

CRISIS ASSISTANCE MINISTRY

FINANCIAL STATEMENTS

JUNE 30, 2021

CRISIS ASSISTANCE MINISTRY
TABLE OF CONTENTS
JUNE 30, 2021

	Page
Independent Auditors' Report	1-2
Audited Financial Statements:	
Statement of Financial Position.....	3
Statement of Activities	4
Statement of Functional Expenses.....	5-6
Statement of Cash Flows	7
Notes to Financial Statements	8-16

C. DEWITT FOARD & COMPANY, P.A.

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, 2021, 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, 2021 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 2020 financial statements, and our report dated October 15, 2020, 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, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

C. Dewitt Ford & Company, P.A.
October 5, 2021

CRISIS ASSISTANCE MINISTRY**STATEMENT OF FINANCIAL POSITION****JUNE 30, 2021, WITH PRIOR YEAR COMPARATIVE TOTALS**

	2021	2020
ASSETS		
Cash	\$ 6,218,960	\$ 5,999,949
Receivables:		
Grants	701,877	1,677,313
Sales tax refund	20,996	16,332
Inventory	418,127	101,107
Prepaid expenses	40,885	50,982
Equipment, furniture and vehicles, net	244,411	278,245
Cash, held for long-term use	310,000	310,000
Investments:		
Beneficial interest in assets held in trust by third party	2,369,216	1,829,648
TOTAL ASSETS	\$ 10,324,472	\$ 10,263,576
LIABILITIES & NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 401,232	\$ 324,571
Capital lease obligation	64,671	60,438
Total Liabilities	465,903	385,009
Net Assets:		
Without Donor Restrictions:		
Undesignated	6,591,623	6,615,881
Designated	310,000	310,000
Total Net Assets Without Donor Restrictions	6,901,623	6,925,881
With Donor Restrictions	2,956,946	2,952,686
Total Net Assets	9,858,569	9,878,567
TOTAL LIABILITIES & NET ASSETS	\$ 10,324,472	\$ 10,263,576

CRISIS ASSISTANCE MINISTRY**STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2021, WITH PRIOR YEAR COMPARATIVE TOTALS**

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	2020 Totals
SUPPORT & REVENUE				
Governmental Grants:				
Federal:				
U.S. Department of Health and Human Services	\$ -	\$ 2,528,050	\$ 2,528,050	\$ 2,035,826
Small Business Administration	-	819,068	819,068	-
Federal Emergency Management	-	327,756	327,756	160,279
Mecklenburg County	1,720,965	1,833,900	3,554,865	3,547,181
City of Charlotte	-	211,745	211,745	389,159
United Way	159,379	164,500	323,879	174,031
Contributions:				
Cash	8,016,501	533,513	8,550,014	8,191,047
In-kind	1,391,584	-	1,391,584	2,142,439
Investment Earnings	9,170	538,873	548,043	18,552
Other	481	-	481	52,152
Net assets released from restrictions:				
Satisfaction of time restrictions	191,000	(191,000)	-	-
Restrictions satisfied by payments	6,762,145	(6,762,145)	-	-
TOTAL SUPPORT & REVENUE	18,251,225	4,260	18,255,485	16,710,666
 EXPENSES				
Program Services	16,911,765	-	16,911,765	13,828,639
Management and General	412,521	-	412,521	406,450
Fund Raising	951,197	-	951,197	936,730
TOTAL EXPENSES	18,275,483	-	18,275,483	15,171,819
CHANGE IN NET ASSETS	(24,258)	4,260	(19,998)	1,538,847
NET ASSETS, BEGINNING	6,925,881	2,952,686	9,878,567	8,339,720
NET ASSETS, ENDING	\$ 6,901,623	\$ 2,956,946	\$ 9,858,569	\$ 9,878,567

CRISIS ASSISTANCE MINISTRY**STATEMENT OF FUNCTIONAL EXPENSES****YEAR ENDED JUNE 30, 2021, WITH PRIOR YEAR COMPARATIVE TOTALS**

