

CRISIS ASSISTANCE MINISTRY

FINANCIAL STATEMENTS

JUNE 30, 2017

CRISIS ASSISTANCE MINISTRY
TABLE OF CONTENTS
JUNE 30, 2017

	Page
Independent Auditors' Report	1-2
Audited Financial Statements:	
Statement of Financial Position.....	3
Statement of Activities	4
Statement of Functional Expenses.....	5-6
Statement of Cash Flows	7
Notes to Financial Statements	8-15

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Crisis Assistance Ministry (the "Organization" - a nonprofit corporation), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Crisis Assistance Ministry, as of June 30, 2017 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Crisis Assistance Ministry
Charlotte, North Carolina

Report on Summarized Comparative Information

We have previously audited the Organization's 2016 financial statements, and our report dated September 1, 2016, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

C. DeWitt Ford & Company, P.A.
August 22, 2017

CRISIS ASSISTANCE MINISTRY**STATEMENT OF FINANCIAL POSITION****JUNE 30, 2017, WITH PRIOR YEAR COMPARATIVE TOTALS**

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 3,527,789	\$ 3,847,826
Receivables:		
Grants	574,312	761,221
Sales tax refund	18,995	12,637
Inventory	263,158	291,798
Prepaid expenses	97,139	115,078
Equipment, furniture and vehicles, net	335,083	279,235
Cash, held for long-term use	310,000	310,000
Investments:		
Beneficial interest in assets held in trust by third party	2,021,943	1,809,297
Other	212,798	211,170
TOTAL ASSETS	<u>\$ 7,361,217</u>	<u>\$ 7,638,262</u>
LIABILITIES & NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 208,935	\$ 218,522
Capital lease obligation	55,048	41,347
Total Liabilities	<u>263,983</u>	<u>259,869</u>
Net Assets:		
Unrestricted:		
Undesignated	3,847,946	3,802,645
Designated	310,000	310,000
Total Unrestricted Net Assets	<u>4,157,946</u>	<u>4,112,645</u>
Temporarily restricted	2,933,038	3,259,498
Permanently restricted	6,250	6,250
Total Net Assets	<u>7,097,234</u>	<u>7,378,393</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 7,361,217</u>	<u>\$ 7,638,262</u>

CRISIS ASSISTANCE MINISTRY**STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2017, WITH PRIOR YEAR COMPARATIVE TOTALS**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Totals	2016 Totals
SUPPORT & REVENUE					
Governmental Grants:					
Federal:					
U.S. Department of Health and Human Services	\$ -	\$ 2,958,905	\$ -	\$ 2,958,905	\$ 3,302,134
Federal Emergency Management Agency	-	230,365	-	230,365	90,217
U.S. Department of Housing and Urban Development	27,440	-	-	27,440	19,010
Mecklenburg County	1,844,527	1,833,900	-	3,678,427	3,677,314
City of Charlotte	-	380,000	-	380,000	380,000
United Way	210,045	320,712	-	530,757	569,595
Contributions:					
Cash	4,061,699	569,022	-	4,630,721	5,077,562
In-kind	2,345,420	-	-	2,345,420	2,465,769
Investment earnings	25,412	212,646	-	238,058	(65,339)
Other	29,198	-	-	29,198	20,038
Net assets released from restrictions:					
Satisfaction of time restrictions	348,408	(348,408)	-	-	-
Restrictions satisfied by payments	6,483,602	(6,483,602)	-	-	-
TOTAL SUPPORT & REVENUE	15,375,751	(326,460)	-	15,049,291	15,536,300
EXPENSES					
Program services	14,167,225	-	-	14,167,225	14,209,371
Management and general	363,759	-	-	363,759	324,187
Fund raising	799,467	-	-	799,467	728,287
TOTAL EXPENSES	15,330,450	-	-	15,330,450	15,261,845
CHANGE IN NET ASSETS	45,301	(326,460)	-	(281,159)	274,455
NET ASSETS, BEGINNING	4,112,645	3,259,498	6,250	7,378,393	7,103,938
NET ASSETS, ENDING	\$ 4,157,946	\$ 2,933,038	\$ 6,250	\$ 7,097,234	\$ 7,378,393

