

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

**Financial Statements
December 31, 2017**

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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, 2017, 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
February 28, 2018

LOUISIANA DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD
Alexandria, Louisiana
Statement of Financial Position
December 31, 2017

Assets

Current Assets

Cash and cash equivalents	\$	525,555
Note receivable -Church Extension Plan		56,939
Donation receivable - General Council		422,703
Prepaid insurance		22,745
		1,027,942
Total Current Assets		1,027,942

Institutional Property and Equipment

Land		104,698
Buildings and improvements		973,942
Trailers		57,570
Furniture, fixtures and equipment		525,990
Automotive and truck equipment		239,213
Campground improvements		856,718
		2,758,131
Less accumulated depreciation		(2,019,715)
Total Institutional Property and Equipment		738,416

Church Properties

2,060,184

Other Assets

Note receivable - Rosepine		47,336
Notes receivable - Mansfield		41,665
Notes receivable - Vivian		164,643
Donated real estate		115,000
Total Other Assets		368,644

Total Assets

\$

4,195,186

Liabilities and Net Assets

Current Liabilities

Payroll withholdings	\$	3,220
Agency funds payable		41,716
Deferred revenue - General Council		301,262
Note payable-current portion		12,114
		358,312
Total Current Liabilities		358,312

Long-term Liabilities

Note payable - long-term portion		17,914
		17,914
Total Long-term Liabilities		17,914

Total Liabilities

376,226

Net Assets - Unrestricted

3,818,960

Total Liabilities and Net Assets

\$

4,195,186

See independent accountants' report and notes to financial statements.

LOUISIANA DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD
 Alexandria, Louisiana
 Statement of Activities
 For the Year Ended December 31, 2017

	<u>Administration</u>	<u>Campground</u>	<u>Church Life</u>	<u>Family Life</u>	<u>Missions</u>	<u>Total</u>
Unrestricted Support and Revenue						
Donations, tithes and offerings	\$ 1,006,473	\$ 1,718	\$ 36,897	\$ 16,382	\$ 38,408	\$ 1,099,878
General revenues	134,995	11,569	89,990	115,205	161,109	512,868
Credential application revenues	6,343	-	-	-	-	6,343
Rents	3,327	57,873	400	810	-	62,410
State summer feeding program revenues	1,222	-	-	42,944	-	44,166
Dues	300	-	-	1,960	-	2,260
Interest and investment income	47,184	-	17,765	-	-	64,949
Miscellaneous	5,322	6,632	2,045	5,713	15,446	35,158
Registrations	28,658	543	50	384,868	-	414,119
Sales and fundraising	1,504	-	-	83,676	-	85,180
Total Unrestricted Support and Revenue	<u>1,235,328</u>	<u>78,335</u>	<u>147,147</u>	<u>651,558</u>	<u>214,963</u>	<u>2,327,331</u>
Operating Expenses						
Salaries & wages	395,776	50,998	-	156,742	-	603,516
Employee benefits	104,707	914	-	1,626	-	107,247
Payroll taxes	12,193	2,226	-	1,711	-	16,130
Ministry stipends	-	-	11,000	12,000	6,000	29,000
Utilities, telephone and internet	12,612	80,077	-	1,426	-	94,115
Supplies	43,839	2,604	720	10,912	2,060	60,135
Postage	14,648	-	-	-	-	14,648
Professional services	17,361	17,880	446	10,428	-	46,115
Banks fees	12,771	149	-	-	599	13,519
Copy expense	14,564	-	-	-	-	14,564
Repairs & maintenance	44,021	107,298	490	2,297	-	154,106
Interest expense	397	29	-	-	-	426
Insurance - other	53,490	-	-	110	-	53,600
Miscellaneous expense	190	-	-	-	-	190
Outside ministries	69,888	900	7,100	13,701	120,232	211,821
Events expense	53,282	4,764	13,664	267,046	2,036	340,792
Travel	87,868	7,199	13,900	27,973	17,441	154,381

LOUISIANA DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD

Alexandria, Louisiana

Statement of Activities (continued)

