



CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE  
AND AFFILIATES

Consolidated Financial Statements  
With Independent Auditors' Report

June 30, 2021 and 2020

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Calvary Chapel Church, Inc. d/b/a  
Calvary Chapel Fort Lauderdale and Affiliates  
Fort Lauderdale, Florida

We have audited the accompanying consolidated financial statements of Calvary Chapel Church, Inc. d/b/a Calvary Chapel Fort Lauderdale and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Board of Directors  
Calvary Chapel Church, Inc. d/b/a  
Calvary Chapel Fort Lauderdale and Affiliates  
Fort Lauderdale, Florida

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Calvary Chapel Church, Inc. d/b/a Calvary Chapel Fort Lauderdale and Affiliates as of June 30, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Lawrenceville, Georgia  
October 21, 2021

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Consolidated Statements of Financial Position**

	June 30,	
	2021	2020
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 19,462,826	\$ 16,801,401
Accounts, notes, and other receivables–net	2,292,440	2,734,871
Prepaid expenses and other assets	1,502,911	602,256
Property and equipment–net	98,787,964	100,635,997
Total Assets	\$ 122,046,141	\$ 120,774,525
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,448,374	\$ 1,068,717
Accrued payroll and benefits payable	4,050,766	3,432,740
Deferred revenue	3,414,983	3,047,138
Note payable–net	9,992,262	10,619,919
Total liabilities	18,906,385	18,168,514
Net assets:		
Without donor restrictions	100,430,594	100,198,793
With donor restrictions	2,709,162	2,407,218
Total net assets	103,139,756	102,606,011
Total Liabilities and Net Assets	\$ 122,046,141	\$ 120,774,525

See notes to consolidated financial statements

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Consolidated Statements of Activities**

	Year Ended June 30,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Support:						
Tithes and offerings	\$ 26,841,604	\$ 1,484,147	\$ 28,325,751	\$ 29,159,072	\$ 3,022,614	\$ 32,181,686
Noncash donations	46,857	-	46,857	46,608	-	46,608
	<u>26,888,461</u>	<u>1,484,147</u>	<u>28,372,608</u>	<u>29,205,680</u>	<u>3,022,614</u>	<u>32,228,294</u>
Revenue:						
Ministry activities income	1,423,007	-	1,423,007	1,777,342	-	1,777,342
Sales—bookstore, food services, and skate park	1,855,264	-	1,855,264	3,161,144	-	3,161,144
Calvary Christian Academy tuition and fees—net	30,816,868	-	30,816,868	30,102,124	-	30,102,124
Rental income	116,200	-	116,200	201,683	-	201,683
Gain (loss) on sale of fixed assets	(21,254)	-	(21,254)	5,990	-	5,990
Interest and other income	351,265	-	351,265	380,900	-	380,900
	<u>34,541,350</u>	<u>-</u>	<u>34,541,350</u>	<u>35,629,183</u>	<u>-</u>	<u>35,629,183</u>
Total Support and Revenue	<u>61,429,811</u>	<u>1,484,147</u>	<u>62,913,958</u>	<u>64,834,863</u>	<u>3,022,614</u>	<u>67,857,477</u>
<b>RECLASSIFICATIONS:</b>						
Satisfaction of purpose and time restrictions	1,182,203	(1,182,203)	-	1,120,713	(1,120,713)	-

(continued)

See notes to consolidated financial statements

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Consolidated Statements of Activities**  
(continued)