CRISIS ASSISTANCE MINISTRY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017, WITH PRIOR YEAR COMPARATIVE TOTALS

						Program		
	General Ministry	Duke Utility Assistance/ Merger	Rental Assistance	Low Income Home Energy Assistance	Energy Assistance	General Assistance	Emergency Food and Shelter	Emergency Assistance
Direct Client Aid:								
Rent and mortgage	\$ 1,015,433	\$ -	\$ 188,672	\$ -	\$ -	\$ 236,216	\$ 230,365	\$ 947,963
Utilities	379,450	770,193	-	2,958,905	165,469	159,180	-	413,044
Food	35,926	-	-	-	-	-	-	-
Domestic Violence	-	-	-	-	-	75,018	-	-
Other	12,466	-	-	-	-	5,889	-	-
Clothing and furniture	-	-	-	-	-	-	-	-
Salaries and benefits	-	-	-	-	-	-	-	-
Equipment and data management	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Fees and services	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Travel and conferences	-	-	-	-	-	-	-	-
Staff/volunteer apprec.	-	-	-	-	-	-	-	-
Dues and training	-	-	-	-	-	-	-	-
TOTAL EXPENSES	\$ 1,443,276	\$ 770,193	\$ 188,672	\$ 2,958,905	\$ 165,469	\$ 476,304	\$ 230,365	\$ 1,361,007

Services

Project Management	Direct				Total			2017 Totals	2016 Totals
	Program Admin.	Free Store	Furniture Bank	Advocacy	Program Services	Management and General	Fund Raising		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,618,650	\$ -	\$ -	\$ 2,618,650	\$ 2,461,345
-	-	-	-	-	4,846,241	-	-	4,846,241	5,348,185
-	-	-	-	-	35,926	-	-	35,926	22,115
-	-	-	-	-	75,018	-	-	75,018	74,913
-	-	-	-	-	18,355	-	-	18,355	29,619
-	-	1,865,888	491,830	-	2,357,718	-	-	2,357,718	2,244,722
84,984	2,454,405	434,015	395,188	162,865	3,531,457	247,019	585,556	4,364,033	4,186,824
2,268	135,000	25,612	35,198	6,379	204,457	34,570	69,364	308,391	273,451
274	33,607	5,793	17,416	1,118	58,208	6,386	90,192	154,786	142,635
69	69,018	82,321	94,605	149	246,163	7,404	7,985	261,552	256,073
278	15,746	3,497	2,349	6,595	28,465	4,450	9,831	42,746	38,483
50,006	25,570	21,571	1,703	490	99,339	15,214	8,506	123,059	80,737
272	14,692	2,721	2,749	816	21,250	3,809	2,993	28,052	27,752
154	-	-	-	-	154	96	2,524	2,774	2,025
582	3,992	369	448	59	5,451	14,119	2,622	22,192	19,881
144	8,939	1,021	1,548	435	12,088	2,602	6,488	21,178	17,548
29	6,613	227	1,242	174	8,285	28,090	13,405	49,779	35,537
<u>\$ 139,059</u>	<u>\$ 2,767,582</u>	<u>\$ 2,443,037</u>	<u>\$ 1,044,275</u>	<u>\$ 179,081</u>	<u>\$ 14,167,225</u>	<u>\$ 363,759</u>	<u>\$ 799,467</u>	<u>\$ 15,330,450</u>	<u>\$ 15,261,845</u>

CRISIS ASSISTANCE MINISTRY**STATEMENT OF CASH FLOWS****YEAR ENDED JUNE 30, 2017, WITH PRIOR YEAR COMPARATIVE TOTALS**

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (281,159)	\$ 274,455
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	55,690	41,147
Loss on disposal of equipment	-	7,414
Realized and unrealized (gain) loss on investments	(212,646)	81,390
Contributions restricted for long-term purposes	-	(87,783)
In-kind contributions of equipment, furniture and vehicle	(7,601)	(64,896)
(Increase) decrease in operating assets:		
Receivables	180,551	(95,289)
Inventory	28,640	(145,932)
Prepaid expenses	17,939	(41,220)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(9,587)	(106,491)
Cash Flows From Operating Activities	<u>(228,173)</u>	<u>(137,205)</u>
INVESTING ACTIVITIES		
Acquisition of equipment and furniture	(65,891)	(36,587)
Proceeds from sale of investments	109,985	100,065
Purchase of investments	(111,613)	(188,876)
Cash Flows From Investing Activities	<u>(67,519)</u>	<u>(125,398)</u>
FINANCING ACTIVITIES		
Contributions restricted for long-term purposes	-	87,783
Principal payments on capital lease obligation	(24,345)	(3,559)
Cash Flows From Financing Activities	<u>(24,345)</u>	<u>84,224</u>
CHANGE IN CASH	<u>(320,037)</u>	<u>(178,379)</u>
CASH, BEGINNING	<u>4,157,826</u>	<u>4,336,205</u>
CASH, ENDING	<u>\$ 3,837,789</u>	<u>\$ 4,157,826</u>

