



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

Consolidated Financial Statements  
With Independent Auditors' Report

June 30, 2018 and 2017

**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 (the Organization), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities 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, 2018 and 2017, 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 30, 2018

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

**Consolidated Statements of Financial Position**

|  | June 30,           |                    |
|--|--------------------|--------------------|
|  | 2018               | 2017               |
| <b>ASSETS:</b>                               |                    |                    |
| Current assets:                              |                    |                    |
| Cash and cash equivalents                    | \$ 14,959,052      | \$ 12,901,699      |
| Accounts, notes, and other receivables—net   | 2,586,196          | 919,029            |
| Asset held for sale                          | 999,337            | -                  |
| Prepaid expenses and other assets            | 1,224,505          | 1,479,264          |
|  | 19,769,090         | 15,299,992         |
| Property and equipment—net                   | 103,108,141        | 113,488,416        |
| <br>Total Assets                             | <br>\$ 122,877,231 | <br>\$ 128,788,408 |
| <br><b>LIABILITIES AND NET ASSETS:</b>       |                    |                    |
| Current liabilities:                         |                    |                    |
| Accounts payable and accrued expenses        | \$ 1,317,735       | \$ 1,032,823       |
| Accrued payroll and benefits payable         | 2,636,938          | 2,474,094          |
| Current portion of deferred revenue          | 2,219,860          | 1,393,857          |
| Current portion of long-term debt            | 837,221            | 15,709,424         |
| Current portion of capital lease obligations | -                  | 198,147            |
|  | 7,011,754          | 20,808,345         |
| <br>Deferred revenue, net of current portion | 691,749            | -                  |
| Long-term debt, net of current portion       | 12,733,819         | -                  |
|  | 13,425,568         | -                  |
|  | 20,437,322         | 20,808,345         |
| <br>Net assets:                              |                    |                    |
| Unrestricted:                                |                    |                    |
| Undesignated                                 | 12,446,317         | 10,050,301         |
| Equity in property and equipment             | 89,537,101         | 97,580,845         |
|  | 101,983,418        | 107,631,146        |
| Temporarily restricted                       | 456,491            | 348,917            |
|  | 102,439,909        | 107,980,063        |
| <br>Total Liabilities and Net Assets         | <br>\$ 122,877,231 | <br>\$ 128,788,408 |

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, |                           |                   |                   |                           |                   |
|--|---------------------|---------------------------|-------------------|-------------------|---------------------------|-------------------|
|  | 2018                |                           |                   | 2017              |                           |                   |
|  | Unrestricted        | Temporarily<br>Restricted | Total             | Unrestricted      | Temporarily<br>Restricted | Total             |
| <b>SUPPORT AND REVENUE:</b>  |                     |                           |                   |                   |                           |                   |
| Support:   |                     |                           |                   |                   |                           |                   |
| General tithes and offerings                                       | \$ 27,594,210       | \$ -                      | \$ 27,594,210     | \$ 30,199,996     | \$ -                      | \$ 30,199,996     |
| Offerings for:   |                     |                           |                   |                   |                           |                   |
| Building   | -                   | 446,783                   | 446,783           | -                 | 84,003                    | 84,003            |
| Missions   | 630,178             | 257,420                   | 887,598           | 505,535           | -                         | 505,535           |
| Benevolence  | 48,440              | 17,350                    | 65,790            | 88,145            | -                         | 88,145            |
| Outreach   | 186,230             | 320,965                   | 507,195           | 315,730           | -                         | 315,730           |
| Other designated<br>Calvary Christian<br>Academy                   | -                   | -                         | -                 | -                 | 295,821                   | 295,821           |
| Academy  | 454,987             | -                         | 454,987           | 524,263           | -                         | 524,263           |
| Special events   | -                   | -                         | -                 | 441,899           | -                         | 441,899           |
| Noncash donations  | 118,758             | -                         | 118,758           | 1,276,408         | -                         | 1,276,408         |
|  | <u>29,032,803</u>   | <u>1,042,518</u>          | <u>30,075,321</u> | <u>33,351,976</u> | <u>379,824</u>            | <u>33,731,800</u> |
| Revenue:   |                     |                           |                   |                   |                           |                   |
| Ministry activities income   | 694,845             | -                         | 694,845           | 917,077           | -                         | 917,077           |
| Sales—bookstore,<br>food services, skate park,<br>and thrift store | 4,100,913           | -                         | 4,100,913         | 4,102,112         | -                         | 4,102,112         |
| Calvary Christian Academy<br>tuition and fees—net                  | 23,389,023          | -                         | 23,389,023        | 21,876,179        | -                         | 21,876,179        |
| Government grant income  | -                   | -                         | -                 | 2,287,487         | -                         | 2,287,487         |
| Rental income  | 219,035             | -                         | 219,035           | 328,385           | -                         | 328,385           |
| Gain (loss) on sale of fixed<br>assets                             | (942,865)           | -                         | (942,865)         | 2,861,430         | -                         | 2,861,430         |
| Interest and other income  | 367,082             | -                         | 367,082           | 61,536            | -                         | 61,536            |
|  | <u>27,828,033</u>   | <u>-</u>                  | <u>27,828,033</u> | <u>32,434,206</u> | <u>-</u>                  | <u>32,434,206</u> |
| <b>Total Support and Revenue</b>                                   | <u>56,860,836</u>   | <u>1,042,518</u>          | <u>57,903,354</u> | <u>65,786,182</u> | <u>379,824</u>            | <u>66,166,006</u> |
| <b>RECLASSIFICATIONS:</b>  |                     |                           |                   |                   |                           |                   |
| Satisfaction of purpose<br>and time restrictions                   | 934,944             | (934,944)                 | -                 | 397,264           | (397,264)                 | -                 |
|  | <u>934,944</u>      | <u>(934,944)</u>          | <u>-</u>          | <u>397,264</u>    | <u>(397,264)</u>          | <u>-</u>          |

(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,   |                           |                       |                       |                           |                       |
|---|-----------------------|---------------------------|-----------------------|-----------------------|---------------------------|-----------------------|
|   | 2018                  |                           |                       | 2017                  |                           |                       |
|   | Unrestricted          | Temporarily<br>Restricted | Total                 | Unrestricted          | Temporarily<br>Restricted | Total                 |
| <b>OPERATING EXPENSES:</b>                                |                       |                           |                       |                       |                           |                       |
| Ministry expenses:  |                       |                           |                       |                       |                           |                       |
| Church ministry<br>and outreach                           | 8,846,714             | -                         | 8,846,714             | 12,999,900            | -                         | 12,999,900            |
| Missions outreach   | 1,735,068             | -                         | 1,735,068             | 1,325,441             | -                         | 1,325,441             |
| Local outreach<br>and benevolence                         | 1,313,984             | -                         | 1,313,984             | 1,303,038             | -                         | 1,303,038             |
| Media outreach  | 2,384,581             | -                         | 2,384,581             | 2,929,869             | -                         | 2,929,869             |
| Bookstore, food services,<br>skate park, and thrift store | 3,901,675             | -                         | 3,901,675             | 3,811,768             | -                         | 3,811,768             |
| Calvary Christian Academy                                 | 21,728,538            | -                         | 21,728,538            | 20,633,746            | -                         | 20,633,746            |
|   | <u>39,910,560</u>     | <u>-</u>                  | <u>39,910,560</u>     | <u>43,003,762</u>     | <u>-</u>                  | <u>43,003,762</u>     |
| Administrative expenses:                                  |                       |                           |                       |                       |                           |                       |
| Building  | 6,238,866             | -                         | 6,238,866             | 6,418,253             | -                         | 6,418,253             |
| Interest  | 472,844               | -                         | 472,844               | 468,140               | -                         | 468,140               |
| Depreciation  | 4,334,741             | -                         | 4,334,741             | 4,752,121             | -                         | 4,752,121             |
| Administrative  | 6,088,968             | -                         | 6,088,968             | 7,540,437             | -                         | 7,540,437             |
|   | <u>17,135,419</u>     | <u>-</u>                  | <u>17,135,419</u>     | <u>19,178,951</u>     | <u>-</u>                  | <u>19,178,951</u>     |
| Total Operating Expenses                                  | <u>57,045,979</u>     | <u>-</u>                  | <u>57,045,979</u>     | <u>62,182,713</u>     | <u>-</u>                  | <u>62,182,713</u>     |
| Change in Net Assets Before                               |                       |                           |                       |                       |                           |                       |
| Grant to 4KIDS  | 749,801               | 107,574                   | 857,375               | 4,000,733             | (17,440)                  | 3,983,293             |
| Grant to 4KIDS (Note 1)                                   | 6,397,529             | -                         | 6,397,529             | -                     | -                         | -                     |
| Change in Net Assets                                      | (5,647,728)           | 107,574                   | (5,540,154)           | 4,000,733             | (17,440)                  | 3,983,293             |
| Net Assets, Beginning of Year                             | 107,631,146           | 348,917                   | 107,980,063           | 103,630,413           | 366,357                   | 103,996,770           |
| Net Assets, End of Year                                   | <u>\$ 101,983,418</u> | <u>\$ 456,491</u>         | <u>\$ 102,439,909</u> | <u>\$ 107,631,146</u> | <u>\$ 348,917</u>         | <u>\$ 107,980,063</u> |

