

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

**Financial Statements
December 31, 2019**

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

Management is responsible for the accompanying financial statements of Louisiana District Council of the Assemblies of God, which comprise the statement of financial position as of December 31, 2019, and the related statements of activities 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. Also, attached is schedule of compensation as supplementary information required by State of Louisiana Legislative Auditor. 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 assurance on these financial statements.

Steven M. Derouen & Associates

Lake Charles, Louisiana
February 24, 2020

LOUISIANA DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD
Alexandria, Louisiana
Statement of Financial Position
December 31, 2019

Assets

Current Assets

Cash and cash equivalents	\$	635,823
Note receivable -Church Extension Plan		231,896
Donation receivable - General Council		402,956
Prepaid insurance		27,515
		1,298,190
Total Current Assets		1,298,190

Institutional Property and Equipment

Land		104,698
Buildings and improvements		965,926
Trailers		57,570
Furniture, fixtures and equipment		670,206
Automotive and truck equipment		202,181
Campground improvements		982,260
		2,982,841
Less accumulated depreciation		(2,151,146)
		831,695
Total Institutional Property and Equipment		831,695

Church Properties

1,274,000

Other Assets

Note receivable - Rosepine		37,589
Notes receivable - Plain Dealing		92,685
Notes receivable - other		26,388
Donated real estate		115,000
Total Other Assets		271,662

Total Assets

\$

3,675,547

Liabilities and Net Assets

Current Liabilities

Payroll withholdings and accrued expenses	\$	19,977
Agency funds payable		25
Deferred revenue - General Council		256,262
		276,264
Total Current Liabilities		276,264

Total Liabilities

276,264

Net Assets - Without Donor Restrictions

3,399,283

Total Liabilities and Net Assets

\$

3,675,547

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, 2019

	Without Donor Restrictions					Total
	Administration	Campground	Church Life	Family Life	Missions	
Unrestricted Support and Revenue						
Donations, tithes and offerings	\$ 868,306	\$ -	\$ 100	\$ -	\$ 1,220	\$ 869,626
General revenues	57,306	96,895	56,373	82,118	71,799	364,491
Credential application revenues	5,350	-	-	-	-	5,350
Rents	20	285,973	4,000	-	-	289,993
State summer feeding program revenues	589	-	-	35,041	-	35,630
Dues	-	-	-	352	-	352
Interest and investment income	12,790	-	9,153	-	-	21,943
Gain on sale of asset	-	-	131,750	-	-	131,750
Miscellaneous	3,500	13,558	-	-	-	17,058
Registrations	57,052	-	-	469,832	-	526,884
Sales and fundraising	852	1,366	-	49,269	-	51,487
Total Unrestricted Support and Revenue	1,005,765	397,792	201,376	636,612	73,019	2,314,564
Operating Expenses						
Salaries & wages	335,510	62,361	1,309	117,215	-	516,395
Employee benefits	109,141	40	-	3,841	-	113,022
Payroll taxes	18,439	4,755	-	4,748	-	27,942
Ministry stipends	-	-	8,749	12,000	6,350	27,099
Utilities, telephone and internet	8,703	77,061	1,112	1,338	-	88,214
Supplies	25,961	5,040	50	5,416	3,115	39,582
Postage	11,966	-	-	-	-	11,966
Professional services	7,333	10,750	1,794	1,920	-	21,797
Banks fees	14,184	19	108	17,577	-	31,888
Copy expense	17,061	-	-	-	-	17,061
Repairs & maintenance	26,062	127,131	-	-	-	153,193
Interest expense	228	-	-	71	-	299
Insurance - other	56,799	-	-	-	-	56,799
Miscellaneous expense	14,744	5,238	386	-	-	20,368
Outside ministries	32,239	800	102,691	16,112	70,956	222,798
Events expense	67,156	6,178	2,808	490,918	-	567,060
Travel	63,248	11,486	8,899	29,014	11,636	124,283

LOUISIANA DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD

Alexandria, Louisiana

Statement of Activities (continued)

