

PURE HOPE COALITION
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Years Ended June 30, 2018 and 2017

SCROGGINS GREAR
Certified Public Accountants

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SCROGGINSGEAR

CONSULTANTS AND CPAs

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pure Hope Coalition
Cincinnati, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Pure Hope Coalition (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.

Auditors' 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 Pure Hope Coalition as of June 30, 2018 and 2017, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The functional expense analysis on page 22 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cincinnati, Ohio
November 15, 2018

PURE HOPE COALITION
STATEMENTS OF FINANCIAL POSITION
June 30, 2018 and 2017

ASSETS	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
CURRENT ASSETS						
Cash & cash equivalents	\$ 57,304	\$ -	\$ 57,304	\$ 107,873	\$ 10,734	\$ 118,607
Inventory	7,538	-	7,538	7,538	-	7,538
Contributions receivable	-	136,504	136,504	-	105,363	105,363
Prepaid expenses & deposits	2,378	-	2,378	6,099	-	6,099
<i>Total current assets</i>	<u>67,220</u>	<u>136,504</u>	<u>203,724</u>	<u>121,510</u>	<u>116,097</u>	<u>237,607</u>
FIXED ASSETS - AT COST						
Furniture & fixtures	6,021	-	6,021	29,796	-	29,796
Equipment	9,512	-	9,512	67,435	-	67,435
	<u>15,533</u>	<u>-</u>	<u>15,533</u>	<u>97,231</u>	<u>-</u>	<u>97,231</u>
Less: Accumulated depreciation	<u>(12,852)</u>	<u>-</u>	<u>(12,852)</u>	<u>(97,231)</u>	<u>-</u>	<u>(97,231)</u>
<i>Total fixed assets, net</i>	<u>2,681</u>	<u>-</u>	<u>2,681</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER ASSETS						
Contributions receivable, net	-	178,287	178,287	-	237,104	237,104
Quest Series	35,256	-	35,256	35,256	-	35,256
Less: Accumulated amortization	<u>(17,628)</u>	<u>-</u>	<u>(17,628)</u>	<u>(10,577)</u>	<u>-</u>	<u>(10,577)</u>
<i>Total other assets, net</i>	<u>17,628</u>	<u>178,287</u>	<u>195,915</u>	<u>24,679</u>	<u>237,104</u>	<u>261,783</u>
TOTAL ASSETS	<u>\$ 87,529</u>	<u>\$ 314,791</u>	<u>\$ 402,320</u>	<u>\$ 146,189</u>	<u>\$ 353,201</u>	<u>\$ 499,390</u>

LIABILITIES & NET ASSETS	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
CURRENT LIABILITIES						
Accounts payable	\$ 9,517	\$ -	\$ 9,517	\$ 5,340	\$ -	\$ 5,340
<i>Total current liabilities</i>	<u>9,517</u>	<u>-</u>	<u>9,517</u>	<u>5,340</u>	<u>-</u>	<u>5,340</u>
COMMITMENTS	-	-	-	-	-	-
NET ASSETS	<u>78,012</u>	<u>314,791</u>	<u>392,803</u>	<u>140,849</u>	<u>353,201</u>	<u>494,050</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 87,529</u>	<u>\$ 314,791</u>	<u>\$ 402,320</u>	<u>\$ 146,189</u>	<u>\$ 353,201</u>	<u>\$ 499,390</u>

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

PURE HOPE COALITION
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2018 and 2017

