

Crisis Assistance Ministry

Financial Statements

June 30, 2023

CRISIS ASSISTANCE MINISTRY
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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, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to 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, 2023, 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Foard & Company, P.A.

December 15, 2023

CRISIS ASSISTANCE MINISTRY**STATEMENT OF FINANCIAL POSITION****JUNE 30, 2023, WITH PRIOR YEAR COMPARATIVE TOTALS**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 5,423,657	\$ 5,521,531
Receivables:		
Grants	893,205	1,042,644
Sales tax refund	17,944	11,842
Inventory	103,801	86,908
Prepaid expenses	39,015	27,606
Contract asset	486,871	-
Equipment, furniture and vehicles, net	101,052	150,224
Finance lease right-of-use assets, net	79,435	29,158
Cash, held for long-term use	310,000	310,000
Investments:		
Beneficial interest in assets held in trust by third party	1,779,174	2,030,266
TOTAL ASSETS	<u><u>\$ 9,234,154</u></u>	<u><u>\$ 9,210,179</u></u>
 LIABILITIES & NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 384,895	\$ 328,296
Right-of-use finance lease obligations	67,256	34,301
Total Liabilities	<u>452,151</u>	<u>362,597</u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	5,974,581	5,595,405
Designated	310,000	310,000
Total Net Assets Without Donor Restrictions	<u>6,284,581</u>	<u>5,905,405</u>
With Donor Restrictions	2,497,422	2,942,177
Total Net Assets	<u>8,782,003</u>	<u>8,847,582</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 9,234,154</u></u>	<u><u>\$ 9,210,179</u></u>

CRISIS ASSISTANCE MINISTRY**STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2023, WITH PRIOR YEAR COMPARATIVE TOTALS**

	Without Donor Restrictions	With Donor Restrictions	2023 Totals	2022 Totals
SUPPORT & REVENUE				
Governmental Grants:				
Mecklenburg County	\$ 525,968	\$ 2,464,898	\$ 2,990,866	\$ 2,633,943
City of Charlotte	-	903,901	903,901	674,096
Federal Emergency Management	-	139,051	139,051	541,016
United Way	111,735	-	111,735	251,538
Contributions:				
Cash	6,360,543	1,032,793	7,393,336	7,533,160
In-kind	5,096,449	-	5,096,449	1,448,440
Investment Earnings (Losses)	12,536	198,915	211,451	(329,587)
Other	66,483	-	66,483	10,045
Net assets released from restrictions:				
Satisfaction of time restrictions	53,463	(53,463)	-	-
Restrictions satisfied by payments	5,130,850	(5,130,850)	-	-
TOTAL SUPPORT & REVENUE	17,358,027	(444,755)	16,913,272	12,762,651
EXPENSES				
Program Services	15,798,492	-	15,798,492	12,511,904
Management and General	343,662	-	343,662	354,331
Fund Raising	836,697	-	836,697	907,403
TOTAL EXPENSES	16,978,851	-	16,978,851	13,773,638
CHANGE IN NET ASSETS	379,176	(444,755)	(65,579)	(1,010,987)
NET ASSETS, BEGINNING	5,905,405	2,942,177	8,847,582	9,858,569
NET ASSETS, ENDING	\$ 6,284,581	\$ 2,497,422	\$ 8,782,003	\$ 8,847,582

CRISIS ASSISTANCE MINISTRY**STATEMENT OF FUNCTIONAL EXPENSES****YEAR ENDED JUNE 30, 2023, WITH PRIOR YEAR COMPARATIVE TOTALS**

