

***CRISIS ASSISTANCE MINISTRY***

***FINANCIAL STATEMENTS***

***JUNE 30, 2022***

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***CRISIS ASSISTANCE MINISTRY***  
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**JUNE 30, 2022**

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

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying financial statements of Crisis Assistance Ministry (the "Organization" - a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crisis Assistance Ministry as of June 30, 2022, 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.

### **Basis of Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Crisis Assistance Ministry and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Crisis Assistance Ministry's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of Crisis Assistance Ministry's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Crisis Assistance Ministry's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 5, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

C. Dewitt Ford & Company, P.A.  
September 23, 2022

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**CRISIS ASSISTANCE MINISTRY****STATEMENT OF FINANCIAL POSITION****JUNE 30, 2022, WITH PRIOR YEAR COMPARATIVE TOTALS**

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	2022	2021
<b>ASSETS</b>		
Cash	\$ 5,521,531	\$ 6,218,960
Receivables:		
Grants	1,042,644	701,877
Sales tax refund	11,842	20,996
Inventory	86,908	418,127
Prepaid expenses	27,606	40,885
Equipment, furniture and vehicles, net	179,382	244,411
Cash, held for long-term use	310,000	310,000
Investments:		
Beneficial interest in assets held in trust by third party	2,030,266	2,369,216
<b>TOTAL ASSETS</b>	<b>\$ 9,210,179</b>	<b>\$ 10,324,472</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 328,296	\$ 401,232
Capital lease obligation	34,301	64,671
Total Liabilities	362,597	465,903
Net Assets:		
Without Donor Restrictions:		
Undesignated	5,595,405	6,591,623
Designated	310,000	310,000
Total Net Assets Without Donor Restrictions	5,905,405	6,901,623
With Donor Restrictions	2,942,177	2,956,946
Total Net Assets	8,847,582	9,858,569
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 9,210,179</b>	<b>\$ 10,324,472</b>

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**CRISIS ASSISTANCE MINISTRY****STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2022, WITH PRIOR YEAR COMPARATIVE TOTALS**

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	Without Donor Restrictions	With Donor Restrictions	2022 Totals	2021 Totals
<b>SUPPORT &amp; REVENUE</b>				
Governmental Grants:				
Federal:				
U.S. Department of Health and Human Services	\$ -	\$ -	\$ -	\$ 2,528,050
Small Business Administration	-	-	-	819,068
Federal Emergency Management	-	541,016	541,016	327,756
Mecklenburg County	365,495	2,268,448	2,633,943	3,554,865
City of Charlotte	-	674,096	674,096	211,745
United Way	144,613	106,925	251,538	323,879
Contributions:				
Cash	6,557,335	975,825	7,533,160	8,550,014
In-kind	1,448,440	-	1,448,440	1,391,584
Investment Earnings	10,103	(339,690)	(329,587)	548,043
Other	10,045	-	10,045	481
Net assets released from restrictions:				
Satisfaction of time restrictions	135,713	(135,713)	-	-
Restrictions satisfied by payments	4,105,676	(4,105,676)	-	-
<b>TOTAL SUPPORT &amp; REVENUE</b>	<b>12,777,420</b>	<b>(14,769)</b>	<b>12,762,651</b>	<b>18,255,485</b>
 <b>EXPENSES</b>				
Program Services	12,511,904	-	12,511,904	16,911,765
Management and General	354,331	-	354,331	412,521
Fund Raising	907,403	-	907,403	951,197
<b>TOTAL EXPENSES</b>	<b>13,773,638</b>	<b>-</b>	<b>13,773,638</b>	<b>18,275,483</b>
<b>CHANGE IN NET ASSETS</b>	<b>(996,218)</b>	<b>(14,769)</b>	<b>(1,010,987)</b>	<b>(19,998)</b>
<b>NET ASSETS, BEGINNING</b>	<b>6,901,623</b>	<b>2,956,946</b>	<b>9,858,569</b>	<b>9,878,567</b>
<b>NET ASSETS, ENDING</b>	<b>\$ 5,905,405</b>	<b>\$ 2,942,177</b>	<b>\$ 8,847,582</b>	<b>\$ 9,858,569</b>

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**CRISIS ASSISTANCE MINISTRY****STATEMENT OF FUNCTIONAL EXPENSES****YEAR ENDED JUNE 30, 2022, WITH PRIOR YEAR COMPARATIVE TOTALS**

