

***CRISIS ASSISTANCE MINISTRY***

***FINANCIAL STATEMENTS***

***JUNE 30, 2020***

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***CRISIS ASSISTANCE MINISTRY***  
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**JUNE 30, 2020**

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# ***C. DEWITT FOARD & COMPANY, P.A.***

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*CERTIFIED PUBLIC ACCOUNTANTS  
817 EAST MOREHEAD STREET SUITE 100  
CHARLOTTE, NORTH CAROLINA 28202  
TELEPHONE: 704-372-1515 WWW.CDFCO.COM*

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Crisis Assistance Ministry  
Charlotte, North Carolina

We have audited the accompanying financial statements of Crisis Assistance Ministry (the "Organization" - a nonprofit corporation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Crisis Assistance Ministry, as of June 30, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Crisis Assistance Ministry  
Charlotte, North Carolina

Report on Summarized Comparative Information

We have previously audited the Organization's 2019 financial statements, and our report dated October 3, 2019, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*C. DeWitt Ford & Company, P.A.*  
October 15, 2020

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**CRISIS ASSISTANCE MINISTRY****STATEMENT OF FINANCIAL POSITION****JUNE 30, 2020, WITH PRIOR YEAR COMPARATIVE TOTALS**

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	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 5,999,949	\$ 5,254,624
Receivables:		
Grants	1,677,313	992,845
Sales tax refund	16,332	16,626
Inventory	101,107	93,913
Prepaid expenses	50,982	84,903
Equipment, furniture and vehicles, net	278,245	258,659
Cash, held for long-term use	310,000	310,000
Investments:		
Beneficial interest in assets held in trust by third party	1,829,648	1,652,914
<b>TOTAL ASSETS</b>	<b><u>\$ 10,263,576</u></b>	<b><u>\$ 8,664,484</u></b>
 <b>LIABILITIES &amp; NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 324,571	\$ 308,472
Capital lease obligation	60,438	16,292
Total Liabilities	<u>385,009</u>	<u>324,764</u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	6,615,881	5,356,730
Designated	310,000	310,000
Total Net Assets Without Donor Restrictions	<u>6,925,881</u>	<u>5,666,730</u>
With Donor Restrictions	<u>2,952,686</u>	<u>2,672,990</u>
Total Net Assets	<u>9,878,567</u>	<u>8,339,720</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u>\$ 10,263,576</u></b>	<b><u>\$ 8,664,484</u></b>

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**CRISIS ASSISTANCE MINISTRY****STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2020, WITH PRIOR YEAR COMPARATIVE TOTALS**

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	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Totals</u>	<u>2019 Totals</u>
<b>SUPPORT &amp; REVENUE</b>				
Governmental Grants:				
Federal:				
U.S. Department of Health and Human Services	\$ -	\$ 2,035,826	\$ 2,035,826	\$ 2,377,246
Federal Emergency Management Mecklenburg County	-	160,279	160,279	259,355
City of Charlotte	1,757,859	1,789,322	3,547,181	4,007,199
United Way	-	389,159	389,159	380,000
Contributions:	174,031	-	174,031	504,459
Cash	6,023,546	2,167,501	8,191,047	6,600,973
In-kind	2,142,439	-	2,142,439	3,458,149
Investment Earnings	32,502	(13,950)	18,552	87,681
Other	52,152	-	52,152	3,244
Net assets released from restrictions:				
Satisfaction of time restrictions	217,500	(217,500)	-	-
Restrictions satisfied by payments	6,030,941	(6,030,941)	-	-
<b>TOTAL SUPPORT &amp; REVENUE</b>	<u>16,430,970</u>	<u>279,696</u>	<u>16,710,666</u>	<u>17,678,306</u>
<b>EXPENSES</b>				
Program Services	13,828,639	-	13,828,639	15,269,484
Management and General	406,450	-	406,450	410,465
Fund Raising	936,730	-	936,730	888,703
<b>TOTAL EXPENSES</b>	<u>15,171,819</u>	<u>-</u>	<u>15,171,819</u>	<u>16,568,652</u>
<b>CHANGE IN NET ASSETS</b>	<u>1,259,151</u>	<u>279,696</u>	<u>1,538,847</u>	<u>1,109,654</u>
<b>NET ASSETS, BEGINNING</b>	<u>5,666,730</u>	<u>2,672,990</u>	<u>8,339,720</u>	<u>7,230,066</u>
<b>NET ASSETS, ENDING</b>	<u>\$ 6,925,881</u>	<u>\$ 2,952,686</u>	<u>\$ 9,878,567</u>	<u>\$ 8,339,720</u>

