

*Cabarrus Cooperative Christian Ministry, Inc.*

*Financial Statements*

*June 30, 2023*

**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

### Opinion

We have audited the accompanying financial statements of Cabarrus Cooperative Christian Ministry, Inc. (the "Ministry" - a nonprofit organization), which comprises 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 Cabarrus Cooperative Christian Ministry, Inc. 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Cabarrus Cooperative Christian Ministry, Inc. 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 consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cabarrus Cooperative Christian Ministry, Inc.'s ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 and Government 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 consolidated 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 consolidated 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 Cabarrus Cooperative Christian Ministry, Inc.'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cabarrus Cooperative Christian Ministry, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2023, on our consideration of Cabarrus Cooperative Christian Ministry, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ministry's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ministry's internal control over financial reporting and compliance.

*Foard & Company, P.A.*

December 17, 2023

**CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.**

Consolidated Statement of Financial Position  
June 30, 2023

LIABILITIES AND NET ASSETS:

Current Liabilities:

Accounts payable and accrued liabilities	\$ 53,528	
Funds held for others	18,469	
Total current liabilities	<u>18,469</u>	\$ 71,997
Total Liabilities		<u>71,997</u>

Net Assets:

Without donor restrictions:

Operations	6,723,958	
Board designated endowment funds	108,300	
Equity in property and equipment	443,268	
Total net assets without donor restrictions	<u>7,275,526</u>	7,275,526

With donor restrictions:

Operations	93,084	
Unconditional promises to give, net of discount	774,281	
Pledges receivable, net of discount	203,987	
Donor contributions designated for CCM Endowed Fund	32,500	
Beneficial interest in assets held at foundation - CCM Endowed Fund	100	
Total net assets with donor restrictions	<u>1,103,952</u>	1,103,952

Total Net Assets		<u>8,379,478</u>
Total Liabilities and Net Assets		<u>\$ 8,451,475</u>

See accompanying notes to financial statements.

**CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.**

Consolidated Statement of Financial Position  
June 30, 2023

ASSETS:

Current Assets:

Cash and cash equivalents	\$ 1,364,885	
Unconditional promises to give - land and facilities use	227,151	
Grants and contracts receivable	78,947	
Pledges receivable, current portion	86,550	
Less: Present Value Discount	(2,989)	
Food inventory	76,463	
Other current assets	<u>5,425</u>	
Total current assets		\$ 1,836,432

Property and Equipment:

Land	4,814,832	
Buildings (11)	663,701	
Construction Work in Progress	53,855	
Furniture and equipment	95,201	
Computer equipment	19,703	
Leasehold improvements	<u>312,436</u>	
Total	5,959,728	
Accumulated depreciation	<u>(813,271)</u>	
Net property and equipment		<u>5,146,457</u>

Noncurrent Assets:

Beneficial interest in assets held by foundation - CCM Legacy Fund	548,486	
Beneficial interest in assets held by foundation - CCM Endowed Fund	252,543	
Pledges receivable, net of present value discount	136,100	
Less: Present Value Discount	(15,674)	
Unconditional promises to give - land and facility use	564,009	
Less: unamortized discount on unconditional promises to give	<u>(16,878)</u>	
Total noncurrent assets		<u>1,468,586</u>
Total Assets		<u>\$ 8,451,475</u>

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support:			
Contributions	\$ 769,237	\$ 1,621,007	\$ 2,390,244
Grants and contracts:			
Government	-	4,072,997	4,072,997
FEMA	-	140,780	140,780
Other	-	477,178	477,178
Special events, net of direct expenses of \$44,823	367,255	-	367,255
Investment gain / loss	82,395	-	82,395
Other income	14,077	-	14,077
In-kind contributions:			
Land, buildings and utilities	94,745	520,675	615,420
Food	1,733,920	-	1,733,920
Total in-kind contributions	<u>1,828,665</u>	<u>520,675</u>	<u>2,349,340</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	6,974,013	(6,974,013)	-
Total revenue, gains and other support	<u>10,035,642.00</u>	<u>(141,376)</u>	<u>9,894,266</u>
Expenses:			
Program services:			
Financial assistance	1,437,966	-	1,437,966
Food programs	2,081,002	-	2,081,002
Education & support services	245,829	-	245,829
Housing	1,047,657	-	1,047,657
Total program services	<u>4,812,454</u>	<u>-</u>	<u>4,812,454</u>
Supporting services:			
General administration	127,966	-	127,966
Fundraising	329,080	-	329,080
Total supporting services	<u>457,046</u>	<u>-</u>	<u>457,046</u>
Total expenses	<u>5,269,500</u>	<u>-</u>	<u>5,269,500</u>
Change in net assets	4,766,142	(141,376)	4,624,766
Net Assets, Beginning	<u>2,509,384</u>	<u>1,245,328</u>	<u>3,754,712</u>
Net Assets, Ending	<u>\$ 7,275,526</u>	<u>\$ 1,103,952</u>	<u>\$ 8,379,478</u>

See accompanying notes to financial statements.

**CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.**

Consolidated Statement of Functional Expenses  
For the Year Ended June 30, 2023

	Program Services					Supporting Services			Total Expenses
	Crisis Ministries		Education & Support Services	Housing Ministries	Total Programs	General Administration	Fundraising	Total Supporting Services	
	Financial Assistance	Food Programs							
Disbursements made on behalf of individuals	\$ 1,181,750	\$ 400	\$ 2,260	\$ 319	\$ 1,184,729	\$ -	\$ -	\$ -	\$ 1,184,729
Administrative	5,425	1,448	1,420	8,411	16,704	24,886	9,135	34,021	50,725
Insurance	2,481	5,206	1,887	19,542	29,116	1,909	100	2,009	31,125
Maintenance & Facilities	6,830	41,716	9,967	86,435	144,948	8,364	3,276	11,640	156,588
Resource Development	38	88	70	8,864	9,060	350	72,977	73,327	82,387
Vehicles	63	8,154	743	5,342	14,302	-	1,659	1,659	15,961
Contractors/Contract Services	-	-	-	12,841	12,841	-	40,796	40,796	53,637
Program	13,787	62,751	8,410	29,254	114,202	3,496	16,880	20,376	134,578
Payroll & Personnel	225,507	155,539	220,279	610,327	1,211,652	76,109	218,813	294,922	1,506,574
In-Kind Expenses	2,085	1,805,700	793	223,305	2,031,883	9,752	10,267	20,019	2,051,902
Depreciation	-	-	-	43,017	43,017	3,100	-	3,100	46,117
<b>Total All Expenses</b>	<b>1,437,966</b>	<b>2,081,002</b>	<b>245,829</b>	<b>1,047,657</b>	<b>4,812,454</b>	<b>127,966</b>	<b>373,903</b>	<b>501,869</b>	<b>5,314,323</b>
Direct Expenses	-	-	-	-	-	-	(44,823)	(44,823)	(44,823)
<b>Net</b>	<b>\$ 1,437,966</b>	<b>\$ 2,081,002</b>	<b>\$ 245,829</b>	<b>\$ 1,047,657</b>	<b>\$ 4,812,454</b>	<b>\$ 127,966</b>	<b>\$ 329,080</b>	<b>\$ 457,046</b>	<b>\$ 5,269,500</b>

See accompanying notes to financial statements.

# CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

## Consolidated Statement of Cash Flows For the Year Ended June 30, 2023

### CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets		\$ 4,624,766
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	\$ 46,117	
Loss on disposal of fixed assets	3,937	
Realized and unrealized gains on investments	(47,760)	
Changes in operating assets and liabilities:		
Unconditional promises to give	(315,964)	
Grants and contracts receivable	69,990	
Pledges receivable	(203,987)	
Inventories	22,666	
Other current assets	773	
Accounts payable and accrued liabilities	(2,266)	
Funds held for others	(3,058)	
Net cash used in operating activities		<u>4,195,214</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments	(25,600)	
Proceeds from sale of investments	6,620	
Purchase of property and equipment	<u>(4,022,203)</u>	
Net cash provided by investing activities		<u>(4,041,183)</u>

Net Increase (Decrease) in Cash and Cash Equivalents		154,031
Beginning Cash and Cash Equivalents		<u>1,210,854</u>
Ending Cash and Cash Equivalents		<u><u>\$ 1,364,885</u></u>

### 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, 2023

### 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.

#### 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 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 spendable and non-spendable amounts. Spendable net assets with donor restrictions 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, 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. Non-spendable net assets with donor restrictions 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

# CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

## Notes to Consolidated Financial Statements For the Year Ended June 30, 2023

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 33,603 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.

### 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. Donations of property or the use of property are reported as increases in net assets without donor restrictions.

### 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.

### 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

# CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

## Notes to Consolidated Financial Statements For the Year Ended June 30, 2023

and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

### 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.

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Notes to Consolidated Financial Statements  
For the Year Ended  
June 30, 2023

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 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, 2023.

