



**WHARTON CPA, LLC**

Brendel Wharton, CPA

**ST. JOHN #5 BAPTIST CHURCH, INC.**

**Accountant's Review Report  
With Financial Statements and Selected Information**

**For The Year Ended December 31, 2017**

**ST. JOHN #5 BAPTIST CHURCH, INC.**  
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**WHARTON CPA, LLC**

Brendel Wharton, CPA

## **Accountant's Review Report**

To the Board of Directors of  
St. John #5 Baptist Church  
New Orleans, Louisiana

I have reviewed the accompanying financial statements of St. John #5 Baptist Church (a non-profit corporation), which comprise the Statement of Financial Position as of December 31, 2017, and the related statement of activities, cash flow for the year 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 company 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 these financial statements in accordance with accounting principles 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 my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Wharton CPA, LLC*

New Orleans, Louisiana

July 27, 2018

P.O. Box 870847 • New Orleans, LA 70187

Phone: (504) 401-9581 • Email: [Brendel@bwhartoncpa.com](mailto:Brendel@bwhartoncpa.com)

**St. John #5 Baptist Church, Inc.**  
**Statement of Financial Position**  
**As of December 31, 2017**

**Assets**

Current:		
Cash	\$	5,300
Grant Receivable		<u>13,500</u>
Total Current Assets	\$	18,800

**Fixed Assets**

Buildings		519,618
Equipment		50,142
Accumulated Depreciation		<u>(432,140)</u>
<b>Total Fixed Assets (Net)</b>		<u>137,620</u>

<b>Total Assets</b>	\$	<u><u>156,420</u></u>
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**Liabilities and Net Assets**

Note Payable (Current)	\$	<u>45,447</u>
<b>Total Liabilities</b>	\$	45,447

**Net Assets**

Unrestricted		<u>110,973</u>
<b>Total Net Assets</b>		<u>110,973</u>
<b>Total Liabilities and Net Assets</b>	\$	<u><u>156,420</u></u>

See Accountant's Review Report.

**St. John #5 Baptist Church, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2017**

	<u>Unrestricted</u>
<b>Revenues</b>	
Grant Revenue	\$ 221,082
Tithes & Offerings	61,476
Total Revenue	<u>\$ 282,558</u>
<b>Expenses</b>	
Program Services	\$ 215,637
Support Services	62,725
<b>Total Expenses</b>	<u>278,362</u>
<b>Change In Net Assets</b>	4,196
<b>Net Assets At Beginning Of Year</b>	<u>\$ 106,777</u>
<b>Net Assets At End Of Year</b>	<u>\$ 110,973</u>

See Accountant's Review Report.

**St. John #5 Baptist Church, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2017**

**Cash Flows From Operating Activities:**

Changes in Net Assets	\$ 4,196
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Depreciation Expense	1,250
Changes in Operating Assets and Liabilities	
Accounts Payable	(367)
Grants Receivable	<u>12,021</u>
Net Cash Provided by Operating Activities	17,100

**Cash Flows From Investing Activities:**

Purchase/Sale of Investments and Securities	<u>0</u>
Net Cash Provided by Investing Activities	0

**Cash Flows From Financing Activities:**

Net Cash Provided/(Used) by Financing Activities	<u>(11,800)</u>
Net Cash Increase for Period	5,300
Cash, At Beginning of Period January 1, 2017	<u>0</u>
Cash, At End of Period December 31, 2017	<u><u>\$ 5,300</u></u>

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

**St. John #5 Baptist Church, Inc.**  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

**Note 1 - Nature of Activities and Summary of Significant Accounting Policies**

**General** - St. John #5 Baptist Church, Inc. is a non-profit corporation organized under the laws of the State of Louisiana. Its mission is to provide positive community responses to people affected by HIV/AIDS and reduce the spread of HIV/AIDS through education and testing in New Orleans and its' surrounding area. The agency's operations are funded primarily through federal and state grants, and private foundations.

**Basis of Accounting** – St. John's financial statements are prepared on the accrual basis of accounting, whereby revenue is recorded when earned and expenses are recorded when incurred.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Property and Equipment** – Improvements which significantly extend the useful life of an asset and purchases of equipment are capitalized. The straight line method of depreciation is used for the assets owned by St. John. The estimated useful lives of these assets range from 3 to 27 years.

