



Darrell L. Keller, CPA, PA

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

(704) 739-0771

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
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FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Eastern Catawba Cooperative Christian Ministry, Inc.
Newton, North Carolina

Opinion

We have audited the accompanying financial statements of Eastern Catawba Cooperative Christian Ministry, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eastern Catawba Cooperative Christian Ministry, Inc. as of December 31, 2021, 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 for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eastern Catawba 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

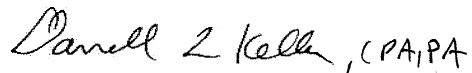
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Eastern Catawba 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Eastern Catawba 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.



Darrell L. Keller, CPA, PA
Kings Mountain, North Carolina

April 30, 2022

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2021</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 153,348	\$ 124,867	\$ 278,215
Accounts receivable	1,739	10,373	12,112
Prepaid Insurance	17,218	-	17,218
Total Current Assets	<u>172,305</u>	<u>135,240</u>	<u>307,545</u>
Investments in Endowment Funds	562,037	122,956	684,993
Beneficial Use of Land and Warehouse Space	-	79,068	79,068
Property and Equipment, net	<u>547,746</u>	<u>-</u>	<u>547,746</u>
TOTAL ASSETS	<u><u>\$ 1,282,088</u></u>	<u><u>\$ 337,264</u></u>	<u><u>\$ 1,619,352</u></u>
 LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	\$ 5,304	\$ -	\$ 5,304
Sales Tax Payable	591	-	591
Payroll Taxes Payable	2,748	-	2,748
Total Current Liabilities	<u>8,643</u>	<u>-</u>	<u>8,643</u>
 Net assets:			
Without Donor Restrictions	1,273,445	-	1,273,445
With Donor Restriction	-	337,264	337,264
Total Net Assets	<u>1,273,445</u>	<u>337,264</u>	<u>1,610,709</u>
Total liabilities and net assets	<u><u>\$ 1,282,088</u></u>	<u><u>\$ 337,264</u></u>	<u><u>\$ 1,619,352</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements.

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total 2021</u>
Public support and revenue:			
Churches	113,840	-	113,840
Individuals	161,190	-	161,190
Memorials	27,289	-	27,289
Corporate	42,453	-	42,453
Clothing sales	94,783	-	94,783
Other sources	-	550	550
DSS Admin Fee	143,122	-	143,122
Fundraisers	70,965	-	70,965
Thrift Store Donation	4,270	-	4,270
Foundations	72,213	30,000	102,213
Gift in Kind Income	3,103	-	3,103
United Way grants	-	-	-
Duke Power Assistance	-	10,162	10,162
Duke - Special BPM Grant	-	15,000	15,000
Fema Funds	-	18,749	18,749
CACP	-	10,000	10,000
Carlisle Grant	-	4,250	4,250
Endowment Contributions	-	30,409	30,409
Food Pantry	-	29,562	29,562
Individuals/Churches - Food Pantry	-	25,711	25,711
Transportation Program	-	1,950	1,950
DSS General Assistance	-	6,121	6,121
Maiden/Newton Grant	-	8,340	8,340
Land Lease Contribution	-	2,901	2,901
Warehouse Lease Contribution	-	8,797	8,797
Net assets released from restriction:			-
Expiration of time restriction	-	-	-
Satisfaction of donor restriction	302,162	(302,162)	-
Total Support	<u>1,035,390</u>	<u>(99,660)</u>	<u>935,730</u>
Other Revenues			
Unrealized gain (loss) on investments	73,189	-	73,189
Interest and Dividends	1,154	-	1,154
Gain (Loss) on disposal of assets	-	-	-
Total Other Revenues	<u>74,343</u>	<u>-</u>	<u>74,343</u>
Total support, revenue, and reclassification	<u>1,109,733</u>	<u>(99,660)</u>	<u>1,010,073</u>
Expenses:			
Program services	849,396	-	849,396
General and Administrative	96,614	-	96,614
Fundraising	53,586	-	53,586
Total Expenses	<u>999,596</u>	<u>-</u>	<u>999,596</u>
Change in net assets	110,137	(99,660)	10,477
Net assets:			
Beginning	1,163,308	436,924	1,600,232
Ending	<u>\$ 1,273,445</u>	<u>\$ 337,264</u>	<u>\$ 1,610,709</u>

The Accompanying Notes are an Integral Part of these Financial Statements.

