to how long an asset must be held, the Ministry releases any purpose restrictions when the asset is placed in service for the use stipulated by the donor.

### Property and Equipment

Generally, property and equipment that cost more than \$100 are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Contributed assets are recorded as revenue and capitalized at fair market value at the date of the gift. The estimated useful lives of equipment and other assets range from 5 to 7 years. The estimated useful lives of buildings and improvements are 39 years.

### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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.

# AGAPE PREGNANCY RESOURCE CENTER

Notes to Financial Statements

December 31, 2016 and 2015

## Concentration of Credit Risk

The Ministry maintains cash balances at financial institutions located in Texas. Each account at the institutions is secured by the Federal Deposit Insurance Corporation up to \$250,000.

## Cash and Cash Equivalents

The Ministry considers short-term investments with an original maturity of three months or less to be cash equivalents.

## Cash Restricted to Purchase Property and Equipment

Cash restricted to purchase property and equipment has been restricted by donors and is not available for operating purposes.

## In-Kind Donations

The Ministry records the value of donated supplies and services when there is an objective basis available to measure their value. Donated supplies and services are reflected as in-kind contributions in the accompanying statements at their estimated values at the date of receipt.

## Revenue

In accordance with FASB ASC 958-605, *Revenue Recognition*, contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. There are no unconditional promises to give due in subsequent years.

Donations of property and equipment are recorded as revenue and capitalized at their estimated fair value. Such donations are reported as unrestricted revenue unless the donor restricts the donated asset to a specific purpose.

## Donated Services

The value of contributed time by unpaid volunteers is not reflected in these statements to the extent that the services did not enhance non-financial assets or require specialized skills.

The Ministry chooses to add the following information to these footnotes:

The organization received the services of 76 volunteers, not recognized in the statement of activities because such services do not involve specialized skills. The current average value of volunteer services in the state of Texas is \$25.11 per hour. The Ministry estimates the value of the 6,044 hours donated in 2016 for client services to be \$151,765.



**AGAPE PREGNANCY RESOURCE CENTER**

Notes to Financial Statements

December 31, 2016 and 2015

**Note 2 - Fixed Assets**

Property and Equipment consists of the following:

	2016	2015
Building	\$ 291,492.83	\$ 291,492.83
Building Addition	238,035.79	238,035.79
Furniture, Fixtures & Equipment	90,050.74	89,720.77
	<u>619,579.36</u>	<u>619,249.39</u>
Less: Accumulated Depreciation	(190,588.84)	(170,099.84)
Total Fixed Assets, net	<u>\$ 428,990.52</u>	<u>\$ 449,149.55</u>

Depreciation expense was \$20,489 and \$20,106 for the years ended December 31, 2016 and 2015, respectively.

**Note 3 - Mortgage Payable**

The Ministry had a mortgage payable from Independent Bank with monthly payments of \$1,218.16 through June 23, 2015 when the note was paid in full. The original note, dated 1/31/2006, had a twenty year maturity and was secured by a lien on the building. Due to accelerated principal payments made in 2014, the Note was paid in full in 2015 and the lien was released on August 3, 2015.

Interest expense of \$0.00 and \$682.31 was included in total General and Administrative expenses for the years ended December 31, 2016 and 2015, respectively.

**Note 4 - In-Kind Contributions**

In-kind contributions are recorded as revenue and expensed or capitalized at fair value as of December 31 as follows:

	2016	2015
New baby items	\$ 22,148.80	\$ 25,170.14
Handy Work	1,000.00	1,500.00
Food for Training, Classes, Meetings	300.00	872.00
Photography	2,000.00	2,000.00
Printing	3,000.00	5,500.00
Banquet auction items	7,500.00	1,196.00
Professional Accounting Services for Review	7,471.00	8,938.35
Misc. (Décor, Shelving & Paper Goods)	--	3,649.00
Total In-Kind Contributions	<u>\$ 43,419.90</u>	<u>\$ 48,825.49</u>

# AGAPE PREGNANCY RESOURCE CENTER

Notes to Financial Statements

December 31, 2016 and 2015

## Note 5 - Operating Leases

During 2014 the Ministry entered into a 60 month lease agreement for its copier. The lease calls for a minimum monthly payment, with provision for overage charges for copies in excess of the set number of images per month.

Future minimum rentals required under the operating lease, which has a remaining term in excess of one year as of December 31, 2016, are as follows:

<u>Years ending</u>	
2017	\$ 4,608
2018	4,608
2019	<u>3,072</u>
	<u>\$12,288</u>

The financial statements include \$4,473.32 and \$4,292.32 of lease rental in General and Administrative expenses for the years ended December 31, 2016 and 2015, respectively.

## Note 6 - Special Events

The Ministry hosted a banquet in 2016 and 2015. Presented below is the itemized income and expense report from this event for each year.

	<u>2016</u>	<u>2015</u>
Income:		
Underwriters	\$ 20,500.00	\$ 17,500.00
Table Sponsors	27,500.00	32,500.00
Donations	50,782.00	47,692.52
Auction	9,180.00	9,760.00
Baby Beds	--	2,240.00
	<u>107,962.00</u>	<u>109,692.52</u>
Expenses:		
Facility	2,928.00	2,892.50
Speakers & Musicians	4,500.00	4,792.45
Catering & Beverages	8,750.00	8,900.00
Rentals	4,724.13	4,917.45
Auction	1,200.00	1,000.00
Misc	6,427.68	1,968.60
Non-Cash contributions	9,500.00	3,196.00
	<u>38,029.81</u>	<u>27,667.00</u>
Banquet Net Income	<u>\$ 69,932.19</u>	<u>\$ 82,025.52</u>

# **AGAPE PREGNANCY RESOURCE CENTER**

Notes to Financial Statements

December 31, 2016 and 2015

## **Note 7 - Concentrations**

For the years ended December 31, 2016 and 2015, the Ministry had a concentration in special events as a critical source of revenue and support. Approximately 26% and 30% of the total revenue for the years ended December 31, 2016 and 2015, respectively, was derived from the Banquet special event. The continued success of special events could have a significant impact on the Ministry's ability to fulfill its mission.

## **Note 8 - Other Commitments**

During 2016, the Ministry Board determined that they would like to make their ministry available to surrounding communities by acquiring a Mobile Ultrasound unit.

In October 2016 the Ministry entered into an agreement to purchase a Mobile Ultrasound Unit for \$140,000. The Ministry made a deposit of \$75,000 with the vendor at that time. This deposit is included in Other Current Assets in the December 31, 2016 Statement of Financial Position. At December 31, 2016 the Ministry was committed to pay the balance of \$65,000. The Ministry made the final payment in February 2017.

## **Note 9 - Subsequent Events**

There were no subsequent events as of April 04, 2017 which is the date the financial statements were available to be released.