

**FOUNDATION OF COMPASSIONATE
AMERICAN SAMARITANS**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2018

**CPA ASSURANCE
CERTIFIED PUBLIC ACCOUNTANTS**

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INDEPENDENT ACCOUNTANT'S 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, 2018 and 2017, 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 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.

Accountant's Responsibility

Our 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 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.

Accountant's Conclusion

Based on our review, 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.

CPA Assurance, Inc.

Cincinnati, Ohio
November 26, 2019

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS
STATEMENT OF FINANCIAL POSITION
Years Ended December 31, 2018 and 2017

Assets	2018	2017
Current assets		
Cash in bank		
Checking	\$ 145,791	\$ 138,143
Savings	194,530	284,383
Pledges receivable - net	106,806	94,787
Investments	9,701	-
Other receivables	244	244
	<hr/>	<hr/>
Total current assets	457,072	517,557
Property and equipment, at cost:		
Land, buildings and improvements	62,008	272,875
Office furniture and equipment	2,995	4,595
Gym equipment	10,695	10,695
Playground equipment	-	24,568
Vehicles	32,490	32,490
Construction in progress	313,507	24,140
	<hr/>	<hr/>
Property and equipment, at cost	421,695	369,363
Less accumulated depreciation	(44,977)	(158,807)
	<hr/>	<hr/>
Property and equipment, Net:	376,718	210,556
Rent deposits	500	500
	<hr/>	<hr/>
Total assets	<u>\$ 834,290</u>	<u>\$ 728,613</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable - trade	\$ 1,645	\$ 1,906
Accrued and withheld payroll taxes	2,363	5,131
Accrued expenses	2,146	743
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Total current liabilities	6,154	7,780
Net assets:		
Unrestricted	681,649	303,023
Temporarily restricted	146,487	417,810
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Total net assets	828,136	720,833
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 834,290</u>	<u>\$ 728,613</u>

See accompanying notes and independent accountants' review report.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue			
Contributions:			
Undesignated	\$ 117,896	\$ 12,019	\$ 129,915
Fundraising	63,000	-	63,000
Lord's Gym Cincinnati	28,059	-	28,059
Lord's Gym Covington	226,104	-	226,104
Youth Activity Center	31,240	-	31,240
Membership fees and apparel	2,402		2,402
Outreach ministry	517		517
Haiti contributions	-		-
Other income and contributions	11,451		11,451
In-kind food contributions	55,126		55,126
Net assets released from restriction	283,342	(283,342)	-
Total support and revenue	819,137	(271,323)	547,814
Expenses:			
Program expenses			
Cincinnati	392,739	-	392,739
Haiti	-	-	-
Management and general	101,065	-	101,065
Fundraising	36,152	-	36,152
Total expenses	529,956	-	529,956
Operating income (loss)	289,181	(271,323)	17,858
Other income			
Investment income	1,818	-	1,818
Gain on sale of building	88,910		88,910
Unrealized gain (loss) on securities	(736)		(736)
Realized gain(loss) on securities	(547)	-	(547)
Investment income (loss)	89,445	-	89,445
Change in net assets	378,626	(271,323)	107,303
Net assets, beginning of year	303,023	417,810	720,833
Net assets, end of year	<u>\$ 681,649</u>	<u>\$ 146,487</u>	<u>\$ 828,136</u>

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
Net assets released from restriction	134,686	(134,686)	-
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
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	(166)	-	(166)
Investment income (loss)	296	-	296
Change in net assets	32,087	17,637	49,724
Net assets, beginning of year	270,936	400,173	671,109
Net assets, end of year	<u>\$ 303,023</u>	<u>\$ 417,810</u>	<u>\$ 720,833</u>

See accompanying notes and independent accountants' review report.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2018

