

**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, 2021**

**With Accountant's Compilation Report**

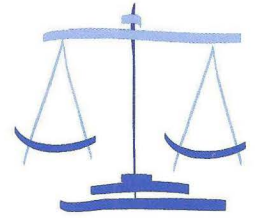
**First Church of God of Palmetto, Inc./Project Hope  
(A NON-PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2021**

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# La Verne Ford, CPA, LLC



*Serving Your Business With Professionalism and Integrity*

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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, 2021, 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 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 30, 2021

**First Church of God of Palmetto, Inc.**  
**Project Hope**  
**Statement of Financial Position**  
**As of June 30, 2021**

<b>Assets</b>	
Current assets:	
Cash	\$141,952
Employee Advances	300
Prepaid Expenses	2,184
Total current assets	<u>144,436</u>
Fixed Assets:	
Property and Equipment, net (note 2h)	<u>17,777</u>
Total assets	<u><u>\$162,213</u></u>
<b>Liabilities &amp; Net Assets</b>	
Current Liabilities:	
Accounts Payable	\$2,036
Interest Payable	220
Payroll Tax Payable	49
SBA- CARES PPP Loan Liability-Current Portion	16,840
Total Current Liabilities	<u>19,145</u>
Long Term Liabilities:	
SBA-CARES PPP Loan Liability, net current portion \$ 16,840	<u>22,452</u>
Total Long Term Liabilities	<u>22,452</u>
Total Liabilities	<u><u>41,597</u></u>
Net Assets	
Without Donor Restrictions	120,616
With Donor Restrictions	<u>0</u>
Total net assets	<u>120,616</u>
Total liabilities and net assets	<u><u>\$162,213</u></u>

**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, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, gains, and other support:</b>			
State of Louisiana Grants	\$0	\$ 148,732	\$ 148,732
Donations	12,895	0	12,895
In-Kind Rent	20,000	0	20,000
Other Revenues	5	0	5
Total revenues and gains	32,900	148,732	181,632
Net assets released from restrictions:			
Satisfaction of program restrictions	148,732	(148,732)	0
Total net assets released from restrictions	148,732	(148,732)	0
Total revenues, gains, and other support	181,632	0	181,632
<b>Expenses and losses:</b>			
Program Services	131,633	0	131,633
Supporting Services- Management & General	20,499	0	20,499
Total expenses and losses	152,132	0	152,132
Change in net assets from operations	29,500	0	29,500
Net assets at beginning of year	91,116	0	91,116
	0	0	0
Net assets at end of year	\$ 120,616	\$0	\$ 120,616

**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, 2021**

	<b>PROGRAM SERVICES</b>	<b>SUPPORTING SERVICES</b>	<b>TOTAL</b>
	<b>Management &amp; General</b>		
Books, Subscriptions & Reference	\$330	\$0	\$330
Business Expenses	0	0	0
Depreciation	9,923	0	9,923
Equipment Rental and Maintenance	2,134	0	2,134
Food	764	0	764
Insurance	6,314	0	6,314
Interest Expense	0	199	199
Occupancy			
Rent (Note 4)	1,000	20,000	21,000
Utilities	16,990	0	16,990
Other	950	300	1,250
Payroll Taxes	3,404	0	3,404
Postage	168	0	168
Professional Services	33,262	0	33,262
Printing and Copying			0
Salaries	44,493	0	44,493
Supplies	7,327	0	7,327
Telephone	3,775	0	3,775
Transportation			
Repairs/Fuel	799	0	799
Totals	<u>\$131,633</u>	<u>\$20,499</u>	<u>\$152,132</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, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets	\$29,500
Adjustments to reconcile decrease in net assets to net cash provided by operating activities	
Depreciation	9,923
Loss on disposal of asset	950
(Increase) decrease in accounts receivable and contributions	0
( Increase) decrease in prepaid expenses	(625)
Increase (decrease) in accounts payable	726
Increase (decrease) in interest payable	199
Increase (decrease) in payroll liabilities	10
Net cash provided by (used in) operating activities	<u>40,683</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of equipment	<u>0</u>
Net cash provided by (used in) investing activities	0
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from CARES PPP Loan	<u>26,447</u>
Net cash provided by (used in) financing activities	<u>26,447</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>67,130</b>
CASH, June 30, 2020	<u>74,822</u>
CASH, June 30, 2021	<u><u>\$141,952</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, 2021**

**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 in accordance with U.S. generally accepted accounting principles (US GAAP), 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 for current program were generally met within the operating cycle and, therefore, the policy is to record these net assets without donor restrictions. As of June 30, 2021, the Organization had no net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows. The Organization does not use fund accounting.

**(b) Measure of operations**

The statements of activities report all changes in activity from operating activities for period ended June 30, 2021. Operating activities consist of those items attributable to the Organization's drug and alcohol prevention program services.