	Year Ended June 30,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>EXPENSES:</b>						
Program expenses:						
Church ministry and general outreach	21,371,596	-	21,371,596	27,842,796	-	27,842,796
Calvary Christian Academy	24,600,997	-	24,600,997	24,149,023	-	24,149,023
Other ministries	4,160,082	-	4,160,082	4,872,862	-	4,872,862
	<u>50,132,675</u>	<u>-</u>	<u>50,132,675</u>	<u>56,864,681</u>	<u>-</u>	<u>56,864,681</u>
Administrative expenses:						
Church ministry and general outreach	4,273,298	-	4,273,298	4,714,015	-	4,714,015
Calvary Christian Academy	7,473,367	-	7,473,367	6,904,911	-	6,904,911
Other ministries	500,873	-	500,873	589,435	-	589,435
	<u>12,247,538</u>	<u>-</u>	<u>12,247,538</u>	<u>12,208,361</u>	<u>-</u>	<u>12,208,361</u>
Total Expenses	<u>62,380,213</u>	<u>-</u>	<u>62,380,213</u>	<u>69,073,042</u>	<u>-</u>	<u>69,073,042</u>
Change in Net Assets	231,801	301,944	533,745	(3,117,466)	1,901,901	(1,215,565)
Net Assets, Beginning of Year	<u>100,198,793</u>	<u>2,407,218</u>	<u>102,606,011</u>	<u>103,316,259</u>	<u>505,317</u>	<u>103,821,576</u>
Net Assets, End of Year	<u>\$ 100,430,594</u>	<u>\$ 2,709,162</u>	<u>\$ 103,139,756</u>	<u>\$ 100,198,793</u>	<u>\$ 2,407,218</u>	<u>\$ 102,606,011</u>

See notes to consolidated financial statements

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Consolidated Statement of Functional Expenses**

Year Ended June 30, 2021

	Program Services			Administrative Expenses					
	Church Ministry and General Outreach	Calvary Christian Academy	Other Ministries	Total Program Services	Church Ministry and General Outreach	Calvary Christian Academy	Other Ministries	Total Supporting Activities	Total
<b>EXPENSES:</b>									
Salaries and benefits	\$ 11,241,973	\$ 17,401,785	\$ 2,123,013	\$ 30,766,771	\$ 2,441,790	\$ 4,149,478	\$ 311,430	\$ 6,902,698	\$ 37,669,469
Tuition discounts provided to staff	-	2,949,042	-	2,949,042	-	336,736	-	336,736	3,285,778
Occupancy and maintenance	3,576,669	275,986	435,343	4,287,998	456,981	1,603,244	161,341	2,221,566	6,509,564
Depreciation	2,359,312	1,654,293	408,898	4,422,503	67,275	71,110	-	138,385	4,560,888
Professional fees	701,723	139,433	175,932	1,017,088	837,851	390,397	28,102	1,256,350	2,273,438
Printing and supplies	398,567	195,117	160,078	753,762	348,436	770,201	-	1,118,637	1,872,399
Missionary support	869,401	-	-	869,401	-	-	-	-	869,401
Cost of goods sold	52,669	194,014	812,246	1,058,929	-	99,934	-	99,934	1,158,863
Benevolence and outreach	1,340,507	355	8,290	1,349,152	120,288	16,653	-	136,941	1,486,093
Conferences and camps	671,100	1,683,273	16,379	2,370,752	100	33,597	-	33,697	2,404,449
Travel	19,690	2,114	851	22,655	577	2,017	-	2,594	25,249
Interest	139,985	105,585	19,052	264,622	-	-	-	-	264,622
<b>Total Expenses</b>	<b>\$ 21,371,596</b>	<b>\$ 24,600,997</b>	<b>\$ 4,160,082</b>	<b>\$ 50,132,675</b>	<b>\$ 4,273,298</b>	<b>\$ 7,473,367</b>	<b>\$ 500,873</b>	<b>\$ 12,247,538</b>	<b>\$ 62,380,213</b>

