

**CROSSROADS COMMUNITY SERVICES,
INC.**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2018 AND 2017

Crossroads Community Services, Inc.
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December 31, 2018 and 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Crossroads Community Services, Inc.

We have audited the accompanying financial statements of Crossroads Community Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, changes in net assets, functional expenses, and cash flows 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 Crossroads Community Services, Inc. as of December 31, 2018 and 2017, 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.

A handwritten signature in cursive script that reads "Salmon Sims Thomas".

Salmon Sims Thomas & Associates
A Professional Limited Liability Company

April 26, 2019

Crossroads Community Services, Inc.
Statements of Financial Position
December 31, 2018 and 2017

ASSETS	2018	2017
Cash	\$ 865,800	\$ 610,686
Grants receivable	145,602	51,336
Contributions receivable	58,212	30,621
Accounts receivable	12,121	39,511
Inventory	30,871	70,785
Prepaid expenses	14,277	14,249
Property and equipment, net	25,069	2,220
TOTAL ASSETS	\$ 1,151,952	\$ 819,408

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 3,261	\$ 8,208
Accrued expenses	86,668	19,232
Total Liabilities	89,929	27,440

Net Assets

Without restrictions	765,139	712,585
With restrictions	296,884	79,383
Total Net Assets	1,062,023	791,968

TOTAL LIABILITIES AND NET ASSETS	\$ 1,151,952	\$ 819,408
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The accompanying notes are an integral part of these financial statements.

Crossroads Community Services, Inc.
Statement of Activities
For the Year Ended December 31, 2018

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Revenues and Support			
Contributions	\$ 590,474	\$ 572,996	\$ 1,163,470
Fees for services	140,334	-	140,334
In-kind donations	4,512,996	-	4,512,996
	<u>5,243,804</u>	<u>572,996</u>	<u>5,816,800</u>
Net assets released from restrictions	355,495	(355,495)	-
	<u>5,599,299</u>	<u>217,501</u>	<u>5,816,800</u>
Expenses			
<i>Program services</i>			
Food program	4,264,646	-	4,264,646
Clothing program	769,345	-	769,345
	<u>5,033,991</u>	<u>-</u>	<u>5,033,991</u>
<i>Supporting services</i>	262,325	-	262,325
<i>Fundraising</i>	250,429	-	250,429
Total Expenses	<u>5,546,745</u>	<u>-</u>	<u>5,546,745</u>
Increase in Net Assets	<u>\$ 52,554</u>	<u>\$ 217,501</u>	<u>\$ 270,055</u>

The accompanying notes are an integral part of this financial statement.

Crossroads Community Services, Inc.
Statement of Activities
For the Year Ended December 31, 2017

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Revenues and Support			
Contributions	\$ 595,910	\$ 132,117	\$ 728,027
Fees for services	152,819	-	152,819
In-kind donations	4,465,483	-	4,465,483
	<u>5,214,212</u>	<u>132,117</u>	<u>5,346,329</u>
Net assets released from restrictions	<u>174,784</u>	<u>(174,784)</u>	<u>-</u>
Total Revenues and Support	<u>5,388,996</u>	<u>(42,667)</u>	<u>5,346,329</u>
Expenses			
<i>Program services</i>			
Food program	4,323,651	-	4,323,651
Clothing program	719,697	-	719,697
	<u>5,043,348</u>	<u>-</u>	<u>5,043,348</u>
<i>Supporting services</i>	176,892	-	176,892
<i>Fundraising</i>	117,644	-	117,644
Total Expenses	<u>5,337,884</u>	<u>-</u>	<u>5,337,884</u>
Increase (Decrease) in Net Assets	<u>\$ 51,112</u>	<u>\$ (42,667)</u>	<u>\$ 8,445</u>

The accompanying notes are an integral part of this financial statement.

Crossroads Community Services, Inc.
Statements of Changes in Net Assets
For the Years Ended December 31, 2018 and 2017

	Without Restrictions	With Restrictions	Total
Net Assets, December 31, 2016	\$ 661,473	\$ 122,050	\$ 783,523
Increase (Decrease) in Net Assets	51,112	(42,667)	8,445
Net Assets, December 31, 2017	712,585	79,383	791,968
Increase in Net Assets	52,554	217,501	270,055
Net Assets, December 31, 2018	\$ 765,139	\$ 296,884	\$ 1,062,023

The accompanying notes are an integral part of these financial statements.