CASH AND EQUIVALENTS PER STATEMENT OF FINANCIAL POSITION

Held for operations	\$ 3,527,789	\$ 3,847,826
Held for long-term use	310,000	310,000
	<u>\$ 3,837,789</u>	<u>\$ 4,157,826</u>

SUPPLEMENTAL INFORMATION

Interest paid	\$ 5,453	\$ 811
Equipment purchased under a capital lease	\$ 38,046	\$ 44,907

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - ORGANIZATION AND PURPOSE

Nature of Activities

Crisis Assistance Ministry (the "Organization") is a nonprofit corporation that provides emergency help to residents of Mecklenburg County, North Carolina. The Organization provides short-term financial assistance for rent, utilities, and food, and also distributes donated clothing, furniture, and other items. The Organization's primary sources of support are governmental grants and public grants and contributions. The Organization is a participating agency of the United Way.

The Organization's major programs consist of the following:

General Ministry - CAM Funds: Donated funds from individuals, faith partners, companies and grants which are used for rent, mortgage, utilities, food and other needs as identified.

Duke Utility Assistance/Shareholder-Merger: 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. Orders granted by NC Utilities Commission to provide assistance to Duke Energy Carolinas' retail electric customers.

Rental Assistance: City funding that provides rental and mortgage assistance to families and individuals threatened with eviction who live within the city limits of Charlotte.

Low Income Home Energy Assistance-CIP: Crisis Intervention Program funds are federal funds that assist individuals and families who are experiencing a heating or cooling related crisis based on the weather.

Energy Assistance: City funding that provides emergency assistance to families and individuals who are threatened with the loss of energy or water and who live within the city limits of Charlotte.

General Assistance: County funding that assists families with minor children, the elderly or the disabled with rent, mortgage or utilities or other needs as request by the Department of Social Services.

Emergency Food and Shelter-FEMA: Federal funding that provides assistance with past due rent or mortgage no greater than one month's rent/mortgage.

Emergency Assistance: County funding that assists families with minor children under the age of 18 years of age, the elderly or the disabled with rent, mortgage or utilities which are in danger of disconnection.

Project Management: Salaries and operating costs for the project management team which enables the organization to initiate, prioritize and manage projects needed to meet strategic programmatic goals.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - ORGANIZATION AND PURPOSE, continued

Direct Program Administration: Salaries and operating costs for the Housing and Financial Stability department that administers all direct rent and utility client aid programs.

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

Furniture Bank: Salaries and operating costs of a Furniture Bank that provides donated furniture and appliances to low income clients based on referrals from Partner Agencies.

Advocacy: Salaries and operating costs of advocacy programs that promote awareness and advocacy regarding poverty.

Income Tax Status

The Organization is a North Carolina not-for-profit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity under Section 509(a)(1) of the Internal Revenue Code.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization is required under U.S. generally accepted accounting principles (GAAP) to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets – Unrestricted net assets are those currently available for use in the day-to-day operation of the Organization and those resources invested in property and equipment. Also included in unrestricted net assets are funds designated for activities other than normal operations by Crisis Assistance’s Board of Directors. Designated funds at year-end consist of amounts held for future long-term needs.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently 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. Restricted grants and contributions are reported as increases in unrestricted net assets if the restrictions are accomplished in the reporting period in which the contributions are recognized. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont.

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.

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 42,864 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 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 date of donation. During the year the Organization distributed 712,105 articles of clothing and 12,138 pieces of furniture and appliances with a combined estimated fair value of \$2,211,459.

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

Expenses are allocated to program services, management and general, and fund raising based on management's estimates of time spent and various allocation methods appropriate to the type of expense.

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 2016 financial statements, from which the summarized information was derived.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE C - GRANTS RECEIVABLE

Unconditional grants and contributions receivable 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 \$9,315 has been applied to a long-term pledges using a 10-year US Treasury rate of 2.35 percent.

