

**LOUISIANA DISTRICT COUNCIL
OF THE ASSEMBLIES OF GOD
Alexandria, Louisiana**

**Financial Statements
December 31, 2018**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Executives and Presbyters
Louisiana District Council of the Assemblies of God
Alexandria, Louisiana

I have reviewed the accompanying financial statements of Louisiana District Council of the Assemblies of God, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and cash flows 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 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, I 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 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

My 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my 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.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
March 26, 2019

LOUISIANA DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD
Alexandria, Louisiana
Statement of Financial Position
December 31, 2018

Assets

Current Assets

Cash and cash equivalents	\$	573,440
Note receivable -Church Extension Plan		127,060
Donation receivable - General Council		420,798
Prepaid insurance		23,070
		1,144,368
Total Current Assets		1,144,368

Institutional Property and Equipment

Land		104,698
Buildings and improvements		965,926
Trailers		57,570
Furniture, fixtures and equipment		640,606
Automotive and truck equipment		210,472
Campground improvements		856,718
		2,835,990
Less accumulated depreciation		(2,069,957)
		766,033
Total Institutional Property and Equipment		766,033

Church Properties

1,374,000

Other Assets

Note receivable - Rosepine		42,344
Notes receivable - Vivian		109,697
Notes receivable - other		31,800
Donated real estate		115,000
Total Other Assets		298,841

Total Assets

\$

3,583,242

Liabilities and Net Assets

Current Liabilities

Payroll withholdings and accrued expenses	\$	6,382
Agency funds payable		155
Deferred revenue - General Council		286,262
Note payable-current portion		11,080
		11,080
Total Current Liabilities		303,879

Long-term Liabilities

Note payable - long-term portion		23,872
		23,872
Total Long-term Liabilities		23,872

Total Liabilities

327,751

Net Assets - Without Donor Restrictions

3,255,491

Total Liabilities and Net Assets

\$

3,583,242

LOUISIANA DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD

Alexandria, Louisiana

Statement of Activities

For the Year Ended December 31, 2018

	Without Donor Restrictions					Total
	Administration	Campground	Church Life	Family Life	Missions	
Unrestricted Support and Revenue						
Donations, tithes and offerings	\$ 879,328	\$ -	\$ -	\$ -	\$ 395	\$ 879,723
General revenues	54,416	123,998	64,470	86,792	82,934	412,610
Credential application revenues	5,810	-	-	-	-	5,810
Rents	100	322,130	9,650	250	-	332,130
State summer feeding program revenues	949	-	-	45,512	-	46,461
Interest and investment income	72,923	-	9,902	-	-	82,825
Gain on sale of asset	-	-	71,456	-	-	71,456
Miscellaneous	-	-	-	(2,718)	-	(2,718)
Registrations	47,951	-	-	503,382	-	551,333
Sales and fundraising	2,583	-	-	95,723	-	98,306
Total Unrestricted Support and Revenue	1,064,060	446,128	155,478	728,941	83,329	2,477,936
Operating Expenses						
Salaries & wages	396,392	62,350	-	115,441	-	574,183
Employee benefits	153,223	275	-	3,730	-	157,228
Payroll taxes	11,368	3,597	-	4,638	-	19,603
Ministry stipends	-	-	10,299	12,000	6,000	28,299
Utilities, telephone and internet	9,669	88,798	6,800	1,692	-	106,959
Supplies	43,725	937	1,298	2,278	2,930	51,168
Postage	12,760	-	-	-	-	12,760
Professional services	8,492	45,758	4,280	2,175	-	60,705
Banks fees	11,227	521	67	16,471	214	28,500
Copy expense	16,751	-	-	-	-	16,751
Repairs & maintenance	14,898	83,843	-	2,216	-	100,957
Interest expense	949	-	-	582	-	1,531
Insurance - other	62,392	-	2,297	-	-	64,689
Miscellaneous expense	44,306.00	508	-	40	-	44,854
Outside ministries	57,384	2,291	37,315	13,875	107,642	218,507
Events expense	78,335	-	5,987	532,637	4,144	621,103
Travel	73,250	10,059	11,163	25,229	6,784	126,485

