



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

Consolidated Financial Statements  
With Independent Auditors' Report

June 30, 2022 and 2021

**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

### ***Opinion***

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, 2022 and 2021, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Calvary Chapel Church, Inc. d/b/a Calvary Chapel Fort Lauderdale and Affiliates as of June 30, 2022 and 2021, 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.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Calvary Chapel Church, Inc. d/b/a Calvary Chapel Fort Lauderdale and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Calvary Chapel Church, Inc. d/b/a Calvary Chapel Fort Lauderdale and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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

***Auditors' Responsibility for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Calvary Chapel Church, Inc. d/b/a Calvary Chapel Fort Lauderdale and Affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Calvary Chapel Church, Inc. d/b/a Calvary Chapel Fort Lauderdale and Affiliates' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Capin Crouse LLP*

Lawrenceville, Georgia  
October 14, 2022

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

**Consolidated Statements of Financial Position**

	June 30,	
	2022	2021
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 24,613,073	\$ 19,462,826
Accounts, notes, and other receivables–net	35,403	2,292,440
Prepaid expenses and other assets	1,161,338	1,502,911
Property and equipment–net	98,315,603	98,787,964
<b>Total Assets</b>	<b>\$ 124,125,417</b>	<b>\$ 122,046,141</b>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,872,802	\$ 1,448,374
Accrued payroll and benefits payable	3,645,325	4,050,766
Deferred revenue	2,884,440	3,414,983
Note payable–net	9,173,329	9,992,262
<b>Total liabilities</b>	<b>17,575,896</b>	<b>18,906,385</b>
<b>Net assets:</b>		
Without donor restrictions	103,497,671	100,430,594
With donor restrictions	3,051,850	2,709,162
<b>Total net assets</b>	<b>106,549,521</b>	<b>103,139,756</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 124,125,417</b>	<b>\$ 122,046,141</b>

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,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Support:						
Tithes and offerings	\$ 29,415,417	\$ 3,111,050	\$ 32,526,467	\$ 26,841,604	\$ 1,484,147	\$ 28,325,751
Noncash donations	46,608	-	46,608	46,857	-	46,857
	<u>29,462,025</u>	<u>3,111,050</u>	<u>32,573,075</u>	<u>26,888,461</u>	<u>1,484,147</u>	<u>28,372,608</u>
Revenue:						
Ministry activities income	3,092,128	-	3,092,128	1,423,007	-	1,423,007
Sales—bookstore, food services, and skate park	3,211,510	-	3,211,510	1,855,264	-	1,855,264
Calvary Christian Academy tuition and fees—net	36,565,816	-	36,565,816	30,816,868	-	30,816,868
Rental income	183,627	-	183,627	116,200	-	116,200
Gain (loss) on sale of fixed assets	-	-	-	(21,254)	-	(21,254)
Interest and other income	238,406	-	238,406	351,265	-	351,265
	<u>43,291,487</u>	<u>-</u>	<u>43,291,487</u>	<u>34,541,350</u>	<u>-</u>	<u>34,541,350</u>
Total Support and Revenue	<u>72,753,512</u>	<u>3,111,050</u>	<u>75,864,562</u>	<u>61,429,811</u>	<u>1,484,147</u>	<u>62,913,958</u>
<b>RECLASSIFICATIONS:</b>						
Satisfaction of purpose and time restrictions	2,768,362	(2,768,362)	-	1,182,203	(1,182,203)	-

(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,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>EXPENSES:</b>						
Program expenses:						
Church ministry and general outreach	25,874,719	-	25,874,719	21,243,153	-	21,243,153
Calvary Christian Academy	30,198,219	-	30,198,219	26,691,582	-	26,691,582
Other ministries	4,845,993	-	4,845,993	4,185,770	-	4,185,770
	<u>60,918,931</u>	<u>-</u>	<u>60,918,931</u>	<u>52,120,505</u>	<u>-</u>	<u>52,120,505</u>
Administrative expenses:						
Church ministry and general outreach	3,767,441	-	3,767,441	4,350,364	-	4,350,364
Calvary Christian Academy	7,262,816	-	7,262,816	5,408,471	-	5,408,471
Other ministries	505,609	-	505,609	500,873	-	500,873
	<u>11,535,866</u>	<u>-</u>	<u>11,535,866</u>	<u>10,259,708</u>	<u>-</u>	<u>10,259,708</u>
Total Expenses	<u>72,454,797</u>	<u>-</u>	<u>72,454,797</u>	<u>62,380,213</u>	<u>-</u>	<u>62,380,213</u>
Change in Net Assets	3,067,077	342,688	3,409,765	231,801	301,944	533,745
Net Assets, Beginning 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>
Net Assets, End of Year	<u>\$ 103,497,671</u>	<u>\$ 3,051,850</u>	<u>\$ 106,549,521</u>	<u>\$ 100,430,594</u>	<u>\$ 2,709,162</u>	<u>\$ 103,139,756</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, 2022

