

*CABARRUS COOPERATIVE
CHRISTIAN MINISTRY, INC.*

CONCORD, NORTH CAROLINA

*FINANCIAL STATEMENTS
JUNE 30, 2020*

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Cabarrus Cooperative Christian Ministry, Inc.
Concord, North Carolina

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

C. Dewitt Foard & Company, P.A.
January 5, 2021

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Consolidated Statement of Financial Position
June 30, 2020

ASSETS:

Current Assets:

Cash and cash equivalents	\$ 869,069	
Unconditional promises to give - land and facilities use	179,660	
Grants and contracts receivable	156,054	
Food inventory	102,264	
Other current assets	4,783	
Total current assets	<u>1,311,830</u>	\$ 1,311,830

Property and Equipment:

Land	285,100	
Buildings (10)	665,288	
Furniture and equipment	131,766	
Computer equipment	19,703	
Leasehold improvements	404,243	
Total	<u>1,506,100</u>	
Accumulated depreciation	<u>(857,493)</u>	
Net property and equipment		<u>648,607</u>

Noncurrent Assets:

Beneficial interest in assets held by foundation - CCM Legacy Fund	442,403	
Beneficial interest in assets held by foundation - CCM Endowed Fund	167,848	
Deferred income taxes	54,411	
Unconditional promises to give - land and facility use	343,843	
Less: unamortized discount on unconditional promises to give	<u>(15,925)</u>	
Total noncurrent assets		<u>992,580</u>
Total Assets		<u>\$ 2,953,017</u>

See accompanying notes to financial statements.

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Consolidated Statement of Financial Position
June 30, 2020

LIABILITIES AND NET ASSETS:

Current Liabilities:

Accounts payable and accrued liabilities	\$ 67,404	
Billings in excess of cost	<u>5,987</u>	
Total current liabilities		<u>\$ 73,391</u>
Total Liabilities		<u>73,391</u>

Net Assets:

Without donor restrictions:

Operations	1,485,601	
Board designated endowment funds	108,300	
Equity in property and equipment	<u>443,268</u>	
Total net assets without donor restrictions		2,037,169

With donor restrictions:

Operations	302,280	
Unconditional promises to give, net of discount	507,577	
Donor contributions designated for CCM Endowed Fund	32,500	
Beneficial interest in assets held at foundation - CCM Endowed Fund	<u>100</u>	
Total net assets with donor restrictions		<u>842,457</u>

Total Net Assets 2,879,626

Total Liabilities and Net Assets \$ 2,953,017

See accompanying notes to financial statements.

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Consolidated Statement of Activities and Changes in Net Assets -
For the Year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support:			
Contributions	\$ 881,224	\$ 262,796	\$ 1,144,020
Grants and contracts:			
Government	-	234,897	234,897
FEMA	-	95,708	95,708
Other	-	354,067	354,067
Special events	425,357	-	425,357
Investment gain / loss	1,187	-	1,187
R2R Customer Payments	267,987	5,987	273,974
In-kind contributions:			
Land, buildings and utilities	17,240	95,664	112,904
Food	1,725,107	-	1,725,107
Total in-kind contributions	<u>1,742,347</u>	<u>95,664</u>	<u>\$ 1,838,011</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>1,106,417</u>	<u>\$ (1,106,417)</u>	<u>-</u>
Total revenue, gains and other support	4,424,519	(57,298)	4,367,221
Expenses:			
Program services:			
Financial assistance	468,880	-	468,880
Food ministry	1,957,850	-	1,957,850
Shelter and housing	792,018	-	792,018
Total program services	<u>3,218,748</u>	<u>-</u>	<u>3,218,748</u>
Supporting services:			
General administration	127,871	-	127,871
Fundraising	238,263	-	238,263
R2R	448,956	-	448,956
Total supporting services	<u>815,090</u>	<u>-</u>	<u>815,090</u>
Total expenses	<u>4,033,838</u>	<u>-</u>	<u>4,033,838</u>
Change in net assets	390,681	(57,298)	333,383
Net Assets, Beginning	<u>1,337,724</u>	<u>1,208,519</u>	<u>2,546,243</u>
Prior Period Adjustment - Note 1	308,764	(308,764)	-
Net Assets, Beginning - Restated	<u>1,646,488</u>	<u>899,755</u>	<u>2,546,243</u>
Net Assets, Ending	<u>\$ 2,037,169</u>	<u>\$ 842,457</u>	<u>\$ 2,879,626</u>

See accompanying notes to financial statements.