LOUISIANA DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD

Alexandria, Louisiana

Statement of Activities (continued)

For the Year Ended December 31, 2018

	<u>Administration</u>	<u>Campground</u>	<u>Church Life</u>	<u>Family Life</u>	<u>Missions</u>	<u>Total</u>
Operating Expenses (continued)						
Fundraising expense	\$ -	\$ -	\$ -	\$ 27,079	\$ -	\$ 27,079
Depreciation expense	90,153	-	-	-	-	90,153
Credential application expense	4,966	-	-	-	-	4,966
Non travel meal expense	16,077	3,345	2,619	6,181	2,416	30,638
Construction expense	-	30	-	-	-	30
Flowers, memorial gifts	2,062	-	-	156	-	2,218
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Expenses before Transfers	1,108,379	302,312	82,125	766,420	130,130	2,389,366
Transfers in	2,400	55,000	20,255	56,527	31,400	165,582
Transfers out	(114,400)	(20,000)	(20,255)	(2,527)	(8,400)	(165,582)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficit) of Support and Revenue over Expenses	<hr/> (156,319)	<hr/> 178,816	<hr/> 73,353	<hr/> 16,521	<hr/> (23,801)	<hr/> 88,570
Increase (decrease) Church Properties	-	-	(652,039)	-	-	(652,039)
Net Assets - Unrestricted, Beginning,	<hr/> 1,036,629	<hr/> 137,545	<hr/> 2,585,431	<hr/> (72,533)	<hr/> 131,888	<hr/> 3,818,960
Net Assets - Unrestricted, Ending	<hr/> \$ 880,310	<hr/> \$ 316,361	<hr/> \$ 2,006,745	<hr/> \$ (56,012)	<hr/> \$ 108,087	<hr/> \$ 3,255,491

See independent accountants' report and notes to financial statements.

LOUISIANA DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD
Alexandria, Louisiana
Statement of Cash Flows
For the Year Ended December 31,

	2018
Cash Flows From Operating Activities:	
Excess (Deficit) of support and revenue over cost and expenses	\$ 88,570
Adjustments to reconcile net cash provided by operating activities:	
Depreciation and amortization	90,153
Decrease (increase) in prepaid insurance	(325)
Increase (decrease) in accounts payable and other payables	(38,399)
Total Adjustments	51,429
Net Cash (Used) Provided by Operating Activities	139,999
Cash Flows From Investing Activities:	
(Purchase) receipt of note receivable Church Extension Plan	(70,121)
Principal payments from notes receivable	101,603
Note receivable - other	(31,800)
Transfers from donation receivable - General Council	15,000
Interest earned on donation receivable - General Council	(13,095)
Capital expenditures	(98,626)
Net Cash Provided (Used) by Investing Activities	(97,039)
Cash Flows from Financing Activities:	
Proceeds from loan	28,917
Principal payments on note payable	(23,992)
Net Cash Provided (Used) by Financing Activities	4,925
Increase (Decrease) in Cash	47,885
Cash and Cash Equivalents, beginning of year	525,555
Cash and Cash Equivalents, end of year	\$ 573,440
Supplemental Disclosures of Cash Flow Information:	
Cash paid for interest	\$ 426

**LOUISIANA DISTRICT COUNCIL OF THE
ASSEMBLIES OF GOD
Alexandria, Louisiana
Notes to Financial Statements
December 31, 2018**

Note 1 - Organization, Purpose, and Basis of Presentation

The Louisiana District Council of the Assemblies of God was incorporated on August 11, 1944, as a religious organization. The purpose and object of the District Council is to be for religious and charitable purposes; to conduct, promote, engage in, and to enjoy religious service and worship; to promote evangelism and to preach and teach the Holy Scriptures and Doctrines as taught and believed in and practiced by the General Council of the Assemblies of God with headquarters at Springfield, Missouri, and in pursuance of said purpose to engage in whatever form of religious worship that may be necessary to promote such purpose and exercise and to enjoy all rights and privileges incident to such purposes.