	Program Services							
	General Ministry	Duke Utility Assistance/ Rate Settlement	Low Income Home Energy Assistance	Energy Assistance	General Assistance	Emergency Food and Shelter	Emergency Assistance	Project Management
Direct Client Aid:								
Rent and mortgage	\$ 3,531,191	\$ -	\$ -	\$ -	\$ 320,482	\$ 178,548	\$ 1,003,678	\$ -
Utilities	1,085,413	433,156	2,528,050	247,042	147,949	-	219,681	-
Food	906	-	-	-	-	-	-	-
Domestic Violence	-	-	-	-	75,000	-	-	-
Reasonable Efforts	-	-	-	-	67,423	-	-	-
Other	5,010	-	-	-	-	-	-	-
Clothing and furniture	-	-	-	-	-	-	-	-
Salaries and benefits	-	-	-	-	-	-	-	123,098
Equipment and data management	-	-	-	-	-	-	-	1,889
Communications	-	-	-	-	-	-	-	438
Occupancy	-	-	-	-	-	-	-	110
Supplies	-	-	-	-	-	-	-	222
Fees and services	-	-	-	-	-	-	-	3,284
Insurance	-	-	-	-	-	-	-	355
Bad debt and other	-	-	-	-	-	-	-	-
Travel and conferences	-	-	-	-	-	-	-	-
Staff/volunteer apprec.	-	-	-	-	-	-	-	428
Dues and training	-	-	-	-	-	-	-	26
TOTAL EXPENSES	\$ 4,622,520	\$ 433,156	\$ 2,528,050	\$ 247,042	\$ 610,854	\$ 178,548	\$ 1,223,359	\$ 129,850

Direct Program Admin.	Free Store	Furniture Bank	Advocacy	Total Program Services	Management and General	Fundraising	2021 Totals	2020 Totals
\$ -	\$ -	\$ -	\$ -	\$ 5,033,899	\$ -	\$ -	\$ 5,033,899	\$ 3,010,708
-	-	-	-	4,661,291	-	-	4,661,291	3,288,735
-	-	-	-	906	-	-	906	25,320
-	-	-	-	75,000	-	-	75,000	75,000
-	-	-	-	67,423	-	-	67,423	82,717
-	-	-	-	5,010	-	-	5,010	13,489
-	924,009	111,074	-	1,035,083	-	-	1,035,083	2,091,476
3,900,836	561,545	219,772	210,824	5,016,075	270,169	703,755	5,989,999	5,304,677
179,339	31,506	19,050	7,266	239,050	38,189	87,484	364,723	322,517
64,707	4,858	10,028	2,077	82,108	7,370	81,777	171,255	104,564
67,583	80,992	143,456	261	292,402	7,913	8,378	308,693	305,083
23,687	4,483	4,070	6,720	39,182	4,084	4,657	47,923	60,751
80,902	38,461	31,046	35,331	189,024	33,635	47,127	269,786	372,069
19,180	3,552	2,486	1,566	27,139	4,497	3,907	35,543	33,369
128,677	-	-	-	128,677	5,531	451	134,659	2,376
407	201	100	-	708	5,303	397	6,408	12,748
10,161	2,300	1,216	693	14,798	3,968	8,537	27,303	27,905
3,128	259	325	252	3,990	31,862	4,727	40,579	38,315
<u>\$ 4,478,607</u>	<u>\$ 1,652,166</u>	<u>\$ 542,623</u>	<u>\$ 264,990</u>	<u>\$ 16,911,765</u>	<u>\$ 412,521</u>	<u>\$ 951,197</u>	<u>\$ 18,275,483</u>	<u>\$ 15,171,819</u>

CRISIS ASSISTANCE MINISTRY**STATEMENT OF CASH FLOWS****YEAR ENDED JUNE 30, 2021, WITH PRIOR YEAR COMPARATIVE TOTALS**

	2021	2020
OPERATING ACTIVITIES		
Change in net assets	\$ (19,998)	\$ 1,538,847
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	77,521	68,613
(Gain) loss on beneficial interest held in trust	(539,568)	13,266
(Increase) decrease in operating assets:		
Receivables	970,772	(684,174)
Inventory	(317,020)	(7,194)
Prepaid expenses	10,097	33,921
Increase in operating liabilities:		
Accounts payable and accrued expenses	76,661	16,099
Cash Flows From Operating Activities	<u>258,465</u>	<u>979,378</u>
INVESTING ACTIVITIES		
Acquisition of equipment and furniture	(12,251)	(29,606)
Purchase of investments	-	(190,000)
Cash Flows From Investing Activities	<u>(12,251)</u>	<u>(219,606)</u>
FINANCING ACTIVITIES		
Principal payments on capital lease obligation	(27,203)	(14,447)
Cash Flows From Financing Activities	<u>(27,203)</u>	<u>(14,447)</u>
CHANGE IN CASH	219,011	745,325
CASH, BEGINNING	<u>6,309,949</u>	<u>5,564,624</u>
CASH, ENDING	<u><u>\$ 6,528,960</u></u>	<u><u>\$ 6,309,949</u></u>
CASH AND EQUIVALENTS PER STATEMENT OF FINANCIAL POSITION		
Held for operations	\$ 6,218,960	\$ 5,999,949
Held for long-term use	<u>310,000</u>	<u>310,000</u>
	<u><u>\$ 6,528,960</u></u>	<u><u>\$ 6,309,949</u></u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 6,548</u>	<u>\$ 1,465</u>
Equipment purchased under a capital lease	<u><u>\$ 31,436</u></u>	<u><u>\$ 58,593</u></u>