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								Program
	General	Duke Utility	Rental	Energy	General	Economic	Emergency	
	Ministry	Assistance/ Rate Settlement	Assistance	Assistance	Assistance	Mobility	Food and Shelter	Emergency Assistance
Direct Client Aid:								
Rent and mortgage	\$ 1,985,338	\$ -	\$ 216,972	\$ -	\$ 286,154	\$ 237,441	\$ 251,486	\$ 1,225,077
Utilities	323,803	557,469	-	366,249	102,365	28,559	-	174,852
Food	11,838	-	-	-	-	-	-	-
Domestic Violence	-	-	-	-	100,000	-	-	-
Reasonable Efforts	-	-	-	-	110,000	-	-	-
Other	6,308	-	-	-	-	4,000	-	-
Clothing and furniture	-	-	-	-	-	-	-	-
Salaries and benefits	-	-	-	-	-	-	-	-
Equipment and data management	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Fees and services	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Bad debt and other	-	-	-	-	-	-	-	-
Travel and conferences	-	-	-	-	-	-	-	-
Staff/volunteer apprec.	-	-	-	-	-	-	-	-
Dues and training	-	-	-	-	-	-	-	-
TOTAL EXPENSES	<u>\$ 2,327,287</u>	<u>\$ 557,469</u>	<u>\$ 216,972</u>	<u>\$ 366,249</u>	<u>\$ 598,519</u>	<u>\$ 270,000</u>	<u>\$ 251,486</u>	<u>\$ 1,399,929</u>

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Services

Project Management	Direct Program Admin.	Free Store	Furniture and Appliance Store	Advocacy	Total Program Services	Management and General	Fundraising	2022 Totals	2021 Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,202,468	\$ -	\$ -	\$ 4,202,468	\$ 5,033,899
-	-	-	-	-	1,553,297	-	-	1,553,297	4,661,291
-	-	-	-	-	11,838	-	-	11,838	906
-	-	-	-	-	100,000	-	-	100,000	75,000
-	-	-	-	-	110,000	-	-	110,000	67,423
-	-	-	-	-	10,308	-	-	10,308	5,010
-	-	1,584,995	71,712	-	1,656,707	-	-	1,656,707	1,035,083
102,616	3,125,863	478,608	284,367	187,588	4,179,042	230,736	661,701	5,071,479	5,989,999
1,963	167,696	31,755	24,812	8,193	234,419	32,487	73,304	340,210	364,723
366	37,964	3,878	4,730	1,868	48,806	5,435	70,297	124,538	171,255
91	66,592	80,348	83,954	203	231,188	7,639	8,163	246,990	308,693
121	8,557	5,440	1,293	7,914	23,325	487	4,859	28,671	47,923
482	37,334	24,096	15,992	9,395	87,299	23,787	66,751	177,837	269,786
374	20,179	3,737	2,616	1,621	28,527	4,732	4,111	37,370	35,543
-	(475)	-	3,367	-	2,892	5,282	901	9,075	134,659
-	522	180	-	-	702	4,092	2,198	6,992	6,408
206	13,687	2,087	1,512	619	18,111	3,944	4,767	26,822	27,303
67	11,412	673	546	277	12,975	35,710	10,351	59,036	40,579
<u>\$ 106,286</u>	<u>\$ 3,489,331</u>	<u>\$ 2,215,797</u>	<u>\$ 494,901</u>	<u>\$ 217,678</u>	<u>\$ 12,511,904</u>	<u>\$ 354,331</u>	<u>\$ 907,403</u>	<u>\$ 13,773,638</u>	<u>\$ 18,275,483</u>

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**CRISIS ASSISTANCE MINISTRY****STATEMENT OF CASH FLOWS****YEAR ENDED JUNE 30, 2022, WITH PRIOR YEAR COMPARATIVE TOTALS**

