

**FRIENDS WITH JESUS, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

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# *Rodney A. Prince*


CERTIFIED PUBLIC ACCOUNTANT  
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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Management & Board of Directors of  
Friends with Jesus, Inc.  
Bainbridge, GA 39817

Management is responsible for the accompanying financial statements of Friends with Jesus, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019, and the related statements of activities, cash flows and functional expenses 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. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements

  
Rodney A. Prince  
Certified Public Accountant

September 24, 2020

**FRIENDS WITH JESUS, INC.**  
**STATEMENT OF FINANCIAL POSITION**

**ASSETS**

	<u>DEC. 31, 2019</u>
<b><u>CURRENT ASSETS</u></b>	
Cash and cash equivalents	\$ 224,101
Payroll taxes refundable	2,596
Inventory	3,238
	<u>229,935</u>
<b><u>PROPERTY AND EQUIPMENT</u></b>	
Land	60,226
Land improvements	1,250
Buildings	1,002,375
Leasehold improvements	120,542
Furniture and fixtures	29,723
Equipment	54,967
Vehicles	123,321
	<u>1,392,404</u>
Less: accumulated depreciation	525,435
	<u>866,969</u>
	<u>\$ 1,096,904</u>

See accompanying notes and independent accountant's compilation report.

**FRIENDS WITH JESUS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**LIABILITIES AND NET ASSETS**

	<u>DEC. 31, 2019</u>
<b><u>CURRENT LIABILITIES</u></b>	
Accounts payable	\$ 5,714
Child support payable	100
Rental deposits	1,400
Sales tax payable	523
	<u>7,737</u>
<b><u>NET ASSETS</u></b>	
Unrestricted	1,089,167
	<u>1,089,167</u>
	<u>\$ 1,096,904</u>

See accompanying notes and independent accountant's compilation report.

FRIENDS WITH JESUS, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2019

PUBLIC SUPPORT AND OTHER REVENUE

Contributions	\$	325,477.00
Fundraising income		2,308.00
Grants - foundations and trusts		152,339.00
Rental income		7,820.00
Candle sales (net of direct expense of \$41,141)		32,838.00
Interest		3,666.00
		<u>524,448.00</u>

FUNCTIONAL EXPENSES

612,371.00

Change in Net Assets

(87,923.00)

Beginning Net Assets

1,177,090.00

Ending Net Assets

\$ 1,089,167.00

See accompanying notes and independent accountant's compilation report.

FRIENDS WITH JESUS, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>DEC. 31, 2019</u>
Change in net assets	\$ (87,923)
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:</b>	
Depreciation	39,494
<b>Changes in Operating Assets and Liabilities --</b>	
<b>-- (Increase) Decrease in:</b>	
Inventory	3,187
<b>-- Increase (Decrease) in:</b>	
Accounts payable	2,746
Child support payable	(163)
Sales tax payable	(1,496)
Payroll tax liabilities	(4,507)
Insurance Deposit	(52,693)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ <u>(101,355)</u></b>

See accompanying notes and independent accountant's compilation report.

FRIENDS WITH JESUS, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	<u>DEC. 31, 2019</u>
Purchase of property, plant, and equipment	(36,858)
Net Cash Provided (Used) in Investing Activities	<u>(36,858)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(138,213)
Cash and Cash Equivalents - beginning of year	362,314
Cash and Cash Equivalents - end of year	<u><u>224,101</u></u>

See accompanying notes and independent accountant's compilation report.



FRIENDS WITH JESUS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE PERIOD ENDING DECEMBER 31, 2019

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 305,841	26,293	15,568	347,702
Payroll tax	24,644	2,119	1,254	28,017
Contract Labor			57,477	57,477
Total Personnel Costs		\$		
	<u>330,485</u>	<u>28,412</u>	<u>74,299</u>	<u>433,196</u>
Automobile expense	6,805			6,805
Accounting and professional fees		13,473		13,473
Advertising	229			229
Banking		2,033		2,033
Occupancy				
Buildings and grounds maintenance	26,184	264		26,448
Rent	6,781	69		6,850
Utilities	34,259	346		34,605
Beach ministry	3,455			3,455
Office Supplies		3,554		3,554
Insurance	15,777	876	876	17,529
Supplies	1,020			1,020
Fundraising expenses			11,858	11,858
Staff training	1,471	490		1,961
Wellness	6,340			6,340
Other expenses	176	3,347		3,523
Total Expenses Before Depreciation	<u>432,982</u>	<u>52,864</u>	<u>87,033</u>	<u>572,879</u>
Depreciation	39,097	395		39,492
<b>TOTAL EXPENSES</b>	<u><u>472,079</u></u>	<u><u>53,259</u></u>	<u><u>87,033</u></u>	<u><u>612,371</u></u>

See accompanying notes and independent accountant's compilation report.

## NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of activities

Friends with Jesus, Inc. doing business as Friends Ministries offers a free, structured year-round program for at-risk children and youth including bible curriculum, recreation, music and art. Friends with Jesus, Inc. doing business as Still Waters provides safe short-term housing for women and their children with rehabilitative programs leading toward independent living. The Refinery is a social enterprise preparing residents of Still Waters through training in job related skills and encouraging motivation through accomplishment. Friends Ministries meets regularly on Sundays for worship services where the gospel is presented in song and the preached word. Sources of revenue include contributions, grants, fundraisers, and product sales. Friends with Jesus, Inc was incorporated in 1994 and was approved as a 501(c)3 organization by the Internal Revenue Service in July 1997.

### Accounting method

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Net assets of the Organization and changes therein are classified into the following three categories: Unrestricted Net assets which are free of donor-imposed restrictions; all revenues and expenses that are not changes in permanently or temporarily restricted net assets are unrestricted net assets. In addition, restricted net assets whose restrictions are met in the same reporting period are also reported as changes in unrestricted net assets. Temporarily Restricted Net assets used by the Organization which are limited by donor-imposed stipulations that either expire with the passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations. The Organization had no temporarily restricted net assets as of December 31, 2019. Permanently Restricted Net assets used by the Organization which are limited by the donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization had no permanently restricted net assets as of December 31, 2019.

### Functional Expenses

The cost of providing the various programs and other activities of the Organization has been summarized on a functional basis and reported in the Statement of Functional Expenses. Costs which are associated with a specific program or activity are charged directly to that program or activity. Costs that are not specifically identifiable are allocated based upon management estimates of the functions benefitted.

### Cash and cash equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

### 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.

See Independent Accountant's Compilation Report

## **NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

### **Depreciable assets and depreciation**

Property and equipment are recorded at cost, if purchased, or at fair market value, if donated, of more than \$500 and a useful life of 3 or more years. Depreciation is computed over the estimated useful lives of the respective assets on the straight-line method for financial statement purposes and accelerated depreciation for tax reporting. Repairs and maintenance are charged to expense as incurred; major renewals and betterment's are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Depreciation expense for the year ending December 31, 2019 was \$39,492.

### **Income Taxes**

The company is a not-for-profit corporation described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501 (a) of the Code. The company is not classified as a foundation. The company files annual informational returns to the Internal Revenue Service (Form 990) and to the Georgia Department of Revenue.

### **Contributions**

Contributions are recorded as revenue when an unconditional promise to give has been made. Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with the temporary restrictions that are met in the reporting period are reported as unrestricted support and increase unrestricted net assets.

### **Inventory**

Inventory is valued at cost.

### **Interest Expense**

The amount of interest charged to expense and the amount of interest capitalized is zero for the year ending December 31, 2019.

### **Advertising**

The Company expenses the cost of advertising the first time the advertising activity takes place. Advertising expense was \$229 for the year ending December 31, 2019.

### **Description of Leasing Arrangements**

The Organization has two operating lease agreements. One lease agreement is with the Development Authority of Seminole County and Donalsonville, Georgia and was entered into on January 29, 2015 for a period of 20 years with a termination date of November 30, 2034. The annual lease payment is \$1 per year. The building is located at 800 Moore Street in Donalsonville, GA and any leasehold improvements made to the property shall remain the property of the lessor at the end of the lease. The other operating lease agreement is with The Fordham Building, LLC and was entered into on August 1, 2019. The monthly lease payment is from \$600 and is a month to month lease. The Building is located at 301A E. Water Street, Bainbridge, GA.

### **Comprehensive Income**

The Organization accounts for comprehensive income in accordance with Statement of Financial Accounting Standards No. 130 "Reporting Comprehensive Income", which requires comprehensive income and its components to be reported when an organization has items of other comprehensive income. Comprehensive income includes change in net assets plus other comprehensive income (i.e., certain revenues, expenses, gains and losses reported as separate components of net assets rather than changes in net assets). There are no items of other comprehensive income for the year ended December 31, 2019.

### **Date of Management's Review**

Management has evaluated subsequent events through September 24, 2020 the date on which the financial statements were available to be issued.

**See Independent Accountant's Compilation Report**

**NOTE 2 CONCENTRATION OF CREDIT RISK**

The Organization maintains cash balances at several financial institutions in Georgia. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had no uninsured balances at December 31, 2019. There are no significant concentrations of credit risk.

**NOTE 3 RELATED PARTY TRANSACTIONS**

There are no related party transactions.

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2019 are summarized below

Description	Present Balance
Land	\$ 60,226
Leasehold improvements	1,250
Buildings	1,002,375
Leasehold improvements	120,542
Furniture and fixtures	29,723
Equipment	54,967
Vehicles	123,321
	1,392,404
Less: accumulated depreciation	525,435
	\$ 866,969

**NOTE 5 OPERATING LEASES**

The Organization has operating leases for two buildings. Rent expense under leases for the year ended December 31, 2019 was \$6,850. Future minimum lease payments under the operating leases are as follows:

Description	Present Balance
2020	\$ 1
2021	\$ 1
2022	\$ 1
2023	\$ 1
2024	\$ 1
2025	\$ 1
Thereafter	\$ 9
	\$ 15

See Independent Accountant's Compilation Report