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 a 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.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 are subject to donor-imposed stipulations. These restrictions may be temporary in nature, with the restriction being met either by actions of the Organization or the passage of time, or permanent, such that the net assets will be held in perpetuity 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.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 4,746 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 the date of donation. During the year, the Organization distributed 343,777 articles of clothing and household items and 540 pieces of furniture and appliances with a combined estimated fair value of \$919,564.

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 adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (ASU 2014-09)*, during the year ended 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. Adoption of this standard did not have a material effect on 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.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 2020 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 are 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:	
2022	\$ 656,350
2023	10,000
2024	10,000
2025	10,000
2026	10,000
Thereafter	<u>10,000</u>
	706,350
Less present value discount	<u>4,473</u>
	<u><u>\$ 701,877</u></u>

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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>	\$ 2,350,191
<i>Endowed-Designated pool -</i>	
<i>Diversified Long-Term investment strategy</i>	<u>19,025</u>
	<u><u>\$ 2,369,216</u></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.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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	\$ 1,829,648
Increase in value	<u>539,568</u>
Balance, end of year	<u>\$ 2,369,216</u>

NOTE F - EQUIPMENT AND FURNITURE

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

Computer equipment	\$ 460,912
Furniture and equipment	152,811
Vehicles	72,896
Leasehold Improvements	<u>54,306</u>
	740,925
Less - accumulated depreciation	<u>496,514</u>
	<u><u>\$ 244,411</u></u>

Depreciation expense for the year totaled \$77,521.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

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

Net assets restricted for time or purpose	\$ 2,950,696
Net assets restricted in perpetuity	<u>6,250</u>
	<u>\$ 2,956,946</u>

Net assets restricted for time or purpose 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	\$ 82,250
Beneficial interest in investments held in trust by third party:	
Fund for the Future	2,350,191
Accumulated Income on Endowment Fund	5,410
Share the Warmth (Duke Energy)	44,359
Duke Energy Rate Settlement	25,756
 Rent and utility assistance	 311,207
Clothing and furniture	2,674
Financial stability - CLT	<u>128,849</u>
	<u>\$ 2,950,696</u>

Net assets restricted in perpetuity 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 \$185,024 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.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 \$2,099,439 in excess of insured limits.

Grants Receivable

Grants receivable at year-end include allocations from United Way of \$82,250 for the period ending December 31, 2021, and \$220,819 of grant reimbursements from one governmental agency.

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 \$6,895,026 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$6,218,960 and receivables of \$676,066 which are expected to be collected during the year. Of this total, \$513,995 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.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 \$117,658. Minimum future rental payments under these leases are as follows:

Year ending June 30:	
2022	\$ 64,965
2023	19,744
2024	18,319
2025	3,053
	<hr/>
Total	\$ 106,081

The Organization leases office equipment under capital lease arrangements. Total lease payments made during the year under this lease totaled \$31,065. Minimum future payments under this lease for the year ended are as follows:

Year ending June 30:	
2022	\$ 35,800
2023	24,738
2024	5,233
	<hr/>
Total lease payments	65,771
Less amount representing interest	1,100
	<hr/>
Present value of net minimum lease payments	\$ 64,671

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. In order to mitigate the effect of the COVID-19 pandemic, the Organization received a Paycheck Protection Program (“PPP”) loan for \$819,068 from the Small Business Administration in April 2021. Because the Organization’s management believes that the requirements for the forgiveness of this loan had been met by year-end, it has been recognized as a governmental grant in the Statement of Activities. This source of funds is not expected to be a recurring source of income for the Organization.

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.