



Independent Accountant's Compilation Report

To the Church Board
Calvary Temple of Allentown, PA
Allentown, PA

We have compiled the accompanying balance sheet of Calvary Temple of Allentown, PA, a nonprofit corporation and subsidiary as of August 31, 2020 and 2019 and the related statements of activities and cash flows for that fiscal year. The accompanying Schedule I is presented only for supplemental analysis purposes. We have not audited or reviewed the accompanying financial statements and accordingly do not express an opinion any assurance as to whether these statements are in accordance with accounting principles generally accepted in the United States.

Management is responsible for the fair preparation of all the financial statements in accordance with US generally accepted accounting principles and for designing, implementing and maintaining internal control adequate to maintaining fair presentation of the financial statements

Our responsibility is to formulate the compilation in accordance with Statements on Standards for Accounting. The objective of the compilation is to assist management in presenting financial statements and supporting schedules without providing assurances that there are no material modifications made to those financials.

Cynthia & Glenn Wesley
Wesley Associates

December 18, 2020

Calvary Temple of Allentown, PA
Balance Sheet
August 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current Assets		
Cash	139,601	46,671
Investment in Stock		
Accounts Receivable	(7,720)	(7,595)
CTECLC Loan/Rental Deposit Refundable	0	0
Total Current Assets	131,881	39,076
Fixed Assets		
Building & Improvements	3,093,851	3,093,851
Furniture & Equipment	570,877	570,877
Land & Improvements	292,920	292,920
Capital Projects In-Process	260,390	260,390
Less Accumulated Depreciation	(3,307,626)	(3,194,069)
Fixed Assets - Day Care Operations	25,455	24,140
Total Fixed Assets	935,867	1,048,109
Other Assets		
Unamortized Finance Costs	0	0
Total Assets	1,067,748	1,087,185
<u>Liabilities & Net Assets (Deficit)</u>		
Current Liabilities		
Accounts Payable	(19,681)	(16,455)
Current Portion of Long-Term Debt	142,413	142,413
Other Current Liabilities	1,338	1,302
Current Liabilities	124,070	127,260
Long Term Liabilities		
Long Term Debt Less Current Portion	1,837,660	1,978,660
EIDL Liability	44,900	
Total Liabilities	2,006,630	2,105,920
Equity		
Net Assets	(938,882)	(1,018,735)
Total Liabilities and Net Assets	1,067,748	1,087,185

See Accompanying Notes and Independent Accountant's Compilation Report

Calvary Temple of Allentown
Statement of Activities
Years Ending August 31, 2020 and
2019

	<u>2020</u>	<u>2019</u>
<u>SUPPORT & REVENUES:</u>		
Total Tithes & Offerings	\$316,283	\$270,940
<u>EXPENSES::</u>		
Salaries & Benefits	\$146,860	\$147,262
Church Ministry Expenses	\$16,688	\$12,897
Utilities	\$59,134	\$62,727
Office Supplies & Expenses	\$10,534	\$8,309
Janitorial & Grounds	\$16,317	\$14,751
Advertising and Promotion	\$426	\$674
General Liability Insurance	\$15,180	\$15,626
Bldg, Repairs, Maintenance & Sec.	\$18,356	\$23,284
Real Estate Taxes	\$6,554	\$6,514
Accounting, Payroll and Legal Fees	\$4,091	\$4,471
Total Expense	\$294,140	\$296,515
Incr in Net Assets Before Other Inc.(Exp.)	\$22,143	(\$25,575)
<u>OTHER INCOME/EXPENSES:</u>		
Rental Income	\$80,736	\$132,681
Other Inc/(Exp) - EIDL/PPP Grants	\$139,223	\$0
Interest Income	\$13	\$17
Depreciation Expense	(\$113,557)	(\$109,830)
Mortgage Interest Expense	(\$75,810)	(\$91,793)
Excess Revenues from Day Care	\$27,279	\$6,263
Total Other Income / Expenses	\$57,884	(\$62,662)
Net Ordinary Income	\$80,027	(\$88,237)
Net Asset Deficit Unrestricted Beg. of Year	(\$1,018,735)	(\$930,498)
Change to beginning Learning Center Net Assets	(\$174)	
Net Assets (Deficit) Unrestricted, End of Year	(\$938,882)	(\$1,018,735)

Calvary Temple of Allentown, PA

Cash Flow

August 31, 2020 and 2019

Cash Flow from Operating Activities-

	<u>2020</u>	<u>2019</u>
Change in Net Assets	\$79,853	(\$88,237)
Increase for-		
Amortization and Depreciation	\$112,242	\$109,830
Increase in Accounts Payable	(\$125)	(\$1,388)
EIDL Liability	\$44,900	
Net Cash Provided by Operating Activities	\$236,870	\$20,205