Balance, beginning of year	\$ 734,289
Purchases	25,600
Sales	(6,620)
Net increase in value	<u>47,760</u>
Balance, end of year	<u>\$ 801,029</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. The income tax returns of the Ministry 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 \$46,117 for the year ended June 30, 2023. It is the Ministry's policy to capitalize expenditures for these items in excess of \$5,000. 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, 2023

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, 2023:

Promises Measured at Net Realizable Value

Receivable in one year	\$227,151
Receivable in two – five years	564,008
Less: Present Value Discount	<u>(16,878)</u>
	<u>\$774,281</u>

NOTE 3: PLEDGES RECEIVABLE

The Ministry accepts pledges for a capital campaign, the proceeds of which are used to construct a new facilities. Management has determined no allowance for doubtful accounts based on an evaluation of the individual accounts, historical experience, and current and anticipated economic conditions. A discount for present value, computed utilizing an interest rate of 4.49% based on the five-year *U.S. Treasury* rate, was recorded on the financial statements. The balance of pledges receivable represents a significant concentration of risk, as 39% of the balance is due from four donors. These pledges are expected to be collected during the fiscal year ending June 30:

2024		\$	86,550
2025			54,200
2026			55,200
2027			<u>26,700</u>
Total Promises to Give			222,650
Deduct:			
	Present value discount		<u>18,663</u>
<u>NET CAPITAL CAMPAIGN PLEDGES</u>		<u>\$</u>	<u>203,987</u>

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Notes to Consolidated Financial Statements  
For the Year Ended  
June 30, 2023

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.

NOTE 5: NET ASSETS WITH DONOR RESTRICTIONS

Spendable net assets with donor restrictions at June 30, 2023, include the following:

Purpose-restricted:

Housing operations	\$ 9,109
Food Programs	9,051
Unconditional promises to give – facility use, net of discount	774,281
Pledges receivable, net of discount	203,987
Other	<u>74,924</u>
Total spendable net assets with donor restrictions	<u>\$1,071,352</u>

Non- spendable net assets with donor restrictions at June 30, 2023, include the following:

Donor restricted endowment funds – cash, restricted	\$32,500
Donor restricted endowment funds – assets held at Foundation	<u>100</u>
Total non-spendable net assets with donor restrictions	<u>\$32,600</u>

NOTE 6: SPECIAL EVENTS ACTIVITY

Special events activity for the year ended June 30, 2023 is summarized as follows:

	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
Golf Tournament	\$400,575	\$44,823	\$367,255
Total Special Events	<u>\$400,575</u>	<u>\$44,823</u>	<u>\$367,255</u>

NOTE 7: ADVERTISING

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

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Notes to Consolidated Financial Statements  
For the Year Ended  
June 30, 2023

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 \$22,707. All employees with six months of service are eligible to participate.

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 three commercial banks. At June 30, 2023, the Ministry had \$825,765 in excess of the Federal Deposit Insurance Corporation (FDIC) limits.

NOTE 11: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Ministry has \$1,647,819 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$1,364,885 and pledges, grants and other receivables of \$282,934, which are expected to be collected during the year. Of these assets, \$297,071 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 \$548,486, 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: 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.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Cabarrus Cooperative Christian Ministry, Inc. (the Ministry), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 17, 2023

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Ministry's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ministry's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Ministry's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ministry's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ministry's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Foard & Company, P.A.*

December 17, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Cabarrus Cooperative Christian Ministry, Inc.'s (the "Ministry") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Ministry's major federal program for the year ended June 30, 2023. The Ministry's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Ministry complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Ministry and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Ministry's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Ministry's federal programs.

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

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Ministry's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Ministry's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Ministry's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Ministry's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Foard & Company, P.A.*

December 17, 2023

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

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**SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(s) identified that are not considered to be material weaknesses  yes  no

Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(s) identified that are not considered to be material weaknesses  yes  no

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200 of the Uniform Guidance?  yes  no

Identification of Major Federal Program

CFDA Number  
21.027

Name of Program or Cluster  
Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee?  yes  no

**FINDINGS – FINANCIAL STATEMENTS AUDIT**

None

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

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**FINDINGS – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**SUMMARY OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN**

None

CABARRUS COOPERATIVE CHRISTIAN MINISTRY, INC.

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

<u>Agency</u>	<u>CFDA Number</u>	<u>Amount Expended</u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>		
Passed through the City of Kannapolis, North Carolina:		
CARES Act - Community Development Block Grant	14.218	27,894
Total U.S Department of Housing and Urban Development		<u>27,894</u>
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>		
Passed through Cabarrus County, North Carolina:		
Coronavirus State and Local Fiscal Recovery Funds	21.027	2,082,820
Emergency Rental Assistance Program	21.023	835,923
Total U.S Department of Treasury		<u>2,918,743</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>		
Federal Emergency Management Agency - passed through the Cabarrus County Local Board of FEMA:		
Emergency Food and Shelter Program	97.024	28,957
ARPA - Emergency Food and Shelter Program	97.024	12,160
Total U.S Department of Homeland Security		<u>41,117</u>
TOTAL FEDERAL AWARDS		<u>\$ 2,987,754</u>