

**PARKER COUNTY
CENTER OF HOPE, INC.**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED
JUNE 30, 2018 AND 2017**

**PARKER COUNTY CENTER OF HOPE, INC.
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2018 AND 2017**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses - 2018	5
Statement of Functional Expenses - 2017	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 14

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Parker County Center of Hope, Inc.
Weatherford, Texas

We have audited the accompanying statements of Parker County Center of Hope, Inc. (a nonprofit Organization), which comprise the statements of financial position as of June 30, 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.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker County Center of Hope, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

George Morgan Freed, P.C.

Weatherford, Texas
September 19, 2018

PARKER COUNTY CENTER OF HOPE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash	\$ 534,975	\$ 321,389
Receivables	65,055	76,401
Inventory	113,696	92,665
Prepaid Expense	20,529	8,949
Total current assets	734,255	499,404
PROPERTY AND EQUIPMENT:		
Land	177,390	229,477
Construction in Progress	1,532,294	537,892
Equipment - Food Store	42,811	48,602
Furniture and fixtures	12,808	33,265
Leasehold Improvements	34,567	34,567
Office Computer/Equipment	47,863	70,657
Vehicles	102,749	102,749
Training Center Equipment/Software	33,825	33,825
Buildings	113,615	113,615
Less-accumulated depreciation	(225,263)	(241,461)
Property and equipment-net	1,872,659	963,188
OTHER ASSETS:		
Cash restricted for Building Fund	394,122	707,452
Pledges restricted for Building Fund	26,000	36,615
TOTAL ASSETS	\$ 3,027,036	\$ 2,206,659
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 97,831	\$ 12,534
Credit card payable	2,982	5,841
Accrued payroll	13,721	12,929
Other liabilities	4,073	4,878
Total current liabilities	118,607	36,182
NET ASSETS:		
Unrestricted		
Designated by Board of Directors	87,168	86,539
Undesignated	2,370,147	1,204,391
Total Unrestricted Net Assets	2,457,315	1,290,930
Temporarily restricted	451,114	879,547
Total net assets	2,908,429	2,170,477
TOTAL LIABILITIES AND NET ASSETS	\$ 3,027,036	\$ 2,206,659

The accompanying notes are an integral part of this statement.

PARKER COUNTY CENTER OF HOPE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT						
Contributions	\$ 806,436	\$ 452,678	\$ 1,259,114	\$ 789,830	\$ 639,319	\$ 1,429,149
In-kind Donations						
Facility	840	-	840	840	-	840
Groceries	755,850	-	755,850	747,311	-	747,311
Meals	65,724	-	65,724	61,002	-	61,002
Services	218,252	-	218,252	227,055	-	227,055
Donated resale items	290,445	-	290,445	208,149	-	208,149
Other	12,353	-	12,353	8,859	-	8,859
Special Events	102,012	-	102,012	29,847	-	29,847
Interest Income	628	101	729	653	81	734
Gain on sale of property and equipment	298,913	-	298,913	-	-	-
Other Income	17,450	-	17,450	17,100	-	17,100
Sales resale store	271,558	-	271,558	210,006	-	210,006
Less cost of resale items	(268,735)	-	(268,735)	(208,519)	-	(208,519)
Net assets released from restrictions	881,212	(881,212)	-	347,380	(347,380)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	3,452,938	(428,433)	3,024,505	2,439,513	292,020	2,731,533
EXPENSES AND LOSSES:						
Program Services						
Basic Assistance	1,244,171	-	1,244,171	1,239,669	-	1,239,669
Education and Career Development	202,104	-	202,104	174,431	-	174,431
Family Empowerment	74,847	-	74,847	79,580	-	79,580
Hope Chest	204,335	-	204,335	216,826	-	216,826
Kingdom Smiles	238,385	-	238,385	216,243	-	216,243
Total program services	1,963,842	-	1,963,842	1,926,749	-	1,926,749
Supporting services						
Management and general	207,804	-	207,804	226,281	-	226,281
Fund-raising	114,907	-	114,907	102,425	-	102,425
Total supporting services	322,711	-	322,711	328,706	-	328,706
TOTAL EXPENSES AND LOSSES	2,286,553	-	2,286,553	2,255,455	-	2,255,455
CHANGE IN NET ASSETS	1,166,385	(428,433)	737,952	184,058	292,020	476,078
NET ASSETS AT BEGINNING OF YEAR	1,290,930	879,547	2,170,477	1,106,872	587,527	1,694,399
NET ASSETS AT END OF YEAR	\$ 2,457,315	\$ 451,114	\$ 2,908,429	\$ 1,290,930	\$ 879,547	\$ 2,170,477

The accompanying notes are an integral part of this statement.