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, |              |
|---|---------------------|--------------|
|   | 2018                | 2017         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                     |              |
| Change in net assets  | \$ (5,540,154)      | \$ 3,983,293 |
| Adjustments to reconcile change in net assets to<br>net cash provided (used) by operating activities: |                     |              |
| Noncash contributions of property and equipment   | -                   | (58,500)     |
| Noncash contributions of securities and assets  | (118,758)           | (1,217,908)  |
| Depreciation  | 4,334,741           | 4,752,121    |
| Write-off of uncollectible receivables  | 144                 | (38,230)     |
| Grant to 4KIDS of South Florida, Inc. (non-cash portion)  | 4,871,961           | -            |
| (Gain) loss on sales of property and equipment  | 12,335              | (2,861,430)  |
| Contributions restricted for long-term investment   | (446,783)           | (84,003)     |
| Proceeds from sales of noncash contributions  | 118,758             | 1,217,908    |
| Changes in operating assets and liabilities:  |                     |              |
| Accounts, notes, and other receivables  | (3,237)             | 249,506      |
| Prepaid expenses and other assets   | 146,729             | (338,965)    |
| Accounts payable and accrued expenses   | 406,626             | (64,832)     |
| Accrued payroll and benefits payable  | 488,134             | 79,774       |
| Deferred revenue  | 826,003             | (476,382)    |
| Net Cash Provided by Operating Activities   | 5,096,499           | 5,142,352    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                     |              |
| Capital expenditures for property and equipment   | (2,080,994)         | (2,735,772)  |
| Proceeds from sales of property and equipment   | (3,621)             | 5,110,581    |
| Proceeds from sales of FCC licenses   | -                   | 122,280      |
| Impairment loss on assets held for sale   | 935,217             | -            |
| Net Cash Provided (Used) by Investing Activities  | (1,149,398)         | 2,497,089    |

(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, |                   |
|---|---------------------|-------------------|
|   | 2018                | 2017              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>      |                     |                   |
| Repayments on long-term debt                      | (2,138,384)         | (5,247,644)       |
| Payments on capital lease obligations             | (198,147)           | (719,155)         |
| Contributions restricted for long-term investment | 446,783             | 84,003            |
| Net Cash Used by Financing Activities             | (1,889,748)         | (5,882,796)       |
| <br>Net Change in Cash and Cash Equivalents       | <br>2,057,353       | <br>1,756,645     |
| <br>Cash and Cash Equivalents, Beginning of Year  | <br>12,901,699      | <br>11,145,054    |
| <br>Cash and Cash Equivalents, End of Year        | <br>\$ 14,959,052   | <br>\$ 12,901,699 |
| <br><b>SUPPLEMENTAL DISCLOSURES:</b>              |                     |                   |
| Cash paid for interest (none capitalized)         | \$ 502,582          | \$ 478,286        |

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, 2018 and 2017

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), HELPS Ministries of Broward, Inc. (HELPS), 4KIDS of South Florida, Inc. (4KIDS), and Reach Communications, Inc. (RC).

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 various other church activities. The church conducts various 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.

Calvary Christian Academy (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.

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

**Notes to Consolidated Financial Statements**

June 30, 2018 and 2017

1. NATURE OF ORGANIZATION, continued:

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.

4KIDS was incorporated during February 2002 as a tax-exempt organization under section 501(c)(3). 4KIDS has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for tax-deductible contributions as provided in Section 170(b)(1)(A)(vi). 4KIDS exists to serve at-risk children and families in collaboration with local and legal authorities by mobilizing and equipping the faith community to rescue, protect, and nurture children in the foster care system. Effective July 1, 2017, the Organization no longer exercised control over 4KIDS and, accordingly, the Organization derecognized the related assets, liabilities, and net assets of 4KIDS.

RC was incorporated in January 2004 under section 501(c)(3) and is an integrated auxiliary of CCCI. RC is a noncommercial radio station ministry that provides outreach services for CCCI through the broadcasting of religious programming in Florida and on the internet. All of the assets of RC were sold and RC was dissolved by the Organization during the fiscal year ended June 30, 2017.

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, HELPS, 4KIDS, and RC. All significant inter-company balances and transactions have been eliminated.

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

**Notes to Consolidated Financial Statements**

June 30, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

**RECLASSIFICATIONS**

Certain information from the prior year consolidated financial statements has been reclassified to conform to the current year presentation format. During the year ended June 30, 2018, the Organization reorganized departmental expense classifications, therefore operating expenses for the year ended June 30, 2017, have been reclassified to conform to the 2018 presentation. This does not affect previously reported functional expense amounts or classifications.

**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, 2018 and 2017, cash balances exceeded federally insured limits by \$14,104,900 and \$10,540,265, 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 a student with an outstanding balance graduates, withdraws from school or does not return to school for the following year. CCA assesses a \$25 late fee when a student receivable is past due 15 days. The Organization recognizes an allowance for losses on accounts receivable in an amount equal to the estimated probable losses net of recoveries. Generally, accounts are considered uncollectible when they are 90 days past due or when the student has withdrawn from school.

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.

As of June 30, 2018 and 2017, an allowance for doubtful accounts has been provided for in the amounts of \$24,067 and \$67,082 respectively. Allowances for impaired notes is determined based on the present value of estimated future cash flows. At June 30, 2018 and 2017, 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, it is at least reasonably possible that management's estimate of losses inherent in the accounts and notes receivable portfolios and the related allowances may change materially in the near term.

At June 30, 2018 and 2017, student accounts receivable past due 90 days or more totaled \$6,463 and \$44,377, respectively.

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

**Notes to Consolidated Financial Statements**

June 30, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

**ASSET HELD FOR SALE**

Asset held for sale consists of one piece of real estate in Fort Lauderdale, Florida. The real estate is currently listed for sale and meets the guidelines of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) topic 360-45-9 *Classification as Held for Sale*. Loss on asset held for sale is included in the accompanying consolidated statements of activities. At June 30, 2018, the real estate is reported at estimated realizable value. The property was sold in July 2018, for \$999,337.

**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 ranging from 3 to 40 years.

**CLASSES OF NET ASSETS**

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

*Unrestricted* amounts 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.

*Temporarily restricted* amounts are stipulated by donors for specific operating purposes, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

**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. Tuition revenue for CCA is reported net of financial aid and discounts of \$922,353 and \$826,654, for the years ended June 30, 2018 and 2017, respectively. CCA registration, re-enrollment, and tuition fees received prior to the beginning of the school year have been reported as deferred revenue.

