

**FOUNDATION OF COMPASSIONATE  
AMERICAN SAMARITANS  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**COLLINS HEEB & ASSOCIATES, INC.  
CERTIFIED PUBLIC ACCOUNTANTS**

## CONTENTS

	<u>Page</u>
<b><u>Independent Accountants' Review Report</u></b>	1
<b><u>Financial Statements</u></b>	
Statement of Financial Position	2
Statement of Activities:	
2017	3
2016	4
Statement of Functional Expenses:	
2017	5
2016	6
Statements of Cash Flows	7
Notes to Financial Statements	8-12



# Collins Heeb & Associates, Inc.

Certified Public Accountants

Edward R. Collins, CPA †  
Donald F. Heeb, CPA † †

Matthew C. Roetting, CPA ††  
John R. Showalter, CPA  
J. Kevin McSweeney  
Kyle L. Hess

4903 VINE STREET • CINCINNATI, OHIO 45217  
TELEPHONE (513) 641-1900  
FAX (513) 641-1450

[www.chmcpa.com](http://www.chmcpa.com)

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**To the Board of Trustees  
Foundation of Compassionate American Samaritans  
Cincinnati, Ohio**

We have reviewed the accompanying financial statements of Foundation of Compassionate American Samaritans, an Ohio non-profit organization, which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years 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 Company 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, we 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.

### Accountants' Responsibility

Our responsibility is to conduct the review engagements 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 us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountants' Conclusion on the Financial Statements

Based on our reviews, we are 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.

*Collins Heeb & Associates, Inc.*

Cincinnati, Ohio  
August 1, 2018

**FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS**

**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2017 and 2016**

<u><b>ASSETS</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
Current assets:		
Cash in bank:		
Checking	\$ 138,143	\$ 178,387
Savings	284,383	299,659
Activity advances	-	1,500
Pledges receivable – net	94,787	15,533
Other receivables	<u>244</u>	<u>244</u>
Total current assets	517,557	495,323
Property and equipment, at cost:		
Land, buildings and improvements	272,875	272,995
Office furniture and equipment	4,595	4,595
Gym equipment	10,695	10,695
Playground equipment	24,568	24,568
Vehicles	32,490	32,490
Construction in progress	<u>24,140</u>	<u>-</u>
	369,363	345,343
Less accumulated depreciation	<u>158,807</u>	<u>149,237</u>
	210,556	196,106
Rent deposits	<u>500</u>	<u>500</u>
Total assets	\$728,613	\$691,929
	=====	=====
<u><b>LIABILITIES AND NET ASSETS</b></u>		
Current liabilities:		
Accounts payable – trade	\$ 1,906	\$ 3,275
Accrued and withheld payroll taxes	5,131	6,436
Accrued expenses	743	9,228
Accrued property taxes	<u>-</u>	<u>1,881</u>
Total current liabilities	7,780	20,820
Net assets:		
Unrestricted	303,023	270,936
Temporarily restricted	<u>417,810</u>	<u>400,173</u>
Total net assets	720,833	671,109
	-----	-----
Total liabilities and net assets	\$728,613	\$691,929
	=====	=====

See accompanying notes and independent accountants' review report.

**FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS**

**STATEMENT OF ACTIVITIES**

**Year ended December 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions:			
Undesignated	\$ 85,645	\$152,323	\$237,968
Fundraising	8,200	-	8,200
Lord's Gym Cincinnati	239,387	-	239,387
Lord's Gym Covington	7,630	-	7,630
Youth Activity Center	200,900	-	200,900
Membership fees and apparel	5,617	-	5,617
Outreach ministry	6,405	-	6,405
Haiti contributions	5,960	-	5,960
Other income and contributions	1,137	-	1,137
In-kind food contributions	49,997	-	49,997
In-kind services contributions	-	-	-
Net assets released from restrictions	<u>134,686</u>	<u>(134,686)</u>	<u>-</u>
Total support and revenue	745,564	17,637	763,201
Expenses:			
Program expenses:			
Cincinnati	373,328	-	373,328
Haiti	118,528	-	118,528
Management and general	138,115	-	138,115
Fundraising	83,802	-	83,802
Uncollectible pledges	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	713,773	-	713,773
Operating income (loss)	31,791	17,637	49,428
Other income:			
Investment income	462	-	462
Realized gain (loss) on securities	<u>(166)</u>	<u>-</u>	<u>(166)</u>
Investment income (loss)	296	-	296
Change in net assets	32,087	17,637	49,724
Net assets, beginning of year	<u>270,936</u>	<u>400,173</u>	<u>671,109</u>
Net assets, end of year	\$303,023	\$417,810	\$720,833
	=====	=====	=====

See accompanying notes and independent accountants' review report.

**FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS**

**STATEMENT OF ACTIVITIES**

**Year ended December 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions:			
Undesignated	\$207,441	\$ 19,990	\$227,431
Fundraising	38,236	-	38,236
Lord's Gym Cincinnati	216,585	-	216,585
Lord's Gym Covington	20,103	-	20,103
Youth Activity Center	22,402	260,621	283,023
Membership fees and apparel	5,427	-	5,427
Outreach ministry	4,520	-	4,520
Haiti contributions	32,432	-	32,432
Other income and contributions	300	-	300
In-kind food contributions	45,000	-	45,000
In-kind services contributions	19,200	-	19,200
Net assets released from restrictions	<u>229,444</u>	<u>(229,444)</u>	<u>-</u>
Total support and revenue	841,090	51,167	892,257
Expenses:			
Program expenses:			
Cincinnati	445,853	-	445,853
Haiti	116,791	-	116,791
Fundraising	95,210	-	95,210
Management and general	137,429	-	137,429
Uncollectible pledges	<u>-</u>	<u>5,600</u>	<u>5,600</u>
Total expenses	795,283	5,600	800,883
Operating income (loss)	45,807	45,567	91,374
Other income:			
Investment income	383	-	383
Investment expenses	(216)	-	(216)
Realized gain (loss) on securities	<u>(388)</u>	<u>-</u>	<u>(388)</u>
Investment income (loss)	(221)	-	(221)
Change in net assets	45,586	45,567	91,153
Net assets, beginning of year	<u>225,350</u>	<u>354,606</u>	<u>579,956</u>
Net assets, end of year	<u>\$270,936</u> =====	<u>\$400,173</u> =====	<u>\$671,109</u> =====

See accompanying notes and independent accountants' review report.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2017

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Cincinnati</u>	<u>Haiti</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	
Salaries	\$198,587	\$ -	\$ 46,291	\$69,024	\$313,902
Payroll taxes	17,619	-	4,161	6,205	27,985
Vehicle allowance	1,760	-	1,120	-	2,880
Vehicle expenses	6,401	-	-	-	6,401
Insurance	-	-	13,770	-	13,770
Rent	13,750	-	3,600	-	17,350
Utilities	41,534	-	57	-	41,591
Maintenance and repairs	4,703	-	1,954	-	6,657
Supplies	-	-	7,837	480	8,317
Depreciation	7,234	-	2,336	-	9,570
Food and supplies	12,599	-	-	-	12,599
Center supplies and equipment	5,287	-	-	-	5,287
Contract services	-	-	600	-	600
Benevolences	10	-	-	-	10
Health insurance	4,278	-	11,888	5,223	21,389
Community awareness	3,246	-	5,655	-	8,901
Medical programs	-	-	6,396	-	6,396
Other expenses	5,486	-	4,326	-	9,812
Special events	-	-	-	2,473	2,473
Professional fees	473	-	9,164	-	9,637
Other fees and dues	-	-	7,144	-	7,144
Child sponsorship	-	8,319	-	-	8,319
Telephone and website development	364	-	3,284	-	3,648
Postage	-	-	527	357	884
Printing	-	-	1,494	40	1,534
IRA expenses	-	-	6,511	-	6,511
Uncollectible accounts	-	-	-	-	-
In-kind services	-	-	-	-	-
Church project	-	110,209	-	-	110,209
In-kind food	<u>49,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,997</u>
	\$373,328	\$118,528	\$138,115	\$83,802	\$713,773
	=====	=====	=====	=====	=====

See accompanying notes and independent accountants' review report.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2016