Crossroads Community Services, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2018

	Food Program	Clothing Program	Supporting	Fundraising	Total
Food assistance	\$ 3,864,434	\$ -	\$ -	\$ -	\$ 3,864,434
Clothing assistance	-	699,701	-	-	699,701
Compensation and benefits	267,327	33,985	193,071	133,719	628,102
Occupancy and utilities	69,383	27,786	20,706	20,646	138,521
Administration	35,009	2,712	13,270	24,032	75,023
Professional fees	13,316	-	34,941	65,330	113,587
Volunteer development	2,728	2,152	-	310	5,190
Repairs and maintenance	10,266	2,728	337	2,326	15,657
Other program expenses	2,183	281	-	4,066	6,530
	<u>\$ 4,264,646</u>	<u>\$ 769,345</u>	<u>\$ 262,325</u>	<u>\$ 250,429</u>	<u>\$ 5,546,745</u>

The accompanying notes are an integral part of this financial statement.

Crossroads Community Services, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2017

	<u>Food Program</u>	<u>Clothing Program</u>	<u>Supporting</u>	<u>Fundraising</u>	<u>Total</u>
Food assistance	\$ 3,870,349	\$ -	\$ -	\$ -	\$ 3,870,349
Clothing assistance	-	683,274	-	-	683,274
Compensation and benefits	303,400	26,037	125,912	59,983	515,332
Occupancy and utilities	89,788	4,476	20,204	20,148	134,616
Administration	32,449	2,309	9,030	23,936	67,724
Professional fees	7,713	-	21,740	13,435	42,888
Volunteer development	2,045	647	-	136	2,828
Repairs and maintenance	11,663	2,780	-	-	14,443
Other program expenses	6,244	174	6	6	6,430
	<u>\$ 4,323,651</u>	<u>\$ 719,697</u>	<u>\$ 176,892</u>	<u>\$ 117,644</u>	<u>\$ 5,337,884</u>

The accompanying notes are an integral part of this financial statement.

Crossroads Community Services, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017

	2018	2017
Cash Flows From Operating Activities		
Increase in Net Assets	\$ 270,055	\$ 8,445
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,974	1,908
Loss on disposal of assets	440	-
(Increase) Decrease in assets:		
Grants receivable	(94,266)	70,714
Contributions receivable	(27,591)	4,747
Accounts receivable	27,390	791
Inventory	39,914	56,058
Prepaid expenses	(28)	(3,855)
Increase (Decrease) in liabilities:		
Accounts payable	(4,947)	(1,944)
Accrued expenses	67,436	10,343
Net Cash Provided by Operating Activities	280,377	147,207
 Cash Flows From Investing Activities		
Purchase of property and equipment	(25,263)	-
Net Cash Used in Investing Activities	(25,263)	-
 Net Increase in Cash	255,114	147,207
 Cash, beginning of year	610,686	463,479
 Cash, end of year	\$ 865,800	\$ 610,686

The accompanying notes are an integral part of these financial statements.

Crossroads Community Services, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 1: ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES

The summary of significant accounting policies of Crossroads Community Services, Inc. (Organization) is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

Organization

The Organization was an urban outreach of First United Methodist Church of Dallas (Church) from 2001 to July 2015, with the mission to enrich the lives of neighbors-in-need by compassionately providing tangible support and by helping people develop the strategic skills and self-discipline necessary to enjoy sustained well-being. The Organization has two primary goals: to help ensure that people have ready access to nourishing foods, and to provide nutrition and life-skills education that can help reduce obesity in impoverished areas. The Organization operated under the Church tax exemption until July 1, 2015, at which date the Organization commenced operations under the newly formed tax exempt corporation, Crossroads Community Services, Inc. The functional operating structure of the Organization remained unchanged. The Organization, funded by public and private contributions and grants, serves men, women and children of all ages, ethnicities, and religions living in Dallas County who qualify as "low-income" under federal guidelines.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all investments with original maturity dates of ninety days or less to be cash equivalents. The Organization places cash with high-credit quality financial institutions. The Organization has not experienced any losses on such assets.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consists primarily of amounts due for handling fees and consulting services provided. The accounts receivable balance as of December 31, 2018 and 2017 was \$12,121 and \$39,511, respectively. The Organization does not consider any receivables to be uncollectible; therefore, the balance in the allowance for doubtful accounts is \$0 as of December 31, 2018 and 2017.

Crossroads Community Services, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 1: ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (CONT.)

Financial Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets With Restrictions - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

Net Assets Without Restrictions - Net assets not subject to donor-imposed stipulations. Net assets that are without donor restrictions, but have been designated for a particular purpose by the Board, if any, are reflected as Board Designated Net Assets.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (*i.e.*, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions are recognized as revenues in the period unconditional promises to give are received. Contributions of assets other than cash are recorded at their estimated fair value.

Inventory

Inventory consists of donated food items for distribution. Donated products are stated at fair market value and valued at an average of national retail prices. Inventory is recorded on a first-in, first-out method.

Property and Equipment

Property and equipment are stated at cost when purchased or fair value at the date the equipment is donated, less accumulated depreciation. Major expenditures and expenditures which substantially increase useful lives are capitalized. Maintenance, repairs, and replacements, which do not improve or extend the lives of the respective assets, are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation are removed, and any gain or loss is included in operations.