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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as satisfaction of purpose or time restrictions. Temporarily restricted contributions which have been fully expended for their intended purposes within the reporting period are reported as unrestricted, except for contributions made for building and construction projects.

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

**Notes to Consolidated Financial Statements**

June 30, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUES, RECLASSIFICATIONS, AND EXPENSES, continued

The Organization reports donations of property and equipment as unrestricted support 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. Accordingly, certain costs have been allocated among the program services and activities benefited.

For the fiscal years ended June 30, 2018 and 2017, expenses are allocated as follows:

|                        | June 30,      |               |
|------------------------|---------------|---------------|
|                        | 2018          | 2017          |
| Program services       | \$ 53,169,918 | \$ 57,019,360 |
| Supporting services:   |               |               |
| Management and general | 3,450,568     | 3,696,257     |
| Fundraising            | 425,493       | 1,467,096     |
|                        | 3,876,061     | 5,163,353     |
|                        | \$ 57,045,979 | \$ 62,182,713 |

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

**Notes to Consolidated Financial Statements**

June 30, 2018 and 2017

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

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

|                                | June 30,     |            |
|--------------------------------|--------------|------------|
|                                | 2018         | 2017       |
| Academy tuition receivable–net | \$ 64,716    | \$ 129,561 |
| Note receivable–ACA            | 253,857      | 253,762    |
| Note receivable–4KIDS          | 2,225,454    | -          |
| Other receivables–net          | 42,169       | 535,706    |
|                                | \$ 2,586,196 | \$ 919,029 |

Effective March 2016, CCCI executed a promissory note receivable (the Note) with ACA Bridge Builders, LLC (ACA) for the principal sum of \$250,000. The Note bears interest at the rate of 8% per annum until the Note is paid in full. The Note is a balloon note and the entire principal balance of this note, together with all accrued and unpaid interest, shall be due and payable at maturity in March 2019. For the years ended June 30, 2018 and 2017, accrued interest amounts of \$3,857 and \$3,762, respectively, are included in the total above.

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

**Notes to Consolidated Financial Statements**

June 30, 2018 and 2017

3. ACCOUNTS, NOTES, AND OTHER RECEIVABLES–NET, continued:

Effective between March 2004 and September 2005, the Organization executed five promissory notes receivable (the Notes) with 4KIDS of South Florida, Inc. (4KIDS) for the principal sum of \$1,955,771. The Notes bear interest at the rate of 6% per annum until the Notes are paid in full. The Notes have varying payment terms and the entire principal balances of these notes, together with all accrued and unpaid interest, shall be due and payable at maturity between April 2014 and October 2025. For the year ended June 30, 2018, an accrued interest amount of \$269,683, is included in the total above.

4. PREPAID EXPENSES AND OTHER ASSETS:

Prepaid expenses and other assets consist of:

|                        | June 30,     |              |
|------------------------|--------------|--------------|
|                        | 2018         | 2017         |
| Prepaid insurance      | \$ 198,959   | \$ 257,341   |
| Prepaid CCA expenses   | 542,642      | 800,635      |
| Other prepaid expenses | 391,231      | 236,131      |
| Inventory              | 77,020       | 165,560      |
| Other assets           | 14,653       | 19,597       |
|                        | \$ 1,224,505 | \$ 1,479,264 |

5. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consists of:

|                                     | June 30,       |                |
|-------------------------------------|----------------|----------------|
|                                     | 2018           | 2017           |
| Land and land improvements          | \$ 35,112,203  | \$ 37,797,459  |
| Buildings and building improvements | 101,521,284    | 107,358,973    |
| Vehicles                            | 1,153,063      | 1,219,531      |
| Furniture and equipment             | 14,024,616     | 12,935,856     |
|                                     | 151,811,166    | 159,311,819    |
| Less accumulated depreciation       | (49,160,031)   | (46,159,094)   |
|                                     | 102,651,135    | 113,152,725    |
| Construction in progress            | 457,006        | 335,691        |
|                                     | \$ 103,108,141 | \$ 113,488,416 |



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

**Notes to Consolidated Financial Statements**

June 30, 2018 and 2017

6. LONG-TERM DEBT:

Long-term debt consists of:

|   | June 30,      |               |
|---|---------------|---------------|
|   | 2018          | 2017          |
| \$31 million note payable made in June 2013; equal monthly payments of principal in the amount of \$162,303 plus interest, with a final payment of all unpaid principal and accrued interest due at maturity in June 2018; bears interest at 30-day Intercontinental Exchange (ICE) LIBOR plus 165 basis points (2.72% at June 30, 2017); secured with related real estate, buildings, and equipment. | \$ -          | \$ 15,709,424 |
| \$13.7 million note payable made in June 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 July 2023; bears fixed interest of 3.99%; secured with real property in Fort Lauderdale, Florida.  | 13,700,000    | -             |
| Less debt issuance costs  | (128,960)     | -             |
| Less current portion  | (837,221)     | (15,709,424)  |
|   | \$ 12,733,819 | \$ -          |

Long-term debt obligations mature as follows:

| Years Ending June 30, | Amounts       |
|-----------------------|---------------|
| 2019                  | \$ 837,221    |
| 2020                  | 913,332       |
| 2021                  | 913,332       |
| 2022                  | 913,332       |
| 2023                  | 913,332       |
| Thereafter            | 9,209,451     |
|                       | \$ 13,700,000 |

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

**Notes to Consolidated Financial Statements**

June 30, 2018 and 2017

7. BANK LINE OF CREDIT:

The Organization has an available revolving line of credit with a certain financial institution commencing June 2018 for up to \$2,000,000. The interest rate is One-month LIBOR plus one percent (3.09% at June 30, 2018). Interest only payments are due the first of each month through January 2019, at which time the full unpaid principal amount outstanding, together with all accrued and unpaid interest is due. As of June 30, 2018, there were no outstanding borrowings under this line of credit.

8. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of:

|                        | June 30,   |            |
|------------------------|------------|------------|
|                        | 2018       | 2017       |
| 4KIDS building         | \$ -       | \$ 77,492  |
| 4KIDS EPIC ministry    | -          | 81,913     |
| 4KIDS SOSI ministry    | -          | 5,587      |
| 4KIDS other ministries | -          | 59,000     |
| Disaster relief        | 177,363    | 100,367    |
| Building campaign      | 23,946     | -          |
| CCCI SHS               | 2,021      | 24,558     |
| Outreach and other     | 253,161    | -          |
|                        | \$ 456,491 | \$ 348,917 |

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 pastoral staff. The pastoral 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 \$484,804 and \$456,999, for the years ended June 30, 2018 and 2017, respectively.

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

**Notes to Consolidated Financial Statements**

June 30, 2018 and 2017

10. RELATED PARTY TRANSACTIONS:

The following related party transactions occurred between the Organization and 4KIDS of South Florida, Inc.:

|  | Year Ended June 30, |      |
|--|---------------------|------|
|  | 2018                | 2017 |
| 4KIDS-related activity:  |                     |      |
| Grant of assets, liabilities, and net assets to 4KIDS<br>as a result of derecognition (Note 1) | \$ 6,397,529        | \$ - |
| Contributions to 4KIDS   | 244,299             | -    |
|  | \$ 6,641,828        | \$ - |
| Expenses paid to the Organization from 4KIDS:  |                     |      |
| Interest expense   | \$ 117,348          | \$ - |
| Management fees expense  | 198,601             | -    |
| Other expense  | 11,366              | -    |
|  | \$ 327,315          | \$ - |
|  |                     |      |
|  | June 30,            |      |
|  | 2018                | 2017 |
| Accrued interest on mortgage notes payable to the<br>Organization from 4KIDS                   | \$ 269,683          | \$ - |
| Amounts due from 4KIDS   | \$ 38,368           | \$ - |

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 30, 2018, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Subsequent to year-end, the Organization sold property for approximately \$2.1 million. This transaction generated a gain on sale of approximately \$450,000.