**Income Taxes** – St. John has been determined to be tax exempt under Section 501 (c) 3 of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

**Cash** - Cash is comprised of cash on hand and in banks.

**Functional Allocation of Expenses** -The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, program and support service expenses are specifically identified with or allocated to the Agency's various functions. Expenses requiring allocation include services provided by the Agency's management and administrative staff to specific program-related activities. Expense allocations are prorated based on a percentage of time or actual usage.

**2. Grant Receivable** -Grant receivable consists of outstanding payments from State of Louisiana Grant Funds which totaled \$ 13,500.00. These amounts are deemed collectible as such, there has been no adjustment made to an allowance for doubtful accounts.

**3. Note Payable-(Current)** -The Agency has an agreement with a local banking institution for a loan incurred for the purpose of renovations and repairs. The loan has a balance due within 12 months of \$45,447.00.

**4. Board of Directors Compensation** -The board of directors operates on a voluntary basis, as such there were no payments made to any board member during the year ended December 31, 2017 for services.

**St. John #5 Baptist Church, Inc.**  
**Schedule of Functional Expenses**  
**For the Year Ended December 31, 2017**

EXPENSE	Support Services		TOTAL
	CHURCH	PROGRAM SERVICES	
Payroll Expenses	0	128,561	128,561
Payroll Taxes	100	14,809	14,909
Advertising/Media	0	1,166	1,166
Bank Service Charges	720	385	1,105
Contributions/Donations	14,715	0	14,715
Dues & Subscriptions	0	62	62
License & Permits	136	0	136
Postage & Delivery	49	0	49
Printing & Reproduction	0	471	471
Professional Fees	29,848	7,490	37,338
Telephone	0	8,916	8,916
Travel & Entertainment	0	5,141	5,141
Utilities	186	8,632	8,818
Office Supplies	0	1,312	1,312
Supplies	0	37,142	37,142
Repairs & Maintenance	2,710	0	2,710
Interest Expense	1,630	0	1,630
Rent Expense	0	1,550	1,550
Depreciation Expense	1,250	0	1,250
Miscellaneous	3,918	0	3,918
Van Expense	7,463	0	7,463
<b>Total Expense</b>	<b>\$ 62,725</b>	<b>\$ 215,637</b>	<b>\$ 278,362</b>

See Accountant's Review Report.

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

\_\_\_\_\_July 24, 2018\_\_\_\_\_ (Date Transmitted)

\_\_\_\_\_Wharton CPA, LLC\_\_\_\_\_ (CPA Firm Name)  
\_\_\_\_\_P. O. Box 870847\_\_\_\_\_ (CPA Firm Address)  
\_\_\_\_\_New Orleans, LA 70187\_\_\_\_\_ (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of July 24, 2018 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes [  ] No [  ]

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes [  ] No [  ]

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [  ] No [  ]

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [  ] No [  ]

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes [  ] No [  ]

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [  ] No [  ]

**Reporting**

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [  ] No [  ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes  No

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes  No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes  No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

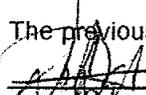
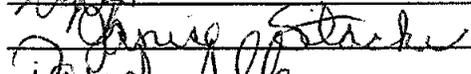
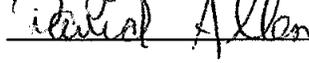
N/A

Yes  No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes  No

The previous responses have been made to the best of our belief and knowledge.

	Secretary	July 26, 2018	Date
	Treasurer	July 26, 2018	Date
	President	July 26, 2018	Date

**ATTESTATION REPORT  
(Quasi-Public Entity)  
Independent Accountant's Report  
on Applying Agreed-Upon Procedures**

To the Board of Director's of St. John #5 Baptist Church

I have performed the procedures enumerated below, which were agreed to by the management of St. John #5 Baptist Church (St. John) and the Legislative Auditor (the specified parties), on the Agency's compliance with certain laws and regulations contained in the accompanying *Louisiana Attestation Questionnaire* during the year ended December 31, 2017, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Agency's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

***Federal, State, and Local Awards***

1. Obtain the list of Federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management

The Agency provided me with the following list of expenditures made for federal, state, and local government grant awards received during the year ended December 31, 2017.

Grant Source	Grant Period	Grant Expenditures 1/1/17– 12/31/17
State of Louisiana- Office of Public Health	7/1/16-6/30/17 7/1/17-6/30/18	\$ 221,082.23
Total		\$ 221,082.23

2. For each of the above awards, I randomly selected (6) six disbursements from each grant administered during the period under examination, provided no more than (30) disbursements are selected.