Depreciation of furniture, equipment, and computers is calculated using the straight line convention over the estimated useful lives of the respective assets. Estimated useful lives were as follows:

Furniture, equipment, and computers	2-7 years
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Crossroads Community Services, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 1: ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (CONT.)

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 reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in recording the functional allocation of expenses, depreciable lives of fixed assets, and the collectability of receivables. It is at least reasonably possible that the significant estimates used will change within the next year. Actual results could vary from estimates.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Allocations are based on time and effort spent in each area. The expenses that are allocated include compensation and benefits, occupancy, administration, and repairs and maintenance, along with other program expenses. All other natural expense categories using the key concept of direct conduct or direct supervision are 100% charged to the benefiting program or support service.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in Section 501(c)(3) of the IRC. Prior to July 2015, the Organization operated as an outreach of the First United Methodist Church of Dallas and was part of the United Methodist Church's group exemption. In January 2015, the Organization separately incorporated, filed for, and received separate exemption, and commenced operations under the new tax-exempt corporation on July 1, 2015. The Organization has been classified as an organization that is not a private foundation under IRC Section 509(a)(2), and as such, contributions to the Organization qualify for deductions as charitable contributions.

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statements of activities or accrued in the statements of financial position. Federal and state tax returns of the Organization are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

Crossroads Community Services, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 1: ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (CONT.)

Service Fees

The Organization charges certain recipient food assistance partners a fee on a per-pound basis on selected categories of products to partially offset the handling and redistribution costs incurred by the Organization. Food assistance partners take the donated food and redistribute it, at no cost, to low-income families and individuals in need of nutritious food.

Concentration

The Organization receives contributions and provides services to ministries and people in the Dallas, Texas area in which the Organization is located.

Date of Management's Review

The Organization has evaluated subsequent events through April 26, 2019, the date the financial statements were available to be issued. See NOTE 3 for subsequent events regarding the Organization's operating leases.

Recent Accounting Pronouncements – Implemented

Effective January 1, 2018, the Organization implemented Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, as an update to ASC 958, Not-for-Profit Entities. This update makes several improvements to current reporting requirements that address complexities in the use of the currently required three classes of net assets and enhances required disclosures related to donor restrictions of net assets. The updated guidance results in a change in the classes of net assets reported on the face of the statement of financial position from three classes (unrestricted, temporarily restricted, and permanently restricted) to two classes (net assets without donor restrictions and net assets with donor restrictions.)

The update also requires all not-for-profit entities to report expenses by function and by natural classification, either on the face of the financial statements or in the footnotes. Additional qualitative information about the methods used to allocate costs is also required to be disclosed. The update also requires all not-for-profit entities to disclose quantitative information that communicates the availability of the Organization's financial assets at the statement of financial position date to meet cash needs for general expenditures within one year as well as qualitative information on how the Organization manages its liquid resources available to meet cash needs for general expenditures within one year of the statement of financial position date.

Prior year financial statement figures have been retroactively updated to reflect new classifications and terminology, per the implementation of this standard.

Crossroads Community Services, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 1: ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (CONT.)

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The new standard requires lessees to recognize a right-of-use (ROU) asset and a related lease liability for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities and changes in net assets. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statement of financial position.

The new standard is effective for private entities for fiscal years beginning after December 15, 2019. The Organization is currently assessing the impact that adoption of ASU 2016-02 will have on its results of operations, but it expects that it will not result in a significant increase in the long-term assets given the Organization does not have many leases currently.

In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, as an update to ASC 230, Statement of Cash Flows. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The updated guidance will be effective for the fiscal years beginning after December 15, 2018, and interim periods within the fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. The Organization will be adopting this update in the fiscal year beginning January 1, 2019. The new guidance will be applied on a retrospective basis. The updated guidance will result in a change in the statement of cash flow to include restricted cash and restricted cash equivalents. No other material impact is expected.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, Revenue Recognition. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The statement is effective for annual periods beginning after December 15, 2018. The Organization is in the process of evaluating the potential impact of ASU 2014-09 on its financial statements and it has not yet determined the method by which the standard will be adopted in the fiscal year beginning January 1, 2019.

Crossroads Community Services, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 2: PROPERTY AND EQUIPMENT

At December 31, 2018 and 2017, property and equipment consisted of the following:

	2018	2017
Furniture and equipment	\$ 45,139	\$ 50,889
Less accumulated depreciation	(20,070)	(48,669)
	\$ 25,069	\$ 2,220

Depreciation expense for the years ended December 31, 2018 and 2017 totaled \$1,974 and \$1,908, respectively.