## **SUPPLEMENTARY DATA**

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY DATA**

Board of Directors

Calvary Chapel Church, Inc. d/b/a Calvary Chapel Fort Lauderdale and Affiliates

Fort Lauderdale, Florida

We have audited the consolidated financial statements of Calvary Chapel Church, Inc. d/b/a Calvary Chapel Fort Lauderdale and Affiliates (the Organization) as of and for the years ended June 30, 2018 and 2017, and our report thereon dated October 30, 2018, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations, and it is not a required part of the consolidated financial statements. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

*Capin Crouse LLP*

Lawrenceville, Georgia

October 30, 2018

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

**Consolidating Statement of Financial Position**

June 30, 2018

|  | <u>CCCI</u>                | <u>CCFL</u>                  | <u>HELPS</u>               | <u>4KIDS</u>       | <u>RC</u>          | <u>Eliminations</u>          | <u>Total</u>                 |
|--|----------------------------|------------------------------|----------------------------|--------------------|--------------------|------------------------------|------------------------------|
| <b>ASSETS:</b>                             |                            |                              |                            |                    |                    |                              |                              |
| Current assets:                            |                            |                              |                            |                    |                    |                              |                              |
| Cash and cash equivalents                  | \$ 2,461,052               | \$ 12,374,097                | \$ 123,903                 | \$ -               | \$ -               | \$ -                         | \$ 14,959,052                |
| Accounts, notes, and other receivables–net | 362,089                    | 2,224,107                    | -                          | -                  | -                  | -                            | 2,586,196                    |
| Amount due from affiliate                  | 42,650                     | 3,948                        | 50,385                     | -                  | -                  | (96,983)                     | -                            |
| Asset held for sale                        | -                          | 999,337                      | -                          | -                  | -                  | -                            | 999,337                      |
| Prepaid expenses and other assets          | 1,224,505                  | -                            | -                          | -                  | -                  | -                            | 1,224,505                    |
|  | <u>4,090,296</u>           | <u>15,601,489</u>            | <u>174,288</u>             | <u>-</u>           | <u>-</u>           | <u>(96,983)</u>              | <u>19,769,090</u>            |
| Property and equipment:                    |                            |                              |                            |                    |                    |                              |                              |
| Property and equipment–net                 | 3,168,695                  | 98,435,956                   | 1,046,484                  | -                  | -                  | -                            | 102,651,135                  |
| Construction in progress                   | 457,006                    | -                            | -                          | -                  | -                  | -                            | 457,006                      |
|  | <u>3,625,701</u>           | <u>98,435,956</u>            | <u>1,046,484</u>           | <u>-</u>           | <u>-</u>           | <u>-</u>                     | <u>103,108,141</u>           |
| Other assets:                              |                            |                              |                            |                    |                    |                              |                              |
| Intercompany loan receivable               | -                          | 9,847,000                    | -                          | -                  | -                  | (9,847,000)                  | -                            |
| <b>Total Assets</b>                        | <u><u>\$ 7,715,997</u></u> | <u><u>\$ 123,884,445</u></u> | <u><u>\$ 1,220,772</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ (9,943,983)</u></u> | <u><u>\$ 122,877,231</u></u> |

(continued)

See independent auditors' report on supplementary data

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

**Consolidating Statement of Financial Position**  
(continued)

June 30, 2018

|   | <u>CCCI</u>         | <u>CCFL</u>           | <u>HELPS</u>        | <u>4KIDS</u> | <u>RC</u>   | <u>Eliminations</u>   | <u>Total</u>          |
|---|---------------------|-----------------------|---------------------|--------------|-------------|-----------------------|-----------------------|
| <b>LIABILITIES AND NET ASSETS (DEFICIT):</b>      |                     |                       |                     |              |             |                       |                       |
| <b>Current liabilities:</b>                       |                     |                       |                     |              |             |                       |                       |
| Accounts payable and accrued expenses             | \$ 1,301,938        | \$ 1,749              | \$ 14,048           | \$ -         | \$ -        | \$ -                  | \$ 1,317,735          |
| Amount due to affiliate                           | 54,333              | 41,800                | 850                 | -            | -           | (96,983)              | -                     |
| Accrued payroll and benefits payable              | 2,636,938           | -                     | -                   | -            | -           | -                     | 2,636,938             |
| Deferred revenue                                  | 2,219,460           | 400                   | -                   | -            | -           | -                     | 2,219,860             |
| Current portion of long-term debt                 | -                   | 837,221               | -                   | -            | -           | -                     | 837,221               |
| Current portion of capital lease obligations      | -                   | -                     | -                   | -            | -           | -                     | -                     |
|   | <u>6,212,669</u>    | <u>881,170</u>        | <u>14,898</u>       | <u>-</u>     | <u>-</u>    | <u>(96,983)</u>       | <u>7,011,754</u>      |
| <b>Long-term liabilities:</b>                     |                     |                       |                     |              |             |                       |                       |
| Deferred revenue                                  | -                   | 691,749               | -                   | -            | -           | -                     | 691,749               |
| Intercompany loan payable                         | 8,800,000           | -                     | 1,047,000           | -            | -           | (9,847,000)           | -                     |
| Long-term debt, net of current portion            | -                   | 12,733,819            | -                   | -            | -           | -                     | 12,733,819            |
| Capital lease obligations, net of current portion | -                   | -                     | -                   | -            | -           | -                     | -                     |
|   | <u>8,800,000</u>    | <u>13,425,568</u>     | <u>1,047,000</u>    | <u>-</u>     | <u>-</u>    | <u>(9,847,000)</u>    | <u>13,425,568</u>     |
|   | <u>15,012,669</u>   | <u>14,306,738</u>     | <u>1,061,898</u>    | <u>-</u>     | <u>-</u>    | <u>(9,943,983)</u>    | <u>20,437,322</u>     |
| <b>Net assets (deficit):</b>                      |                     |                       |                     |              |             |                       |                       |
| Unrestricted                                      | (7,729,217)         | 109,553,761           | 158,874             | -            | -           | -                     | 101,983,418           |
| Temporarily restricted                            | 432,545             | 23,946                | -                   | -            | -           | -                     | 456,491               |
|   | <u>(7,296,672)</u>  | <u>109,577,707</u>    | <u>158,874</u>      | <u>-</u>     | <u>-</u>    | <u>-</u>              | <u>102,439,909</u>    |
| <b>Total Liabilities and Net Assets</b>           | <u>\$ 7,715,997</u> | <u>\$ 123,884,445</u> | <u>\$ 1,220,772</u> | <u>\$ -</u>  | <u>\$ -</u> | <u>\$ (9,943,983)</u> | <u>\$ 122,877,231</u> |