There was one funding source, from which 6 disbursements were randomly selected during the period of January 1, 2017 through December 31, 2017.

3. Obtain documentation for the disbursements selected in procedure 2, Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

I have examined cancelled checks and/or bank statements that included each of the six selected disbursements to determine whether or not the proper amount was made payable to the correct payee. There was no exception noted when performing this procedure.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

There were no exceptions noted while performing this procedure. The six disbursements selected appeared to be properly coded to the correct fund and general ledger accounts.

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

The six disbursements tested appeared to have proper approval.

6. For each selected disbursement made for a State or local grant award, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements:

Activities allowed or unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed. The allowability requirements appeared to be met for each of the six disbursements.

Eligibility

I reviewed the previously listed disbursements for eligibility requirements. No exceptions were noted.

## Reporting

I reviewed the previously listed disbursements for reporting requirements. No exceptions were noted.

7. For the programs selected for testing in item (2), I planned to compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

There were no required close-out reports provided for the programs and period under examination.

## *Open Meetings*

8. I examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:11 through 42:28 (the open meetings law).

Management has asserted that "open meetings" documents were properly posted on the door of board meetings, and complete agendas were made available, as required. I was provided a copy of the documents that were posted which appeared to have met the open meetings LSA-RS 42:11 through 42-28 requirements.

## *Budget*

9. For all grants exceeding five thousand dollars, I determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

St. John provided comprehensive budgets to the state grantor for the program mentioned previously. This budget specified the anticipated uses of the funds, estimates of the duration of the project, and plans showing specific goals and objectives that included measures of performance.

## *State Audit Law*

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

## **Finding: 2017-001 Late Reporting**

The agency's report was **not** submitted to the Legislative Auditor before the statutory due date of June 30, 2018.

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38-2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law)

The agency's management represented that the organization did enter into contracts during 2017 that were subject to public bid law.

***Prior Comments and Recommendations***

12. I reviewed the prior year review/attestation report for any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no prior year findings.

This agreed-upon procedures engagement was conducted in accordance with attestation standards developed by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the United States Comptroller General. I was not engaged to, and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Agency's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Wharton CPA, LLC*

July 27, 2018

**St. John #5 Baptist Church, Inc.**

Schedule of Compensation, Benefits and Other Payments to Agency Head and Officers  
For the Year ended 2017

**Agency Head Name:** Pastor Bruce Davenport

<b>Purpose</b>	<b>Amount</b>
Salary	12,693.39
Benefits-insurance	
Benefits-retirement	
Benefits	
Car allowance	
Vehicle provided by government	
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	

\*an example of an unvouchered expense would be a travel advance

# St. John #5 Baptist (Faith) Church

Camp ACE (Alert Community Empowerment)

3613 Hamburg St., NOLA 70122

(504) 283-7376 (ph) (504) 267-0195 (fax)

Website: [www.fljesus.com](http://www.fljesus.com)

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Bruce A. Davenport, Sr., *Pastor/Executive Director*  
Email: [pastorbruce7@yahoo.com](mailto:pastorbruce7@yahoo.com)

July 24, 2018

To The Legislative Auditor's Office,

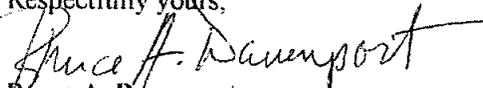
This letter is to address St. John's late submission of required documentation needed to complete the required report to submit to the Legislative Auditor's office on behalf of our organization. The reason for the late submission, unfortunately, our contracted Accountant/Bookkeeper submitted the required paperwork late and incomplete to our independent CPA and had to resubmit again when it was completed.

Learning from this experience, our methods to resolve this, to make certain that it does not happen again:

- St. John has contracted with a new Accountant/Bookkeeper
- St. John will set and uphold stern due dates for the complete required paperwork that must be reviewed for the required report to be submitted to the Legislative Auditor's office and any other required entities.
- St. John will submit required documentation in a timely manner to meet the set deadline for report submission.

If you have any further questions or concerns, please do not hesitate to contact me immediately.

Respectfully yours,



**Bruce A. Davenport**

**Executive Director/Pastor**

**[pastorbruce7@yahoo.com](mailto:pastorbruce7@yahoo.com)**

**504-283-7376 wk 504-228-3479 cell 504-267-0195 fax**