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	2022	2021
	<u>2022</u>	<u>2021</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,010,987)	\$ (19,998)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	73,531	77,521
(Gain) loss on beneficial interest held in trust	338,950	(539,568)
Loss on disposal of equipment	3,367	-
(Increase) decrease in operating assets:		
Receivables	(331,613)	970,772
Inventory	331,219	(317,020)
Prepaid expenses	13,279	10,097
Increase in operating liabilities:		
Accounts payable and accrued expenses	(72,936)	76,661
Cash Flows From Operating Activities	<u>(655,190)</u>	<u>258,465</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of equipment and furniture	(3,922)	(12,251)
Cash Flows From Investing Activities	<u>(3,922)</u>	<u>(12,251)</u>
<b>FINANCING ACTIVITIES</b>		
Principal payments on capital lease obligation	(38,317)	(27,203)
Cash Flows From Financing Activities	<u>(38,317)</u>	<u>(27,203)</u>
CHANGE IN CASH	(697,429)	219,011
CASH, BEGINNING	6,528,960	6,309,949
CASH, ENDING	<u>\$ 5,831,531</u>	<u>\$ 6,528,960</u>
<b>CASH AND EQUIVALENTS PER STATEMENT OF FINANCIAL POSITION</b>		
Held for operations	\$ 5,521,531	\$ 6,218,960
Held for long-term use	310,000	310,000
	<u>\$ 5,831,531</u>	<u>\$ 6,528,960</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest paid	\$ 6,088	\$ 6,548
Equipment purchased under a capital lease	\$ 7,947	\$ 31,436

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**CRISIS ASSISTANCE MINISTRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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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.

***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.

***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.

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**CRISIS ASSISTANCE MINISTRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**Furniture and Appliance Store:** Salaries and operating costs of a Furniture and Appliance Store 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.

**Donated Facilities, Services, and Goods**

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. The Organization only uses the donated facilities for its own program or supporting service activities.

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**CRISIS ASSISTANCE MINISTRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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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 9,560 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 618,530 articles of clothing and household items and 2,147 pieces of furniture and appliances with a combined estimated fair value of \$1,623,055.

**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.

**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.

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.

**Future Accounting Pronouncements**

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either financing or operating, with classifications affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2022. It is expected that the implementation of this standard will result in an increase in assets and liabilities, but it will not result in a material change in net assets.

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**CRISIS ASSISTANCE MINISTRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**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 2021 financial statements, from which the summarized information was derived.

**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 \$2,120 has been applied to long-term pledges using a 10-year US Treasury rate of 2.35 percent.

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

Year ended June 30:	
2023	\$ 1,014,764
2024	10,000
2025	10,000
2026	10,000
	<hr/>
	1,044,764
Less present value discount	2,120
	<hr/> <hr/>
	\$ 1,042,644

**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>	\$ 2,013,564
<i>Endowed-Designated pool -</i>	
<i>Diversified Long-Term investment strategy</i>	<hr/>
	16,702
	<hr/> <hr/>
	\$ 2,030,266

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**CRISIS ASSISTANCE MINISTRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**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.

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	\$ 2,369,216
Decrease in value	<u>338,950</u>
Balance, end of year	<u><u>\$ 2,030,266</u></u>

**NOTE F - EQUIPMENT AND FURNITURE**

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

Computer equipment	\$ 468,859
Furniture and equipment	179,447
Vehicles	50,182
Leasehold Improvements	<u>46,216</u>
	744,704
Less - accumulated depreciation	<u>565,322</u>
	<u><u>\$ 179,382</u></u>

Depreciation expense for the year totaled \$73,531.

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**CRISIS ASSISTANCE MINISTRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**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	\$ 2,935,927
Net assets restricted in perpetuity	<u>6,250</u>
	<u>\$ 2,942,177</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, 2022	\$ 53,462
Beneficial interest in investments held in trust by third party:	
Fund for the Future	2,013,564
Accumulated Income on Endowment Fund	2,347
Share the Light (Duke Energy)	13,599
Duke Energy Rate Settlement	171,123
Rent and utility assistance	579,797
Food	4,920
Economic Mobility	50,000
Financial stability - CLT	<u>47,115</u>
	<u>\$ 2,935,927</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 \$126,107 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**  
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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 \$1,727,281 in excess of insured limits.

**Grants Receivable**

Grants receivable at year-end include allocations from United Way of \$53,462 for the period ending December 31, 2022, and \$516,658 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 \$6,548,137 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$5,521,531 and receivables of \$1,026,606 which are expected to be collected during the year. Of this total, \$868,901 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**  
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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 \$73,065. Minimum future rental payments under these leases are as follows:

Year ending June 30:	
2023	\$ 19,744
2024	18,319
2025	<u>3,053</u>
Total	<u>\$ 41,116</u>

The Organization leases office equipment under capital lease arrangements. Total lease payments made during the year under this lease totaled \$39,417. Minimum future payments under this lease for the year ended are as follows:

Year ending June 30:	
2023	\$ 25,976
2024	7,989
2025	<u>1,545</u>
Total lease payments	35,510
Less amount representing interest	<u>1,209</u>
Present value of net minimum lease payments	<u>\$ 34,301</u>

**NOTE M - 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.