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Consolidated Statement of Functional Expenses
For the Year ended June 30, 2020

	Program Services				Supporting Services				Total Expenses
	Crisis Ministries		Shelter & Housing Ministries	Total Programs	General Admin.	Fundraising	R2R	Total Support	
	Financial Assistance	Food Ministry							
Disbursements made on behalf of individuals	\$ 292,064	\$ 1,711,504	\$ 6,473	\$ 2,010,041	\$ -	\$ -	\$ -	\$ -	\$ 2,010,041
Administrative	1,155	1,114	5,561	7,830	3,508	6,859	3,647	14,014	21,844
Insurance	1,343	3,977	14,548	19,868	863	250	5,869	6,982	26,850
Maintenance & Facilities	6,982	17,733	72,173	96,888	13,476	3,038	21,739	38,253	135,141
Resource Development	90	182	1,097	1,369	-	63,506	727	64,233	65,602
Vehicles	320	3,036	2,358	5,714	-	611	10,837	11,448	17,162
Contractors/Contract Services	1,743	188	21,930	23,861	333	37,173	240,792	278,298	302,159
Program	10,109	17,506	23,491	51,106	2,493	16,185	5,553	24,231	75,337
Payroll & Personnel	130,130	111,989	445,877	687,996	77,006	93,563	211,772	382,341	1,070,337
CCM Foundation Expenses	-	-	-	-	4,831	-	-	4,831	4,831
In-Kind Expenses	3,921	48,575	185,895	238,391	16,952	17,078	2,431	36,461	274,852
Income Tax Expense	-	-	-	-	-	-	(54,411)	(54,411)	(54,411)
Depreciation	21,023	42,046	12,615	75,684	8,409	-	-	8,409	84,093
Total All Expenses	\$ 468,880	\$ 1,957,850	\$ 792,018	\$ 3,218,748	\$ 127,871	\$ 238,263	\$ 448,956	\$ 815,090	\$ 4,033,838

See accompanying notes to financial statements

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Consolidated Statement of Cash Flows
For the Year ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets		\$ 333,383
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	\$ 84,091	
Realized and unrealized gains on investments	(963)	
Changes in operating assets and liabilities:		
Unconditional promises to give	156,698	
Deferred income taxes	(54,411)	
Grants and contracts receivable	(28,829)	
Inventories	(13,603)	
Billings in excess of cost	5,987	
Other current assets	7,759	
Accounts payable and accrued liabilities	16,525	
		<hr/>
Net cash used in operating activities		506,637
		<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(29,000)	
Proceeds from sale of investments	30,994	
Purchase of property and equipment	(12,475)	
		<hr/>
Net cash provided by investing activities		(10,481)
		<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents		496,156
		<hr/>
Beginning Cash and Cash Equivalents		372,913
		<hr/>
Ending Cash and Cash Equivalents		\$ 869,069
		<hr/>

Supplemental Cash Flow Information:

There were no interest payments or taxes paid during the period.

See accompanying notes to financial statements.

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Notes to Consolidated Financial Statements For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Cabarrus Cooperative Christian Ministry, Inc. (“the Ministry”) was established in 1981 and serves as an ecumenical network of individuals, churches, and community businesses and other organizations to provide immediate assistance to those who are experiencing crisis in the area of food, shelter, or finances while providing access to resources that will empower individuals to move beyond crisis.

Renovation to Restoration

In October 2019 the Ministry formed Renovation to Restoration, Inc., (R2R), a wholly-owned for-profit subsidiary. The primary purpose of R2R is to enhance the sustainability of CCM’s mission by focusing on renovations, building maintenance, and repair projects. Significant transactions, assets and liabilities between the Ministry and R2R have been eliminated in the accompanying financial statements.

The Ministry accomplishes its services in Cabarrus and southern Rowan counties of North Carolina through the support of over 100 churches, dozens of local business partners, and thousands of individuals who provide volunteer hours, donated food, and financial support for the Ministry and its programs. Cabarrus Cooperative Christian Ministry, Inc. also utilizes collaborative relationships throughout the region to ensure the best use of the community’s valuable resources. By partnering with over sixty different organizations, the Ministry has established a network of resources to ensure each family the best opportunity to regain stability and move beyond recurring crisis.

Principles of Consolidation

Due to common control, as defined above, the accompanying consolidated financial statements include the activities of all entities. All significant inter-company accounts and transactions have been eliminated. The concept of consolidation for financial statement purposes ignores the legal concept of separate entities. R2R recognized revenue of \$267,987 and expenses of \$448,956 for the year ended June 30, 2020.

Basis of Accounting

The accompanying financial statements of the Ministry have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law. Expenses are recorded as decreases in net assets

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Notes to Consolidated Financial Statements For the Year Ended June 30, 2020

without donor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions can be both undesignated and designated in nature. Undesignated net assets without donor restrictions are those currently available for use in day-to-day operations of the Ministry and those resources invested in property and equipment. From time to time, the Board of Directors may designate certain amounts to be utilized or invested to meet specific objectives. Such amounts, if any, are reflected as designated net assets without donor restrictions in the accompanying statement of financial position.