See notes to consolidated financial statements



**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Consolidated Statement of Functional Expenses**

Year Ended June 30, 2020

	Program Services			Administrative Expenses					
	Church Ministry and General Outreach	Calvary Christian Academy	Other Ministries	Total Program Services	Church Ministry and General Outreach	Calvary Christian Academy	Other Ministries	Total Supporting Activities	Total
<b>EXPENSES:</b>									
Salaries and benefits	\$ 11,734,820	\$ 16,673,597	\$ 2,235,767	\$ 30,644,184	\$ 2,636,822	\$ 4,083,265	\$ 379,097	\$ 7,099,184	\$ 37,743,368
Tuition discounts provided to staff	-	2,850,193	-	2,850,193	248,072	-	-	248,072	3,098,265
Occupancy and maintenance	3,531,254	197,258	564,376	4,292,888	521,865	1,400,516	171,588	2,093,969	6,386,857
Depreciation	2,208,219	1,518,852	339,136	4,066,207	85,438	25,948	-	111,386	4,177,593
Professional fees	458,721	97,368	156,829	712,918	891,077	297,077	38,750	1,226,904	1,939,822
Printing and supplies	481,291	156,042	229,286	866,619	196,072	970,870	-	1,166,942	2,033,561
Missionary support	866,479	-	-	866,479	1,650	-	-	1,650	868,129
Cost of goods sold	29,184	74,423	1,251,111	1,354,718	-	70,061	-	70,061	1,424,779
Benevolence and outreach	2,613,636	7,733	21,162	2,642,531	132,301	15,480	-	147,781	2,790,312
Conferences and camps	553,842	2,047,524	37,611	2,638,977	50	39,303	-	39,353	2,678,330
Grants	5,018,513	-	-	5,018,513	-	-	-	-	5,018,513
Travel	93,436	334,904	3,094	431,434	668	2,391	-	3,059	434,493
Interest	253,401	191,129	34,490	479,020	-	-	-	-	479,020
<b>Total Expenses</b>	<b>\$ 27,842,796</b>	<b>\$ 24,149,023</b>	<b>\$ 4,872,862</b>	<b>\$ 56,864,681</b>	<b>\$ 4,714,015</b>	<b>\$ 6,904,911</b>	<b>\$ 589,435</b>	<b>\$ 12,208,361</b>	<b>\$ 69,073,042</b>

See notes to consolidated financial statements

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Consolidated Statements of Cash Flows**

	Year Ended June 30,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 533,745	\$ (1,215,565)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,560,888	4,177,593
Amortization of debt issuance costs	87,466	25,792
Loss (gain) on sales of property and equipment	21,254	(5,990)
Contributions restricted for long-term investment	(211,537)	(884,892)
Changes in operating assets and liabilities:		
Accounts, notes, and other receivables	442,431	393,528
Prepaid expenses and other assets	(900,655)	188,675
Accounts payable and accrued expenses	379,657	(359,657)
Accrued payroll and benefits payable	618,026	(169,331)
Deferred revenue	367,845	(13,881)
Net Cash Provided by Operating Activities	5,899,120	2,136,272
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures for property and equipment	(2,734,109)	(4,290,611)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayments on note payable	(766,494)	(1,413,333)
Proceeds from note payable	51,371	-
Contributions restricted for long-term investment	211,537	884,892
Net Cash Used by Financing Activities	(503,586)	(528,441)

(continued)

See notes to consolidated financial statements

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Consolidated Statements of Cash Flows**  
(continued)

	Year Ended June 30,	
	2021	2020
Net Change in Cash and Cash Equivalents	2,661,425	(2,682,780)
Cash and Cash Equivalents, Beginning of Year	16,801,401	19,484,181
Cash and Cash Equivalents, End of Year	\$ 19,462,826	\$ 16,801,401
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid for interest—none capitalized	\$ 280,293	\$ 483,736
<b>NONCASH FINANCING ACTIVITIES:</b>		
Repayment of notes payable by refinancing	\$ 10,623,333	\$ -
Debt issuance costs associated with issuance of note payable	\$ 95,296	\$ -

See notes to consolidated financial statements

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Notes to Consolidated Financial Statements**

June 30, 2021 and 2020

1. NATURE OF ORGANIZATION:

Calvary Chapel Fort Lauderdale and Affiliates (Organization) is the consolidated financial reporting entity for Calvary Chapel Church, Inc. (CCCI) and its supporting organizations: Calvary Chapel of Fort Lauderdale, Inc. (CCFL), and HELPS Ministries of Broward, Inc. (HELPS). The Organization's primary sources of revenue are contributions from donors and tuition and fees from Calvary Christian Academy (CCA).

CCCI was incorporated in December 1997 as a Florida not-for-profit corporation and is exempt from federal income tax on related activities under Section 501(c)(3) of the Internal Revenue Code (Code). CCCI is classified as a publicly supported organization, which is not a private foundation under Section 509(a)(1) of the Code, and contributions to it are tax deductible within the limitations prescribed by the Code.

