



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 its subsidiary as of August 31, 2021 and 2020 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 10, 2021

Calvary Temple of Allentown, PA
Balance Sheet
August 31, 2021 and 2020

Assets

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash	184,424	139,601
Investment in Stock		
Accounts Receivable	(7,720)	(7,720)
CTECLC Loan/Rental Deposit Refund	0	0
Total Current Assets	176,704	131,881
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	(3,420,225)	(3,307,626)
Fixed Assets - Day Care Operations	28,085	25,455
Total Fixed Assets	825,898	935,867
Other Assets		
Unamortized Finance Costs	0	0
Total Assets	1,002,602	1,067,748

Liabilities & Net Assets (Deficit)

Current Liabilities		
Accounts Payable	(16,823)	(19,857)
Current Portion of Long Term Debt	142,413	142,413
Other Current Liabilities	2,816	1,338
Current Liabilities	128,406	123,894
Long Term Liabilities		
Long Term Debt Less Current Portion	1,792,546	1,837,660
EIDL Liability	149,900	149,900
Total Liabilities	2,070,852	2,111,454
Equity		
Net Assets	(1,068,250)	(1,043,706)
Total Liabilities and Net Assets	1,002,602	1,067,748

See Accompanying Notes and Independent Accountant's Compilation Report

Calvary Temple of Allentown
Statement of Activities
Years Ending August 31, 2021 and 2020

	Sep '20 - Aug 21	Sep '19 - Aug 20
<u>SUPPORT & REVENUES:</u>		
Total Tithes & Offerings	\$316,236	\$316,283
<u>EXPENSES::</u>		
Salaries & Benefits	\$158,562	\$146,860
Church Ministry Expenses	\$16,992	\$16,688
Utilities	\$50,955	\$59,134
Office Supplies & Expenses	\$10,362	\$10,534
Janitorial & Grounds	\$10,760	\$16,317
Advertising and Promotion	\$0	\$426
General Liability Insurance	\$16,023	\$15,180
Bldg, Repairs, Maintenance & Sec.	\$9,222	\$18,356
Real Estate Taxes	\$6,554	\$6,554
Accounting, Payroll and Legal Fees	\$6,450	\$4,091
Total Expense	\$285,880	\$294,140
Incr in Net Assets Before Other Inc.(Exp.)	\$30,356	\$22,143
<u>OTHER INCOME/EXPENSES:</u>		
Rental Income	\$80,234	\$80,736
Other Inc/(Exp) - PPP/EIDL Grants	\$29,548	\$34,223
Other Inc/(Exp)	\$254	\$0
Interest Income	\$23	\$13
Depreciation Expense	(\$112,600)	(\$113,557)
Mortgage Interest Expense	(\$97,298)	(\$75,810)
Excess Revenues from Day Care	\$44,939	\$27,279
Total Other Income / Expenses	(\$54,900)	(\$47,116)
Net Ordinary Income	(\$24,544)	(\$24,973)
Net Asset Deficit Unrestricted Beg. of Year	(\$1,043,706)	(\$1,018,735)
Change to beginning Learning Center Net Assets		\$2
Net Assets (Deficit) Unrestricted, End of Year	(\$1,068,250)	(\$1,043,706)

Calvary Temple of Allentown, PA

Cash Flow

August 31, 2021 and 2020

Cash Flow From Operating Activities-

	<u>2021</u>	<u>2020</u>
Change in Net Assets	(\$24,544)	(\$25,147)
Increase for-		
Amortization and Depreciation	\$109,970	\$112,242
Increase in Accounts Payable	\$4,511	(\$125)
EIDL Liability	\$0	\$149,900
Net Cash Provided by Operating Activities	\$114,481	\$236,870

Increase for-

Cash Flow from Investment Activity-

Acquisition of Equipment	\$0	(\$2,940)
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Cash Flow From Financing Activities-

Principal Payments on Long-Term Debt	(\$45,114)	(\$141,000)
Net Cash Provided by Operating Activities		

Net Increase/(Decrease) in Cash	\$44,823	\$92,930
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Cash, Beginning of Year	\$139,601	\$46,671
Cash, End of Year	\$184,424	\$139,601

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, 2021 and 2020

	<u>Sep '20 - Aug 21</u>	<u>Sep '19 - Aug 20</u>
<u>REVENUES:</u>		
Childcare Fee Income	\$226,768	\$188,300
Fundraising Activities	\$0	\$0
Tuition Refunds	\$0	(\$130)
Total Revenues	\$226,768	\$188,170
<u>EXPENSES:</u>		
Salaries & Benefits	\$113,303	\$127,613
Advertising Expenses	\$293	\$294
Merchant Fees/Bank charges	\$1,549	\$3,352
Office Supplies/Other	\$19,058	\$748
Net Operating Supplies	\$13,865	\$8,498
Telephone, Telecommunications	\$277	\$402
Insurance - Liability, D and O	\$2,991	\$3,001
Depreciation and Amort	(\$2,630)	(\$1,315)
Facilities and Equipment	\$2,885	\$3,060
Rent	\$70,690	\$52,000
Professional/Contract Services	\$1,540	\$1,092
Total Operating Expenses	\$223,821	\$198,745
Net Ordinary Income	\$2,947	(\$10,575)
<u>OTHER INCOME/EXPENSES:</u>		
Other Income	\$603	\$0
Interest Income	\$17	\$6
PPP Grant	\$41,372	\$37,848
Total Excess Revenues (Expenses)	\$44,939	\$27,279

Calvary Temple of Allentown, PA

Notes to Financial Statements

August 31, 2021 and 2020

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 maintain 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.

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 \$109,970 and \$112,242 for the years ended August 31, 2021 and 2020 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 #237 of 2.75%8011 - 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	\$1,792,546
PPP Loan with interest of 2.75% with payments deferred until June, 2022		\$149,900

4. Negative Receivables and Payables

We recognize that the organization struggles with the organization's accounting software's establishing of Receivables/Payables and per Embassy Bank's approval, we cleaned up old Receivables/Payables transactions via journal entries which resulted in minor changes to Retained Earnings (Net Assets) in the previous period. One thing should be noted, neither of these areas pose a material issue. The majority of these negative balances originate from 4-7 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. **PPP 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, \$5,000 of that \$154,900 is forgivable and recognized as revenue.

6. Subsequent Events

Management has evaluated subsequent events through December 10, 2021, the date the Compilation financial statements were issued.