Net Assets With Donor Restrictions - Net assets with donor restrictions consist of temporarily restricted net assets and permanently restricted net assets. Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Ministry or the passage of time. When a restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Ministry.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Unconditional promises to give, with payments due in future periods, are recorded as increases in net assets with donor restrictions at the estimated present value of future cash flows. Conditional promises are recorded as revenue when donor conditions are substantially met. Donated marketable securities and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

The Ministry received more than 34,000 volunteer hours during the year from individuals performing a variety of tasks that assist the Ministry. No amounts have been reflected in the financial statements for volunteered time since the services performed generally do not meet the requirements for recognition in the financial statements.

Donated Use of Facilities, Utilities, and Vehicles

Donations of the free use of vehicles are recorded as revenue in the period of use based upon the fair rental value of the vehicle. Unconditional promises to give the free or below market rate use of facilities or utilities are recorded when the promise to give is received and are recognized at fair value as described in Note 2.

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Notes to Consolidated Financial Statements For the Year Ended June 30, 2020

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in restricted net assets. Previously the Ministry followed a policy to imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are not restricted as to their use by the donor. However, during the year the Ministry adopted a change in accounting standard that requires that these amounts be recorded as net assets without donor restrictions. As a result, the beginning net assets without donor restrictions increased by \$308,764, which represents the net cost basis of the affected properties at that time, and beginning temporarily restricted net assets decreased by a similar amount.

Donated Food

Food contributions from the North Carolina Department of Agriculture and the Temporary Emergency Food Assistance Program have been recorded at values established by the United States Department of Agriculture. Food contributions received from various local markets, individuals, and entities were recorded at an estimated fair value per pound based on current market prices.

New Accounting Pronouncement

The Ministry expects to adopt the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2014-09, "*Revenue from Contracts with Customers*" (ASU 2014-09), in 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. The Ministry does not expect the implementation of this standard to have a material impact on its financial statements.

Inventories

Inventories consist primarily of donated food supplies, which are valued as indicated above.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Notes to Consolidated Financial Statements For the Year Ended June 30, 2020

Endowment Investments

The Ministry's endowment investments are managed by The Foundation for the Carolinas (FFTC), 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.

The Ministry has an interest in funds held by the Foundation for the Carolinas for the sole benefit of the Ministry. The CCM Legacy Fund (a quasi-endowed fund) is reported on the financial statements as unrestricted net assets. The CCM Permanently Endowed Fund is reported on the financial statements as both unrestricted and permanently restricted net assets.

The Ministry may request distributions of investment income, but the Board of Directors of FFTC has complete discretion as to the timing and amounts of distributions from these funds. However, all funds are ultimately repayable to The Ministry, and FFTC has no variance power to distribute any portion of these funds to another not-for-profit entity. In accordance with U.S. generally accepted accounting principles, these assets and the related investment income are included in the accompanying financial statements.

Investment Balance

Investments, which consist of the beneficial interests held at the FFTC, are reported at fair value.

Fair Value Measurements

Generally accepted accounting principles 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.

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Notes to Consolidated Financial Statements For the Year Ended June 30, 2020

The Foundation for the Carolinas funds are classified as Level 3 assets and are valued based on the value of the securities held by the funds, which consist of funds which are and are not publicly traded. The following table sets forth a summary of changes in the fair value of The Ministry's Level 3 assets for the year ended June 30, 2020.

Balance, beginning of year	\$ 611,282
Purchases	29,000
Sales	(30,994)
Net increase in value	<u>963</u>
Balance, end of year	<u>\$ 610,251</u>

Federal Income Tax Status

The Ministry is exempt from Federal income tax on its exempt function income under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation as defined by Section 509(a) of the Internal Revenue Code. R2R is a for-profit subsidiary that is taxed as a C corporation. During the year R2R had a loss of \$178,540, net of a deferred tax benefit of \$54,411. The deferred tax benefit was computed utilizing existing corporate income tax rates. No present value discount or allowance was provided as the amount would not be material to the financial statements. The income tax returns of the Ministry and R2R are available for examination for the current year and three preceding years.

Functional Allocation of Expense

The Ministry's expenses are focused in three functional areas. Program services represent the primary focus of the Ministry's activities. Supporting services are fundraising activities and general administrative activities. Costs that are inherently program services, general administrative, or fundraising are charged directly to those functions. Other costs of providing various programs and other activities have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on management's estimates of time and effort spent. Occupancy costs are allocated based on facility.

Property and Equipment

Land, buildings and equipment are recorded at cost or fair value at the date of gift to the Ministry. Depreciation is computed on a straight-line method over the estimated useful lives of the assets and totaled \$84,091 for the year ended June 30, 2020. It is the Ministry's policy to capitalize expenditures for these items in excess of \$4,500. Amounts lower than this threshold are expensed when acquired.