	Program Expenses			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	\$ 11,882,053	\$ 18,817,737	\$ 1,999,653	\$ 32,699,443	\$ 2,222,597	\$ 5,420,456	\$ 315,595	\$ 7,958,648	\$ 40,658,091
Tuition discounts provided to staff	-	3,021,877	-	3,021,877	-	413,437	-	413,437	3,435,314
Occupancy and maintenance	4,318,666	1,853,128	479,342	6,651,136	355,645	244,125	146,396	746,166	7,397,302
Depreciation	2,405,980	1,821,791	383,675	4,611,446	54,599	90,777	-	145,376	4,756,822
Professional fees	728,526	231,699	317,429	1,277,654	834,600	456,680	43,618	1,334,898	2,612,552
Printing and supplies	475,546	1,140,402	209,648	1,825,596	298,705	137,290	-	435,995	2,261,591
Missionary support	906,021	-	-	906,021	-	-	-	-	906,021
Cost of goods sold	97,427	132,512	1,423,246	1,653,185	-	182,795	-	182,795	1,835,980
Benevolence and outreach	2,069,747	1,896	3,400	2,075,043	200	42,300	-	42,500	2,117,543
Conferences and camps	985,717	2,600,831	9,527	3,596,075	-	147,321	-	147,321	3,743,396
Travel	43,872	479,377	2,574	525,823	1,095	2,635	-	3,730	529,553
Interest	128,564	96,969	17,499	243,032	-	-	-	-	243,032
Grant	250,000	-	-	250,000	-	125,000	-	125,000	375,000
Contributions made	1,582,600	-	-	1,582,600	-	-	-	-	1,582,600
<b>Total Expenses</b>	<b>\$ 25,874,719</b>	<b>\$ 30,198,219</b>	<b>\$ 4,845,993</b>	<b>\$ 60,918,931</b>	<b>\$ 3,767,441</b>	<b>\$ 7,262,816</b>	<b>\$ 505,609</b>	<b>\$ 11,535,866</b>	<b>\$ 72,454,797</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, 2021

	Program Expenses				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	\$ 11,113,530	\$ 17,427,474	\$ 2,148,701	\$ 30,689,705	\$ 2,518,856	\$ 4,149,479	\$ 311,430	\$ 6,979,765	\$ 37,669,470
Tuition discounts provided to staff	-	2,949,042	-	2,949,042	-	336,736	-	336,736	3,285,778
Occupancy and maintenance	3,576,669	1,670,808	435,343	5,682,820	456,981	208,422	161,341	826,744	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	865,191	160,078	1,423,836	348,436	100,126	-	448,562	1,872,398
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>\$ 21,243,153</b>	<b>\$ 26,691,582</b>	<b>\$ 4,185,770</b>	<b>\$ 52,120,505</b>	<b>\$ 4,350,364</b>	<b>\$ 5,408,471</b>	<b>\$ 500,873</b>	<b>\$ 10,259,708</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 Statements of Cash Flows**

	Year Ended June 30,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 3,409,765	\$ 533,745
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,756,822	4,560,888
Early retirement of note payable debt issuance costs	-	77,376
Amortization of debt issuance costs	9,530	10,090
Loss on sales of property and equipment	-	21,254
Contributions restricted for long-term investment	(959,063)	(282,456)
Changes in operating assets and liabilities:		
Accounts, notes, and other receivables	2,257,037	442,431
Prepaid expenses and other assets	341,573	(900,655)
Accounts payable and accrued expenses	424,428	379,657
Accrued payroll and benefits payable	(405,441)	618,026
Deferred revenue	(530,543)	367,845
Net Cash Provided by Operating Activities	9,304,108	5,828,201
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures for property and equipment	(4,284,461)	(2,734,109)
Net Cash Used by Investing Activities	(4,284,461)	(2,734,109)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayments on note payable	(828,463)	(766,494)
Proceeds from note payable	-	51,371
Contributions restricted for long-term investment	959,063	282,456
Net Cash Provided (Used) by Financing Activities	130,600	(432,667)

(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,	
	2022	2021
Net Change in Cash and Cash Equivalents	5,150,247	2,661,425
Cash and Cash Equivalents, Beginning of Year	19,462,826	16,801,401
Cash and Cash Equivalents, End of Year	\$ 24,613,073	\$ 19,462,826
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid for interest—none capitalized	\$ 242,644	\$ 280,293
<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, 2022 and 2021

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, 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, 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, 2022 and 2021

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, 2022 and 2021, cash balances exceeded federally insured limits by \$24,073,378 and \$18,074,799, 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 10 days past due 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, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ACCOUNTS, NOTES, AND OTHER RECEIVABLES–NET, continued

As of June 30, 2022 and 2021, an allowance for doubtful accounts has been provided for in the amounts of \$61,900 and \$20,890, respectively. Allowances for impaired notes is determined based on the present value of estimated future cash flows. At June 30, 2022 and 2021, notes receivable totaled \$-0- and \$2,225,454, respectively. At June 30, 2021, 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.

*Net assets with donor restrictions* are restricted by donors for a specific purpose 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, 2022 and 2021

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 \$1,165,316 and \$1,248,679 for the years ended June 30, 2022 and 2021, 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 and 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, 2022 and 2021

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of June 30, 2022 and 2021, 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.

