

**First Church of God of Palmetto, Inc./Project Hope
(A NON-PROFIT ORGANIZATION)**

Financial Statements and Supplementary Information

As of and for the Year Ended June 30, 2018

With Accountant's Compilation Report

First Church of God of Palmetto, Inc./Project Hope
(A NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2018

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Accountant's Compilation Report

The Board of Directors
First Church of God of Palmetto, Inc.
Project Hope
P. O. Box 173
Palmetto, LA 71358

Management is responsible for the accompanying financial statements of First Church of God of Palmetto, Inc.-Project Hope (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to my compilation engagement. I have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

I am not independent with respect to First Church of God of Palmetto, Inc.-Project Hope.

A handwritten signature in blue ink that reads "La Verne Ford".

La Verne Ford
Certified Public Accountant
Monroe, Louisiana
December 21, 2018

First Church of God of Palmetto, Inc.
Project Hope
Statement of Financial Position
As of June 30, 2018

Assets

Current assets:

Cash	30,961
Receivables	0
Prepaid Expenses	<u>2,096</u>
Total current assets	<u>33,057</u>

Fixed Assets:

Movable Equipment, net of accumulated depreciation of \$251	<u>17,946</u>
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Total assets	<u><u>\$51,003</u></u>
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Liabilities & Net Assets

Current Liabilities:

Accounts Payable	1,724
Payroll Tax Payable	0
Total Current Liabilities	<u>1,724</u>

Total Liabilities	<u>1,724</u>
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Net Assets

Unrestricted	<u>49,279</u>
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Total net assets	<u>49,279</u>
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Total liabilities and net assets	<u><u>\$51,003</u></u>
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See accompanying notes and accountant's compilation report.

First Church of God of Palmetto, Inc.
Project Hope
Statement of Activities
For the Year Ended June 30, 2018

Unrestricted Net Assets

Contributions:	
State of Louisiana Grants	96,838
Church Donations	4,800
ALL Other	16,000
Church of GOD Campground (In-Kind rent)	20,000
Other	<u>11</u>
Total unrestricted revenue and other support	137,649

Expenses:	
Program services	\$110,929
Supporting services	
Administration	<u>\$27,426</u>
Total Expenses	<u>\$138,355</u>

Increase (Decrease) in unrestricted Net Assets	<u>(706)</u>
Increase (Decrease) in Net Assets	(706)
Net Assets, beginning of year	<u>49,985</u>
Net Assets, end of year	<u><u>\$ 49,279</u></u>

See accompanying notes and accountant's compilation report.

Project Hope
Statement of Functional Expenses
For the Year Ended June 30, 2018

	PROGRAM SERVICES	SUPPORTING SERVICES	TOTAL
Awards, grants, scholarships	0	0	0
Books, Subscriptions & Reference	2,008	0	2,008
Business Registration Fees	400	0	400
Depreciation	251	0	251
Equipment Rental and Maintenance	1,470	0	1,470
Food	6,230	0	6,230
Insurance	7,196	0	7,196
Membership Dues	0	200	200
Occupancy			
Rent (Note 5)	0	20,000	20,000
Utilities	13,510	0	13,510
Other	0	351	351
Payroll Taxes	2,755	275	3,030
Postage	90	0	90
Professional Services	22,284	3,000	25,284
Printing and Copying	0	0	0
Salaries	36,014	3,600	39,614
Supplies	5,184	0	5,184
Telephone	3,117	0	3,117
Travel	0	0	0
Field Trips	0	0	0
Conferences	0	0	0
Transportation			
Repairs/Fuel	10,420	0	10,420
Totals	<u>\$110,929</u>	<u>\$27,426</u>	<u>\$138,355</u>

See accompanying notes and accountant's compilation report.

First Church of God of Palmetto, Inc.
Project Hope
Statement of Cash Flows
For the Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets	(706)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities	
Depreciation	251
(Increase) decrease in accounts receivable and contributions	33
(Increase) decrease in prepaid expenses	(855)
Increase (decrease) in accounts payable	505
Increase (decrease) in payroll liabilities	(1)
Net cash provided by (used in) operating activities	<u>(773)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of office equipment	<u>(18,197)</u>
Net cash provided by (used in) investing activities	<u>(18,197)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Net cash provided by (used in) financing activities	0
INCREASE (DECREASE) IN CASH	(18,970)
CASH, June 30, 2017	<u>49,931</u>
CASH, June 30, 2018	<u><u>\$30,961</u></u>
Supplemental disclosures of cash flow information:	
Non-cash activities:	
In-kind gifts	<u><u>\$ 20,000</u></u>

See accompanying notes and accountant's compilation report.

First Church of God of Palmetto, Inc./Project Hope

Notes to the Financial Statements

As of and for the Year End June 30, 2018

1. Organization

Palmetto Church of God-Project Hope (The Company) was formed in 1997. Project Hope is a drug and alcohol prevention program for the Palmetto Community in St. Landry Parish. Youth leaders teach decision-making skills with accompanying alternative Alcohol, Tobacco and Other Drug (ATOD) activities. A parent group was established to secure the support of parents with their children and to commit the community to non-ATOD activities sponsored for two youth age groups (6-11 and 12-18).