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Notes to Consolidated Financial Statements
For the Year Ended
June 30, 2020

NOTE 2: UNCONDITIONAL PROMISES TO GIVE-USE OF FACILITIES

Unconditional promises to give the free or below market rate use of facilities and utilities that will be received in one year are measured at net realizable value. Unconditional promises to give that will be received in more than one year are measured using present value techniques that consider the promised cash flows and a discount rate of 1%. No increases in market rate are anticipated in these calculations due to current economic conditions and the indicated economic recovery for the Cabarrus and Rowan counties of North Carolina.

The table below presents information about unconditional promises to give free or below market rate use of facilities and utilities at June 30, 2020:

Promises Measured at Net Realizable Value

Receivable in one year	\$179,660
Receivable in two – five years	202,131
Receivable in more than five years	141,712
Less: Present Value Discount	<u>(15,925)</u>
	<u>\$507,578</u>

NOTE 3: PAYROLL PROTECTION PROGRAM

The Ministry obtained a refundable advance for \$181,298 as part of the Payroll Protection Program (PPP) to mitigate the effects of the COVID-19 pandemic. The advance was fully utilized by June 30, 2020, and is, therefore, recorded as income in the accompanying financial statements. This advance has been formally forgiven in the subsequent year. This program is not expected to be a recurring source of income for the Ministry.

NOTE 4: ENDOWMENT FUNDS

In March, 2010, the Board of Directors of Cabarrus Cooperative Ministry Foundation, a related affiliate, elected to transfer its assets, which were held solely for the benefit of the Ministry, to the Foundation for the Carolinas (“the Foundation”), a nonprofit organization. The assets transferred are for the sole benefit of the Ministry. The Board established two funds, the CCM Legacy Fund – a quasi-endowed fund and the CCM Permanently Endowed Fund. The Permanently Endowed Fund includes both donor-restricted funds and funds designated by the Board of Directors to function as endowment funds.

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Notes to Consolidated Financial Statements
For the Year Ended
June 30, 2020

NOTE 5: NET ASSETS WITH DONOR RESTRICTIONS

Temporarily restricted net assets at June 30, 2020 include the following:

Purpose-restricted:

Shelter & Housing operations	\$ 11,422
Food Programs	31,630
Financial Assistance	73,465
Unconditional promises to give – facility use, net of discount	507,577
Other	<u>185,763</u>
Total temporarily restricted net assets	<u>\$ 809,857</u>

Permanently restricted net assets at June 30, 2020 include the following:

Donor restricted endowment funds – cash, restricted	\$32,500
Donor restricted endowment funds – assets held at Foundation	<u>100</u>
Total permanently restricted net assets	<u>\$32,600</u>

NOTE 6: SPECIAL EVENTS ACTIVITY

Special events activity for the year ended June 30, 2020 is summarized as follows:

	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
Golf Tournament	\$425,357	\$48,591	\$376,766
Total Special Events	<u>\$425,357</u>	<u>\$48,591</u>	<u>\$376,766</u>

NOTE 7: ADVERTISING

There were no direct response or other advertising costs incurred during the year. Advertising costs are expensed as incurred.

NOTE 8: SIMPLE IRA RETIREMENT PLAN

The Ministry has established a Simple IRA plan for its eligible employees. The Ministry matches up to 3% of the participating employees' annual salary. The employer match during the audited period amounted to \$13,107. Full-time employees with six months of service are eligible to participate.

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Notes to Consolidated Financial Statements
For the Year Ended
June 30, 2020

NOTE 9: COMMITMENTS

The Ministry leases its Concord site under a 40 year lease expiring in 2029, at an annual rental of \$1. Under the lease agreement, the Ministry also pays all property taxes, insurance, and utilities applicable to this facility.

The Ministry has entered into rental agreements to lease twelve residential homes. Each agreement is for 36 months with an option to renew for an additional 12-24 months at an annual lease amount of \$1. Under these lease agreements, the Ministry is responsible for paying all utilities applicable to the facilities.

NOTE 10: BUSINESS AND CREDIT CONCENTRATIONS

The Ministry maintains its cash balances in two commercial banks. At June 30, 2020, there were no deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limits.

NOTE 11: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Ministry has \$1,204,783 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$869,069 and pledges, grants and other receivables of \$335,714, which are expected to be collected during the year. Of these assets \$179,660 are subject to donor restrictions that they be utilized for a specific time or purpose. In addition, CCM has a quasi-endowment fund at FFTC with a value of \$442,403 which could be utilized if needed. The Ministry has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Ministry invests cash in excess of daily requirements in short-term investments, primarily money market funds.

NOTE 12 - 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 Ministry is unknown, but management believes that it could negatively impact its support and revenue for the foreseeable future.

NOTE 13 – SUBSEQUENT EVENTS

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