PARKER COUNTY CENTER OF HOPE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Services							Total
	Basic Assistance	Education and Career Development	Family Empowerment	Hope Chest	Kingdom Smiles	Management and General	Fund-raising	
Compensation and related expenses								
Salaries	\$ 177,706	\$ 69,278	\$ 49,919	\$ 84,841	\$ 6,660	\$ 121,742	\$ 84,637	\$ 594,783
Payroll taxes	13,207	6,443	4,461	8,104	514	10,913	7,377	51,019
Staff insurance	1,947	292	342	1,113	114	2,180	1,718	7,706
Workers compensation ins	3,262	439	291	3,038	-	1,332	-	8,362
Retirement	2,480	953	125	526	87	2,777	2,189	9,137
	198,602	77,405	55,138	97,622	7,375	138,944	95,921	671,007
Client Assistance								
Medical, dental and prescriptions	10,443	6,243	-	-	179,564	-	-	196,250
Utilities	46,612	9,810	-	-	-	-	-	56,422
Other	10,565	3,635	-	-	-	-	-	14,200
Groceries	769,559	-	2,840	-	-	-	-	772,399
Meals Served	65,724	-	-	-	-	-	-	65,724
Advertising	-	-	-	5,364	-	-	-	5,364
Auto Expense	2,137	8	592	2,611	-	1,006	-	6,354
Auto Insurance	2,328	78	313	970	-	1,199	-	4,888
Bank and Credit Card Charges	-	-	-	5,359	-	1,395	-	6,754
Community Outreach	1,112	1,442	640	1,520	71	2,594	-	7,379
Occupancy								
Building Maintenance	1,564	2,952	2	-	-	670	-	5,188
Rent	22,275	24,711	4,212	67,800	720	8,548	-	128,266
Utilities	10,282	2,875	2,838	9,161	300	1,959	-	27,415
Garbage	1,299	440	123	1,817	-	247	-	3,926
Database User Fee	4,966	3,424	451	-	180	2,446	-	11,467
Depreciation Expense	22,291	7,324	637	-	-	1,592	-	31,844
Director's & Officers Ins	-	-	-	-	-	1,183	-	1,183
Other Insurance	4,027	2,240	564	2,244	46	1,203	-	10,324
Dues and Subscriptions	577	169	-	-	-	1,826	-	2,572
Employee Business Expenses	1,373	880	243	2,040	55	3,205	4,578	12,374
Supplies								
Bible and study supplies	-	5,241	1,687	-	-	-	-	6,928
Kitchen	3,570	-	-	-	-	-	-	3,570
Maintenance	980	-	-	-	-	869	-	1,849
Office Supplies	2,150	1,196	-	2,890	180	3,343	-	9,759
Miscellaneous	144	2,974	3,379	100	-	-	-	6,597
Postage	1,498	327	22	22	399	772	-	3,040
Printing & Reproduction	278	648	353	119	-	2,413	1,949	5,760
Professional Fees	-	20	-	256	-	23,672	1,029	24,977
Signage	-	-	-	37	-	-	129	166
Special Events Expenses								
Celebration Hope	-	-	-	-	-	-	11,000	11,000
Technical Support	1,516	2,243	459	1,758	63	4,316	-	10,355
Telephone	1,301	1,345	100	1,135	25	68	-	3,974
Training/Seminar	1,384	2,570	121	325	-	4,334	301	9,035
Uncollectible client accounts	-	-	-	-	49,407	-	-	49,407
Volunteer Labor	54,373	41,480	-	665	-	-	-	96,518
Volunteer Expenses	1,241	424	133	520	-	-	-	2,318
Total expenses	\$ 1,244,171	\$ 202,104	\$ 74,847	\$ 204,335	\$ 238,385	\$ 207,804	\$ 114,907	\$ 2,286,553

The accompanying notes are an integral part of these financial statements.