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Cincinnati</u>	<u>Haiti</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	
Salaries	\$245,096	\$ -	\$ 58,940	\$ 78,023	\$382,059
Payroll taxes	20,148	-	4,809	6,436	31,393
Vehicle allowance	1,920	-	90	-	2,010
Vehicle expenses	7,924	-	-	-	7,924
Insurance	-	-	9,438	-	9,438
Rent	16,924	-	600	-	17,524
Utilities	39,006	-	1,042	-	40,048
Maintenance and repairs	2,211	-	679	-	2,890
Supplies	-	-	3,263	2	3,265
Depreciation	6,083	-	2,337	-	8,420
Food and supplies	7,586	-	-	-	7,586
Apparel	185	-	-	-	185
Center supplies	3,084	-	-	-	3,084
Contract services	350	-	-	-	350
Benevolences	43	-	-	-	43
Health insurance	31,762	-	9,961	4,092	45,815
Evangelism outreach	1,069	-	-	-	1,069
Community awareness	-	-	8,319	-	8,319
Medical programs	-	5,100	2,673	-	7,773
Other expenses	1,757	-	11,548	271	13,576
Special events	-	-	-	6,166	6,166
Professional fees	-	-	8,303	-	8,303
Public awareness	6,105	-	-	-	6,105
Child support	-	27,594	-	-	27,594
Missionary trips	-	1,891	-	-	1,891
Telephone	-	-	2,903	-	2,903
Postage	-	-	1,093	220	1,313
Printing	-	-	479	-	479
IRA expenses	-	-	5,352	-	5,352
Uncollectible accounts	-	-	5,600	-	5,600
In-kind services	9,600	9,600	-	-	19,200
Church project	-	72,606	-	-	72,606
In-kind food	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
	<u>\$445,853</u>	<u>\$116,791</u>	<u>\$137,429</u>	<u>\$95,210</u>	<u>\$795,283</u>
	=====	=====	=====	=====	=====

See accompanying notes and independent accountants' review report.



FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

STATEMENTS OF CASH FLOWS

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ 49,724	\$ 91,153
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	9,570	8,420
Uncollectible pledges	-	5,600
(Increase) decrease in:		
Pledges receivable	(77,754)	16,634
Other receivables	-	(341)
Increase (decrease) in:		
Accounts payable	(1,370)	(6,261)
Accrued expenses	<u>(11,670)</u>	<u>11,170</u>
Net cash provided by (used in) operating activities	(31,500)	126,375
Cash flows from investing activities:		
Purchase of land – Warsaw Avenue	-	(62,128)
Construction in progress	<u>(24,020)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(24,020)</u>	<u>(62,128)</u>
Increase (decrease) in cash	(55,520)	64,247
Cash at beginning of year	<u>478,046</u>	<u>413,799</u>
Cash at end of year	\$422,526 =====	\$478,046 =====

See accompanying notes and independent accountants' review report.

# FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

### 1. Nature of operations

**Organization** – The Foundation of Compassionate American Samaritans (the Organization) was incorporated on July 29, 1986 as an Ohio non-profit corporation under Chapter 1702 of the Ohio Revised Code. The Organization's mission is to assist the poor of Haiti and Cincinnati's Over-the-Rhine community, to see them saved, discipled, helped in crucial physical needs and equipped for a productive and Godly life. The Organization currently operates and staffs the Lord's Gym in Cincinnati's Price Hill, Over-the-Rhine, and Covington, Kentucky.

### 2. Summary of significant accounting policies

**Fund accounting** – To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Accordingly, all financial transactions have been recorded and reported by fund groups.

The assets, liabilities and net assets of the Organization are reported in two self-balancing funds as follows:

Unrestricted funds represent the portion of expendable funds that are available for the current operating expenses and providing daily services.

Temporarily restricted funds, which represents resources to be used for donor imposed restrictions that will expire in the future.

**Estimates in financial statements** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Concentrations of credit risk** – Financial statements that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments and pledges receivable. The Organization places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. Concentrations of credit with respect to pledges receivable are limited due to the small number of pledges at year end. The Organization's cash balances exceeded the FDIC limit by \$70,536 as of December 31, 2017 and \$148,001 as of December 31, 2016.

**Cash and cash equivalents** – The Organization considers cash and cash equivalents to include cash on hand, cash in banks, certificates of deposit and all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

2. Summary of significant accounting policies (continued)

**Revenue recognition** – The Organization records unrestricted revenue from memorials, donations, legacies, fund raising and grants when received. All direct contributions are considered available for unrestricted use unless specifically restricted by the donor.

**Contributed materials, food and equipment** – Donated services are normally reflected as revenue in the financial statements at their estimated value with a corresponding charge to expense. Contributed services represent the estimated fair value of competition services and administrative services provided. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be paid for if not provided by donation.

The Organization receives various donated products and services that are reflected as revenue and expenses in the accompanying financial statements. Donated services are recorded based on hours worked by volunteers. Donated food and equipment are recorded at fair market value as contributed revenue and expense.