See independent auditors' report on supplementary data

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

**Consolidating Statement of Financial Position**

June 30, 2017

|  | <u>CCCI</u>         | <u>CCFL</u>           | <u>HELPS</u>        | <u>4KIDS</u>        | <u>RC</u>   | <u>Eliminations</u>    | <u>Total</u>          |
|--|---------------------|-----------------------|---------------------|---------------------|-------------|------------------------|-----------------------|
| <b>ASSETS:</b>                             |                     |                       |                     |                     |             |                        |                       |
| Current assets:                            |                     |                       |                     |                     |             |                        |                       |
| Cash and cash equivalents                  | \$ 1,477,007        | \$ 9,798,532          | \$ 100,592          | \$ 1,525,568        | \$ -        | \$ -                   | \$ 12,901,699         |
| Accounts, notes, and other receivables–net | 389,882             | 2,430                 | -                   | 526,717             | -           | -                      | 919,029               |
| Amount due from affiliate                  | 14,973              | 216,753               | 19,039              | 34,663              | -           | (285,428)              | -                     |
| Prepaid expenses and other assets          | 1,362,831           | 1,611                 | 6,792               | 108,030             | -           | -                      | 1,479,264             |
|  | <u>3,244,693</u>    | <u>10,019,326</u>     | <u>126,423</u>      | <u>2,194,978</u>    | <u>-</u>    | <u>(285,428)</u>       | <u>15,299,992</u>     |
| Property and equipment:                    |                     |                       |                     |                     |             |                        |                       |
| Property and equipment–net                 | 2,861,275           | 103,025,175           | 1,087,867           | 6,870,156           | -           | (691,748)              | 113,152,725           |
| Construction in progress                   | 330,838             | -                     | -                   | 4,853               | -           | -                      | 335,691               |
|  | <u>3,192,113</u>    | <u>103,025,175</u>    | <u>1,087,867</u>    | <u>6,875,009</u>    | <u>-</u>    | <u>(691,748)</u>       | <u>113,488,416</u>    |
| Other assets:                              |                     |                       |                     |                     |             |                        |                       |
| Intercompany loan receivable               | -                   | 10,072,454            | -                   | -                   | -           | (10,072,454)           | -                     |
|  | <u>-</u>            | <u>10,072,454</u>     | <u>-</u>            | <u>-</u>            | <u>-</u>    | <u>(10,072,454)</u>    | <u>-</u>              |
| <b>Total Assets</b>                        | <u>\$ 6,436,806</u> | <u>\$ 123,116,955</u> | <u>\$ 1,214,290</u> | <u>\$ 9,069,987</u> | <u>\$ -</u> | <u>\$ (11,049,630)</u> | <u>\$ 128,788,408</u> |

(continued)

See independent auditors' report on supplementary data



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

**Consolidating Statement of Financial Position  
(continued)**

June 30, 2017

|   | <u>CCCI</u>         | <u>CCFL</u>           | <u>HELPS</u>        | <u>4KIDS</u>        | <u>RC</u>   | <u>Eliminations</u>    | <u>Total</u>          |
|---|---------------------|-----------------------|---------------------|---------------------|-------------|------------------------|-----------------------|
| <b>LIABILITIES AND NET ASSETS (DEFICIT):</b>      |                     |                       |                     |                     |             |                        |                       |
| <b>Current liabilities:</b>                       |                     |                       |                     |                     |             |                        |                       |
| Accounts payable and accrued expenses             | \$ 861,292          | \$ 55,632             | \$ 6,846            | \$ 109,053          | \$ -        | \$ -                   | \$ 1,032,823          |
| Amount due to affiliate                           | 270,455             | 741                   | 1,570               | 12,661              | -           | (285,427)              | -                     |
| Accrued payroll and benefits payable              | 2,148,804           | -                     | -                   | 325,290             | -           | -                      | 2,474,094             |
| Deferred revenue                                  | 1,393,857           | -                     | -                   | -                   | -           | -                      | 1,393,857             |
| Current portion of long-term debt                 | -                   | 15,709,424            | -                   | -                   | -           | -                      | 15,709,424            |
| Current portion of capital lease obligation       | 198,147             | -                     | -                   | -                   | -           | -                      | 198,147               |
|   | <u>4,872,555</u>    | <u>15,765,797</u>     | <u>8,416</u>        | <u>447,004</u>      | <u>-</u>    | <u>(285,427)</u>       | <u>20,808,345</u>     |
| <b>Long-term liabilities:</b>                     |                     |                       |                     |                     |             |                        |                       |
| Deferred revenue                                  | -                   | 691,749               | -                   | -                   | -           | (691,749)              | -                     |
| Intercompany loan payable                         | 6,800,000           | -                     | 1,047,000           | 2,225,454           | -           | (10,072,454)           | -                     |
| Long-term debt, net of current portion            | -                   | -                     | -                   | -                   | -           | -                      | -                     |
| Capital lease obligations, net of current portion | -                   | -                     | -                   | -                   | -           | -                      | -                     |
|   | <u>6,800,000</u>    | <u>691,749</u>        | <u>1,047,000</u>    | <u>2,225,454</u>    | <u>-</u>    | <u>(10,764,203)</u>    | <u>-</u>              |
|   | <u>11,672,555</u>   | <u>16,457,546</u>     | <u>1,055,416</u>    | <u>2,672,458</u>    | <u>-</u>    | <u>(11,049,630)</u>    | <u>20,808,345</u>     |
| <b>Net assets (deficit):</b>                      |                     |                       |                     |                     |             |                        |                       |
| Unrestricted                                      | (5,360,674)         | 106,659,409           | 158,874             | 6,173,537           | -           | -                      | 107,631,146           |
| Temporarily restricted                            | 124,925             | -                     | -                   | 223,992             | -           | -                      | 348,917               |
|   | <u>(5,235,749)</u>  | <u>106,659,409</u>    | <u>158,874</u>      | <u>6,397,529</u>    | <u>-</u>    | <u>-</u>               | <u>107,980,063</u>    |
| <b>Total Liabilities and Net Assets</b>           | <u>\$ 6,436,806</u> | <u>\$ 123,116,955</u> | <u>\$ 1,214,290</u> | <u>\$ 9,069,987</u> | <u>\$ -</u> | <u>\$ (11,049,630)</u> | <u>\$ 128,788,408</u> |

See independent auditors' report on supplementary data

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

**Consolidating Statement of Activities**

Year Ended June 30, 2018

|   | <u>CCCI</u>       | <u>CCFL</u>      | <u>HELPS</u>   | <u>4KIDS</u>   | <u>RC</u> | <u>Eliminations</u> | <u>Total</u>      |
|---|-------------------|------------------|----------------|----------------|-----------|---------------------|-------------------|
| <b>CHANGE IN UNRESTRICTED NET ASSETS:</b>   |                   |                  |                |                |           |                     |                   |
| <b>Support:</b>   |                   |                  |                |                |           |                     |                   |
| General tithes and offerings  | \$ 27,594,210     | \$ -             | \$ 246,337     | \$ -           | \$ -      | \$ (246,337)        | \$ 27,594,210     |
| <b>Offerings for:</b>   |                   |                  |                |                |           |                     |                   |
| Building  | -                 | -                | -              | -              | -         | -                   | -                 |
| Missions  | 630,178           | -                | -              | -              | -         | -                   | 630,178           |
| Benevolence   | 48,440            | -                | -              | -              | -         | -                   | 48,440            |
| Outreach  | 186,230           | -                | -              | -              | -         | -                   | 186,230           |
| Calvary Christian Academy   | 454,987           | -                | -              | -              | -         | -                   | 454,987           |
| Special events  | -                 | -                | -              | -              | -         | -                   | -                 |
| Noncash donations   | 118,758           | -                | -              | -              | -         | -                   | 118,758           |
|   | <u>29,032,803</u> | <u>-</u>         | <u>246,337</u> | <u>-</u>       | <u>-</u>  | <u>(246,337)</u>    | <u>29,032,803</u> |
| <b>Revenue:</b>   |                   |                  |                |                |           |                     |                   |
| Ministry activities income  | 694,845           | -                | -              | -              | -         | -                   | 694,845           |
| Sales—bookstore, food services,<br>skate park, and thrift store                     | 4,100,913         | -                | -              | -              | -         | -                   | 4,100,913         |
| Calvary Christian Academy income  | 23,389,023        | -                | -              | -              | -         | -                   | 23,389,023        |
| Government grant income   | -                 | -                | -              | -              | -         | -                   | -                 |
| Rental income   | 165,875           | 6,977,160        | 60,000         | -              | -         | (6,984,000)         | 219,035           |
| Gain (loss) on sale of fixed assets   | (8,316)           | (935,216)        | 667            | -              | -         | -                   | (942,865)         |
| Interest and other income   | 288,874           | 148,038          | 48,981         | -              | -         | (118,811)           | 367,082           |
|   | <u>28,631,214</u> | <u>6,189,982</u> | <u>109,648</u> | <u>-</u>       | <u>-</u>  | <u>(7,102,811)</u>  | <u>27,828,033</u> |
| <b>Reclassifications:</b>   |                   |                  |                |                |           |                     |                   |
| Net assets released from restriction by<br>satisfaction of purpose/time restriction | 363,115           | 347,837          | -              | 223,992        | -         | -                   | 934,944           |
| <b>Total Support, Revenue,<br/>and Reclassifications</b>                            | <u>58,027,132</u> | <u>6,537,819</u> | <u>355,985</u> | <u>223,992</u> | <u>-</u>  | <u>(7,349,148)</u>  | <u>57,795,780</u> |