CCCI operates as a church and exists to proclaim the good news of salvation by faith in the Lord Jesus Christ by any suitable method or media, which includes, but is not limited to, establishing and operating a local ministry for the worship of Jesus Christ using personal evangelism, preaching, teaching, missions, and discipleship. CCCI accomplishes its objectives through the following activities:

Church ministry, which consists of weekly services, including worship and Bible study, small groups, discipleship, prayer, biblical counseling, and other church activities. The church conducts outreach and missions activities designed to reach out not only to the local community but to the world as well.

CCCI also operates a bookstore, which sells Christian books, literature, videos, CDs, DVDs, and other Christian products to disciple the believer and educate the nonbeliever. The Grill is a restaurant on the church premises offering food and beverages in support of church ministry activities and serves as a place for fellowship for church attendees.

CCA, a Christian school operated by CCCI, is located on the church's premises and exists to provide a biblically-based education for children attending pre-kindergarten through twelfth grade.

CCFL was incorporated as a tax-exempt organization under section 501(c)(3) in December 1988 and is an integrated auxiliary of CCCI within the meaning of Section 509(a)(3) of the Code. CCFL has also been classified as an entity that is not a private foundation within the meaning of the Section 509(a) and qualifies for tax-deductible contributions as provided in Section 170(b)(1)(A)(vi). CCFL holds and operates real property on behalf of CCCI.

HELPS was incorporated as a tax-exempt organization under section 501(c)(3) in December 1991 and is an integrated auxiliary of CCCI within the meaning of Section 509(a)(3) of the Code. HELPS has also been classified as an entity that is not a private foundation within the meaning of the Section 509(a) and qualifies for tax-deductible contributions as provided in Section 170(b)(1)(A)(vi). HELPS provides vehicle fleet services to the Organization and holds and operates real property on behalf of CCCI.

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Notes to Consolidated Financial Statements**

June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Organization maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

**USE OF ESTIMATES**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements include the operations of CCCI, CCFL, and HELPS. All significant inter-company balances and transactions have been eliminated.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash held in checking, savings, and money market accounts. These accounts may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents. At June 30, 2021 and 2020, cash balances exceeded federally insured limits by \$18,074,799 and \$14,865,788, respectively. Amounts held for long-term purposes are included in cash and cash equivalents.

**ACCOUNTS, NOTES, AND OTHER RECEIVABLES—NET**

Accounts and notes receivable are reported net of any anticipated losses due to uncollectible accounts. Receivables due to CCA are considered delinquent when they are past due 10 days and are charged a \$25 late fee at that time. The Organization recognizes an allowance for losses on accounts receivable in an amount equal to the estimated probable losses net of estimated recoveries. Generally accounts are considered uncollectible when a student with an outstanding balance graduates from school, withdraws from school, does not return for the following year or when the account becomes 90 days or more past due.

The allowance for doubtful accounts is maintained at a level which, in management's judgment, is adequate to absorb potential losses inherent in the receivable portfolio. The amount of the allowance is based on management's evaluation of the collectability of the receivable portfolio. Such evaluation considers the nature of the portfolio, trends in historical loss experience, specific impaired notes, and economic conditions.

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Notes to Consolidated Financial Statements**

June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ACCOUNTS, NOTES, AND OTHER RECEIVABLES–NET, continued

As of June 30, 2021 and 2020, an allowance for doubtful accounts has been provided for in the amounts of \$20,890 and \$191,239 respectively. Allowances for impaired notes is determined based on the present value of estimated future cash flows. At June 30, 2021 and 2020, the present value of estimated future cash flows underlying notes receivable is considered sufficient. Accordingly, no allowance for impaired notes has been provided in the accompanying consolidated financial statements. However, due to uncertainties associated with regional economic conditions and future cash flows on notes, management’s estimate of losses inherent in the accounts and notes receivable portfolios and the related allowances may change materially in the near term.

PROPERTY AND EQUIPMENT–NET

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. The Organization capitalizes all property and equipment expenditures greater than \$10,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years.

DEBT ISSUANCE COSTS–NET

Debt issuance costs are amortized on a straight-line basis over the term of the note payable. Debt issuance costs–net are netted with the note payable in the accompanying consolidated statements of financial position.

CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by class of net assets.

*Net assets without donor restrictions* are currently available at the discretion of the board for use in operations. Equity in property and equipment represents amounts invested in property and equipment net of accumulated depreciation and related debt.