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	General and Administrative	Fund Raising	Total Expenses
Salaries and Director Costs	\$ 451,172	\$ 54,883	\$ 13,347	519,402
Employee Benefits	39,754	2,619	-	42,373
Payroll taxes	31,099	3,842	934	35,875
Professional and other services	5,013	5,013	22,405	32,431
Office Supplies	11,879	8,889	6,900	27,668
Postage	2,952	984	638	4,574
Office equipment leases	6,290	-	1,950	8,240
Utilities	22,455	-	-	22,455
Repairs and maintenance	15,402	-	-	15,402
Vehicle Expense	4,303	-	-	4,303
Interest Expense	-	-	-	-
Dues and Subscriptions	3,422	2,730	468	6,620
Training expenses	-	-	-	-
Travel	1,823	1,823	-	3,646
Hunger Prevention Program	6,887	-	-	6,887
Miscellaneous	1,572	2,171	-	3,743
Property Taxes	-	-	-	-
Insurance	9,096	7,022	-	16,118
Volunteer	514	-	-	514
Advertising	-	-	-	-
Duke Energy	30,897	-	-	30,897
United Way	-	-	-	-
DSS General Assistance	5,463	-	-	5,463
FEMA Programs	18,901	-	-	18,901
Crisis Program	47,368	-	-	47,368
Fundraisers	-	-	6,944	6,944
Christmas Bureau	-	-	-	-
COVID Response	49,055	-	-	49,055
Hunger Walk	16,214	-	-	16,214
Transportation Program	2,655	-	-	2,655
Foundations	-	-	-	-
Funds Development	-	-	-	-
Thrift Store Expenses	3,102	-	-	3,102
Warehouse utilities	2,365	-	-	2,365
Community Outreach Expenses	-	-	-	-
Land and Warehouse Lease*	25,038	2,782	-	27,820
Total expenses before depreciation	<u>814,691</u>	<u>92,758</u>	<u>53,586</u>	<u>961,035</u>
Depreciation	34,705	3,856	-	38,561
Total expenses	<u>\$ 849,396</u>	<u>\$ 96,614</u>	<u>\$ 53,586</u>	<u>\$ 999,596</u>

* Includes Gift in Kind, see note 8

The accompanying notes are an integral part of these financial statements.

Eastern Catawba Cooperative Christian Ministry, Inc.
 Statements of Cash Flows
 December 31, 2021

Years Ended December 31,	2021
Cash Flows from operating activities	
Cash received from donors	818,303
Cash received from thrift store sales	101,409
Interest and dividends received	1,154
Other Cash Received	2,086
Cash Paid to vendors	(354,549)
Cash paid for payroll and benefits	(599,141)
Net cash flows provided by (used in) operating activities	(30,738)
Cash flows from investing activities	
Purchase of Property and Equipment	(7,560)
Purchase of Endowment Investments	(150,359)
Net cash flows provided by (used in) operating activities	(157,919)
Cash flow from financing activities	
Contributions received with permanent donor restriction	30,409
Net cash flows provided by (used in) financing activities	30,409
Net increase (decrease) in cash, cash equivalents, and restricted cash	(158,248)
Cash, Cash Equivalents, and Restricted Cash	
Beginning of Year	\$ 436,463
End of Year	\$ 278,215

The accompanying notes are an integral part of these financial statements.

