

**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, 2019

With Accountant's Compilation Report

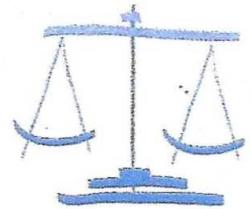
First Church of God of Palmetto, Inc./Project Hope
(A NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2019

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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, 2019, 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. 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 31, 2019

**First Church of God of Palmetto, Inc.
Project Hope
Statement of Financial Position
As of June 30, 2019**

Assets

Current assets:

Cash	\$ 47,810
Loan Receivable	3,000
Prepaid Expenses	1,899
Total current assets	<u>52,709</u>

Fixed Assets:

Movable Equipment, net of accumulated depreciation of \$11,257	<u>36,878</u>
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Total assets	<u><u>\$ 89,587</u></u>
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Liabilities & Net Assets

Current Liabilities:

Accounts Payable	\$ 1,930
Payroll Tax Payable	479
Total Current Liabilities	<u>2,409</u>

Total Liabilities	<u>2,409</u>
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Net Assets

Without Donor Restrictions	87,178
With Donor Restrictions	<u>0</u>

Total net assets	<u>87,178</u>
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Total liabilities and net assets	<u><u>\$ 89,587</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, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
State of Louisiana Grants	\$ -	\$ 149,338	\$ 149,338
Donations	32,812	-	32,812
In-Kind Rent	20,000	-	20,000
Other Revenues	12	-	12
Total revenues and gains	52,824	149,338	202,162
 Net assets released from restrictions:			
Satisfaction of program restrictions	149,338	(149,338)	-
Total net assets released from restrictions	149,338	(149,338)	-
 Total revenues, gains, and other support	202,162	-	202,162
 Expenses and losses			
Program Services	132,840	-	132,840
Supporting Services- Management & General	28,660	-	28,660
Total expenses and losses	161,500	-	161,500
 Change in net assets	40,662	-	40,662
 Net assets at beginning of year	49,279	-	49,279
Other Changes in net assets			
Prior Period Adjustment	(2,763)	-	(2,763)
Net assets at end of year	\$ 87,178	\$ -	\$ 87,178

See accompanying notes and accountant's compilation report.

First Church of God of Palmetto, Inc.
Project Hope
Statement of Functional Expenses
For the Year Ended June 30, 2019

	PROGRAM SERVICES	SUPPORTING SERVICES	TOTAL
	Management & General		
Books, Subscriptions & Reference	\$ 9,266	\$ -	\$ 9,266
Business Registration Fees	0	0	0
Depreciation	8,243	0	8,243
Equipment Rental and Maintenance	2,207	0	2,207
Food	6,753	0	6,753
Insurance	8,019	0	8,019
Occupancy			
Rent (Note 5)	0	20,000	20,000
Utilities	14,326	0	14,326
Other	0	285	285
Payroll Taxes	2,769	275	3,044
Postage	0	0	0
Professional Services	31,294	4,500	35,794
Printing and Copying	0	0	0
Salaries	36,194	3,600	39,794
Supplies	5,586	0	5,586
Telephone	3,687	0	3,687
Transportation			
Repairs/Fuel	4,496	0	4,496
Totals	<u>\$ 132,840</u>	<u>\$ 28,660</u>	<u>\$ 161,500</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, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets	\$ 40,662
Adjustments to reconcile decrease in net assets to net cash provided by operating activities	
Depreciation	8,243
(Increase) decrease in accounts receivable and contributions	(3,000)
(Increase) decrease in prepaid expenses	196
Increase (decrease) in accounts payable	207
Increase (decrease) in payroll liabilities	479
Net cash provided by (used in) operating activities	<u>46,787</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of equipment	<u>(29,938)</u>
Net cash provided by (used in) investing activities	(29,938)
CASH FLOWS FROM FINANCING ACTIVITIES	
Net cash provided by (used in) financing activities	-
INCREASE (DECREASE) IN CASH	16,849
CASH, June 30, 2018	<u>30,961</u>
CASH, June 30, 2019	<u><u>\$ 47,810</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, 2019

1) Organization

Palmetto Church of God-Project Hope (The Organization), a non-profit organization, 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 Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables and payables.

The Organization has adopted FASB Accounting Standards Codification (ACS) 958-205, Not-for-Profit Entities, Presentation of Financial Statements . Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions include those net assets whose use by the Organization is not restricted by donors, even though their use may be limited in other respects, such as self-imposed actions, by contract or governing board designation. Net assets with donor restrictions are those net assets received with donor-imposed restrictions limiting the Organization's use of the assets. The Organization has determined that any donor-imposed restrictions on the contributed assets, including the potential effects of such restrictions on specific assets, liabilities, or class of net assets, were generally met within the operating cycle and, therefore, the policy is to record these net assets without donor restrictions. As of June 30, 2019, The Organization had no net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows. As permitted by the statement, the Organization does not use fund accounting.

(b) Revenue Recognition

The Organization has also adopted FASB Accounting Standards Codification (ASC) 958-605 Not For Profit Entities, Revenue Recognition . Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions based on the existence or absence and/or nature of donor-imposed 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 net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

(c) Cash and Cash Equivalents

Cash and cash equivalents include bank deposits. As of June 30, 2019, there were no cash equivalents and cash balance were as follows:

Without Donor Restrictions \$ 47,810

(d) Receivables

Receivables consist primarily of loans expected to be received shortly after year-end. The Organization does not report an allowance for doubtful accounts because management estimates that receivables are 100% collectible. 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 Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3).

The Organization 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 of five years.

Property and equipment consists of the following:

	06/30/19
Equipment- Vehicles	48,135
Less: Accumulated Depreciation	<u>(11,257)</u>
Net Property and equipment	<u>36,878</u>

Depreciation expense for the year ended June 30, 2019 was \$ 8,243.

(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, individuals volunteer their time that assist the Organization, but these services do not meet the criteria for recognition as contributed services on the statement of activities. An average of five volunteers contribute janitorial services for approximately 60 hours per year. The estimate value for service is the minimum wage rate.

(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 Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated the program and supporting services benefited.

(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, 2019 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, 2017, 2018 and 2019; 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, 2019, 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 2400 Elementary and Middle School students in fifteen St. Landry Parish and Evangeline Parish schools.
2. To teach Kids Don't Gamble -Wanna Bet curriculum to 400 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 two 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. 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, 2019, of which \$ 20,000 in-kind rent is reported as a contribution and expense.

5. Liquidity Management

As of June 30, 2019, the following financial assets could be made readily available within one year of the statement of financial position date to meet general expenditures:

Cash	\$ 47,810
Loans Receivable	3,000
Prepaid Expenses	1,899
Total	<u>\$ 52,709</u>

As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

6. Prior Period Adjustment

For the period ending June 30, 2019, the Organization had a prior period adjustment in the amount of \$ 2,763 due to depreciation expense of equipment-vehicles was not calculated correctly .

SUPPLEMENTARY INFORMATION

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

6/30/2019

Agency Head Name: Dale Fontenot

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 3,600
Benefits-insurance	-
Benefits-retirement	-
Benefits-Other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
License/Permits	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Professional Services	700
 Total	 <u>\$ 4,300</u>

See Accountant's Compilation Report