

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

**Financial Statements**

**As of and for the Year Ended June 30, 2010**

**With Independent Accountant's Compilation Report Thereon**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/30/11

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

**FINANCIALS STATEMENTS  
As of and for the Year Ended June 30, 2010**

**TABLE OF CONTENTS**

Independent Accountant's Compilation Report .....	3
Statement of Financial Position.....	4
Statement of Activities.....	5
Statement of Functional Expenses.....	6
Statement of Cash Flows.....	7
Notes to Financial Statements.....	8-11

# La Verne Ford, CPA, LLC

Serving Your Business With Integrity



## Independent Accountant's Compilation Report

The Board of Directors  
First Church of God of Palmetto, Inc.  
Project Hope  
P. O. Box 173  
Palmetto, LA 71358

I have compiled the accompanying statement of financial position of First Church of God of Palmetto, Inc-Project Hope (The Company) as of June 30, 2010 and the related statements of activities, functional expenses and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

A handwritten signature in cursive script that reads "La Verne Ford".

La Verne Ford  
Certified Public Accountant  
Monroe, Louisiana  
December 28, 2010

**First Church of God of Palmetto, Inc.**  
**Project Hope**  
**Statement of Financial Position**  
**As of June 30, 2010**

**Assets**

Current assets:

Cash	1,976
Receivables	6,304
Total current assets	8,280

Fixed Assets:

Movable Equipment, net of accumulated depreciation of \$5,428	0
---	---

Total assets	8,280
--------------	-------

**Liabilities & Net Assets**

Current Liabilities:

Accounts Payable	987
Payroll Tax Payable	1,211
Total Current Liabilities	2,198

Total Liabilities	2,198
-------------------	-------

Net Assets

Unrestricted	6,082
--------------	-------

Total net assets	6,082
------------------	-------

Total liabilities and net assets	8,280
----------------------------------	-------

**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, 2010**

**Unrestricted Net Assets**

Contributions:	
State of Louisiana Grants	125,862
Church Donations	3,906
Church of GOD Campground (In-Kind rent)	20,000
All other	-
Other	<u>8</u>
<b>Total unrestricted revenue and other support</b>	<b>149,776</b>
<b>Expenses:</b>	
Program services	122,770
Supporting services	
Administration	<u>38,628</u>
<b>Total Expenses</b>	<u><b>161,398</b></u>
<b>Increase (Decrease) in unrestricted Net Assets</b>	<u><b>(11,622)</b></u>
<b>Increase (Decrease) in Net Assets</b>	<b>(11,622)</b>
<b>Net Assets, beginning of year</b>	<u><b>17,704</b></u>
<b>Net Assets, end of year</b>	<u><u><b>\$ 6,082</b></u></u>

**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, 2010**

	<b>PROGRAM SERVICES</b>	<b>SUPPORTING SERVICES</b>	<b>TOTAL</b>
Awards, grants, scholarships	-	-	-
Depreciation	-	-	-
Food	4,762	-	4,762
Insurance	5,261	928	6,189
Occupancy			
Rent (Note 5)	-	20,000	20,000
Utilities	10,228	-	10,228
Payroll Taxes	3,756	1,156	4,912
Postage	61	-	61
Professional Services	21,578	1,250	22,828
Equipment Rental and Maintenance	892	-	892
Salaries	49,105	15,120	64,225
Supplies	10,314	-	10,314
Telephone	2,691	-	2,691
Travel	-	-	-
Field Trips	953	-	953
Conferences	603	-	603
Transportation			
Repairs/Fuel	12,466	-	12,466
Membership Dues	100	-	100
Other	-	174	174
<b>Totals</b>	<b>122,770</b>	<b>38,628</b>	<b>161,398</b>

**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, 2010**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets	(11,622)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities	
Depreciation	-
(Increase) decrease in accounts receivable and contributions	2,785
Increase (decrease) in accounts payable	1,386
Net cash provided by (used in) operating activities	<u>(7,451)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of office equipment	-
Net cash provided by (used in) investing activities	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Net cash provided by (used in) financing activities	-
<b>INCREASE (DECREASE) IN CASH</b>	<b>(7,451)</b>
CASH, June 30, 2009	<u>9,427</u>
CASH, June 30, 2010	<u><u>1,976</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, 2010**

**1) Organization**

Palmetto Church of God-Project Hope (The Company) 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 Company have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables and payables.

The Company has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, the Company is required to report information regarding its statement of income according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Company 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 as unrestricted. The Company has only unrestricted net assets as of June 30, 2010. In addition, the Company is required to present a statement of cash flows. As permitted by the statement, the Company does not use fund accounting.

**(b) Revenue Recognition**

The Company has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor 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 temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**(c) Cash and Cash Equivalents**

Cash and cash equivalents include bank deposits.

***(d) Receivables***

Receivables consist primarily of contributions expected to be received shortly after year-end. The Company records receivables at net realizable value using the allowance method. 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 Company is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3).

The Company 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 .

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

***(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 Expenses***

Expenses are charged directly to program or supporting services based on specific identification, if possible. For those expenses where specific identification is not practical, an allocation of shared expenses is done.

### **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 2009 as measured by attendance and the number of booths and health professionals participating.

#### Education

1. To teach effective decision-making, peer refusal skills, and self-esteem participants to prevent and/or reduce the use of ATOD. Program participants will show a 10% increase in positive attitude towards non-use of ATOD as evidences by the M7 Attitude Scales.
2. To establish and maintain a parent/community group to meet at bi-monthly to teach dangers of ATOD. Participants will show a 10% increase in positive attitude towards non-use of ATOD as evidenced by the M7.
3. To teach Life Skills Training curriculum to 1500 Elementary and Middle School students in seven St. Landry Parish Schools.

#### 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. Property and Equipment

Property and equipment consists of the following:

	06/30/10
Equipment	5,428
Less: Accumulated Depreciation	<u>(5,428)</u>
Net Property and equipment	<u>0.00</u>

Depreciation expense for the year ended 2010 was \$0.00.

#### 5. Lease

The Organization entered into 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, 2010, of which \$ 20,000 in-kind rent is reported as a contribution and expense.