PARKER COUNTY CENTER OF HOPE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

Program Services									
	Education								
	Basic	and Career	Family	Hope	Kingdom	Management			
	Assistance	Development	Empowerment	Chest	Smiles	and General	Fund-raising	Total	
Compensation and related expenses									
Salaries	\$ 155,257	\$ 51,813	\$ 47,468	\$ 92,001	\$ 7,419	\$ 132,733	\$ 83,614	\$ 570,305	
Payroll taxes	12,250	5,316	4,508	9,454	684	12,291	7,594	52,097	
Staff insurance	1,938	285	-	1,637	104	2,436	2,127	8,527	
Workers Compensation Ins	2,309	150	161	3,331	-	943	-	6,894	
Retirement	1,545	350	164	151	96	1,941	1,695	5,942	
	173,299	57,914	52,301	106,574	8,303	150,344	95,030	643,765	
Client Assistance									
Medical, dental and prescriptions	12,487	5,111	-	-	177,406	-	-	195,004	
Utilities	53,565	11,392	-	-	-	-	-	64,957	
Other	14,918	10,354	-	-	-	-	-	25,272	
Groceries	771,726	-	7,537	-	-	-	-	779,263	
Meals Served	61,002	-	-	-	-	-	-	61,002	
Advertising	-	-	-	6,856	-	-	-	6,856	
Auto Expense	4,198	2,553	240	1,371	-	-	-	8,362	
Auto Insurance	2,708	136	224	1,544	-	1,395	-	6,007	
Bank and Credit Card Charges	-	-	-	5,368	-	121	-	5,489	
Community Outreach	991	2,715	783	2,868	76	2,314	-	9,747	
Occupancy									
Building Maintenance	3,846	-	960	-	-	1,648	-	6,454	
Rent	21,637	23,274	4,008	67,800	-	4,961	-	121,680	
Utilities	9,658	2,252	1,964	7,101	-	1,840	-	22,815	
Garbage	1,167	470	142	2,024	-	222	-	4,025	
Database User Fee	4,940	3,396	409	-	179	2,433	-	11,357	
Depreciation Expense	24,165	7,940	690	-	-	1,726	-	34,521	
Director's & Officers Ins	177	177	118	177	-	532	-	1,181	
Other Insurance	1,778	1,768	505	2,599	37	530	-	7,217	
Dues and Subscriptions	278	169	-	-	-	880	-	1,327	
Employee Business Expenses	1,052	1,798	808	2,339	16	701	3,506	10,220	
Supplies									
Bible and study supplies	-	2,700	2,155	-	-	-	-	4,855	
Kitchen	3,654	-	-	-	-	-	-	3,654	
Maintenance	2,134	1,167	161	381	40	523	-	4,406	
Office Supplies	1,370	1,872	328	5,123	-	4,338	-	13,031	
Miscellaneous	622	-	4,625	121	-	311	-	5,679	
Postage	1,290	1,103	76	74	32	664	-	3,239	
Printing & Reproduction	311	206	703	148	-	2,693	2,175	6,236	
Professional Fees	-	50	-	20	-	38,351	1,316	39,737	
Signage	-	-	-	17	-	-	-	17	
Technical Support	595	591	128	799	74	1,692	-	3,879	
Telephone	999	1,147	99	710	35	53	-	3,043	
Training/Seminar	1,831	772	492	1,631	-	5,733	398	10,857	
Travel	-	-	-	-	-	2,276	-	2,276	
Uncollectible client accounts	-	-	-	-	30,024	-	-	30,024	
Volunteer Labor	62,813	32,385	-	1,150	-	-	-	96,348	
Volunteer Expenses	458	1,019	124	31	21	-	-	1,653	
Total expenses	\$ 1,239,669	\$ 174,431	\$ 79,580	\$ 216,826	\$ 216,243	\$ 226,281	\$ 102,425	\$ 2,255,455	

The accompanying notes are an integral part of these financial statements.