The District Council geographically has jurisdiction over the work of the Assemblies of God within the territory covered by the State of Louisiana.

The District Council is an integral part of the Assemblies of God, Inc. with headquarters at Springfield, Missouri. Therefore, the principles of voluntary unity and cooperative fellowship as set forth in the constitution of the General Council, adopted at Springfield, Missouri, September 16-22, 1927, are the principles which govern this District Council.

Note 2 - Summary of Significant Accounting Policies

a. **Basis of Accounting**

The statements presented herein are in all material respects on the accrual basis. In the prior years, historical cost of properties and equipment have not been maintained. Estimated historical costs have been made by management. These estimated costs at January 1, 1980, have been used in this statement. Current year additions, except for various Church properties, are stated at cost.

Financial statement presentation follows the recommendations of the FASB ASU 2016-14, Financial Statements of Not-for-Profit Entities. Under FASB ASU 2016-14, the Agency is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions include amounts that are not subject to usage restrictions on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met. Net assets with donor restrictions include assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Council. Certain restrictions may need to be maintained in perpetuity.

b. **Accounts and Loans Receivable**

The District Council in its normal operations makes loans to various churches throughout the state. These loans normally are made interest free, however some are charged interest. Interest income is recognized as received.

**LOUISIANA DISTRICT COUNCIL OF THE
ASSEMBLIES OF GOD
Alexandria, Louisiana
Notes to Financial Statements (Continued)
December 31, 2018**

Note 2 - Summary of Significant Accounting Policies (Continued)

c. Institutional Property

Institutional property includes only the property used by the District Council in its operation. This includes the real and personal property of the headquarters general offices and the campgrounds. Church properties are more fully described under (e).

Institutional assets acquired by purchase or constructed are stated at cost. Any other institutional assets are stated at fair market value at date of acquisition or other determinable value. Capital improvements including betterments and renewals, in excess of \$1,000 are stated at cost. Repairs and maintenance are charged to operations as incurred.

d. Depreciation

The District Council maintains the policy of charging straight line depreciation on institutional property. Estimated useful lives used in computing the depreciation are as follows:

Buildings and improvements	15 - 40 years
Furniture, fixtures, and equipment	7 - 10 years
Automotive and truck equipment	4 - 5 years
Trailers	10 years
Campgrounds improvements	5 - 25 years

e. Church Properties

The District Council holds title to various church real properties throughout the state. It is also an endorser or guarantor on the various mortgage and loan obligations against these properties. These properties are presented in the financial statements at estimated historical cost.

f. Income

A majority of the income is from ministers' tithes and church offerings, contributions and donations are recorded upon receipt. Fund raising by pledging or other comparable practices is not used, thus pledges or accounts receivable from donors are not applicable.

g. Agency Payable

Agency payable represents funds received by the District Council that are designated by the donor to a specified beneficiary.

**LOUISIANA DISTRICT COUNCIL OF THE
ASSEMBLIES OF GOD
Alexandria, Louisiana
Notes to Financial Statements (Continued)
December 31, 2018**

Note 2 - Summary of Significant Accounting Policies (Continued)

h. Cash Flow Information

The District Council considers all short-term investments with an original maturity of three months or less to be cash equivalents

i. 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 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 3 - Mortgages, Notes, and Loans Payable

Description	Security	12/31/18 Balance	Interest Rate
Note payable automobile	SUV	\$ 26,771	5.49%
Note payable truck	Truck	\$ 8,181	5.15%

The estimated maturities for notes payable are as follows:

2019		\$ 11,080
2020		8,033
2021		5,899
2022		6,231
2023		<u>3,709</u>
		\$ 34,952

Note 4 - Deposits Held in Financial Institutions

As of December 31, 2018, the District had demand deposits on hand in financial institutions which exceeded FDIC limits by \$323,440. The District's management believes the deposits are with high quality financial institutions and are not exposed to significant credit risk.