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**CRISIS ASSISTANCE MINISTRY****STATEMENT OF FUNCTIONAL EXPENSES****YEAR ENDED JUNE 30, 2020, WITH PRIOR YEAR COMPARATIVE TOTALS**

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							Program	
	General	Duke Utility	Rental	Low Income	Energy	General	Emergency	
	Ministry	Assistance/ Rate Settlement	Assistance	Home Energy Assistance	Assistance	Assistance	Food and Shelter	Emergency Assistance
Direct Client Aid:								
Rent and mortgage	\$ 1,584,283	\$ -	\$ 213,528	\$ -	\$ -	\$ 162,952	\$ 58,000	\$ 991,945
Utilities	309,342	314,024	-	2,037,760	149,839	177,305	-	300,465
Food	25,320	-	-	-	-	-	-	-
Domestic Violence	-	-	-	-	-	75,000	-	-
Reasonable Efforts	-	-	-	-	-	82,717	-	-
Other	12,773	-	-	-	-	-	-	716
Clothing and furniture	-	-	-	-	-	-	-	-
Salaries and benefits	-	-	-	-	-	-	-	-
Equipment and data management	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Fees and services	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Travel and conferences	-	-	-	-	-	-	-	-
Staff/volunteer apprec.	-	-	-	-	-	-	-	-
Dues and training	-	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 1,931,718</b>	<b>\$ 314,024</b>	<b>\$ 213,528</b>	<b>\$ 2,037,760</b>	<b>\$ 149,839</b>	<b>\$ 497,974</b>	<b>\$ 58,000</b>	<b>\$ 1,293,126</b>

Services

Project Management	Direct Program Admin.	Free Store	Furniture Bank	Advocacy	Total Program Services	Management and General	Fundraising	2020 Totals	2019 Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,010,708	\$ -	\$ -	\$ 3,010,708	\$ 2,438,379
-	-	-	-	-	3,288,735	-	-	3,288,735	4,244,430
-	-	-	-	-	25,320	-	-	25,320	32,030
-	-	-	-	-	75,000	-	-	75,000	99,950
-	-	-	-	-	82,717	-	-	82,717	318,855
-	-	-	-	-	13,489	-	-	13,489	10,782
-	-	1,848,621	242,855	-	2,091,476	-	-	2,091,476	3,559,675
229,543	2,913,985	534,046	384,732	237,757	4,300,063	274,031	730,583	5,304,677	4,643,512
1,721	137,575	29,025	32,338	5,680	206,339	33,697	82,481	322,517	311,223
266	22,316	4,384	2,932	858	30,756	6,061	67,747	104,564	164,629
86	68,409	83,091	137,669	189	289,444	7,551	8,088	305,083	306,056
406	20,809	7,934	5,564	1,355	36,068	17,306	7,377	60,751	48,096
160,003	94,769	34,953	32,738	2,065	324,528	28,889	18,652	372,069	157,723
324	17,473	3,236	2,265	971	24,269	5,541	3,559	33,369	30,259
230	-	-	-	-	230	910	1,236	2,376	3,567
108	1,959	587	542	833	4,029	6,207	2,512	12,748	33,094
331	9,801	1,984	2,296	921	15,333	4,369	8,203	27,905	47,396
188	8,535	695	467	250	10,135	21,888	6,292	38,315	118,996
<u>\$ 393,206</u>	<u>\$ 3,295,631</u>	<u>\$ 2,548,556</u>	<u>\$ 844,398</u>	<u>\$ 250,879</u>	<u>\$ 13,828,639</u>	<u>\$ 406,450</u>	<u>\$ 936,730</u>	<u>\$ 15,171,819</u>	<u>\$ 16,568,652</u>



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**CRISIS ASSISTANCE MINISTRY****STATEMENT OF CASH FLOWS****YEAR ENDED JUNE 30, 2020, WITH PRIOR YEAR COMPARATIVE TOTALS**