PARKER COUNTY CENTER OF HOPE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 737,952	\$ 476,078
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	31,844	34,521
Gain on Sale of Fixed Assets	(298,913)	-
(Increase) decrease in operating assets:		
Receivables	11,346	6,229
Inventory	(21,031)	10,533
Prepaid Expenses	(11,580)	(471)
Increase (decrease) in operating liabilities:		
Accounts payable	(256)	9,682
Credit Card Payable	(2,859)	1,761
Accrued Payroll	792	1,323
Other Liabilities	(805)	921
Contributions restricted for long-term purposes - building fund	(222,494)	(420,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	223,996	120,577
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of Property and Equipment	352,000	-
Purchase of Property and Equipment	(908,849)	(210,422)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(556,849)	(210,422)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for long-term purposes - building fund	222,494	420,000
(Increase) decrease in pledges restricted for building fund	10,615	63,375
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	233,109	483,375
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(99,744)	393,530
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,028,841	635,311
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 929,097	\$ 1,028,841
Cash	\$ 534,975	\$ 321,389
Cash restricted for Building Fund	394,122	707,452
Total cash and cash equivalents	\$ 929,097	\$ 1,028,841

The accompanying notes are an integral part of these financial statements.

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Parker County Center of Hope, Inc. (the Organization) is a local area non-profit Christ-centered organization whose mission is to equip and empower people to live successful, joy-filled lives. Short-term help includes groceries distributed through a food pantry, limited financial assistance for utilities and prescriptions, daily meals prepared and served by churches, civic organizations and businesses on a rotational basis, weekly employment listings and the sharing of the Gospel. The Jobs for Life program, Camp Hope Program, computer classes, adult basic education classes, financial management classes, and parenting classes are offered to assist clients to work towards their own financial self-sufficiency.

In November 2011, Parker County Center of Hope, Inc. assumed ownership and operations of Kingdom Smiles Ministries. Kingdom Smiles Ministries is a tax-exempt entity formed in California and registered with the State of Texas however; there has been no activity in the Kingdom Smiles Ministries tax-exempt entity since 2011. All activities of the Kingdom Smiles Ministries have been performed under Parker County Center of Hope, Inc. since November 2011.

Program Services

The following program services are included in the accompanying financial statements:

Basic Assistance

A crisis assistance program offers groceries, limited financial assistance with utilities and prescriptions, and daily meals to help families experiencing crisis.

Education & Career Development

Programs offered by Center of Hope help equip and empower people for success. These programs include computer training, adult education classes, financial coaching, the Jobs for Life program, as well as job training and internships.

Family Empowerment

The Family Empowerment program extends into the community and focuses on strengthening families. Children are served through Camp Hope (a summer program teaching kids simple cooking skills, take home groceries for a week, reading & mentoring) Study Club (after school program) and AIM Youth program (working with kids on juvenile probation). Refresh Women's Ministry has weekly events for women providing education opportunities and positive support to build strong, resilient families.

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Hope Chest

The Hope Chest is an upscale resale establishment where the proceeds benefit families in Parker County struggling with poverty. The shop provides job-training and paid internships for Education and Career Development students.

Kingdom Smiles

This program provides financial assistance to qualifying individuals in need of emergency dental services. Clients meet with the Center of Hope for initial interview and financial assessment. Clients pay in advance for cost of dental exam. The dentist evaluates, recommends treatment plan and provides an estimate of cost. Clients meet with the Kingdom Smiles coordinator to determine the amount Kingdom Smiles will pay and agree to a payment plan for the client's portion of costs. Dental work is done and the bill is paid from Kingdom Smiles funds. The client is billed monthly for their portion of the costs, which replenishes the program funds.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Support and Revenue

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In-kind Donations

Donated services are recognized at fair market value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals possessing those skills, and would otherwise be purchased if not provided by volunteers. Donated services of \$54,373, \$41,480, \$118,253, and \$4,146 were provided in the current year for the Basic Assistance, Education and Career Development, Kingdom Smiles programs, and Management and General, respectively. Volunteers also donated over 19,616 hours to the Organization's program and support services during the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Contributed groceries and meals are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses.

Property and Equipment

Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. The organization capitalizes property and equipment with a cost or fair value of over \$2,500. Property and equipment are depreciated using the straight-line method.

The estimated useful lives are as follows:

Buildings	30 years
Equipment	7 years
Furniture and fixtures	5 years
Vehicles	5 years

Income Taxes

The Parker County Center of Hope, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code.