**LOUISIANA DISTRICT COUNCIL OF THE
ASSEMBLIES OF GOD
Alexandria, Louisiana
Notes to Financial Statements (Continued)
December 31, 2018**

Note 5 - Tax Deferred Annuity Plan

The District contributes 6% of full-time employee's compensation to the Assemblies of God Ministers Benefit Association Plan. The Plan is qualified under Section 403(b) of the Internal Revenue Code. Contributions by the District for 2018 was \$26,556.

Note 6- Contingencies

Certain claims, suits, and complaints arising in the ordinary course of operations are pending against the District Council. In the opinion of management, all such matters are of such kind or involve such amounts, as would not have a significant affect on the financial positions or results of operations of the District Council if disposed of unfavorably.

Note 7 - Income Taxes

The District is statutorily tax exempt under Section 501 (c) (3) of the Internal Revenue Code and is not subject to federal income taxes.

Note 8 - Note Receivable and Donation Assets

As of December 31, 2018, the District had invested with the Church Extension Plan (a non-profit corporation). The investment is secured by a promissory note with a fixed rate of interest for 5 year intervals. The principal and interest may be withdrawn at any time with no penalty. The balance as of December 31, 2018 was \$127,060.

Other notes receivables totaling \$183,841, as of December 31, 2018 are primarily the result of seller financing the sale of church properties owned by the District and the financing of one church property not owned by the District. No allowance for doubtful accounts is deemed necessary by the District management as most are secured by underlying real estate as collateral.

The District has funds that were designated by a donor to be on deposit with the General Council of the Assemblies of God, to be used by the District for New Church Evangelism. The funds are to be released to the District when requested for their intended purpose. The balance of the receivable as of December 31, 2018 was \$420,798. These funds are reflected also in deferred revenue in the amount of \$286,262 as of December 31, 2018, and will be recognized as revenues as the requests are released by General Council.

**LOUISIANA DISTRICT COUNCIL OF THE
ASSEMBLIES OF GOD
Alexandria, Louisiana
Notes to Financial Statements
December 31, 2018**

Note 10 - Functional Expenses

Expenses were allocated in the accompanying financial statements to program and support services functional expense groups. The methods of allocation were based on the Council's estimates of the relative proportion of various staff members' time and effort between program and support services as well as the Council's estimates of the amount of each expense utilized for program or support service functions. The functional expenses are presented in the statement of activities.

Note 11 - Quantitative and Qualitative Liquidity and Availability of Resources

The following reflects the Council's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the board of directors approves that action.

	2018
Current assets	1,144,368
Subtract: Donation receivable	(420,798)
Subtract: Prepaid insurance	<u>(23,070)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 700,500</u>

Note 12 - Subsequent Events

The District evaluated its December 31, 2018 financial statements for subsequent events through the date the financial statements were available to be issued.

LOUISIANA DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD

Schedule of Compensation, Benefits and Other Payments to the President of the Board of Commissioners

Year Ended December 31, 2018

PAID FROM PUBLIC FUNDS

Agency Head: Scott Holmes, Superintendent

Purpose	Amount
Salary	\$0.00
Benefits-insurance	0.00
Benefits-retirement	0.00
Benefits-Other	0.00
Car allowance	0.00
Vehicle provided by government	0.00
Per diem	0.00
Reimbursements	0.00
Travel	0.00
Registration fees	0.00
Conference travel	0.00
Continuing professional education fees	0.00
Housing	0.00
Unvouchered expenses	0.00
Special meals	0.00

Note: This schedule is included as supplementary information.