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	<u>2020</u>	<u>2019</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,538,847	\$ 1,109,654
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	68,613	60,012
Gain (loss) on beneficial interest held in trust	13,266	(45,018)
(Increase) decrease in operating assets:		
Receivables	(684,174)	(85,407)
Inventory	(7,194)	62,552
Prepaid expenses	33,921	(17,922)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	16,099	57,895
Cash Flows From Operating Activities	<u>979,378</u>	<u>1,141,766</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of equipment and furniture	(29,606)	(14,986)
Proceeds from sale of investments	-	214,064
Purchase of investments	(190,000)	-
Cash Flows From Investing Activities	<u>(219,606)</u>	<u>199,078</u>
<b>FINANCING ACTIVITIES</b>		
Principal payments on capital lease obligation	(14,447)	(26,902)
Cash Flows From Financing Activities	<u>(14,447)</u>	<u>(26,902)</u>
CHANGE IN CASH	745,325	1,313,942
CASH, BEGINNING	<u>5,564,624</u>	<u>4,250,682</u>
CASH, ENDING	<u>\$ 6,309,949</u>	<u>\$ 5,564,624</u>
<b>CASH AND EQUIVALENTS PER STATEMENT OF FINANCIAL POSITION</b>		
Held for operations	\$ 5,999,949	\$ 5,254,624
Held for long-term use	<u>310,000</u>	<u>310,000</u>
	<u>\$ 6,309,949</u>	<u>\$ 5,564,624</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest paid	<u>\$ 1,465</u>	<u>\$ 2,239</u>
Equipment purchased under a capital lease	<u>\$ 58,593</u>	<u>\$ 16,631</u>

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***CRISIS ASSISTANCE MINISTRY***  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE A - ORGANIZATION AND PURPOSE**

**Nature of Activities**

Crisis Assistance Ministry (the "Organization") is a nonprofit corporation that provides help, hope, and understanding to people in Mecklenburg County struggling with limited financial resources. The Organization prevents eviction and utility disconnection with emergency rent and utility assistance; helps meet basic needs with clothing, household goods, and essential furniture and appliances; leads people to economic mobility through financial coaching and counseling; and educates the community about the complexities and challenges of poverty. The Organization's primary sources of support are governmental grants along with public grants and contributions. The Organization is a participating agency of the United Way.

The Organization's major programs consist of the following:

***General Ministry - CAM Funds:*** Donated funds from individuals, faith partners, foundations, corporations, and grants which are used for assistance with rent, mortgage, utilities, food and other needs as identified.

***Duke Utility Assistance/Rate Settlement:*** Funding provided by Duke Energy programs for the purpose of assisting low-income customers with heating or cooling utilities based on the season of the year along with orders granted by the North Carolina Utilities Commission to provide assistance to Duke Energy Carolinas' electric customers.

***City Rental Assistance:*** Funding grant from the City of Charlotte that provides rental and mortgage assistance to families and individuals threatened with eviction who have a Charlotte address.

***Low Income Energy Assistance - Crisis Intervention Program:*** Crisis Intervention Program funds are federal funds that assist individuals and families who are experiencing a heating or cooling related crisis.

***City Utility Assistance:*** Funding grant from the City of Charlotte that provides emergency assistance to families and individuals who are threatened with the loss of energy or water and who have a Charlotte address.

***General Assistance:*** Mecklenburg County funding that assists households that include an elderly or disabled household member with rent, mortgage utilities or other needs as request by the Department of Social Services.

***Emergency Food and Shelter - FEMA:*** Federal funding that provides assistance with past due rent or mortgage that is no greater than one month's rent/mortgage.

***Emergency Assistance:*** Mecklenburg County funding that assists families with minor children who are 17 years of age and under with rent, mortgage or utilities which are in danger of disconnection.

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**CRISIS ASSISTANCE MINISTRY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Project Management:** Salaries and operating costs for the project management team which enables the Organization to initiate, prioritize and manage projects needed to meet strategic programmatic goals.

**Direct Program Administration:** Salaries and operating costs for the Financial Stability department that administers all direct rent and utility customer aid programs.

**Free Store:** Salaries and operating costs of a Free Store that provides donated clothing and household items to low income clients.

**Furniture Bank:** Salaries and operating costs of a Furniture Bank that provides donated furniture and appliances to low income clients based on referrals from Partner Agencies.

**Advocacy:** Salaries and operating costs of advocacy programs that promote awareness and advocacy regarding poverty.

**Income Tax Status**

The Organization is a North Carolina not-for-profit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity under Section 509(a)(1) of the Internal Revenue Code.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Organization is required under U.S. generally accepted accounting principles (GAAP) to report information regarding its financial position and activities according to the following classes of net assets:

**Net assets without donor restrictions** – These amounts are not subject to any donor-imposed stipulations and include resources invested in property and equipment. Also included in net assets without donor restrictions are funds designated for activities other than normal operations by the Organization’s Board of Directors. Designated funds at year-end consist of amounts held for future long-term needs.

**Net assets with donor restrictions** – These amounts consist of temporarily restricted net assets, which are subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time, and permanently restricted net assets, which are subject to donor-imposed stipulations that they be maintained permanently by the Organization.