	2018			2017*		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT & REVENUE						
Support						
Contributions & grants	\$ 531,459	\$ 118,287	\$ 649,746	\$ 549,695	\$ 16,097	\$ 565,792
Special events (net of direct expenses)	-	-	-	49,515	-	49,515
Revenue						
Educational materials	2,978	-	2,978	4,083	-	4,083
Conference & meeting income	21,351	-	21,351	26,275	-	26,275
Gain (loss) on sale of donated securities	(690)	-	(690)	-	-	-
Interest income	179	-	179	250	-	250
Miscellaneous income	23,075	-	23,075	20,615	-	20,615
<i>Total support & revenue</i>	<u>578,352</u>	<u>118,287</u>	<u>696,639</u>	<u>650,433</u>	<u>16,097</u>	<u>666,530</u>
NET ASSETS RELEASED FROM RESTRICTIONS	156,697	(156,697)	-	106,522	(106,522)	-
EXPENSES						
Program services	623,294	-	623,294	578,320	-	578,320
Management & general	93,337	-	93,337	126,998	-	126,998
Fundraising	81,255	-	81,255	80,106	-	80,106
<i>Total expenses</i>	<u>797,886</u>	<u>-</u>	<u>797,886</u>	<u>785,424</u>	<u>-</u>	<u>785,424</u>
CHANGE IN NET ASSETS	(62,837)	(38,410)	(101,247)	(28,469)	(90,425)	(118,894)
NET ASSETS AT BEGINNING OF YEAR	<u>140,849</u>	<u>353,201</u>	<u>494,050</u>	<u>169,318</u>	<u>443,626</u>	<u>612,944</u>
NET ASSETS AT END OF YEAR	<u>\$ 78,012</u>	<u>\$ 314,791</u>	<u>\$ 392,803</u>	<u>\$ 140,849</u>	<u>\$ 353,201</u>	<u>\$ 494,050</u>

* Reclassified to conform to current year presentation

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

PURE HOPE COALITION
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2018 and 2017

	2018				2017*			
	Program	Management & General	Fundraising	Totals	Program	Management & General	Fundraising	Totals
Expenses								
Compensation & benefits	\$ 464,287	\$ 78,386	\$ 60,297	\$ 602,970	\$ 457,850	\$ 77,299	\$ 59,461	\$ 594,610
Office expenses	23,437	3,957	3,044	30,438	33,772	5,702	4,386	43,860
Resource & materials	18,905	-	2,101	21,006	10,274	-	1,142	11,416
Travel	16,281	2,035	2,035	20,351	21,664	2,708	2,708	27,080
Parlor meeting expenses	2,655	-	2,655	5,310	-	-	-	-
Conferences & events	2,959	-	-	2,959	857	-	-	857
Internship	434	-	-	434	5,693	-	-	5,693
Outside services	52,456	-	5,506	57,962	8,315	19,950	7,261	35,526
Newsletter & direct mail	9,102	-	2,276	11,378	7,348	-	1,837	9,185
Rent & related expenses	25,727	4,344	3,341	33,412	25,496	4,304	3,311	33,111
Bad debt expense	-	2,750	-	2,750	-	17,035	-	17,035
Depreciation & amortization expense	7,051	1,865	-	8,916	7,051	-	-	7,051
TOTAL EXPENSES	<u>\$ 623,294</u>	<u>\$ 93,337</u>	<u>\$ 81,255</u>	<u>\$ 797,886</u>	<u>\$ 578,320</u>	<u>\$ 126,998</u>	<u>\$ 80,106</u>	<u>\$ 785,424</u>

* Reclassified to conform to current year presentation

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

PURE HOPE COALITION
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (101,247)	\$ (118,894)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Donation of marketable securities	(38,247)	(23,492)
(Gain) loss on sale of donated securities	690	-
Depreciation	1,865	-
Amortization	7,051	7,051
Changes in assets - (increase) decrease:		
Contributions receivable, net	27,676	101,159
Inventory	-	(7,538)
Prepaid expenses & deposits	3,721	160
Changes in liabilities - increase (decrease):		
Accounts payable	4,177	(7,336)
<i>Net cash provided by (used in) operating activities</i>	(94,314)	(48,890)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of donated securities	37,557	23,492
Fixed asset adjustment	(4,546)	-
<i>Net cash provided by (used in) investing activities</i>	33,011	23,492
 NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(61,303)	(25,398)
 CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	118,607	144,005
 CASH & CASH EQUIVALENTS AT END OF YEAR	\$ 57,304	\$ 118,607
 Supplemental disclosures of cash flow information		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

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

PURE HOPE COALITION
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and June 30, 2017

NOTE A - ORGANIZATIONAL PURPOSE

Pure Hope Coalition is a Christian ministry organized as an Ohio nonprofit 501(c)(3) corporation whose mission is to provide Christian solutions in a sexualized culture. Pure Hope Coalition is supported primarily through contributions and grants.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies applied in the preparation of the accompanying financial statements follows:

1. Use of Estimates

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Basis of Accounting

Pure Hope Coalition prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

3. Donated Investments

During the years ended June 30, 2018 and 2017, Pure Hope Coalition received \$38,247 and \$23,492, respectively, of marketable securities from various donors. Pure Hope Coalition's policy is to immediately convert the marketable securities to cash. Donated investments are initially recorded at market value on the date of the donation. There were no unsold donated investments at June 30, 2018 and 2017.