The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years 2017, 2016, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash, Cash Equivalents and Concentration of Credit Risk

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, certificates of deposit, and receivables. For these financial instruments, carrying value approximates fair value.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Inventory

Inventory consists of groceries remaining in food stores and items for sale at the resale shop. The grocery inventory was donated and recorded at its fair value at date of the physical inventory. Fair value is determined by using the current approved rate of \$1.70 per pound, as provided by the Tarrant Area Food Bank. The resale inventory is donated and is recorded at its estimated resale value.

NOTE B – ECONOMIC DEPENDENCE

Approximately 73% of the Organization's donated groceries were received under contracts with the Tarrant Area Food Bank.

NOTE C – LEASING ARRANGEMENTS

The Organization conducts its Weatherford and Hope Chest operations from facilities it leases for \$4,680 and \$5,650 per month. Both leases have expired and are month to month.

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE D – PROMISES TO GIVE RECEIVABLE

Promises to give receivable consist of the following at June 30, 2018 and 2017:

	2018	2017
Due in 1 Year		
Building Fund Pledges	\$ 26,000	\$ 36,615
Kingdom Smiles Clients	94,075	109,092
United Way	31,853	39,375
Total	151,928	185,082
Less: Allowance for uncollectible promises	(60,873)	(72,066)
Net Promises to Give	\$ 91,055	\$ 113,016

NOTE E – RESTRICTIONS/LIMITATIONS ON NET ASSETS

The Organization’s board of directors has chosen to place the following limitations on unrestricted net assets:

	2018	2017
Designated Special Reserve	\$ 87,168	\$ 86,539
	\$ 87,168	\$ 86,539

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE E – RESTRICTIONS/LIMITATIONS ON NET ASSETS (continued)

Temporarily restricted net assets are available for the following purposes:

	<u>2018</u>	<u>2017</u>
Education and Career Development	\$ 2,059	\$ 12,524
Building Fund	335,044	754,892
Development Fund	10,055	10,014
Food Fund	10,030	10,805
Family Empowerment	351	942
Kingdom Smiles	66,898	60,181
Executive Director Opportunity Fund	209	209
Good Nutrition Program	5,532	5,532
TAFB Technology	747	747
Medical & Prescriptions	12,616	16,728
Individual Development Account	6,650	6,650
Individual Development Grant Expense	273	273
Other	650	50
	<u>\$ 451,114</u>	<u>\$ 879,547</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<u>2018</u>	<u>2017</u>
Education & Career Development	\$ 68,171	\$ 45,215
Building Fund	642,402	149,063
Food Fund	23,382	15,520
Family Empowerment	10,015	19,608
Kingdom Smiles	120,130	97,685
Good Nutrition Program	-	499
Medical & Prescriptions	17,112	16,790
Individual Development Account	-	3,000
	<u>\$ 881,212</u>	<u>\$ 347,380</u>

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE G – EMPLOYEE BENEFIT PLAN

In 2011, the Organization began offering a Simple IRA Plan whereby all employees who earn at least \$5,000 per year may elect to contribute pursuant to a salary reduction agreement. Employees can elect to contribute up to \$12,500 for 2018, 2017, and 2016. In addition, employees who will be at least age 50 by the end of the year, are allowed to make additional catch-up contributions of \$3,000. The Organization's matching contribution obligation is three percent of the employee's gross pay on the employees who elect to participate in the Plan. During the years ended June 30, 2018 and 2017, the Organization made matching contributions in the amount of \$9,137 and \$5,942 respectively.

NOTE H – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 19, 2018, the date which the financial statements are available to be issued.

NOTE I – FUTURE ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued several standards that will be effective for future years. The Organization has not yet determined the effect of these new standards will have on its financial reporting.

Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities is intended to improve financial statement presentation by not-for-profit organizations to provide more useful information to donors, grantors, creditors and other financial statement users. This new standard is effective for fiscal years beginning after December 15, 2017.

Accounting Standards Update (ASU) 2015-14, Revenue from Contracts with Customers. The new revenue standard aims to improve accounting for contracts with customers. This new standard is effective for fiscal years beginning after December 15, 2018.

Accounting Standards Update (ASU) 2016-02, Leases. The new standard introduces the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases. This new standard is effective for fiscal years beginning after December 15, 2019.