2. Summary of Significant Accounting Policies

(a) Financial Statement Presentation

The financial statements of The Company have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables and payables.

The Company has adopted FASB Accounting Standards Codification (ACS) 958-205, Not-for-Profit Entities, Presentation of Financial Statements (formerly Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations"). Under FASB ASC 958-205, the Company is required to report information regarding its statement of income according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Company has determined that any donor-imposed restrictions for current program were generally met within the operating cycle and, therefore, the policy is to record these net assets as unrestricted. The Company has only unrestricted net assets as of June 30, 2018. In addition, the Company is required to present a statement of cash flows. As permitted by the statement, the Company does not use fund accounting.

(b) Revenue Recognition

The Company has also adopted FASB Accounting Standards Codification (ASC) 958-605 Not For Profit Entities, Revenue Recognition (formerly SFAS No. 116, "Accounting for Contributions Received and Contributions Made"). Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

(c) Cash and Cash Equivalents

Cash and cash equivalents include bank deposits.

(d) Receivables

Receivables consist primarily of contributions expected to be received shortly after year-end. The Company records receivables at net realizable value using the allowance method. There are no identifiable concentrations of credit risk related to these amounts.

(e) 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(f) Income Taxes

The Company is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3).

The Company is not aware of any course of action or series of events that have occurred that might adversely affect the Company's tax status.

(g) Property and Equipment

Acquisitions of property and equipment in excess of \$500 are capitalized. Lesser amounts are expensed.

Depreciation is calculated using the straight-line method over the estimated useful lives .

(h) Contributed Services

The value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

(i) Gifts-in-Kind

Contributions include gifts-in-kind of rental of the Church of GOD Campground facilities in the amount of \$ 20,000 from the Church of God.

(j) Functional Expenses

Expenses are charged directly to program or supporting services based on specific identification, if possible. For those expenses where specific identification is not practical, an allocation of shared expenses is done.

(k) Uncertain Tax Positions

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2018 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The organization is subject to routine audits by the Internal Revenue Service for the years ended December 31, 2016, 2017 and 2018; however, there are currently no audits in progress for any tax period.

(l) Subsequent Events

Management has evaluated subsequent events (FASB ASC 855-10-50-1) through December 31, 2018, the date the financial statements were available to be issued.

3. Description of Program and Supporting Services

Palmetto Church of GOD/Project hope will provide Alcohol, Tobacco and Other Drug Prevention Services to reduce risk factors in youths through multiple domains of individual, family, school, peers, and community and will strengthen resiliency to use. Information dissemination, prevention education and alternative to drug use are the strategies to be used. The goal of the program is the prevention or reduction of alcohol, tobacco, and other drug use by high risk youth and or the problems associated with sure use that interfere with the achievement, maintenance, and restoration of optimal health at the individual, family, peer and community levels.

Project Goals/Objectives

Project Hope's Goal: the prevention or reduction of ATOD use by high risk youth and of the problems associated with sure use that interfere with the achievement, maintenance and restoration of optimal health at the individual, family, peer and community levels.

Information Dissemination

1. To increase awareness of ATOD risk factors and other health related issues by sponsoring a Health/Wellness Fair to 80 participants, their families (130), and community persons (50) by the last weekend in September as measured by attendance and the number of booths and health professionals participating.

Education

1. To teach Life Skills Training curriculum to 1500 Elementary and Middle School students in seven St. Landry Parish schools.
2. To teach Kids Don't Gamble -Wanna Bet curriculum to 1500 Elementary and Middle School students in seven St. Landry Parish schools to discourage underage gambling.

Alternatives

1. To provide one to one and half hours of after-school tutorial services four days per week during the academic year and a reading program during the summer. Participants will show one-letter grade improvement by the end of the program year as measured by academic and conduct grades. This will mark a 10% improvement.
2. To provide organized recreational and drug-free events throughout the program year. Program participants will show a 10% increase in participation in drug-free events

4. Property and Equipment

Property and equipment consists of the following:

	06/30/18
Equipment	18,197
Less: Accumulated Depreciation	<u>(251)</u>
Net Property and equipment	<u>17,946</u>

Depreciation expense for the year ended 2018 was \$251.18.

5. Lease

The Organization entered a lease agreement with The Church of GOD Campground for the use of its building in the amount of \$1,667 per month. The lease is a monthly lease agreement. Rental expense in the amount of \$20,000 was reported for the year ended June 30, 2018, of which \$ 20,000 in-kind rent is reported as a contribution and expense.

SUPPLEMENTARY INFORMATION

First Church of God of Palmetto, Inc.
Project Hope
Schedule of Compensation, Benefits and Other Payments to Agency Head

Schedule I

6/30/2018

Agency Head Name: Dale Fontenot

Purpose	Amount
Salary	\$ 3,600
Benefits-insurance	0
Benefits-retirement	0
Benefits-Other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
License/Permits	200
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
Professional Services	1,400
 Total	 <u>\$ 5,200</u>

See Accountant's Compilation Report