4. Inventory

Inventory is stated at the lower of cost or market. Cost is determined by the first-in, first-out method. For the years ended June 30, 2018 and 2017, inventory consists of books, audio CDs and DVDs.

PURE HOPE COALITION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018 and June 30, 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Depreciation & Amortization

Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Pure Hope Coalition follows the practice of capitalizing all expenditures over \$2,500 for property, plant and equipment. Depreciation expense for the year ended June 30, 2018 was \$1,865. There was no depreciation expense for the year ended June 30, 2017.

Pure Hope Coalition incurred production costs for the Quest Series, a parenting video series developed and produced by Pure Hope Coalition. The total costs of \$35,256 were capitalized and are being amortized over 5 years using the straight-line method. Amortization expense was \$7,051 and \$7,051 for the years ended June 30, 2018 and 2017, respectively.

6. Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Undesignated net assets available for use in general operations and not subject to donor or grantor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor or grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

However, Pure Hope Coalition reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the same reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

PURE HOPE COALITION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018 and June 30, 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Net Assets (Continued)

Net assets with donor restrictions have purpose restrictions as follows at June 30, 2018:

	2018	2017
Contributions receivable, net	\$ 314,791	\$ 342,467
West Africa project	-	10,340
Hearts of Men DVD	-	394
	\$ 314,791	\$ 353,201

7. Cash & Cash Equivalents

For the purpose of the statement of cash flows, Pure Hope Coalition considers all highly liquid investments, available for current use, with an initial maturity of three months or less to be cash equivalents. There were cash equivalents of \$43,338 and \$99,775 held in a money market account at June 30, 2018 and 2017, respectively.

8. Income Tax Status

Pure Hope Coalition is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and is not a private foundation as defined by Section 509(a) of the Internal Revenue Code. The Organization is also exempt from state income taxes under Section 1702 of the revenue and taxation code of the State of Ohio. The Organization has applied provisions of the FASB's ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Under ASC 740-10, nonpublic enterprises, including nonprofit organizations, are required to record a tax liability when substantial uncertainties exist as to whether certain income is exempt from federal, state, and local income tax. As of June 30, 2018, the Organization had no substantial uncertain income tax provision. The Organization's federal tax returns are subject to examination by the Internal Revenue Service for a period of three years from the date they are filed.

PURE HOPE COALITION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018 and June 30, 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Contributions Receivable

Pure Hope Coalition records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contributions and grants revenue in the statements of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2018 and 2017, there is no allowance deemed necessary for contributions receivable.

10. Revenue Recognition

Support and revenue are recognized when earned. The Organization recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either support without donor restrictions or support with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues without donor restrictions. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met.

11. Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, “*Revenue from Contracts with Customers*,” which establishes a comprehensive revenue recognition standard for virtually all industries in U.S. GAAP, including those that previously followed industry-specific guidance. For non-public entities, the new standard was originally effective for annual periods beginning after December 15, 2017. In August 2015, the FASB issued ASU 2015-4, “*Revenue from Contracts with Customers (Topic 606) - Deferral of Effective Date*,” which deferred the effective date for one year. Accordingly, this ASU will be effective for the Organization for the fiscal year ending June 30, 2020.

PURE HOPE COALITION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018 and June 30, 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Recent Accounting Pronouncements (Continued)

In February 2016, the FASB issued ASU No. 2016-02, "*Leases (Topic 842)*." The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. The new standard is effective for the Organization for the fiscal year ending June 30, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available.