For the Year Ended December 31, 2019

	<u>Administration</u>	<u>Campground</u>	<u>Church Life</u>	<u>Family Life</u>	<u>Missions</u>	<u>Total</u>
Operating Expenses (continued)						
Depreciation expense	96,504	-	-	-	-	96,504
Credential application expense	3,499	-	-	-	-	3,499
Non travel meal expense	15,277	3,692	1,371	7,790	1,127	29,257
Flowers, memorial gifts	1,673	-	-	73	-	1,746
Total Operating Expenses before Transfers	925,727	314,551	129,277	708,033	93,184	2,170,772
Transfers in	8,333	70,891	22,780	29,588	71,281	202,873
Transfers out	(117,903)	-	(36,639)	(1,050)	(47,281)	(202,873)
Excess (deficit) of Support and Revenue over Expenses	<u>(29,532)</u>	<u>154,132</u>	<u>58,240</u>	<u>(42,883)</u>	<u>3,835</u>	<u>143,792</u>
Net Assets - Unrestricted, Beginning,	<u>880,310</u>	<u>316,361</u>	<u>2,006,745</u>	<u>(56,012)</u>	<u>108,087</u>	<u>3,255,491</u>
Net Assets - Unrestricted, Ending	<u>\$ 850,778</u>	<u>\$ 470,493</u>	<u>\$ 2,064,985</u>	<u>\$ (98,895)</u>	<u>\$ 111,922</u>	<u>\$ 3,399,283</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,

	<u>2019</u>
Cash Flows From Operating Activities:	
Excess (Deficit) of support and revenue over cost and expenses	S 143,792
Adjustments to reconcile net cash provided by operating activities:	
Depreciation and amortization	96,504
Decrease (increase) in prepaid insurance	(4,445)
Increase (decrease) in accounts payable and other payables	13,465
Total Adjustments	<u>105,524</u>
Net Cash (Used) Provided by Operating Activities	<u>249,316</u>
Cash Flows From Investing Activities:	
Principal payments from notes receivable	127,179
Note receivable - Plain Dealing	(100,000)
Interest earned on donation receivable - General Council	(12,158)
Other	6,103
Capital expenditures	<u>(173,105)</u>
Net Cash Provided (Used) by Investing Activities	<u>(151,981)</u>
Cash Flows from Financing Activities:	
Principal payments on note payable	<u>(34,952)</u>
Net Cash Provided (Used) by Financing Activities	<u>(34,952)</u>
Increase (Decrease) in Cash	62,383
Cash and Cash Equivalents, beginning of year	<u>573,440</u>
Cash and Cash Equivalents, end of year	S <u><u>635,823</u></u>
Supplemental Disclosures of Cash Flow Information:	
Cash paid for interest	S 299

**LOUISIANA DISTRICT COUNCIL OF THE
ASSEMBLIES OF GOD
Alexandria, Louisiana
Notes to Financial Statements
December 31, 2019**

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.

**LOUISIANA DISTRICT COUNCIL OF THE
ASSEMBLIES OF GOD
Alexandria, Louisiana
Notes to Financial Statements (Continued)
December 31, 2019**

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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.

**LOUISIANA DISTRICT COUNCIL OF THE
ASSEMBLIES OF GOD
Alexandria, Louisiana
Notes to Financial Statements (Continued)
December 31, 2019**

Note 2 - Summary of Significant Accounting Policies (Continued)

g. Agency Payable

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

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 - Deposits Held in Financial Institutions

As of December 31, 2019, the District had demand deposits on hand in financial institutions which exceeded FDIC limits by \$385,823. The District's management believes the deposits are with high quality financial institutions and are not exposed to significant credit risk.

Note 4 - 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 2019 was \$21,674.

Note 5- 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 6 - 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.

**LOUISIANA DISTRICT COUNCIL OF THE
ASSEMBLIES OF GOD
Alexandria, Louisiana
Notes to Financial Statements
December 31, 2019**

Note 7 - Note Receivable and Donation Assets

As of December 31, 2019, 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, 2019 was \$231,896.

Other notes receivables totaling \$156,662, as of December 31, 2019 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, 2019 was \$402,956. These funds are reflected also in deferred revenue in the amount of \$256,262 as of December 31, 2019, and will be recognized as revenues as the requests are released by General Council.

Note 8 - 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.

**LOUISIANA DISTRICT COUNCIL OF THE
ASSEMBLIES OF GOD
Alexandria, Louisiana
Notes to Financial Statements
December 31, 2019**

Note 9 - 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.

Current assets	1,298,190
Subtract: Donation receivable	(402,956)
Subtract: Prepaid insurance	<u>(27,515)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 867,719</u>

Note 10- Subsequent Events

The District evaluated its December 31, 2019 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, 2019

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.