For the Year Ended December 31, 2017

	<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	\$ -	\$ -	\$ -	\$ 20,828	\$ -	20,828
Depreciation expense	32,710	58,195	-	-	-	90,905
Credential application expense	6,144	-	-	-	-	6,144
Non travel meal expense	10,591	1,487	1,362	2,391	221	16,052
Construction expense	401	5,013	-	16,424	-	21,838
Flowers, memorial gifts	1,986	-	-	270	-	2,256
Church plant investment	-	-	38,451	-	-	38,451
	<u>989,442</u>	<u>339,733</u>	<u>87,133</u>	<u>545,885</u>	<u>148,589</u>	<u>2,110,779</u>
Total Operating Expenses before Transfers						
Transfers in	11,784	311,229	9,647	-	15,918	348,578
Transfers out	(59,241)	-	(85,763)	(203,574)	-	(348,578)
	<u>198,429</u>	<u>49,831</u>	<u>(16,102)</u>	<u>(97,901)</u>	<u>82,292</u>	<u>\$ 216,552</u>
Excess (deficit) of Support and Revenue over Expenses						
Net Assets - Unrestricted, Beginning,	<u>838,200</u>	<u>87,714</u>	<u>2,601,533</u>	<u>25,368</u>	<u>49,596</u>	<u>3,602,411</u>
Net Assets - Unrestricted, Ending	<u>\$ 1,036,629</u>	<u>\$ 137,545</u>	<u>\$ 2,585,431</u>	<u>\$ (72,533)</u>	<u>\$ 131,888</u>	<u>\$ 3,818,960</u>

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,

	2017
Cash Flows From Operating Activities:	
Excess (Deficit) of support and revenue over cost and expenses	\$ 216,552
Adjustments to reconcile net cash provided by operating activities:	
Depreciation and amortization	90,905
Decrease (increase) in receivables	3,505
Decrease (increase) in prepaid insurance	10,394
Increase (decrease) in accounts payable and other payables	(68,355)
Non-cash donation real estate	(115,000)
Other	1,826
Total Adjustments	(76,725)
Net Cash (Used) Provided by Operating Activities	139,827
Cash Flows From Investing Activities:	
Principal payments from notes receivable	195,549
Note receivable - Vivian	(165,000)
Transfers from donation receivable - General Council	30,000
Interest earned on donation receivable - General Council	(14,091)
Capital expenditures	(20,000)
Net Cash Provided (Used) by Investing Activities	26,458
Cash Flows from Financing Activities:	
Proceeds from loan	16,643
Principal payments on note payable	(33,696)
Net Cash Provided (Used) by Financing Activities	(17,053)
Increase (Decrease) in Cash	149,232
Cash and Cash Equivalents, beginning of year	376,323
Cash and Cash Equivalents, end of year	\$ 525,555
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, 2017

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.

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, 2017

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, 2017

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	12/31/17 Balance	Interest Rate
Note payable automobile	SUV	\$ 16,405	2.85%
Note payable truck	Truck	\$ 13,623	5.15%

The estimated maturities for notes payable are as follows:

2018		\$ 12,114
2019		12,598
2020		5,316
2021		-
2022		-
		<u>\$ 30,028</u>

Note 4 - Deposits Held in Financial Institutions

As of December 31, 2017, the District had demand deposits on hand in financial institutions which exceeded FDIC limits by \$275,555. 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, 2017

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 2017 was \$20,344.

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, 2017, 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, 2017 was \$56,939.

Other notes receivables totaling \$253,644, as of December 31, 2017 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, 2017 was \$422,703. These funds are reflected also in deferred revenue, and will be recognized as revenues as the requests are released by General Council.

The District received real estate valued at \$115,000 through an act of donation during the fiscal year December 31, 2017.

LOUISIANA DISTRICT COUNCIL OF THE
ASSEMBLIES OF GOD
Alexandria, Louisiana
Notes to Financial Statements
December 31, 2017

Note 9 - Subsequent Events

The District evaluated its December 31, 2017 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, 2017

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.