	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Cincinnati</u>	<u>Haiti</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 212,318	\$ -	\$ 36,505	\$ 21,235	\$ 270,058
Payroll taxes	15,178	-	6,615	1,777	23,570
Vehicle allowance	1,920	-	1,920	-	3,840
Vehicle expense	10,597	-	-	-	10,597
Insurance	-	-	11,145	-	11,145
Rent	12,150	-	(400)	-	11,750
Utilities	36,840	-	-	-	36,840
Maintenance and repairs	2,390	-	184	-	2,574
Supplies	-	-	2,337	35	2,372
Depreciation	4,948	-	1,168	-	6,116
Food and supplies	7,170	-	-	-	7,170
Center supplies and equipment	17,040	-	-	-	17,040
Contract services	204	-	400	-	604
Benevolences	6,278	-	-	-	6,278
Health insurance	6,215	-	8,974	3,969	19,158
Community awareness	31	-	1,492	-	1,523
Medical programs	-	-	430	-	430
Other expenses	2,684	-	6,891	32	9,607
Special events	-	-	-	8,909	8,909
Professional fees	1,650	-	6,847	-	8,497
Other fees and dues	-	-	5,758	-	5,758
Child sponsorship	-	-	-	-	-
Telephone and website development	-	-	4,375	-	4,375
Postage	-	-	707	195	902
Printing	-	-	939	-	939
IRA expenses	-	-	4,778	-	4,778
Church project	-	-	-	-	-
In-kind food	55,126	-	-	-	55,126
	<u>\$ 392,739</u>	<u>\$ -</u>	<u>\$ 101,065</u>	<u>\$ 36,152</u>	<u>\$ 529,956</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>Cincinnati</u>	<u>Haiti</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</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 expense	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	12,099	-	-	-	12,099
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	3,746	-	5,655	-	9,401
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
Church project	-	110,209	-	-	110,209
In-kind food	49,997	-	-	-	49,997
	<u>\$ 373,328</u>	<u>\$ 118,528</u>	<u>\$ 138,115</u>	<u>\$ 83,802</u>	<u>\$ 713,773</u>

See accompanying notes and independent accountants' review report.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS
STATEMENT OF CASH FLOWS
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Change in net assets	\$ 107,303	\$ 49,724
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation	6,116	9,570
Net unrealized gains	736	
Net Realized gains	(88,364)	
(Increase)/decrease in pledges receivable	(12,019)	(77,754)
Increase/(decrease) in accounts payable	(261)	(1,370)
Increase/(decrease) in accrued payroll taxes	(2,768)	
Increase/(decrease) in accrued expenses	1,403	(11,670)
Net cash provided by/(used in) operating activities	<u>12,146</u>	<u>(31,500)</u>
Cash flows from investing activities		
Proceeds from sale of securities	6,342	
Donated securities	(17,326)	
Construction in progress	(289,367)	(24,020)
Proceeds from sale of building	206,000	
Net cash provided by/(used in) investing activities	<u>(94,351)</u>	<u>(24,020)</u>
Net cash provided by/(used in) financing activities	<u>-</u>	<u>-</u>
Increase (decrease) in cash	(82,205)	(55,520)
Cash at beginning of year	<u>422,526</u>	<u>478,046</u>
Cash at end of year	<u>\$ 340,321</u>	<u>\$ 422,526</u>

See accompanying notes and independent accountants' review report.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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 and underserved of the Greater Cincinnati Tri-State Area, to see them come to faith in Jesus Christ, disciplined, 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, Westend/Queensgate, and Covington, Kentucky.

2. Summary of significant accounting policies

Basis of Presentation – The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations.”

Accordingly, the net assets and revenues, and gains and losses are classified 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. These balances at times may exceed the federally insured limits.

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, 2018

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 create or enhance nonfinancial assets or 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 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>2018</u>	<u>2017</u>
Donated services	\$ -	\$ -
Donated food	<u>55,126</u>	<u>49,997</u>
Total	<u>\$ 55,126</u>	<u>\$ 49,997</u>

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 after 2016 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. There were no advertising costs in 2018 or 2017.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. Summary of significant accounting policies (continued)

Pledges receivable – 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.

Pledges receivable are stated net of an allowance for doubtful accounts. The Company performs periodic credit evaluations of its customers' financial condition and the age of any past due accounts. The allowance for doubtful accounts is \$1,000 at December 31, 2018 and 2017.

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 \$6,116 in 2018 and \$9,570 in 2017.

On June 8, 2018 the Organization sold the land and building located at 64 E. McMillan Avenue in the amount of \$206,000, resulting in a gain on the sale of \$88,911.

Construction in progress – The Organization is in the process of remodeling the 3428 Warsaw Avenue property. Costs incurred were \$289,367 and \$24,140 during 2018 and 2017, respectively. Total construction in progress is \$313,507 at December 31, 2018.

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, 2018 and 2017. 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.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. Temporarily restricted net assets

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

	<u>2018</u>	<u>2017</u>
For periods after December 31	106,806	94,787
Price Hill Renovations	<u>39,681</u>	<u>323,023</u>
Total	<u>\$ 146,487</u>	<u>\$ 417,810</u>

5. Significant concentrations

Accounting principles generally accepted in the United States of America require disclosure of current vulnerabilities due to certain concentrations. Pledges receivable from two donors were approximately 74% and 79% as of December 31, 2018 and 2017, respectively. Total revenue and support received from three donors was 36% and 28% for the years ending December 31, 2018 and 2017, respectively.

6. Subsequent events

The Organization has evaluated subsequent events through the report date, the date the financial statements were issued.

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, 2018 and 2017 or the results of its operations for the years then ended.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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.