**Grants and Contributions**

The Organization reports contributions and grants of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Donated Facilities, Services, and Goods**

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***CRISIS ASSISTANCE MINISTRY***  
**NOTES TO FINANCIAL STATEMENTS**  
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The Organization operates from a facility owned by Mecklenburg County (the County). No lease arrangement exists between the Organization and the County. The fair value of the rent has been calculated at \$155,000 for the year and has been reflected in the financial statements as a contribution with a like amount included in occupancy expense.

Many individuals volunteer their time and perform a variety of tasks that enable the Organization to carry out its mission. During the year, the Organization received 36,937 volunteer hours relating to these donated services; however, no amounts have been reflected in the accompanying statement of activities since the Organization's contributed services generally do not meet the criteria for recognition.

The Organization receives donations of clothing, household items, gift cards, and furniture for distribution to the general public in need. Donations of these items are reflected in the accompanying statement of activities as contributions at their estimated fair value at date of donation. During the year, the Organization distributed 660,998 articles of clothing and household items and 5,166 pieces of furniture and appliances with a combined estimated fair value of \$1,980,246.

**Inventory**

The Organization's inventory consists of donated clothing, furniture, and appliances on hand at year-end, stated at estimated fair value.

**Equipment and Furniture**

It is the policy of the Organization to record donated equipment and furniture at estimated fair value and purchased equipment and furniture at cost, both subject to a \$1,000 capitalization policy. Depreciation is calculated using the straight-line method. Equipment and software are depreciated over a five-year life and furniture is depreciated over a ten-year life.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Revenue recognition**

The Organization expects to adopt the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2014-09, "*Revenue from Contracts with Customers*" (ASU 2014-09), for the year ending June 30, 2021. The core principle of this standard is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Management believes that the impact of this standard will not be material to the Organization's financial statements.

**Functional Allocation of Expenses**

The Organization's activities are focused in three functional areas. Program services represent the primary focus of the Organization's activities. Supporting services are fundraising activities and management and general activities. Direct client aid expenses are directly allocated to program services.

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***CRISIS ASSISTANCE MINISTRY***  
**NOTES TO FINANCIAL STATEMENTS**  
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Salaries and benefits expenses are allocated based on management's estimates of time and effort. Occupancy expenses are allocated based on space usage. All other expenses are allocated on an analysis of the various expenses that comprise those costs.

**Prior-Year Comparative Totals**

The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with the Organization's 2019 financial statements, from which the summarized information was derived. Certain prior-year amounts may have been reclassified to conform to the presentation in the current-year financial statements.

**NOTE C - GRANTS RECEIVABLE**

Unconditional grants and contributions receivable recognized as support in the year promised. Conditional promises receivable are recognized when the conditions on which they depend are substantially met. Based on historic collections management has determined that no allowance for doubtful accounts is needed. A present value discount of \$4,473 has been applied to long-term pledges using a 10-year US Treasury rate of 2.35 percent.

Grants receivable as of year-end consists of the following:

Year ended June 30:	
2021	\$ 1,621,786
2022	9,806
2023	9,579
2024	9,356
2025	9,139
Thereafter	<u>17,647</u>
	<u><u>\$ 1,677,313</u></u>

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**CRISIS ASSISTANCE MINISTRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE D - INVESTMENTS**

Investments are reported at fair value in accordance with GAAP. Also, in accordance with GAAP, the Organization has included in these financial statements the fair value of investments and related income earned on certain funds held in trust solely for the benefit of the Organization.

**Beneficial Interests in Assets Held in Trust by Third Party**

The Foundation For The Carolinas (the Foundation) holds in trust accounts for the benefit of the Organization. The Organization may request annual distributions of accumulated income from these accounts. Recommendations for distribution of principal, as considered necessary by the Board of Directors of the Organization, may be made to the Foundation. The Foundation has complete discretion as to the timing and amounts of distributions from these funds; however, the Foundation has no variance power to distribute any portion of these funds to another not-for-profit entity. The accounts at year-end are comprised of the following:

<i>Quasi-Endowed Designated pool -</i>	
<i>Active Long-Term investment strategy</i>	\$ 1,814,593
<i>Endowed-Designated pool -</i>	
<i>Diversified Long-Term investment strategy</i>	<u>15,055</u>
	<u>\$ 1,829,648</u>

**NOTE E - FAIR VALUE MEASUREMENTS**

Current accounting standards require fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

**Level 1** - Fair value is based on quoted prices in active markets for identical assets or liabilities.

**Level 2** - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization's beneficial interest in assets held in trust by the Foundation are classified as Level 3 assets. Values of these investments are determined by the Foundation based on the fair value of the underlying assets, which consists of assets some of which are publicly traded and some of which are not publicly traded.

