



SHARPE
PATELCPA

WESTERN WAKE CRISIS MINISTRY, INC.

FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

WESTERN WAKE CRISIS MINISTRY, INC.
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Western Wake Crisis Ministry, Inc.
Apex, North Carolina

We have reviewed the accompanying financial statements of Western Wake Crisis Ministry, Inc. (a non-profit corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Western Wake Crisis Ministry, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Sharpe Patel PLLC

December 7, 2022
Raleigh, North Carolina

WESTERN WAKE CRISIS MINISTRY, INC.
Statement of Financial Position
June 30, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$	377,504
Certificates of deposit		808,966
Prepaid expenses		3,585
Food inventory		77,641
Other current assets		12,668
Total current assets		<u>1,280,364</u>

Non-current assets:

Property and equipment		170,040
Less accumulated depreciation		<u>(94,201)</u>
Total non-current assets		<u>75,839</u>

Total assets	\$	<u><u>1,356,203</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$	2,578
Accrued expenses		776
Deferred Revenue		<u>13,820</u>
Total current liabilities		<u>17,174</u>

Net assets:

Without donor restrictions		1,339,029
With donor restrictions		<u>-</u>
Total net assets		<u>1,339,029</u>

Total liabilities and net assets	\$	<u><u>1,356,203</u></u>
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See independent accountants' review report and notes to financial statements.

WESTERN WAKE CRISIS MINISTRY, INC.
Statement of Activities
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:			
Grants	\$ 23,250	\$ -	\$ 23,250
Contributions	824,489	-	824,489
Gifts in kind	758,878	-	758,878
Investment income, net	(137)	-	(137)
Other income	36,593	1,642	38,235
Total support and revenue	<u>1,643,073</u>	<u>1,642</u>	<u>1,644,715</u>
Net assets released from restrictions	<u>1,642</u>	<u>(1,642)</u>	<u>-</u>
Expenses and losses:			
Program services	1,253,220	-	1,253,220
Management and general	112,430	-	112,430
Fundraising expenses	52,877	-	52,877
Total expenses	<u>1,418,527</u>	<u>-</u>	<u>1,418,527</u>
Change in net assets	226,188	-	226,188
Net assets - beginning of year	<u>1,112,841</u>	<u>-</u>	<u>1,112,841</u>
Net assets - end of year	<u><u>\$ 1,339,029</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,339,029</u></u>

See independent accountants' review report and notes to financial statements.

WESTERN WAKE CRISIS MINISTRY, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services	Management and General	Fundraising Expenses	Total Expenses
Salaries and wages	\$ 158,307	\$ 70,253	\$ 11,351	\$ 239,911
Employee benefits	265	4,390	-	4,655
Payroll taxes	12,825	7,075	868	20,768
Contracted services	6,913	8,790	9,030	24,733
Transportation and travel	799	7	-	806
Operations	4,605	19,534	31,419	55,558
Facilities and Equipment	101,470	2,181	209	103,860
Client Assistance	968,036	-	-	968,036
Business Expenses	-	200	-	200
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 1,253,220</u>	<u>\$ 112,430</u>	<u>\$ 52,877</u>	<u>\$ 1,418,527</u>

See independent accountants' review report and notes to financial statements.

WESTERN WAKE CRISIS MINISTRY, INC.
Statement of Cash Flows
For the Year Ended June 30, 2022

Cash flows from operating activities:	
Change in net assets	\$ 226,188
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation	17,177
Changes in operating assets and liabilities:	
Accounts receivable	625
Prepaid expenses	33
Food inventory	(7,016)
Other assets	(5,809)
Accounts payable	869
Accrued expenses	776
Deferred revenue	(2,500)
Net cash provided by operating activities	<u>230,343</u>
Cash flows from investing activities:	
Purchases of property and equipment	(8,129)
Purchases of certificates of deposit	<u>(600,633)</u>
Net cash provided (used) by operating activities	<u>(608,762)</u>
Net increase (decrease) in cash and cash equivalents	(378,419)
Cash and cash equivalents, beginning of year	<u>755,923</u>
Cash and cash equivalents, end of year	<u><u>\$ 377,504</u></u>

See independent accountants' review report and notes to financial statements.

WESTERN WAKE CRISIS MINISTRY, INC.
Notes to Financial Statements
June 30, 2022

NOTE 1 - NATURE OF OPERATIONS

Western Wake Crisis Ministry, Inc. (the Organization) is a not-for-profit entity organized to partner with those in crisis, helping them gain stability through basic support for food, financial and housing assistance, education and opportunity. The Organization's support consists mainly of donations and grants.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization has adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without restrictions" and "net assets with restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Basis of Accounting

The accompanying financial statements of Western Wake Crisis Ministry, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Estimates

The preparation of financial statements in conformity with 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash in bank in interest bearing and cash investment accounts with original maturities of three months or less to be cash equivalents.

Certificates of Deposit

Certificates of deposit held for investment that are not debt securities are considered investments, and are measured at cost rather than at fair value.

Food Inventory

Food inventory consists of donated food items and is valued based on a rate per pound obtained from a third party (\$1.94 per pound at June 30, 2022).