*Net assets with donor restrictions* are restricted by donors for a specific purposes or the expiration of a certain time period.

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Notes to Consolidated Financial Statements**

June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

**SUPPORT AND REVENUES, RECLASSIFICATIONS, AND EXPENSES**

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization. CCA provides financial aid and tuition discounts to families who are not staff members of the Organization and records these discounts as reductions to tuition revenue. The amount of these discounts was \$1,248,679 and \$1,300,684 for the years ended June 30, 2021 and 2020, respectively. Tuition discounts provided to staff members are recorded as tuition discounts provided to staff in the consolidated statements of functional expenses.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as satisfaction of purpose or time restrictions.

The Organization reports donations of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated goods and services (including securities, property, equipment, and retail space) are recorded at fair value at the date of the gift.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing various program services and supporting activities of the Organization have been summarized on a functional basis in the consolidated statements of activities. Certain expenses, including salaries and benefits, depreciation, interest and facilities operations benefit multiple program services and support functions and have been allocated to one or more program service or support function in the consolidated statements of functional expenses. Salaries and benefits and other expenses have been allocated based upon the programmatic purpose of the expense incurred. Depreciation, interest and facilities operations have been allocated based upon an analysis of the square footage of the facilities.

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Notes to Consolidated Financial Statements**

June 30, 2021 and 2020

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization considers general expenditures to be all expenditures related to its ongoing activities to achieve its vision as well as the conduct of services undertaken to support those activities to be general expenditures.

	June 30,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 19,462,826	\$ 16,801,401
Accounts, notes, and other receivables–net	2,292,440	2,734,871
	21,755,266	19,536,272
Less those not available for general expenditures within one year:		
Net assets with donor restrictions for capital improvements	(1,472,447)	(1,437,369)
Notes receivable due in more than one year	(2,228,741)	(2,625,454)
Board designated net assets for various purposes	(4,381,113)	(5,411,699)
	(8,082,301)	(9,474,522)
Financial assets available to meet cash needs for general expenditures within one year	\$ 13,672,965	\$ 10,061,750

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. The Organization has \$1,236,715 in net assets with donor restrictions for various purposes including project support. These funds are considered available to meet needs for general expenditures within one year.

4. ACCOUNTS, NOTES, AND OTHER RECEIVABLES–NET:

Accounts, notes, and other receivables–net consist of:

	June 30,	
	2021	2020
CCA tuition receivable–net	\$ 63,699	\$ 109,417
Other receivable	-	400,000
Note receivable–related party (see Note 10)	2,228,741	2,225,454
	\$ 2,292,440	\$ 2,734,871



**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Notes to Consolidated Financial Statements**

June 30, 2021 and 2020

5. PREPAID EXPENSES AND OTHER ASSETS:

Prepaid expenses and other assets consist of:

	June 30,	
	2021	2020
Prepaid insurance	\$ 177,627	\$ 191,477
Prepaid CCA expenses	580,829	95,311
Other prepaid expenses	534,650	207,228
Inventory	63,973	71,399
Other assets	145,832	36,841
	\$ 1,502,911	\$ 602,256

6. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of:

	June 30,	
	2021	2020
Land and land improvements	\$ 34,430,308	\$ 34,361,203
Buildings and building improvements	108,570,813	107,526,284
Furniture and equipment	15,253,183	14,249,086
	158,254,304	156,136,573
Less accumulated depreciation	(60,506,205)	(56,118,455)
	97,748,099	100,018,118
Construction in progress	1,039,865	617,879
	\$ 98,787,964	\$ 100,635,997

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Notes to Consolidated Financial Statements**

June 30, 2021 and 2020

7. NOTE PAYABLE–NET:

Note payable–net consists of:

	June 30,	
	2021	2020
\$10.7 million term note dated July 3, 2020, which refinanced the note payable listed below. Payable in fixed monthly payments of principal in the amount of \$69,038 plus interest, with a final payment of all unpaid principal and accrued interest due on August 1, 2030; bears fixed interest at 2.37% through August 1, 2025 at which time there is a one-time rate adjustment to 2% plus the 5-year SWAP rate as published in the Federal Reserve Statistical Release H.15; secured with real property in Fort Lauderdale, Florida.	\$ 10,079,616	\$ -
\$13.7 million note payable dated June 20, 2018; equal monthly payments of principal in the amount of \$76,111 plus interest, with a final payment of all unpaid principal and accrued interest due at maturity in August 2030; bears fixed interest of 3.99%; secured with real property in Fort Lauderdale, Florida. This note payable was refinanced during the year ended June 30, 2021 into the term note listed above.	-	10,699,444
Less debt issuance costs–net	(87,354)	(79,525)
	\$ 9,992,262	\$ 10,619,919

The Organization is required to meet certain reporting covenants for the note payable. As of June 30, 2021 and 2020, all reporting covenants have been met.

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Notes to Consolidated Financial Statements**

June 30, 2021 and 2020

7. NOTE PAYABLE–NET, continued:

Note payable obligations mature as follows:

Years Ending June 30,	Amounts
2021	\$ 828,462
2022	828,462
2023	828,462
2024	828,462
2025	828,462
Thereafter	5,937,306
	\$ 10,079,616

8. NET ASSETS:

Net assets consist of:

	June 30,	
	2021	2020
Without donor restrictions:		
Undesignated	\$ 96,049,481	\$ 94,787,094
Board designated for:		
Capital improvements	464,414	2,887,783
CCA	3,373,690	1,892,788
Church planting	473,690	484,566
Technology initiatives	64,319	76,562
Other community initiatives	5,000	70,000
	100,430,594	100,198,793
With donor restrictions:		
Capital improvements	1,472,447	1,437,369
Outreach	718,169	546,657
Disaster relief	504,376	355,370
Strategic plan projects	14,170	67,822
	2,709,162	2,407,218
	\$ 103,139,756	\$ 102,606,011

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Notes to Consolidated Financial Statements**

June 30, 2021 and 2020

**9. EMPLOYEE BENEFIT PLANS:**

The Organization offers its employees the opportunity to participate in a Section 403(b) Tax Sheltered Retirement Plan (Retirement Plan). The Retirement Plan allows for employee and employer contributions, including both a matching portion as well as a discretionary portion, if approved by the Organization's board. Employer contributions consist of a 50% match of employee contributions up to a maximum limit of 3% of employee compensation for all employees except ministerial staff. The ministerial staff receives the 50% employer contribution subject to deferral limitations as prescribed by the Code.

Effective December 5, 2013, CCCI established the Calvary Chapel Church, Inc. 403(b) Plan-2 (the Plan). The Plan allows for employee and employer contributions, including both a matching portion as well as a discretionary portion, if approved by CCCI's board.

Employer contributions to the Retirement Plan and the Plan (collectively) were \$733,441 and \$697,766, for the years ended June 30, 2021 and 2020, respectively.

**10. RELATED PARTY TRANSACTIONS:**

4Kids of South Florida, Inc. (4KIDS) is an integrated auxiliary of the Organization. The Organization has mortgage loans receivable from 4Kids totaling \$1,955,771. The loans are secured by residential properties in Broward county, FL and each loan has an interest rate of 6.00%. All principal and interest is due on the maturity date of the loans, which are in 2024 and 2025. The following related party transactions occurred between the Organization and 4KIDS:

	Year Ended June 30,	
	2021	2020
4KIDS-related activity:		
Contributions to 4KIDS	\$ 135,086	\$ 120,000
Expenses paid to the Organization from 4KIDS:		
Interest expense	\$ 117,348	\$ 117,348
Management fees and ministry expense	19,336	29,195
	\$ 136,684	\$ 146,543
Accrued interest on mortgage notes payable to the Organization from 4KIDS	\$ 269,683	\$ 269,683

**CALVARY CHAPEL CHURCH, INC. d/b/a  
CALVARY CHAPEL FORT LAUDERDALE AND AFFILIATES**

**Notes to Consolidated Financial Statements**

June 30, 2021 and 2020

10. RELATED PARTY TRANSACTIONS, continued:

	<u>Year Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Amounts due to 4KIDS	<u>\$ 2,835</u>	<u>\$ 50</u>
Amounts due from 4KIDS	<u>\$ 3,287</u>	<u>\$ -</u>

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 21, 2021, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.