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**CRISIS ASSISTANCE MINISTRY**  
**NOTES TO FINANCIAL STATEMENTS**  
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The following table sets forth a summary of changes in the fair value of the Organization's level 3 assets for the year:

Balance, beginning of year	\$ 1,652,914
Purchases	190,000
Decrease in value	<u>(13,266)</u>
Balance, end of year	<u>\$ 1,829,648</u>

**NOTE F - EQUIPMENT AND FURNITURE**

Equipment, furniture and vehicles at year-end consist of the following:

Computer equipment	\$ 418,558
Furniture and equipment	152,810
Vehicles	72,896
Leasehold Improvements	<u>52,974</u>
	697,238
Less - accumulated depreciation	<u>418,993</u>
	<u>\$ 278,245</u>

Depreciation expense for the year totaled \$68,613.

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**CRISIS ASSISTANCE MINISTRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE G - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at year-end consist of the following:

Temporarily restricted net assets	\$ 2,946,436
Permanently restricted net assets	<u>6,250</u>
	<u>\$ 2,952,686</u>

Temporarily restricted net assets represent amounts with donor stipulations that limit the use of the funds, and at year-end are as follows:

United Way allocation receivable for the period ending December 31, 2021	\$ 108,750
Beneficial interest in investments held in trust by third party:	
Fund for the Future	1,814,593
Accumulated Income on Endowment Fund	2,136
Share the Warmth (Duke Energy)	44,023
Duke Energy Rate Settlement	270,365
Targeted Prevention	40,471
Rent and utility assistance	317,411
Clothing and furniture	112,467
Financial stability - CLT	<u>236,220</u>
	<u>\$ 2,946,436</u>

Permanently restricted net assets at year-end of \$6,250 represent a beneficial interest in assets held in trust in perpetuity by the Foundation. These Endowment investments are managed by the Foundation, who has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions while growing the funds. Actual returns in any given year will vary.

**NOTE H - RETIREMENT PLAN**

Crisis Assistance Ministry maintains a defined contribution retirement plan qualified under Internal Revenue Code Section 401(k). An employee is immediately eligible to make contributions to the plan; however, employees must have one year of service to receive a contribution from the Organization. The Organization contributed \$176,663 for the year to employee accounts. The Organization's contributions to the plan are determined annually by the Board of Directors. All accounts are immediately 100 percent vested.



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***CRISIS ASSISTANCE MINISTRY***  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE I - CONCENTRATION OF CREDIT RISK**

**Cash and Certificates of Deposit**

Cash in bank accounts and certificates of deposit are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The total cash and certificates of deposit held by the Organization at year-end covered by the FDIC, include \$2,321,230 in excess of insured limits.

**Grants Receivable**

Grants receivable at year-end include allocations from United Way of \$108,750 for the period ending December 31, 2021, and \$1,423,347 of grant reimbursements from two governmental agencies.

**Investments**

As disclosed in Note D above, the Organization maintains investments which are subject to fluctuations in market values and expose the Organization to a certain degree of investment risk.

**Support**

The Organization receives a substantial amount of its total support and revenue from a limited number of funding sources. These amounts, as reflected in the accompanying schedule of activities, represent a substantial concentration of risk. The Organization also operates within a limited geographical area.

**NOTE J - CONTINGENCIES**

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audits by the funding agencies. Such audits could result in claims against Crisis Assistance Ministry for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

**NOTE K - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has \$7,638,067 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$5,999,949 and receivables of \$1,638,118 which are expected to be collected during the year. Of this total \$1,023,093 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

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**CRISIS ASSISTANCE MINISTRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE L - LEASE COMMITMENTS**

The Organization leases various warehouse space and various office equipment under non-cancelable operating leases. Total lease payments made during the year totaled \$112,502. Minimum future rental payments under these leases are as follows:

Year ending June 30:		
2021	\$	93,134
2022		2,442
2023		1,424
		<hr/>
Total	\$	97,000
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The Organization leases office equipment under capital lease arrangements. Total lease payments made during the year under this lease totaled \$17,107. Minimum future payments under this lease for the year ended are as follows:

Year ending June 30:		
2021	\$	25,083
2022		24,863
2023		12,877
		<hr/>
Total lease payments		62,823
Less amount representing interest		2,385
		<hr/>
Present value of net minimum lease payments	\$	60,438
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**NOTE M – UNCERTAINTIES**

The COVID-19 pandemic has resulted in major changes in the local economy. At this point, the full impact of this pandemic on the Organization is unknown, but management believes that it could negatively impact the support and revenue for the foreseeable future.

**NOTE N - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors' report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.