(continued)

See independent auditors' report on supplementary data

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

**Consolidating Statement of Activities  
(continued)**

Year Ended June 30, 2018

|   | CCCI               | CCFL             | HELPS          | 4KIDS          | RC       | Eliminations       | Total             |
|---|--------------------|------------------|----------------|----------------|----------|--------------------|-------------------|
| CHANGE IN UNRESTRICTED NET ASSETS, continued:             |                    |                  |                |                |          |                    |                   |
| Operating Expenses:                                       |                    |                  |                |                |          |                    |                   |
| Ministry services:  |                    |                  |                |                |          |                    |                   |
| Calvary Chapel affiliate support                          | 371,783            | -                | -              | -              | -        | (371,783)          | -                 |
| Church ministry and outreach                              | 8,714,725          | -                | 151,989        | -              | -        | (20,000)           | 8,846,714         |
| Missions outreach   | 1,615,068          | 120,000          | -              | -              | -        | -                  | 1,735,068         |
| Local outreach and benevolence                            | 1,313,984          | -                | -              | -              | -        | -                  | 1,313,984         |
| Media outreach  | 2,384,581          | -                | -              | -              | -        | -                  | 2,384,581         |
| Bookstore, food services,<br>skate park, and thrift store | 3,901,675          | -                | -              | -              | -        | -                  | 3,901,675         |
| Calvary Christian Academy                                 | 21,757,170         | -                | -              | -              | -        | (28,632)           | 21,728,538        |
|   | <u>40,058,986</u>  | <u>120,000</u>   | <u>151,989</u> | <u>-</u>       | <u>-</u> | <u>(420,415)</u>   | <u>39,910,560</u> |
| Administrative expenses:                                  |                    |                  |                |                |          |                    |                   |
| Building  | 13,452,957         | 15,590           | 656            | -              | -        | (7,230,337)        | 6,238,866         |
| Interest  | 3,605              | 469,239          | -              | -              | -        | -                  | 472,844           |
| Depreciation  | 1,222,693          | 3,012,664        | 99,384         | -              | -        | -                  | 4,334,741         |
| Administrative  | 6,029,217          | 25,974           | 103,956        | -              | -        | (70,179)           | 6,088,968         |
|   | <u>20,708,472</u>  | <u>3,523,467</u> | <u>203,996</u> | <u>-</u>       | <u>-</u> | <u>(7,300,516)</u> | <u>17,135,419</u> |
| Total Operating Expenses                                  | <u>60,767,458</u>  | <u>3,643,467</u> | <u>355,985</u> | <u>-</u>       | <u>-</u> | <u>(7,720,931)</u> | <u>57,045,979</u> |
| Change in Unrestricted Net Assets                         | <u>(2,740,326)</u> | <u>2,894,352</u> | <u>-</u>       | <u>223,992</u> | <u>-</u> | <u>371,783</u>     | <u>749,801</u>    |

(continued)

See independent auditors' report on supplementary data

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

**Consolidating Statement of Activities  
(continued)**

Year Ended June 30, 2018

|  | <u>CCCI</u>           | <u>CCFL</u>           | <u>HELPS</u>      | <u>4KIDS</u>     | <u>RC</u>   | <u>Eliminations</u> | <u>Total</u>          |
|--|-----------------------|-----------------------|-------------------|------------------|-------------|---------------------|-----------------------|
| CHANGES IN TEMPORARILY<br>RESTRICTED NET ASSETS: |                       |                       |                   |                  |             |                     |                       |
| Support and revenue:                             |                       |                       |                   |                  |             |                     |                       |
| Contributions for specified<br>purposes/projects | 1,042,518             | 371,783               | -                 | -                | -           | (371,783)           | 1,042,518             |
| Reclassifications:                               |                       |                       |                   |                  |             |                     |                       |
| Net assets released from restrictions            | (363,115)             | (347,837)             | -                 | (223,992)        | -           | -                   | (934,944)             |
| Change in Temporarily Restricted Net Assets      | <u>679,403</u>        | <u>23,946</u>         | <u>-</u>          | <u>(223,992)</u> | <u>-</u>    | <u>(371,783)</u>    | <u>107,574</u>        |
| Change in Net Assets Before<br>Grant to 4KIDS    | (2,060,923)           | 2,918,298             | -                 | -                | -           | -                   | 857,375               |
| Grant to 4KIDS                                   | <u>-</u>              | <u>-</u>              | <u>-</u>          | <u>6,397,529</u> | <u>-</u>    | <u>-</u>            | <u>6,397,529</u>      |
| Change in Net Assets                             | (2,060,923)           | 2,918,298             | -                 | (6,397,529)      | -           | -                   | (5,540,154)           |
| Net Assets (Deficit), Beginning of Year          | <u>(5,235,749)</u>    | <u>106,659,409</u>    | <u>158,874</u>    | <u>6,397,529</u> | <u>-</u>    | <u>-</u>            | <u>107,980,063</u>    |
| Net Assets (Deficit), End of Year                | <u>\$ (7,296,672)</u> | <u>\$ 109,577,707</u> | <u>\$ 158,874</u> | <u>\$ -</u>      | <u>\$ -</u> | <u>\$ -</u>         | <u>\$ 102,439,909</u> |

See independent auditors' report on supplementary data

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

**Consolidating Statement of Activities**

Year Ended June 30, 2017

|   | <u>CCCI</u>       | <u>CCFL</u>      | <u>HELPS</u>   | <u>4KIDS</u>     | <u>RC</u>        | <u>Eliminations</u> | <u>Total</u>      |
|---|-------------------|------------------|----------------|------------------|------------------|---------------------|-------------------|
| <b>CHANGE IN UNRESTRICTED NET ASSETS:</b>   |                   |                  |                |                  |                  |                     |                   |
| <b>Support:</b>   |                   |                  |                |                  |                  |                     |                   |
| General tithes and offerings  | \$ 27,241,625     | \$ -             | \$ 233,141     | \$ 3,251,960     | \$ 2,329,131     | \$ (2,855,861)      | \$ 30,199,996     |
| <b>Offerings for:</b>   |                   |                  |                |                  |                  |                     |                   |
| Building  | -                 | 65,803           | -              | -                | -                | (65,803)            | -                 |
| Missions  | 505,535           | -                | -              | -                | -                | -                   | 505,535           |
| Benevolence   | 88,145            | -                | -              | -                | -                | -                   | 88,145            |
| Outreach  | 315,730           | -                | -              | -                | -                | -                   | 315,730           |
| Calvary Christian Academy   | 524,263           | -                | -              | -                | -                | -                   | 524,263           |
| Special events  | -                 | -                | -              | 441,899          | -                | -                   | 441,899           |
| Noncash donations   | 204,391           | 40,000           | 1,791          | 1,030,226        | -                | -                   | 1,276,408         |
|   | <u>28,879,689</u> | <u>105,803</u>   | <u>234,932</u> | <u>4,724,085</u> | <u>2,329,131</u> | <u>(2,921,664)</u>  | <u>33,351,976</u> |
| <b>Revenue:</b>   |                   |                  |                |                  |                  |                     |                   |
| Ministry activities income  | 915,937           | -                | -              | 5,112            | 2,000            | (5,972)             | 917,077           |
| Sales—bookstore, food services,<br>skate park, and thrift store                     | 4,109,563         | -                | -              | -                | -                | (7,451)             | 4,102,112         |
| Calvary Christian Academy income  | 21,876,179        | -                | -              | -                | -                | -                   | 21,876,179        |
| Government grant income   | -                 | -                | -              | 2,287,487        | -                | -                   | 2,287,487         |
| Rental income   | 138,238           | 7,020,250        | 60,000         | 87,956           | 5,944            | (6,984,003)         | 328,385           |
| Gain on sale of fixed assets  | -                 | 1,556,411        | 5,500          | -                | 1,299,519        | -                   | 2,861,430         |
| Interest and other income   | 281,325           | 147,696          | 14,313         | 3,686            | -                | (385,484)           | 61,536            |
|   | <u>27,321,242</u> | <u>8,724,357</u> | <u>79,813</u>  | <u>2,384,241</u> | <u>1,307,463</u> | <u>(7,382,910)</u>  | <u>32,434,206</u> |
| <b>Reclassifications:</b>   |                   |                  |                |                  |                  |                     |                   |
| Net assets released from restriction by<br>satisfaction of purpose/time restriction | 185,732           | -                | -              | 211,532          | -                | -                   | 397,264           |
| <b>Total Support, Revenue,<br/>and Reclassifications</b>                            | <u>56,386,663</u> | <u>8,830,160</u> | <u>314,745</u> | <u>7,319,858</u> | <u>3,636,594</u> | <u>(10,304,574)</u> | <u>66,183,446</u> |