WESTERN WAKE CRISIS MINISTRY, INC.
Notes to Financial Statements
June 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

The cost of property and equipment in excess of \$1,000 is recorded at cost when purchased and fair value when donated. Major additions or betterments are charged to the property accounts while replacements, maintenance and repairs are generally charged to expense when incurred. Depreciation is provided using the straight-line method. Estimated useful lives of assets are as follows:

Equipment	5 to 10 years
Furniture	10 years
Leasehold improvements	10 years

The Organization's policy regarding donated assets is to capitalize and depreciate them using the straight-line cost recovery system. Accordingly, donated assets are initially recorded as contribution revenue with a corresponding entry to the fixed asset on the statement of financial position. Depreciation expense for the year ended June 30, 2022 is \$0.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets. The net assets as of June 30, 2022 consists of the following:

Net assets without donor restrictions – net assets without donor restrictions include resources, which are available for the support of the Organization's operating activities.

Net assets with restrictions – Net assets that are contributions subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the actions of the Organization and /or the passage of time.

Functional Expenses

The cost of providing the various programs and the administration of the Organization has been summarized on a function basis in the statement of functional expenses. Certain costs have been allocated on the basis of time records and estimates made by Western Wake Crisis Ministry, Inc.'s management.

Income Tax Status

The Organization is exempt from federal and state income taxes under 501(a) of the Internal Revenue Code and is classified under 501(c)(3) as a public charity. The Organization has also been classified as an entity that is not a private Organization within the meaning of Section 509(a)(2). The Organization is subject to a tax on income from any unrelated business. For the year ended June 30, 2022, the organization did not have any unrelated business income.

Revenue With and Without Donor Restrictions

Contributions received are recorded as increases in net assets with donor restrictions or without donor restrictions, depending on the existence or nature of any donor restrictions. All donor-restricted contributions and grants are reported as increases in net assets with donor restrictions. 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. Contributions received with temporary restrictions that are met in the same reported period are reported as support without donor restrictions and increase net assets without donor restrictions.

WESTERN WAKE CRISIS MINISTRY, INC.
Notes to Financial Statements
June 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Items and Services (Gifts in Kind)

Effective July 1, 2021 the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* effective the for the year ended June 30, 2022. Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Organization reports the donations as support without restriction, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. See note 7 for further details.

Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising campaigns, the value of which is not recorded in the accompanying financial statements.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. On January 1, 2013, the Federal Deposit Insurance Corporation (FDIC) adopted a policy in which a customer's interest and non-interest bearing accounts are pooled together and insured up to a \$250,000 limit at each financial institution. During the year the Organization may from time to time have amounts on deposit in excess of the insured limits. As of June 30, 2022, the Organization had an uninsured balance of \$85,946.

NOTE 4 - FAIR VALUE MEASUREMENTS

The Organization values its investments in accordance with a hierarchy that prioritizes the inputs to valuation techniques, giving the highest priority to readily available unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement) when market prices are not readily available or reliable.

The three levels of the hierarchy under fair value measurements are described below:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs, which are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, credit risk, and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used.

WESTERN WAKE CRISIS MINISTRY, INC.
Notes to Financial Statements
June 30, 2022

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

Unobservable inputs reflect the Organization's own assumptions and would be based on the best information available. Changes in valuation techniques could result in transfers in or out of an assigned level within the hierarchy. Interest income, including unrealized appreciation/depreciation earned on investments, is recognized as revenue without restrictions unless specifically restricted for use by the donor.

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value on a recurring basis, as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ 808,966	\$ -	\$ 808,966
	<u>\$ -</u>	<u>\$ 808,966</u>	<u>\$ -</u>	<u>\$ 808,966</u>

NOTE 5 - INCOME TAXES

The Organization evaluates any uncertain tax positions. Accordingly, the Organization's policy is to record a liability for any tax position taken that is beneficial to the Organization, including any related interest and penalties, when it is more likely than not the position of management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2022.

NOTE 6 – LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial sheet date, comprise the following:

Cash and equivalents	\$ 377,504
Accounts receivable	-
Certificates of deposit	808,966
Less: accounts payable	(2,578)
Less: accrued expenses	(776)
Total amount for general expenditures	<u>\$ 1,183,116</u>

NOTE 7 – IN-KIND DONATED SERVICES AND ASSETS

During the year ended June 30, 2022, the Organization received in-kind donations as follows:

Food donations	\$ 686,162
Goods	20,102
Use of facilities	51,614
Services	1,000
	<u>\$ 758,878</u>

WESTERN WAKE CRISIS MINISTRY, INC.
Notes to Financial Statements
June 30, 2022

NOTE 8 – LEASE COMMITMENTS

The Organization leases space in Apex, North Carolina under a non-cancellable lease agreement expiring in August 2041. Rent is due in monthly installments starting at \$640 (beginning September 2016) and escalating 3% each year thereafter. Rent expense for the year ended June, 2022 was \$71,895 (including \$51,614 of in-kind donations of rent). The Organization also rents two storage spaces on a month-to-month basis.

Required future minimum lease payments are as follows:

Year ending June 30, 2023	\$ 9,400
Year ending June 30, 2024	9,682
Year ending June 30, 2025	9,972
Year ending June 30, 2026	10,271
Year ending June 30, 2027	10,579
There after	172,784
	<u>\$ 222,688</u>

NOTE 9 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 7, 2022, the date which the financial statements were available to be issued.

No significant subsequent events have been, identified by management.