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

Year ended June 30:	
2018	\$ 493,820
2019	9,806
2020	9,579
2021	9,356
2022	9,139
Thereafter	<u>42,612</u>
	<u>\$ 574,312</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 pool -</i>	
<i>Non-Endowed Long-Term investment strategy</i>	\$ 2,007,230
<i>Endowed-Designated pool -</i>	
<i>Endowed Long-Term investment strategy</i>	<u>14,713</u>
	<u>\$ 2,021,943</u>

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE D - INVESTMENTS, continued

Other Investments

Other investments at year-end consists of the following certificates of deposit with Capital Bank with original maturities in excess of three months:

Matures April 16, 2018, with interest at 0.88%	\$ 101,217
Matures April 15, 2019, with interest at 1.0%	111,581
	<u>\$ 212,798</u>

Investment earnings for the year are comprised of the following:

Interest earned on bank accounts and certificates of deposit	\$ 25,412
Gain on beneficial interest in assets held in trust	212,646
	<u>\$ 238,058</u>

NOTE E - FAIR VALUE MEASUREMENTS

Current accounting standards require fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization has segregated its financial instruments into the most appropriate level within the fair value hierarchy defined above at year-end as follows:

- 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 Organization's certificate of deposit is classified as a Level 2 asset and is valued at cost plus accrued interest which approximates fair value.

The following table sets forth a summary of changes in the fair value of the Organization's level 3 assets for the year:

Balance, beginning of year	\$ 1,809,297
Increase in value	212,646
Balance, end of year	<u>\$ 2,021,943</u>

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE F - EQUIPMENT AND FURNITURE

Equipment, furniture and vehicles as year end consists of the following:

Computer equipment	\$	332,763
Furniture and equipment		113,108
Vehicles		72,896
Leasehold Improvements		44,758
		<hr/>
		563,525
Less - accumulated depreciation		228,442
		<hr/>
	\$	<u>335,083</u>

Depreciation expense for the year totaled \$55,690.

NOTE G - RESTRICTED NET ASSETS

Temporarily restricted net assets represent amounts with donor stipulations that limit the use of the funds. Temporarily restricted net assets at year-end are as follows:

United Way allocation receivable for the year ending June 30, 2018	\$	320,712
Beneficial interest in investments held in trust by third party:		
Fund for the Future		2,007,230
Accumulated income on Endowment Fund		3,804
NC Shareholder Fund (Duke Energy)		298,017
Share the Warmth (Duke Energy)		72,741
Targeted Prevention		219,785
Rent and utility assistance		368
Clothing and furniture		9,458
Free Store administration		923
		<hr/>
	\$	<u>2,933,038</u>

Pursuant to the Orders Granting General Rate Increase issued by the NC Utilities Commission, the Organization received non-recurring funding from the NC Shareholder Fund in prior years. The \$298,017 of unspent funds at year-end is to be spent by June 30, 2018.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE G - RESTRICTED NET ASSETS, continued

Permanently restricted net assets represent a beneficial interest in assets held in trust in perpetuity by the Foundation. These Endowment investments are managed by the Foundation, who has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions while growing the funds. Actual returns in any given year will vary.

NOTE H - RETIREMENT PLAN

Crisis Assistance Ministry maintains a defined contribution retirement plan qualified under Internal Revenue Code Section 401(k). An employee is immediately eligible to make contributions to the plan; however, employees must have one year of service to receive a contribution from the Organization. The Organization contributed \$155,587 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.

NOTE I - CONCENTRATION OF CREDIT RISK

Cash and Certificates of Deposit

Cash and certificates of deposit are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) for bank accounts and \$250,000 by the National Credit Union Administration (NCUA) for credit union accounts. The total cash and certificates of deposit held by the Organization at year-end, include \$3,082,727 in excess of insured limits covered by the above.

Grants Receivable

Grants receivable year-end consists of allocations from United Way of \$320,712 for the year ending June 30, 2018, and \$157,355 of grant reimbursements from a governmental agency.

Investments

As disclosed in Note D above, the Organization maintains a variety of 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.

CRISIS ASSISTANCE MINISTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE J - CONTINGENCIES

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audits by the funding agencies. Such audits could result in claims against Crisis Assistance Ministry for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

NOTE K - LEASE COMMITMENTS

The Organization leases various warehouse space and various office equipment under non-cancelable operating leases. Total lease payments made during the year totaled \$88,474. Minimum future rental payments under these leases are as follows:

Year ending June 30:	
2018	\$ 34,749
2019	1,354
2020	<u>564</u>
Total	<u>\$ 36,667</u>

The Organization leases office equipment under capital lease arrangements. Total lease payments made during the year under this lease totaled \$29,799. Minimum future payments under this lease are as follows:

Year ending June 30:	
2018	\$ 32,262
2019	32,262
2020	<u>2,463</u>
Total lease payments	66,987
Less amount representing interest	<u>11,929</u>
Present value of net minimum lease payments	<u>\$ 55,058</u>

NOTE L - 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.