Cash Flow from Investment Activity-

Acquisition of Equipment	(\$1,163)	(\$14,675)
Increased Long Term Debt	(\$141,000)	\$0
EIDL/PPP Grant	\$139,223	\$0
Cash Flow from Financing Activities-		
Principal Payments on Long-Term Debt	(\$141,000)	(\$51,850)

Net Increase/(Decrease) in Cash	\$92,930	(\$46,320)
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Cash, Beginning of Year	\$46,671	\$92,991
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Cash, End of Year	\$139,601	\$46,671
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See Accompanying Notes and Independent Accountant's Compilation Report

Calvary Temple of Allentown
Schedule I - Calvary Temple Early Childhood Learning Center
Statement of Activities
Years Ended August 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>REVENUES:</u>		
Childcare Fee Income	\$226,148	\$326,641
Fundraising Activities	\$0	\$3,281
Tuition Refunds	(\$130)	(\$3,336)
Total Revenues	\$226,018	\$326,586
<u>EXPENSES:</u>		
Salaries & Benefits	\$127,613	\$204,688
Advertising Expenses	\$294	\$1,743
Merchant Fees/Bank charges	\$3,352	\$3,960
Office Supplies/Other	\$748	\$189
Net Operating Supplies	\$8,498	\$22,564
Telephone, Telecommunications	\$402	\$566
Insurance - Liability, D and O	\$3,001	\$3,203
Depreciation and Amort	(\$1,315)	\$1,448
Facilities and Equipment	\$3,060	\$12,588
Rent	\$52,000	\$69,100
Professional/Contract Services	\$1,092	\$2,097
Total Operating Expenses	\$198,745	\$322,146
Net Ordinary Income	\$27,273	\$4,440
<u>OTHER INCOME/EXPENSES:</u>		
Other Income	\$0	\$1,816
Interest Income	\$6	\$7
Total Excess Revenues (Expenses)	\$27,279	\$6,263

Calvary Temple of Allentown, PA

Notes to Financial Statements

August 31, 2020 and 2019

1. Nature of the Organization

Calvary Temple of Allentown, PA (the "Church") was originally incorporated as Pentecostal Prayer Band, Assembly of God November 25, 1921. On June 24, 1969 the church changed its name to Calvary Temple of Allentown, PA. The Church's purpose is maintaining a place of religious worship. The Church established a Day Care Center in November of 2007 and was incorporated in 2014 and is now a wholly owned subsidiary. We created separate 501(3)c for Calvary Temple Early Learning Center effective May 27, 2014. Calvary Temple of Allentown created its own 501(C)3 on March 13, 2019.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Church have been prepared on the accrual basis of accounting and accordingly revenues are reflected when earned and expenses are reflected when incurred.

Basis of Presentation

The financial statements have been prepared in accordance with *the Financial Statements of Not-for-Profit Organization* topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). This topic prescribes display standards for all not-for-profit organizations. Under this topic the Church is required to report its activities to three classes of net assets – Unrestricted Net Assets, Temporarily Restricted Net Assets and Permanently Restricted Net Assets.

All of the Church's funds are currently unrestricted for both organizations over which the Board of Directors has discretionary control.

Use of Estimates

The preparation and presentation of financial in conformity with accounting principles requires management to make estimates and assumptions that affect certain reported amounts and as a result actual results could differ from those estimates

Cash

The church maintains its cash in high credit quality financial institutions, the balance of which may sometimes exceed federally insured limits.

Land, Building and Equipment

Land, Building and Equipment are carried at or fair market value in the case of donated assets. Depreciation is straight line over the estimated useful life. Depreciation amounted to \$112,242 and \$111,278 for the years ended August 31, 2020 and 2019 respectively.

Recognition of Revenue

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the nature of any donor restriction. When a restriction expires, temporary restricted net assets are reclassified to unrestricted net assets as released from restrictions

3. Long-Term Debt

	Current Portion	Long-Term
Loan Payable #2378011 - Embassy Bank due in monthly installments of \$11,868 including interest of 4.15%. Final payment is due July 2037, and the note is secured by real estate.	\$142,413	\$1,837,660

4. Negative Receivables and Payables

We recognize that the organization struggles with the organization's accounting software's establishing of Receivables/Payables, as well as the ultimate payment of these accounts, two things should be noted. First fortunately neither of these areas pose a material issue. The majority of these negative balances originate from 3-6 years ago. Second, we're unable to correct this situation without impacting prior Retained Earnings to our knowledge. The ultimate goal is to migrate to QuickBooks Online in the future without utilizing the Desktop file so that we don't establish incorrect accounts receivable and payable balances in Online and journalize the accounts receivable balance away and start fresh.

5. **PPE and EIDL Grants** – Embassy Bank was involved with the church attaining emergency funding from the federal government grants in the amounts of \$29,223 and \$154,900 respectfully. The full amount of the PPP Grant has been spent whereas \$44,900 of the \$154,900 EDLI Grant remains unspent and is reflected on the balance sheet.

6. Subsequent Events

Management has evaluated subsequent events through December 6, 2020, the date the Compilation financial statements were issued.