(continued)

See independent auditors' report on supplementary data

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

**Consolidating Statement of Activities**  
(continued)

Year Ended June 30, 2017

|   | <u>CCCI</u>        | <u>CCFL</u>      | <u>HELPS</u>   | <u>4KIDS</u>     | <u>RC</u>        | <u>Eliminations</u> | <u>Total</u>      |
|---|--------------------|------------------|----------------|------------------|------------------|---------------------|-------------------|
| CHANGE IN UNRESTRICTED NET ASSETS, continued:             |                    |                  |                |                  |                  |                     |                   |
| Expenses:   |                    |                  |                |                  |                  |                     |                   |
| Ministry services:  |                    |                  |                |                  |                  |                     |                   |
| Calvary Chapel affiliate support                          | 2,394,934          | 120,000          | -              | -                | -                | (2,514,934)         | -                 |
| Church ministry and outreach                              | 9,139,602          | -                | 129,836        | 3,734,858        | -                | (4,396)             | 12,999,900        |
| Missions outreach   | 1,325,441          | -                | -              | -                | -                | -                   | 1,325,441         |
| Local outreach and benevolence                            | 1,303,038          | -                | -              | -                | -                | -                   | 1,303,038         |
| Media outreach  | 2,769,349          | -                | -              | -                | 160,520          | -                   | 2,929,869         |
| Bookstore, food services,<br>skate park, and thrift store | 3,811,768          | -                | -              | -                | -                | -                   | 3,811,768         |
| Calvary Christian Academy                                 | 20,648,059         | -                | -              | -                | -                | (14,313)            | 20,633,746        |
|   | <u>41,392,191</u>  | <u>120,000</u>   | <u>129,836</u> | <u>3,734,858</u> | <u>160,520</u>   | <u>(2,533,643)</u>  | <u>43,003,762</u> |
| Administrative expenses:                                  |                    |                  |                |                  |                  |                     |                   |
| Building  | 12,935,741         | 152,037          | 66,443         | 353,145          | 133,923          | (7,223,036)         | 6,418,253         |
| Interest  | 22,050             | 446,090          | -              | 118,392          | -                | (118,392)           | 468,140           |
| Depreciation  | 1,324,679          | 3,008,094        | 85,341         | 260,559          | 73,448           | -                   | 4,752,121         |
| Administrative  | 6,115,316          | 40,122           | 33,125         | 1,760,071        | 21,306           | (429,503)           | 7,540,437         |
|   | <u>20,397,786</u>  | <u>3,646,343</u> | <u>184,909</u> | <u>2,492,167</u> | <u>228,677</u>   | <u>(7,770,931)</u>  | <u>19,178,951</u> |
| Total Expenses  | <u>61,789,977</u>  | <u>3,766,343</u> | <u>314,745</u> | <u>6,227,025</u> | <u>389,197</u>   | <u>(10,304,574)</u> | <u>62,182,713</u> |
| Change in Unrestricted Net Assets                         | <u>(5,403,314)</u> | <u>5,063,817</u> | <u>-</u>       | <u>1,092,833</u> | <u>3,247,397</u> | <u>-</u>            | <u>4,000,733</u>  |

(continued)

See independent auditors' report on supplementary data

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

**Consolidating Statement of Activities**  
(continued)

Year Ended June 30, 2017

|  | <u>CCCI</u>           | <u>CCFL</u>           | <u>HELPS</u>      | <u>4KIDS</u>        | <u>RC</u>   | <u>Eliminations</u> | <u>Total</u>          |
|--|-----------------------|-----------------------|-------------------|---------------------|-------------|---------------------|-----------------------|
| CHANGES IN TEMPORARILY<br>RESTRICTED NET ASSETS: |                       |                       |                   |                     |             |                     |                       |
| Support and revenue:                             |                       |                       |                   |                     |             |                     |                       |
| Contributions for specified<br>purposes/projects | 227,624               | -                     | -                 | 152,200             | -           | -                   | 379,824               |
| Reclassifications:                               |                       |                       |                   |                     |             |                     |                       |
| Net assets released from restrictions            | (185,732)             | -                     | -                 | (211,532)           | -           | -                   | (397,264)             |
| Change in Temporarily Restricted Net Assets      | 41,892                | -                     | -                 | (59,332)            | -           | -                   | (17,440)              |
| Change in Net Assets                             | (5,361,422)           | 5,063,817             | -                 | 1,033,501           | 3,247,397   | -                   | 3,983,293             |
| Net Assets (Deficit), Beginning of Year          | 125,673               | 101,595,592           | 158,874           | 5,364,028           | (3,247,397) | -                   | 103,996,770           |
| Net Assets (Deficit), End of Year                | <u>\$ (5,235,749)</u> | <u>\$ 106,659,409</u> | <u>\$ 158,874</u> | <u>\$ 6,397,529</u> | <u>\$ -</u> | <u>\$ -</u>         | <u>\$ 107,980,063</u> |