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 1. SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ACTIVITIES

Reporting Entity

The Eastern Catawba Cooperative Christian Ministry, Inc. (the “Organization”) is a non-profit organization organized in 1969 in Catawba County. It was determined to be a non-profit by the Internal Revenue Service in July 1971 and is governed by a volunteer Board of Directors. The Organization is a tax exempt organization under section 501(c)(3) of the Internal Revenue Code. However, income generated from activities unrelated to the exempt purpose of the Organization is subject to tax. There was no unrelated business income in the year ended December 31, 2021. The Organization has been classified as an entity that is not a private foundation within the meaning of section 509(a) and contributions to the Organization are tax-deductible within the limitations prescribed by law. Revenue is derived primarily through individual (20%) and church (12%) contributions. The Organization also operates a thrift store which represents 10% of revenue. 15% of revenue is received from various restricted grants and foundations.

Organizational Mission Statement

The mission of the Organization is to bring together the resources of the Christian community to serve people in need of crisis assistance, support and education, in response to God’s call.

Principal Programs of the Ministry include:

Crisis Assistance - provides assistance with mortgage and rent payments, utility bills, fuel oil and kerosene, life-necessary pharmaceuticals, and clothing. In addition, clothing and limited household items are provided, as available, to assist victims of house fires.

Crisis Assistance Coaching - focuses on equipment individuals for self-sufficiency and financial independence in a time of crisis. Monthly classes are offered for basic household budgeting, decision making, menu preparation, and shopping strategies with the goal of providing a “hand up – not a hand out.”

Hunger Prevention - works to eradicate hunger in our community through providing food to qualifying clients, the homeless and children enrolled in either of the three school systems in Catawba County. These programs extend beyond federal guidelines filling the gaps to do away with food insecurity.

Thrifty Threads & Treasures Thrift store - provides free clothing top those in crisis and sells items at bargain prices to the entire community. All proceeds go directly back to the ministry enabling us to provide assistance to those in need.

Transportation - provides assistance with basic car repairs to families in need enabling them to continue to work or search for employment.

CIP (Crisis Intervention Program), LIHWAP (Low Income Household Water Assistance Program), and the LIEAP (Low Income Energy Assistance Program) - provides assistance for utilities with funds from Catawba County Department of Social Services. This program is administered by ECCCM which provides additional funding beyond the funds available through our Crisis Assistance Program.

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Under those standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows. The Organization uses the accrual method of accounting. Under this method, revenue is recognized when earned, and expenses are recognized when incurred.

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates include allowance for uncollectible accounts receivable, depreciation, and contingencies.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for Federal or State income taxes has been made in the accompanying financial statements.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of demand deposits in banks, cash on hand, and deposits in money market accounts. Restricted Cash is donor restricted cash that has yet to be released from restriction.

Accounts Receivable

The Organization's accounts receivable are made up of balances due from Federal and local government agencies. Due to the nature of the receivables, management has determined that an allowance for doubtful accounts is not necessary.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and expensed as the items are used.

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Investments

The fair value of all available-for-sale marketable securities has been measured on a recurring basis using Level 1 inputs. There were no changes in valuation methodologies and related inputs used at December 31, 2021.

Fair Value Measurements

FASB ASC 820-10 regarding fair value measurements clarifies the definition of fair value for financial reporting and establishes a three-tier hierarchy as a framework for measuring fair value which requires an entity to give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) when measuring fair value. The standard also requires additional disclosure about the use of fair value measurements. Fair value is defined as the price to sell an asset or transfer a liability between market participants as of the measurement date.

The three levels of the fair value hierarchy under this standard are as follows:

- Level 1 - Inputs are unadjusted quoted prices for identical instruments in active markets.
- Level 2 - Inputs are inputs other than quoted prices included within Level 1 that are directly or indirectly observable, such as quoted prices for similar instruments in active markets, or quoted prices for identical or similar instruments in inactive markets.
- Level 3 - Inputs are unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions, such as valuations derived from techniques in which one or more significant value drivers are observable.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

Property and Equipment

The Organization capitalizes property and equipment if its value is over \$1,000 and its useful life is more than one year. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair market value on the date of the gift. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty nine years. Management annually reviews these assets to determine whether carrying values have been impaired.

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Net Asset Classifications

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board has designated a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the Organization's long-term financial viability.