					Program			
	General	Duke Utility	Rental	Energy	General	Economic	Emergency	Emergency
	Ministry	Assistance/ Rate Settlement	Assistance	Assistance	Assistance	Mobility	Food and Shelter	Assistance
Direct Client Aid:								
Rent and mortgage	\$ 1,399,981	\$ -	\$ 628,926	\$ -	\$ 300,724	\$ 255,379	\$ 541,016	\$ 1,312,190
Utilities	555,566	488,910	-	186,427	114,246	82,516	-	187,739
Food	78	-	-	-	-	-	-	-
Domestic Violence	-	-	-	-	100,000	-	-	-
Reasonable Efforts	-	-	-	-	110,000	-	-	-
Other	26,270	-	-	-	-	2,105	-	-
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>\$ 1,981,895</u>	<u>\$ 488,910</u>	<u>\$ 628,926</u>	<u>\$ 186,427</u>	<u>\$ 624,970</u>	<u>\$ 340,000</u>	<u>\$ 541,016</u>	<u>\$ 1,499,929</u>

Services

Project Management	Direct Program Admin.	Free Store	Furniture and Appliance Store	Advocacy	Total Program Services	Management and General	Fundraising	2023 Totals	2022 Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,438,216	\$ -	\$ -	\$ 4,438,216	\$ 4,202,468
-	-	-	-	-	1,615,404	-	-	1,615,404	1,553,297
-	-	-	-	-	78	-	-	78	11,838
-	-	-	-	-	100,000	-	-	100,000	100,000
-	-	-	-	-	110,000	-	-	110,000	110,000
-	-	-	-	-	28,375	-	-	28,375	10,308
-	-	4,782,509	151,587	-	4,934,096	-	-	4,934,096	1,656,707
87,692	2,906,770	471,382	234,292	182,253	3,882,389	232,614	613,883	4,728,886	5,071,479
2,414	182,405	37,405	29,415	7,242	258,881	36,008	88,876	383,765	340,210
246	26,853	5,972	1,880	780	35,731	4,180	64,655	104,566	124,538
86	66,955	79,532	3,231	200	150,004	7,676	8,167	165,847	246,990
215	13,838	7,802	1,502	22,918	46,275	4,100	8,046	58,421	28,671
83,918	19,769	23,667	6,609	13,034	146,997	14,494	35,714	197,205	177,837
354	19,131	3,543	2,480	1,063	26,571	4,960	3,897	35,428	37,370
98	92	-	-	-	190	1,017	891	2,098	9,075
18	4,488	225	126	456	5,313	3,219	723	9,255	6,992
81	15,423	822	735	238	17,299	1,315	1,479	20,093	26,822
157	1,738	175	475	128	2,673	34,079	10,366	47,118	59,036
<u>\$ 175,279</u>	<u>\$ 3,257,462</u>	<u>\$ 5,413,034</u>	<u>\$ 432,332</u>	<u>\$ 228,312</u>	<u>\$ 15,798,492</u>	<u>\$ 343,662</u>	<u>\$ 836,697</u>	<u>\$ 16,978,851</u>	<u>\$ 13,773,638</u>

CRISIS ASSISTANCE MINISTRY**STATEMENT OF CASH FLOWS****YEAR ENDED JUNE 30, 2023, WITH PRIOR YEAR COMPARATIVE TOTALS**

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (65,579)	\$ (1,010,987)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	63,510	73,531
(Gain) loss on beneficial interest held in trust	(179,040)	338,950
Loss on disposal of equipment	-	3,367
(Increase) decrease in operating assets:		
Receivables	143,337	(331,613)
Inventory	(16,893)	331,219
Prepaid expenses	(11,409)	13,279
Contract asset	(486,871)	-
Increase in operating liabilities:		
Accounts payable and accrued expenses	56,599	(72,936)
Cash Flows From Operating Activities	<u>(496,346)</u>	<u>(655,190)</u>
INVESTING ACTIVITIES		
Sale of investments	430,132	-
Acquisition of equipment and furniture	-	(3,922)
Cash Flows From Investing Activities	<u>430,132</u>	<u>(3,922)</u>
FINANCING ACTIVITIES		
Principal payments on finance lease obligation	(31,660)	(38,317)
Cash Flows From Financing Activities	<u>(31,660)</u>	<u>(38,317)</u>
CHANGE IN CASH	(97,874)	(697,429)
CASH, BEGINNING	5,831,531	6,528,960
CASH, ENDING	<u>\$ 5,733,657</u>	<u>\$ 5,831,531</u>
CASH AND EQUIVALENTS PER STATEMENT OF FINANCIAL POSITION		
Held for operations	\$ 5,423,657	\$ 5,521,531
Held for long-term use	310,000	310,000
	<u>\$ 5,733,657</u>	<u>\$ 5,831,531</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 4,578</u>	<u>\$ 6,088</u>
Equipment purchased under a finance lease	<u>\$ 64,615</u>	<u>\$ 7,947</u>

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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'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 three months' 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.