See independent auditors' report on supplementary data

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

**Schedule of Functional Expenses**

Year Ended June 30, 2018

|                               | Program Services                           |                                 |                                      |                      |                      |                     |                                | Supporting Services          |                                  |                   |                                 | Total                |
|-------------------------------|--|---------------------------------|--------------------------------------|----------------------|----------------------|---------------------|--------------------------------|------------------------------|----------------------------------|-------------------|---------------------------------|----------------------|
|                               | Church Ministry<br>and General<br>Outreach | Calvary<br>Christian<br>Academy | Local<br>Outreach and<br>Benevolence | Missions<br>Outreach | Resource<br>Ministry | Media<br>Outreach   | Food<br>Services<br>Ministries | Total<br>Program<br>Services | General<br>and<br>Administrative | Fund-raising      | Total<br>Supporting<br>Services |                      |
| <b>EXPENSES:</b>              |  |                                 |                                      |                      |                      |                     |                                |                              |                                  |                   |                                 |                      |
| Salaries and wages            | \$ 6,736,802                               | \$ 15,660,240                   | \$ 619,918                           | \$ 148,390           | \$ 165,822           | \$ 1,136,985        | \$ 1,404,495                   | \$ 25,872,652                | \$ 1,990,768                     | \$ 237,900        | \$ 2,228,668                    | \$ 28,101,320        |
| Payroll taxes and benefits    | 1,168,626                                  | 4,310,159                       | 121,248                              | 21,486               | 29,118               | 241,675             | 294,811                        | 6,187,123                    | 503,127                          | 53,663            | 556,790                         | 6,743,913            |
| Occupancy and maintenance     | 2,970,303                                  | 1,771,636                       | 218,275                              | 2,100                | 51,406               | 425,149             | 376,885                        | 5,815,754                    | 184,143                          | 59,265            | 243,408                         | 6,059,162            |
| Depreciation and amortization | 1,732,449                                  | 1,432,279                       | 46,904                               | 2,234                | 50,875               | 713,906             | 183,182                        | 4,161,829                    | 150,361                          | 22,551            | 172,912                         | 4,334,741            |
| Professional fees             | 273,921                                    | 341,831                         | 17,015                               | 18,869               | 14,058               | 22,223              | 95,269                         | 783,186                      | 373,502                          | 11,790            | 385,292                         | 1,168,478            |
| Printing and supplies         | 326,578                                    | 2,569,904                       | 41,125                               | 11,611               | 15,665               | 42,153              | 203,989                        | 3,211,025                    | 148,731                          | 8,244             | 156,975                         | 3,368,000            |
| Outreach and benevolence      | 871,060                                    | 217,805                         | 668,062                              | 267,834              | 2,205                | 15,314              | 29,989                         | 2,072,269                    | 37,495                           | 1,784             | 39,279                          | 2,111,548            |
| Missionary support            | 102,172                                    | 171,182                         | 272,049                              | 1,157,791            | 3,030                | 15,179              | 56,902                         | 1,778,305                    | 41,570                           | 2,906             | 44,476                          | 1,822,781            |
| Cost of goods sold            | 105,825                                    | 5,651                           | -                                    | -                    | 327,406              | -                   | 1,244,194                      | 1,683,076                    | -                                | -                 | -                               | 1,683,076            |
| Conferences and camps         | 491,889                                    | 218,925                         | 4,801                                | 318                  | 18                   | 5,357               | 159                            | 721,467                      | 734                              | 26,511            | 27,245                          | 748,712              |
| Media production              | 10,856                                     | -                               | -                                    | -                    | -                    | 78,806              | -                              | 89,662                       | -                                | -                 | -                               | 89,662               |
| Travel                        | 171,912                                    | 144,128                         | 12,227                               | 9,837                | 13                   | 1,978               | 112                            | 340,207                      | 1,507                            | 28                | 1,535                           | 341,742              |
| Interest                      | 207,342                                    | 178,735                         | 6,005                                | -                    | 7,613                | 32,626              | 21,042                         | 453,363                      | 18,630                           | 851               | 19,481                          | 472,844              |
| <b>Total Expenses</b>         | <b>\$ 15,169,735</b>                       | <b>\$ 27,022,475</b>            | <b>\$ 2,027,629</b>                  | <b>\$ 1,640,470</b>  | <b>\$ 667,229</b>    | <b>\$ 2,731,351</b> | <b>\$ 3,911,029</b>            | <b>\$ 53,169,918</b>         | <b>\$ 3,450,568</b>              | <b>\$ 425,493</b> | <b>\$ 3,876,061</b>             | <b>\$ 57,045,979</b> |

See independent auditors' report on supplementary data



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

**Schedule of Functional Expenses**

Year Ended June 30, 2017

|                               | Program Services                           |                                 |                                      |                      |                      |                     |                                | Supporting Services          |                                  |                     |                                 | Total                |
|-------------------------------|--|---------------------------------|--------------------------------------|----------------------|----------------------|---------------------|--------------------------------|------------------------------|----------------------------------|---------------------|---------------------------------|----------------------|
|                               | Church Ministry<br>and General<br>Outreach | Calvary<br>Christian<br>Academy | Local<br>Outreach and<br>Benevolence | Missions<br>Outreach | Resource<br>Ministry | Media<br>Outreach   | Food<br>Services<br>Ministries | Total<br>Program<br>Services | General<br>and<br>Administrative | Fund-raising        | Total<br>Supporting<br>Services |                      |
| <b>EXPENSES:</b>              |  |                                 |                                      |                      |                      |                     |                                |                              |                                  |                     |                                 |                      |
| Salaries and wages            | \$ 10,696,433                              | \$ 14,836,769                   | \$ 618,909                           | \$ 152,421           | \$ 255,514           | \$ 1,293,744        | \$ 1,332,282                   | \$ 29,186,072                | \$ 2,214,933                     | \$ 938,010          | \$ 3,152,943                    | \$ 32,339,015        |
| Payroll taxes and benefits    | 1,178,049                                  | 4,120,500                       | 118,336                              | 20,445               | 56,596               | 233,827             | 241,057                        | 5,968,810                    | 502,727                          | 58,773              | 561,500                         | 6,530,310            |
| Occupancy and maintenance     | 3,407,332                                  | 1,942,937                       | 176,635                              | 3,556                | 50,381               | 530,581             | 284,293                        | 6,395,715                    | 214,468                          | 30,935              | 245,403                         | 6,641,118            |
| Depreciation and amortization | 1,963,227                                  | 1,361,004                       | 56,061                               | 1,906                | 48,799               | 913,352             | 174,322                        | 4,518,671                    | 201,766                          | 31,684              | 233,450                         | 4,752,121            |
| Professional fees             | 245,161                                    | 281,877                         | 10,104                               | 4,842                | 17,633               | 16,176              | 77,140                         | 652,933                      | 327,049                          | 4,389               | 331,438                         | 984,371              |
| Printing and supplies         | 346,869                                    | 2,399,524                       | 34,058                               | 8,101                | (1,793)              | 54,252              | 141,362                        | 2,982,373                    | 137,741                          | 13,808              | 151,549                         | 3,133,922            |
| Outreach and benevolence      | 1,510,987                                  | 256,692                         | 662,653                              | 118,925              | 2,877                | 17,243              | 89,729                         | 2,659,106                    | 56,638                           | 233,114             | 289,752                         | 2,948,858            |
| Missionary support            | 213,106                                    | 64,660                          | 243,720                              | 843,273              | 834                  | 4,145               | 3,928                          | 1,373,666                    | 17,426                           | 2,818               | 20,244                          | 1,393,910            |
| Cost of goods sold            | 70,722                                     | -                               | -                                    | -                    | 399,103              | -                   | 1,258,453                      | 1,728,278                    | -                                | -                   | -                               | 1,728,278            |
| Conferences and camps         | 419,998                                    | 219,006                         | 3,494                                | 21                   | 82                   | 3,796               | 4,201                          | 650,598                      | 2,264                            | 150,559             | 152,823                         | 803,421              |
| Media production              | 29,504                                     | -                               | -                                    | -                    | -                    | 153,426             | -                              | 182,930                      | -                                | -                   | -                               | 182,930              |
| Travel                        | 150,570                                    | 101,248                         | 11,949                               | 9,407                | 44                   | 1,814               | 209                            | 275,241                      | 928                              | 150                 | 1,078                           | 276,319              |
| Interest                      | 212,675                                    | 168,203                         | 7,069                                | -                    | 6,975                | 30,804              | 19,241                         | 444,967                      | 20,317                           | 2,856               | 23,173                          | 468,140              |
| <b>Total Expenses</b>         | <b>\$ 20,444,633</b>                       | <b>\$ 25,752,420</b>            | <b>\$ 1,942,988</b>                  | <b>\$ 1,162,897</b>  | <b>\$ 837,045</b>    | <b>\$ 3,253,160</b> | <b>\$ 3,626,217</b>            | <b>\$ 57,019,360</b>         | <b>\$ 3,696,257</b>              | <b>\$ 1,467,096</b> | <b>\$ 5,163,353</b>             | <b>\$ 62,182,713</b> |

See independent auditors' report on supplementary data