See note 9 for more information on the composition of net assets without donor restrictions.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time, and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

See note 10 for more information on the composition of net assets with donor restrictions.

Contributions

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America. Under those standards, contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Grants and other contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Contributed Services

The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization carrying out its fundraising and special programs, but these services do not meet the criteria for recognition as contributed services. The Organization had approximately 8,550 volunteer hours from 192 volunteers in fiscal year ending December 31, 2021.

Functional Allocation of Expenses

For functional expense allocations, salaries and related expenses are allocated to the various programs and supporting services based on estimated time the employees spend on each function. The remaining expenses are specifically allocated whenever practical or are allocated based on salaries or space utilization.

Advertising

The Organization expenses advertising costs as incurred.

Concentration of Credit Risk

The Organization maintains demand deposits at one bank in North Carolina which are secured by the Federal Deposit Insurance Corporation. At December 31, 2021 the deposits had a carrying value of \$278,215 and a bank balance of \$283,045, of this amount \$84,002 was covered by FDIC and \$199,043 was covered by overnight purchase agreement using pledged securities. \$0 was uninsured. Management does not consider this concentration to be a significant risk.

Note 2. ENDOWMENT

The Organization's Endowment Fund is established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization is subject to the State of North Carolina's version of the Uniform Prudent Management of Institutional Funds Act (SPMIFA) and, therefore, classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Board of Directors of the Organization has interpreted SPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund and any subsequent donor contributions to the permanent endowment, unless a donor stipulates the contrary. As a result of this interpretation, the Organization would consider the fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The fund is not currently underwater.

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the investment policies of the Organization.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified period(s) as well as Board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in certificates of deposit and mutual funds. The Organization seeks to build endowment assets through additional contributions and expects its endowment funds, over time, to provide a reasonable rate of return.

The Organization has a policy of appropriating for distributions each year. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

The composition of endowment net assets as of December 31, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Funds
Donor Designated as Permanent Endowment	\$ -	\$ 92,956	\$ 92,956
Board Designated Quasi-Endowment	562,037	30,000	592,037
	<u>\$ 562,037</u>	<u>\$ 122,956</u>	<u>\$ 684,993</u>

In accordance with accounting principles generally accepted in the United States of America, the Organization's investments are shown at aggregate fair value. Realized and unrealized gains and losses are reflected in the statement of activities. Investment activity for the year ended December 31, 2021 is summarized below:

	Without Donor Restrictions	With Donor Restrictions
Endowment net assets, January 1, 2021	\$ 368,847	\$ 92,597
Contributions	120,000	30,359
Investment income	35,360	
Unrealized gain (loss) on investments	43,284	
Released by Board	-	
Amounts appropriated for expenditure	(5,454)	
Endowment net assets, December 31, 2021	<u>\$ 562,037</u>	<u>\$ 122,956</u>

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

Note 3. FAIR VALUE MEASUREMENTS

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2021 are as follows:

Investments:	Fair Value	Level 1
Mutual Funds:	423,591	423,591
Exchange-Traded Products:	243,291	243,291
Equities	4,760	4,760
Cash and Cash Alternatives:	<u>13,351</u>	<u>13,351</u>
	684,993	684,993

Note 4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>12/31/2021</u>
Financial Assets at Year-End	\$ 975,320
Less those available for general expenditure within one year, due to:	
Donor Restricted:	
To maintain as an Endowment	(122,956)
Unavailable to management without Board approval	
Board designated Quasi-Endowment	(562,037)
Financial assets available to meet cash needs for general expenditure within one year	\$ 290,327

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

Note 5. ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable as of December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions
Sales Tax Receivable	\$1,739	\$ -
DSS General Assistance		2,033
City of Newton		5,034
Town of Maiden		3,306
	<u>\$1,739</u>	<u>\$10,373</u>

Note 6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>12/31/2021</u>
Land	\$ -
Building	829,624
Machinery and equipment	70,355
Office Equipment	16,213
Vehicle	99,749
Less Accumulated Depreciation	(468,195)
Net Property and Equipment	<u>\$ 547,746</u>

Depreciation Expense for December 31, 2021 was \$38,561.