NOTE 3: OPERATING LEASE

The Organization rents its facilities on a month-to-month basis. The base rent for the lease is \$10 per month, with the Organization also required to pay the pro-rata share of operating expenses such as security, utilities, and maintenance. Estimated operating expenses per month total approximately \$4,600. The difference between rent charged and fair market value of rent is considered donated rent. Total donated rent expense for the years ended December 31, 2018 and 2017 was \$64,204 and \$64,204, respectively.

On July 17, 2018, the Organization signed a new lease agreement for a larger distribution facility. The lease is effective from January 2, 2019 and ends on the date the term of the Redistribution Organization (RDO) contract ends (See NOTE 8).

NOTE 4: CONTRIBUTIONS AND GRANTS RECEIVABLE

As of December 31, 2018 and 2017, contributions and grants receivable consisted of receivables (primarily from corporations and foundations) due in one year or less. Because all amounts are due in one year or less, a discount to present value was not material or required. Further, no allowance for doubtful accounts was considered necessary.

Crossroads Community Services, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 5: CONTRIBUTED GOODS AND SERVICES

In-kind donations of food products are valued at an average of national retail prices. The Organization received approximately 2.2 million pounds of food during the year ended December 31, 2018 and 2.2 million pounds during the year ended December 31, 2017. In-kind donations of clothing are valued at an average of thrift store valuation for like items.

For the years ended December 31, 2018 and 2017, the Organization received and recognized contributed goods and services as follows:

	2018	2017
Food	\$ 3,746,986	\$ 3,717,504
Clothing	699,118	680,918
Accounting services	2,688	2,857
Rent	64,204	64,204
	\$ 4,512,996	\$ 4,465,483

These amounts are included as contributions and expenses without donor restrictions in the accompanying financial statements.

NOTE 6: NET ASSETS WITH RESTRICTIONS

At December 31, 2018 and 2017, net assets with restrictions consisted of the following:

	2018	2017
Time Restriction	\$ 5,740	\$ 31,336
Transition with NTFB	291,144	-
Rebuild CDP Network	-	27,300
Food	-	20,000
Clothing	-	557
Summer Intern Program	-	190
	\$ 296,884	\$ 79,383

Crossroads Community Services, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 6: NET ASSETS WITH RESTRICTIONS (CONT.)

Net assets released from restrictions during 2018 and 2017 were as follows:

	2018	2017
Time Restriction	\$ 124,603	\$ 128,214
Transition with NTFB	141,021	-
Rebuild CDP Network	27,300	22,700
Food	60,000	20,000
Clothing	557	2,300
Summer Intern Program	2,014	1,570
	\$ 355,495	\$ 174,784

NOTE 7: RETIREMENT PLAN

Effective January 1, 2016, the Organization made available, for all employees, a Simple IRA retirement plan, which is managed by a third-party entity. Eligible employees could make contributions, subject to certain limitations, on a pretax basis. Further, the Organization made a matching contribution to the plan of up to 3% of the employee’s salary on an annual basis. The Organization made a matching contribution for the years ended December 31, 2018 and 2017 of approximately \$12,000 and \$7,900, respectively.

NOTE 8: COMMITMENTS

Since 2011, the Organization has been serving Community Distribution Partners as an RDO (Redistribution Organization) for the North Texas Food Bank (NTFB), another 501c3 organization and member of Feeding America. Upon signing a new RDO contract on July 17, 2018, the NTFB entrusted the Organization with their 73,000 sq. ft. distribution facility (the Pollock Campus) on a rent-free basis and expanded their service area to include Ellis and Navarro counties; in addition, the Organization now serves NTFB Agencies. As an RDO, the Organization is purposed with the logistical transfer of food and grocery product which includes Product Distribution Management, Partner Relations Management, Food Solicitation, Fundraising for hunger related activities, and Media and Community Relations for hunger-related activities.

During the year ended December 31, 2018, the NTFB contributed \$422,115 towards the Organization’s first year operating in the Pollock Campus. The funds are designated expenses such as facility upgrades, staffing cost, consulting fees and other expenses as outlined in the agreement. This donation is included as contributions with donor restrictions in the accompanying financial statements .

Crossroads Community Services, Inc.
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 9: LIQUIDITY AND AVAILABILITY

The Organization's working capital and cash flows have seasonal variations throughout the year resulting from receipts from donors and a concentration of contributions received near the end of the year. As part of the Organization's management of liquidity, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. The Organization's goal is to maintain financial assets consisting of cash on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$450,000. As of December 31, 2018 and 2017, cash balances were \$865,800 and \$610,686, respectively.

The following reflects the Organization's financial assets, reduced by the amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	2018	2017
Financial assets at year end	\$ 1,081,735	\$ 732,154
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(296,884)	(79,383)
Financial assets available to meet cash needs for general expenditures within one year	\$ 784,851	\$ 652,771