

**1901 CHURCH
FINANCIAL REPORT**

(Reviewed)

December 31, 2014



Analyzing Yesterday. Adjusting Today. Planning Tomorrow.



**1901 CHURCH
FINANCIAL REPORT
December 31, 2014
(Reviewed)**

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CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

1901 Church
Jennerstown, Pennsylvania

We have reviewed the accompanying statement of Statement of Financial Position of 1901 Church as of December 31, 2014 and the related statements of Activities, Functional Expenses and Cash Flows, for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly we do not express such an opinion.

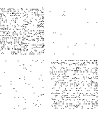
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Barnes Saly & Company, P.C.

Johnstown, Pennsylvania
November 11, 2015



1901 CHURCH
STATEMENT OF FINANCIAL POSITION
December 31, 2014
See Independent Accountant's Review Report

Assets

Current Assets:	
Cash and cash equivalents	\$ 55,154
Accounts receivable	250
Total Current Assets	55,404
Property and equipment, net of accumulated depreciation of \$10,730	128,609
Total Assets	\$ 184,013

Liabilities and Net Assets

Current Liabilities:	
Accounts payable	\$ 8,690
Bank loan payable	29,633
Loan payable	3,000
Deferred revenue	1,400
Total Current Liabilities	42,723
Net Assets:	
Unrestricted	87,740
Temporarily restricted	53,550
Total Net Assets	141,290
Total Liabilities and Net Assets	\$ 184,013

See notes to the financial statements.

1901 CHURCH
STATEMENT OF ACTIVITIES
Year ended December 31, 2014
See Independent Accountant's Review Report

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenues:			
Donations	\$ 34,482	\$ -	\$ 34,482
Sponsorships	5,850	-	5,850
Grants	-	61,466	61,466
Affiliated organizations	500	-	500
Rent revenue	21,025	-	21,025
Earned revenue	15,609	-	15,609
Sale of assets	420	-	420
Miscellaneous	1,458	-	1,458
	<u>79,344</u>	<u>61,466</u>	<u>140,810</u>
Total support and revenue			
Net assets released from restrictions	<u>7,916</u>	<u>(7,916)</u>	<u>-</u>
Total public support, revenue and reclassifications	87,260	53,550	140,810
Expenses:			
Program	67,668	-	67,668
Management and general	15,154	-	15,154
Fundraising	8,045	-	8,045
	<u>90,867</u>	<u>-</u>	<u>90,867</u>
Total Expenses			
Change in net assets	(3,607)	53,550	49,943
Net assets, beginning	<u>91,347</u>	<u>-</u>	<u>91,347</u>
Net assets, ending	<u>\$ 87,740</u>	<u>\$ 53,550</u>	<u>\$ 141,290</u>

See notes to the financial statements.

1901 CHURCH
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2014
See Independent Accountant's Review Report

	Program	Management and General	Fundraising	Total
Advertising	\$ 1,248	\$ -	\$ -	\$ 1,248
Depreciation	4,766	-	-	4,766
Management Fees	9,360	6,720	7,920	24,000
Miscellaneous	2,035	-	125	2,160
Office Expenses	-	2,028	-	2,028
Professional Fees	4,900	2,350	-	7,250
Program Expenses	13,498	-	-	13,498
Travel and Meetings	288	-	-	288
Insurance		4,056		4,056
Occupancy expense:				
Grounds keeping	6,740	-	-	6,740
Rent	6,938	-	-	6,938
Real Estate Taxes	3,702	-	-	3,702
Repairs and Maintenance	4,024	-	-	4,024
Utilities	10,169	-	-	10,169
		-		-
Total	\$ 67,668	\$ 15,154	\$ 8,045	\$ 90,867

See notes to the financial statements.

1901 CHURCH

STATEMENT OF CASH FLOWS

Year ended December 31, 2014

See Independent Accountant's Review Report

Cash Flows From Operating Activities:	
Change in net assets	\$ 49,943
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	4,766
Decrease in accounts payable	(326)
Decrease in deferred revenue	(8,500)
Increase in accounts receivable	<u>(250)</u>
Net cash provided by operating activities	<u>45,633</u>
Cash Flows From Investing Activities:	
Proceeds from mortgage loan	29,633
Principal payments on loans payable	<u>(31,000)</u>
Net cash used in investing activities	<u>(1,367)</u>
Net increase in cash and cash equivalents	44,266
Cash and cash equivalents, beginning of year	<u>10,888</u>
Cash and cash equivalents, end of year	<u><u>\$ 55,154</u></u>

See notes to the financial statements.