The Organization built its building on land leased from the County (see note 7). Per the lease agreement the parties agree the building is a part of the County's real property and as such, if either party terminates or does not renew the lease agreement, the building would be the property of the County.

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

Note 7. BENEFICIAL USE OF LAND AND WAREHOUSE SPACE

In July of 2015 the Organization entered into a lease agreement with Catawba County whereby the Organization would lease from the County land owned by the County. The initial term of the lease is 10 years ending on June 30, 2025 with an aggregate annual base rent of \$1 per year. The value of the land at this time is \$78,200. The annual fair market rent is estimated as 10% of the land value. The Organization discounted the value of the 10 year lease term using a discount rate of 6% and recorded a restricted contribution of \$43,666.

In February of 2016 the Organization entered into a lease agreement whereby the Organization would lease warehouse space for \$1 per year. The initial term of the lease is 10 years and ending February 2026. The fair market rent of the space is determined to be \$1 per square foot for an annual rent of \$20,000. The Organization discounted the value of the 10 year lease term using a discount rate of 6% and recorded a restricted contribution of \$111,679.

The Beneficial Use asset will be amortized over the lease term with rent expense and revenue being recorded annually.

	<u>Land</u>	<u>Warehouse</u>
Beneficial Use	\$ 43,666	\$ 111,679
Less amortization	<u>(20,057)</u>	<u>(40,097)</u>
Beneficial Use at 1/1/2021	23,609	71,582
2021 Amortization	<u>(4,920)</u>	<u>(11,203)</u>
Beneficial Use at 12/31/21	<u>\$ 18,689</u>	<u>\$ 60,379</u>
Beneficial Use Contribution	\$ 2,901	\$ 8,797
Lease Expense	\$ 7,820	\$ 20,000

Note 8. LONG TERM DEBT

As of December 31, 2021 the Organization did not have any long term debt.

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
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Note 9. NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's net assets without donor restrictions is comprised of undesignated and Board designated amounts for the following purposes at December 31, 2021:

	12/31/2021
Undesignated	\$ 163,662
Fixed Assets	547,746
Board Designated for Quasi-Endowment	562,037
Total net assets without donor restrictions	\$ 1,273,445

Board Designated for Quasi-Endowment

The Board has designated funds be set aside to maintain a quasi-endowment for the purpose of securing the Organization's long-term financial viability and continuing to meet the needs of the Organization.

Note 10. NET ASSETS WITH DONOR RESTRICTIONS

	12/31/2021
Donor restricted to:	
Permanent Endowment	\$ 92,956
Quasi-Endowment using Restricted Food Funds	30,000
Beneficial Land and Warehouse Use	79,068
Crisis Assistance	67,994
Food Pantry	60,851
Endowment	150
COVID Assistance	-
Capital Account	6,245
	\$ 337,264

Note 11. FEDERAL AND STATE-ASSISTED PROGRAMS

The Organization has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
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Note 12. DSS ADMINISTRATIVE CONTRACT

ECCCM has contracted with the Catawba County Department of Social Services to administer the Crisis Intervention Program, Low Income Energy Assistance Program, the Low Income Household Water Assistance Program, and CARES (COVID) funds for Catawba County residents. All applications for assistance are processed by ECCCM case workers. The applications are then forwarded to the county for payment. Through these programs, ECCCM assisted an additional 4,589 individuals with financial assistance in the amount of \$823,678. ECCCM received \$143,122 in administrative fees to cover salaries and other expenses related to processing these applications.

Note 13. SUBSEQUENT EVENTS

The Organization has evaluated its financial statements for subsequent events through April 30, 2022, the date the financial statements were available to be issued. The Organization is not aware of any such events which would require recognition or disclosure in the financial statements.

Note 14. COVID-19

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact contributions and thrift store sales. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Contributions may continue to decrease and the number of individuals requiring assistance may continue to increase. No changes have been made to the financial statements because the potential impact cannot be reasonably estimated at this time.