***(c) 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.

***(d) Cash and Cash Equivalents***

Cash and cash equivalents include bank deposits. As of June 30, 2021, cash equivalents and cash balance were as follows:

Without Donor Restrictions \$ 141,952

***(e) 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.

***(f) 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.

***(g) 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.

***(h) Property and Equipment***

Acquisitions of property and equipment in the 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.

For the year ended 6/30/2021, the Organization had net property and equipment totaling \$17,777 consist of the following:

	<i>06/30/21</i>
Depreciable Assets	
Equipment Total	\$1,611
Vehicles	48,135
Less deletions	(4,017)
Vehicle Total	<u>44,118</u>
Total Depreciable Assets	<u>45,729</u>
Less Accumulated Depreciated	<u>(27,952)</u>
Net Depreciable Asset	<u>\$17,777</u>

Depreciation expense for the year ended 2021 was \$ 9,923

***(i) 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, many individuals volunteer their time that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

***(j) 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.

***(k) 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 to the program and supporting services benefited.

***(l) 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 30, 2021 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, 2019, 2020 and 2021; however, there are currently no audits in progress for any tax period.

***(m) Forgiven Loans- Paycheck Protection Program (PPP):***

The Organization's policy is to account for forgivable loans received through the Small Business Administration (SBA) under Coronavirus Aid, Relief and Economic Security Act (CARES Act) Paycheck Protection Program (PPP), as debt in accordance with Accounting Standards Codification (ASC) 470, Debt, and other related accounting pronouncements. The forgiveness of debt, in whole or in part, is recognized once the debt is extinguished which occurs when the Organization is legally released from the liability by the SBA. Any portion of debt forgiven, adjusted for accrued interest forgiven and unamortized debt issuance costs, is recorded as a gain on extinguishment of debt, and presented in the other income section of the Statement of Activities.

**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 1500 Elementary and Middle School students in seven St. Landry Parish schools.
2. To teach Kids Don't Gamble -Wanna Bet curriculum to 1500 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 four 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, 2021, of which \$ 20,000 in-kind rent is reported as a contribution and expense.

### **5. Liquidity Management**

As of June 30, 2021, the following financial assets could be made readily available within one year of the statement of financial position date to meet general expenditures:

Cash	\$ 141,952
Employee Advances	300
Prepaid Expenses	2,184
Total	<u>\$ 144,436</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. Long- Term Debt

Long-term debt consists of the following as of June 30, 2021

	<u>PPP Loan 1</u>	<u>PPP Loan 2</u>	<u>Total</u>
Note Balance	\$ 12,845	\$ 26,447	\$ 39,292
Less Current Portion	(12,845)	(3,995)	(16,840)
Long-term debt	<u>\$ 0</u>	<u>\$ 22,452</u>	<u>\$ 22,452</u>

As of June 30, 2021, the Organization has two loans outstanding in the amount of \$12,845 and \$26,447, due to the Small Business Administration (SBA) and administered by a local bank, as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) Paycheck Protection Program (PPP).

Under the terms of the note dated April 8, 2020 for \$12,845, loan payments are deferred until the Organization receives notification from the SBA as to the amount of the loan forgiven. Thereafter, monthly payments are due in the amount of \$ 1,612, including interest at one percent per annum, which approximates the effective interest rate. The note is due on April 8, 2022.

Under the terms of the note dated February 10, 2021 for \$26,447, loan payments are deferred until the Organization receives notification from the SBA as to the amount of the loan forgiven. Thereafter, monthly payments are due in the amount of \$ 520, including interest at one percent per annum, which approximates the effective interest rate. The note is due on February 10, 2026.

A summary of annual maturities of long-term debt for the five years subsequent after 2021 follows:

<i>FY Year</i>	<i>Annual principal payments</i>		
	PPP Loan 1	PPP Loan 2	Total
2022	\$12,845	\$3,995	\$16,840
2023	XX	6,042	6,042
2024	XX	6,102	6,102
2025	XX	6,164	6,164
2026	XX	4,144	4,144

Interest Expense was \$199 in 2021.

The loan terms provide that a portion or all the loan is forgivable to the extent that the Company uses loan proceeds to fund qualifying payroll and other expenses during a designated 24-week period.

**7. *Subsequent Events- Long Term Debt***

Management has evaluated subsequent events (FASB ASC 855-10-50-1) through December 30, 2021, the date the financial statements were available to be issued.

On August 6, 2021, the Organization received notification from the SBA that the entire loan balance of PPP Note 1 for \$12,845 has been forgiven.

On November 5, 2021, the Organization received notification from the SBA that the entire loan balance of PPP Note 2 for \$ 26,447 has been forgiven.



## **SUPPLEMENTARY INFORMATION**

First Church of God of Palmetto, Inc.  
Project Hope

Schedule I

Schedule of Compensation, Benefits and Other Payments to Agency Head

6/30/2021

Agency Head Name: Dale Fontenot

<u>Purpose</u>	<u>Amount</u>
Salary	\$0
Benefits-insurance	0
Benefits-retirement	0
Benefits-Other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
License/Permits	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
Professional Services	6,000
Total	<u>\$ 6,000</u>

See Accountant's Compilation Report