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.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 15,336 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 1,211,174 articles of clothing and household items and 1,686 pieces of furniture and appliances with a combined estimated fair value of \$4,924,556.

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.

New accounting pronouncement

The Organization adopted Accounting Standards Update (ASU) 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementation, the Organization reclassified \$29,158 from equipment, furniture and vehicles, net to finance lease right-of-use assets as of June 30, 2022.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 2022 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 \$1,259 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:	
2024	\$ 864,464
2025	10,000
2026	10,000
2027	10,000
	<hr/>
	894,464
Less present value discount	1,259
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	<u>\$ 893,205</u>

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</i> pool -	
<i>Active Long-Term</i> investment strategy	\$ 1,770,847
<i>Endowed-Designated</i> pool -	
<i>Diversified Long-Term</i> investment strategy	8,327
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	<u>\$ 1,779,174</u>

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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	\$ 2,030,266
Increase in value	179,040
Sales	<u>(430,132)</u>
Balance, end of year	<u>\$ 1,779,174</u>

NOTE F – CONTRACT ASSET

During the year, at the request of the City of Charlotte (the City), the Organization incurred expenses on the City's behalf to house Charlotte senior citizens who had been displaced by a flood. Of these expenses, \$258,637 were reimbursed during the year under a funding agreement with the City. At year-end, an additional \$486,871 had been incurred by the Organization but had not been reimbursed due to there being no fully executed amendment in place between the Organization and the City.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE G - EQUIPMENT AND FURNITURE

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

Computer equipment	\$ 429,476
Furniture and equipment	164,733
Vehicles	64,896
Leasehold Improvements	46,216
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	705,321
Less - accumulated depreciation	604,269
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	<u>\$ 101,052</u>

Depreciation expense for the year totaled \$63,510.

NOTE H - LEASES

During the year, the Organization adopted the new lease standard, ASU 2016-02, *Leases* (Topic 842) and adjusted the comparative period to reflect the right-of-use assets. The Organization leases computer equipment under long-term non-cancelable finance lease arrangements. The leases expire on dates ranging from November 2023 to November 2027. On the effective date of the new standard, finance lease right-of-use assets totaling \$29,158 were recorded. The discount rates on the leases are stated in the lease agreements. The weighted-average discount rate was 7.07 percent and the weighted average remaining lease term was 2.10 years at year-end.

Future minimum lease payments required under the finance leases are as follows:

Year ending June 30:	
2024	\$ 25,258
2025	21,344
2026	18,125
2027	3,082
2028	1,373
	<hr/>
Total lease payments	69,182
Less amount representing interest	1,926
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Present value of net minimum lease payments	<u>\$ 67,256</u>

Lease payments during the year totaled \$32,174.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

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

Net assets restricted for time or purpose	\$ 2,491,172
Net assets restricted in perpetuity	<u>6,250</u>
	<u>\$ 2,497,422</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:

Beneficial interest in investments held in trust by third party:	
Fund for the Future	\$ 1,770,846
Accumulated Income on Endowment Fund	22,679
Share the Light (Duke Energy)	161,036
Duke Energy Rate Settlement	349,777
Rent and utility assistance	177,847
Food	5,982
Furniture	<u>3,005</u>
	<u>\$ 2,491,172</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 J - 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 \$102,871 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, 2023

NOTE K - 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 \$956,981 in excess of insured limits.

Grants Receivable

Grants receivable at year-end include \$749,228 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 L - 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 M - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$6,316,065 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$5,423,657 and receivables of \$892,408 which are expected to be collected during the year. Of this total, \$720,326 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.

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.