	June 30,	
	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 24,613,073	\$ 19,462,826
Accounts, notes, and other receivables–net	35,403	2,292,440
	24,648,476	21,755,266
Less those not available for general expenditures within one year:		
Net assets with donor restrictions for capital improvements	(1,461,856)	(1,472,447)
Notes receivable due in more than one year	-	(2,225,454)
Board designated net assets for various purposes	(7,346,408)	(5,581,113)
	(8,808,264)	(9,279,014)
Financial assets available to meet cash needs for general expenditures within one year	\$ 15,840,212	\$ 12,476,252

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 \$1,589,994 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,	
	2022	2021
CCA tuition receivable–net	\$ 33,737	\$ 63,699
Accounts receivable–related party (see Note 10)	1,666	3,287
Notes receivable–related party (see Note 10)	-	2,225,454
	\$ 35,403	\$ 2,292,440



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

**Notes to Consolidated Financial Statements**

June 30, 2022 and 2021

5. PREPAID EXPENSES AND OTHER ASSETS:

Prepaid expenses and other assets consist of:

	June 30,	
	2022	2021
Prepaid insurance	\$ 171,508	\$ 177,627
Prepaid CCA expenses	403,960	580,829
Other prepaid expenses	349,385	534,650
Inventory	86,611	63,973
Other assets	149,874	145,832
	\$ 1,161,338	\$ 1,502,911

6. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of:

	June 30,	
	2022	2021
Land and land improvements	\$ 34,521,234	\$ 34,430,308
Buildings and building improvements	110,858,189	108,570,813
Furniture and equipment	16,449,601	15,253,183
	161,829,024	158,254,304
Less accumulated depreciation	(65,263,029)	(60,506,205)
	96,565,995	97,748,099
Construction in progress	1,749,608	1,039,865
	\$ 98,315,603	\$ 98,787,964

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

**Notes to Consolidated Financial Statements**

June 30, 2022 and 2021

7. NOTE PAYABLE–NET:

Note payable–net consists of:

	June 30,	
	2022	2021
\$10.7 million term note dated July 3, 2020; 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.	\$ 9,251,154	10,079,616
Less debt issuance costs–net	(77,825)	(87,354)
	\$ 9,173,329	\$ 9,992,262

The Organization is required to meet certain reporting covenants for the note payable. As of June 30, 2022 and 2021, all reporting covenants have been met.

Note payable obligations mature as follows:

Years Ending June 30,	Amounts
2023	\$ 828,462
2024	828,462
2025	828,462
2026	828,462
2027	828,462
Thereafter	5,108,844
	\$ 9,251,154

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

**Notes to Consolidated Financial Statements**

June 30, 2022 and 2021

8. NET ASSETS:

Net assets consist of:

	June 30,	
	2022	2021
Without donor restrictions:		
Undesignated	\$ 96,151,263	\$ 94,849,481
Board designated for:		
Capital improvements	30,990	464,414
CCA	4,545,180	3,373,690
Church planting	142,571	473,690
Estate funds	563,348	1,200,000
Self insurance	2,000,000	-
Technology initiatives	64,319	64,319
Other community initiatives	-	5,000
	7,346,408	5,581,113
	103,497,671	100,430,594
With donor restrictions:		
Capital improvements	1,461,856	1,472,447
Outreach	687,312	718,169
Disaster relief	738,912	504,376
Strategic plan projects	163,770	14,170
	3,051,850	2,709,162
	\$ 106,549,521	\$ 103,139,756

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

**Notes to Consolidated Financial Statements**

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**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 \$828,279 and \$733,441, for the years ended June 30, 2022 and 2021, respectively.

**10. RELATED PARTY TRANSACTIONS:**

4Kids of South Florida, Inc. (4KIDS) is an integrated auxiliary of the Organization. During the year ended June 30, 2022, the Organization forgave the notes receivable from 4Kids totaling \$1,955,771. The notes were secured by residential properties in Broward county, FL and each note had an interest rate of 6.00%. The following related party transactions occurred between the Organization and 4KIDS:

	Year Ended June 30,	
	2022	2021
4KIDS-related activity:		
Contributions to 4KIDS	\$ 23,537	\$ 135,086
Notes receivable forgiveness to 4KIDS	1,955,771	-
Interest forgiveness to 4KIDS	318,578	-
	\$ 2,297,886	\$ 135,086
Expenses paid to the Organization from 4KIDS:		
Interest expense	\$ -	\$ 117,348
Management fees and ministry expense	2,982	19,336
	\$ 2,982	\$ 136,684
Accrued interest on notes payable to the Organization from 4KIDS	\$ -	\$ 269,683

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**Notes to Consolidated Financial Statements**

June 30, 2022 and 2021

10. RELATED PARTY TRANSACTIONS, continued:

	<u>Year Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Amounts due to 4KIDS	<u>\$ 293</u>	<u>\$ 2,835</u>
Amounts due from 4KIDS	<u>\$ 1,666</u>	<u>\$ 3,287</u>

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 14, 2022, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.