In August 2016, the FASB issued ASU 2016-15, "*Statement of Cash Flows (Topic 320) - Classification of Certain Cash Receipts and Cash Payments*," which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. In November 2016, the FASB issued ASU 2016-18, "*Statement of Cash Flows (Topic 230) - Restricted Cash*," which requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amount generally described as restricted cash or restricted cash equivalents. Both of these ASUs are effective for the Organization for the fiscal year ending June 30, 2020, with early adoption permitted.

12. Accounting Pronouncements Adopted

In August 2014, the FASB issued ASU 2014-15, "*Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern*." The update provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern. The update also provides related disclosures. The new standard applies prospectively to annual periods ending after December 15, 2016. The Organization has adopted this ASU but this adoption did not have any material effect on the financial statements.

PURE HOPE COALITION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018 and June 30, 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Accounting Pronouncements Adopted (Continued)

In August 2016, the FASB issued ASU 2016-14, "*Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*." The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions," (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The Organization has chosen to early-adopt this ASU as of and for the year ended June 30, 2017. In addition, the Organization changed its presentation of its net assets classes and expanded the footnote disclosures as required by the ASU.

NOTE C - COMMITMENTS

The Cincinnati, Ohio facility lease expired in August 2017. The lease was not renewed. The monthly rental amount was \$1,800. During the fiscal year June 30, 2017, there was a one-time annual rent adjustment of \$325. Rental expense under this lease was \$3,600 and \$21,925 for the years ended June 30, 2018 and 2017, respectively.

On August 24, 2017, Pure Hope Coalition entered into a new facility lease agreement for the Cincinnati, Ohio location. The facility lease is a one year lease expiring on August 24, 2018 and calls for lease payments of \$930 per month. The lease shall renew automatically for a year unless discontinued 90 days prior to renewal date. Rental expense under this new lease was \$9,300 for the year ended June 30, 2018.

The Plano, Texas facility lease was terminated in May 2017. A new lease was entered into beginning May 1, 2017, in which Pure Hope Coalition began subleasing a smaller amount of space at the Plano, Texas facility. The monthly rent is \$511 and the lease expires on August 31, 2019. Total rental expense for the Plano, Texas facility was \$6,132 and \$9,056 for the years ended June 30, 2018 and 2017, respectively.

PURE HOPE COALITION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018 and June 30, 2017

NOTE C - COMMITMENTS (Continued)

Office equipment is also leased. Pure Hope Coalition is leasing a copier through August 2019 and a mail machine through November 2021. Equipment rental expense for the years ended June 30, 2018 and 2017 was \$4,614 and \$3,642, respectively.

The following is a schedule of the future minimum lease payments at June 30,

	Equipment	Facility	Total
2019	\$ 4,614	\$ 7,992	\$ 12,606
2020	1,579	1,022	2,601
2021	972	-	972
2022	486	-	486
	\$ 7,651	\$ 9,014	\$ 16,665

NOTE D - SIMPLIFIED EMPLOYEE PENSION PLAN

A simplified employee pension plan was adopted in 1988 covering substantially all employees. Contributions are made on the basis of each participant's calendar year compensation and are determined at the discretion of the Board of Directors. There were no contribution payments made during the years ended June 30, 2018 and 2017.

NOTE E - NET ASSETS RELEASED FROM RESTRICTIONS

Pure Hope Coalition reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are to be received over a period of time. When a donor 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. If a donor restriction expires within the same fiscal year the donation was made, both the related support and expenses are shown as unrestricted.

PURE HOPE COALITION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018 and June 30, 2017

NOTE E - NET ASSETS RELEASED FROM RESTRICTIONS (Continued)

At June 30, 2018 and 2017, net assets released by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors were as follows:

	<u>2018</u>	<u>2017</u>
Purpose restrictions accomplished:		
Program services expense	\$ 10,734	\$ -
Time restrictions expired:		
Passage of specified time	<u>145,963</u>	<u>106,522</u>
<i>Total restrictions released</i>	<u>\$ 156,697</u>	<u>\$ 106,522</u>

NOTE F - CONTRIBUTIONS RECEIVABLE

During the fiscal years ended June 30, 2018 and 2017, Pure Hope Coalition had contributions receivable from its annual fundraiser and from two charitable foundation trusts. These are considered unconditional contributions receivable and have no restrictions as to use of funds.