1901 CHURCH

NOTES TO FINANCIAL STATEMENTS December 31, 2014

Note 1: Summary of Significant Accounting Policies

Nature of Activities

1901 Church ("the Organization") is a nonprofit organization engaged primarily in the conservation of threatened, historically significant former church buildings by finding sustainable reuses for them that contribute to and enhance the local community's quality of life.

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting.

Financial Statement Presentation

Financial statement presentation follows the FASB ASC 958-205, Financial Statements of Not-for-Profit Organizations. Under the FASB ASC, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

Contributions are accounted for following FASB ASC 958-605, Accounting for Contributions Received and Contributions Made. All contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are classified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Concentration

The Organization at December 31, 2014, and periodically throughout the year, has maintained balances in various bank accounts which may have been in excess of federally insured limits.

1901 CHURCH

NOTES TO FINANCIAL STATEMENTS December 31, 2014

Note 1: Summary of Significant Accounting Policies (continued)

Unrestricted Net Assets

Unrestricted net assets consist of resources available for the various programs and administration of the Organization which have not been restricted by a donor or other outside party.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of donor restricted contributions. Amounts restricted by the donor, grantor or other outside party for a particular purpose are recognized as revenue when received and such unexpended amounts are reported as temporarily restricted net assets at year end. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of support, revenue and expenses as "net assets released from restrictions."

Permanently Restricted Net Assets

Permanently restricted net assets consist of donor restricted contributions which are required to be held in perpetuity and income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations. There were no permanently restricted net assets with donor restrictions at December 31, 2014.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities and of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

No provision for federal taxes on income has been included in the accounts since 1901 Church qualifies as an exempt organization meeting the requirements Section 501 (c)(3) of the Internal Revenue Code. The Organization follows FASB ASC 740 Accounting for Uncertainty in Income Taxes. The ASC requires the Organization to evaluate tax positions taken and determine whether it is more-likely-than-not that the tax position will be sustained upon examination based on the technical merits of the position. The Organization has performed an evaluation and has determined there are no material unrecognized tax positions or uncertain tax positions that meet the reporting and disclosure provisions of the ASC. The Organization's income tax return is subject to review and examination by federal and state authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization's tax returns for the years 2011 and forward are open to examination by federal and state authorities.

1901 CHURCH

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

Note 2: Property & Equipment

During 2011, three historical church properties were obtained by the Organization from the Johnstown-Altoona Catholic Diocese. These assets are recorded as at their fair market value per an appraisal performed during 2011. These assets are being depreciated on the straight-line method over their estimated useful lives.

Maintenance and repair costs are charged to expense in the year incurred. Expenditures that increase the life or extend the productivity of the asset are capitalized. At December 31, 2014, property and equipment were comprised of the following:

	<u>Estimated Useful Life</u>	
Land		\$ 20,920
Building Improvements	5 years	4,890
Furniture, Fixtures & Equipment	7 years	8,059
Buildings	40 years	<u>105,470</u>
Total Cost		139,339
Less: Accumulated Depreciation		<u>(10,730)</u>
Property and Equipment, Net		<u>\$ 128,609</u>

Depreciation expense for the year ending December 31, 2014 amounted to \$4,766.

Note 3: Loans Payable

In December 2011, as part of the purchase of the church properties, the Organization entered into three non-interest bearing notes with lump sum payments totaling \$30,000 due December 31, 2014. These loans were paid off in December 2014.

The Organization has an unsecured, non-interest bearing loan payable to a director of the Organization. The loan was used to help purchase a grand piano. As of December 31, 2014, the balance of the loan payable is \$3,000. The loan is recorded as a current liability.

In December 2014 the Organization entered into a loan agreement with a local bank to borrow \$29,633. The amount is payable in monthly installments of principal and interest of \$250 beginning January 2015 with an interest rate of 4%. The loan is payable on demand.

Note 4: Fundraising

The Organization had multiple fund raising activities during fiscal year ended December 31, 2014. The total direct fundraising fees totaled \$125, and indirect fundraising fees totaled \$7,260 for the year ending December 31, 2014.

Note 5: Subsequent Events

The Company has evaluated subsequent events through November 11, 2015, the date the financial statements were available to be issued. The results of this evaluation indicated the following events or transactions be disclosed: In June 2015 the Organization sold the St. Casimir Church property for \$18,892.