The estimated value of donated services and products included in the accompanying financial statements are as follows:

	<u>2017</u>	<u>2016</u>
Donated services	\$ -	\$19,200
Food	<u>49,997</u>	<u>45,000</u>
	\$49,997	\$64,200
	=====	=====

**Income taxes** – The Organization is exempt from federal and state income taxes and accordingly no provision for income taxes has been made in the financial statements on the income from the Organization’s activities. The Organization’s non-profit federal income tax returns for the years 2015 through 2017 are open for income tax audits.

**Leased facilities** – The Organization leases the Covington, Kentucky Lord’s Gym on a month-to-month basis at \$1,000 per month. The Organization has a fifteen year agreement with City Gospel Mission wherein the Organization reimburses City Gospel Mission for the Organization’s share of utilities for its space occupied at City Gospel Mission.

**Advertising** – The Organization expenses advertising costs as incurred. Total advertising expenses including promotion were none in 2017 and \$12,449 in 2016.

**Unconditional pledges** – The Organization records unconditional pledges at the time the pledge of a gift is made by the donor. An unconditional pledge is a promise to give, which is not subject to the occurrence of some future event or circumstance. Conditional pledges are not recognized until the conditions on which they are dependent are substantially met.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

2. **Summary of significant accounting policies (continued)**

**Property and equipment** – The acquisition cost of purchased property, equipment, and vehicles is capitalized. The estimated fair value of donated property and equipment is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Maintenance and repairs are expensed to operations when incurred. Betterments and renewals in excess of \$1,000 are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

The useful lives of property and equipment for purposes of computing depreciation are:

Building	40 years
Building improvements	10 years
Furniture and equipment	5 – 7 years
Vehicles	5 years

Depreciation expense was \$9,570 in 2017 and \$8,420 in 2016.

**Construction in progress** – The Organization is in the process of remodeling the 3428 Warsaw Avenue property. Costs incurred in 2017 is \$24,140.

**Functional allocation of expenses** – The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program, management and general, and fundraising categories based upon estimates of the time spent by the Organization’s personnel.

3. **Line of credit**

The Organization has a \$10,000 unsecured revolving line of credit which is due on demand. No amounts were borrowed against this line at December 31, 2017 and 2016. The line bears interest payable monthly at 14.75% per annum. The line of credit is automatically transferred to cover overdrawn balances in the checking account.

4. **Temporarily restricted net assets**

Temporarily restricted net assets as of December 31 are available for the following purposes or periods:

	<u>2017</u>	<u>2016</u>
Calabasse clinic	\$ -	\$151,815
CGM move	-	18,414
For periods after December 31	94,787	15,533
Haiti crisis – HEART	-	16,158
Price Hill renovations	<u>323,023</u>	<u>198,253</u>
	\$417,810	\$400,173
	=====	=====

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

5. **Significant concentrations**

Accounting principles generally accepted in the United States of America require disclosure of current vulnerabilities due to certain concentrations. Those matters include the following:

Approximately 28% of total revenue and support was received from three donors in 2017.

Approximately 8% of total revenue and support was received from one donor in 2016.

Approximately 79% of pledges receivable at December 31, 2017 were due from one donor.

Approximately 37% of pledges receivable at December 31, 2016 were due from one donor.

6. **Subsequent events**

On June 8, 2018 the Organization sold the land and building located at 64 E. McMillan Avenue in the amount of \$206,000.

The Organization has evaluated subsequent events through August 1, 2018, the date the financial statements were issued. No significant events have occurred through this date requiring adjustment to the financial statements or disclosures.

7. **Contingent liabilities**

In the normal course of business the Organization has incurred various commitments and is contingently liable as a guarantor or endorser of a lease.

In cases where losses are possible but not probable, it is the Organization's belief that their ultimate resolution will not have a material effect on the Organization's financial position as of December 31, 2017 and 2016 or the results of its operations for the years then ended.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

8. **Responsibilities for financial statements**

The financial statements of the Foundation of Compassionate American Samaritans were prepared in accordance with accounting principles generally accepted in the United States of America. The integrity and consistency of these financial statements, and of other data presented in this report, are the responsibility of the Organization's officers and properly include some amounts that are based upon estimates and judgments.

The Organization is further responsible for maintaining a system of internal controls, including internal accounting control, that provides an appropriate division of responsibility and is designed to assure that the books and records reflect the transactions of the Organization and that its established policies and procedures are carefully followed. The system is constantly reviewed for its effectiveness and is augmented by written policies and guidelines, and the careful selection and training of qualified personnel.