Contributions receivables consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Due within one year	\$ 140,600	\$ 105,363
Due in one to five years	<u>190,600</u>	<u>250,000</u>
	331,200	355,363
Less: Unamortized discount	<u>(16,409)</u>	<u>(12,896)</u>
Net unconditional contributions receivable	<u>\$ 314,791</u>	<u>\$ 342,467</u>

Unconditional contributions receivable due in more than one year are recognized at fair value, using present value techniques and a discount rate of 3%.

No provision was made for uncollectible amounts. Uncollectible amounts for unconditional contributions receivable are expected to be insignificant.

PURE HOPE COALITION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018 and June 30, 2017

NOTE F - CONTRIBUTIONS RECEIVABLE (Continued)

On October 24, 2015, Pure Hope Coalition was named as one of the recipients of a foundation trust. In the trust, Pure Hope Coalition is to receive \$100,000 per year for 20 years. However, after the fifth annual payment, the Trustee shall possess the power each year to increase or decrease the payment based upon the recommendation of the Advisory Committee. Since the Advisory Committee has the power to change the amount of the donation after the fifth year, only the first five years will be recorded as contributions receivable. The remaining fifteen years will be considered conditional contributions due to the unforeseen events that may occur during these years that allow the Advisory Committee to change the amount. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. As of June 30, 2018, Pure Hope Coalition has received a total of \$250,000 from the trust.

On December 21, 2017, Pure Hope Coalition received a \$121,800 pledge from a charitable foundation payable over three years. The pledge was made to support the Coalition’s “Quest for a Free World Program.” Pure Hope Coalition received \$40,600 of the total pledge from the foundation during the fiscal year ended June 30, 2018.

NOTE G - CONCENTRATION OF DONORS

At June 30, 2018, two donors made up 100% of the gross contributions receivable balance, and at June 30, 2017, one donor made up 98% of the gross contributions receivable balance. Pure Hope Coalition believes that its contribution receivables credit risk exposure is limited and the outstanding balance will be collected in full.

NOTE H - SATELLITE OFFICES

At June 30, 2018 and 2017, Pure Hope Coalition had offices in Cincinnati, Ohio and Plano, Texas.

NOTE I - SPECIAL EVENT

A special event was held during the fiscal year ended June 30, 2017. Direct costs of the special event were \$41,503 and were recorded as program, management & general, and fundraising expenses for the year ended June 30, 2017. No special event was held during the year ended June 30, 2018.

Details of the special event are as follows for the year ended June 30, 2017:

	<u>Income</u>	<u>Expenses</u>	<u>Net</u>
Fellowship dinners	\$ 91,018	\$ 41,503	\$ 49,515

PURE HOPE COALITION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018 and June 30, 2017

NOTE J - LIQUIDITY & AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at June 30, 2018:

Cash & cash equivalents	\$ 57,304
Contributions receivable	<u>\$ 136,504</u>
	<u>\$ 193,808</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE K - DESCRIPTION OF PROGRAM & SUPPORTING SERVICES

The following program and supporting services are included in the accompanying statements of activities:

Program Service

Parenting Space Program

This program focuses on equipping parents and other influencers to thrive in a sexualized culture.

Supporting Services

General & Administrative

This supporting service category includes the functions necessary to secure proper administrative functioning of Pure Hope Coalition, as well as maintaining an adequate working environment, and managing financial responsibilities of the Organization.

Fundraising & Development

This supporting service category includes expenditures which provide the structure necessary to encourage and secure financial support for Pure Hope Coalition's operations.

NOTE L - RECLASSIFICATIONS

Certain accounts in the June 30, 2017 financial statements have been reclassified to conform to the current year financial statement presentation.

PURE HOPE COALITION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018 and June 30, 2017

NOTE M - DATE OF MANAGEMENT'S REVIEW AND SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 15, 2018, which is the date on which the financial statements were available to be issued.

No subsequent events were identified that would require an adjustment to or disclosure in the accompanying financial statements.



SUPPLEMENTARY INFORMATION

PURE HOPE COALITION
FUNCTIONAL EXPENSE ANALYSIS
For the Year Ended June 30, 2018
(The Percentage Base Is Total Functional Expenses)
(See Independent Auditors' Report)

