



Darrell L. Keller, CPA, PA

**ASHURE MINISTRY, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

(704) 739-0771

ASHURE MINISTRY, INC.
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FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ashure Ministry, Inc.
Newton, North Carolina

Opinion

We have audited the accompanying financial statements of Ashure Ministry, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 Ashure Ministry, Inc. as of December 31, 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 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 Ashure 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 Ashure 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

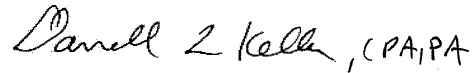
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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 Ashure 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 Ashure 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

July 1, 2024

ASHURE MINISTRY, INC.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total 2023
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 126,341	\$ 176,844	\$ 303,185
Accounts receivable	46,592	-	46,592
Food Inventory	373,055	-	373,055
Sales Tax Receivable	2,102	-	2,102
Prepaid Expenses	196	-	196
Total Current Assets	548,286	176,844	725,130
Investments in Endowment Funds	764,908	128,461	893,369
Beneficial Use of Land and Warehouse Space	-	40,637	40,637
Right of Use - Leased Assets	7,027	-	7,027
Property and Equipment, net	840,530	-	840,530
TOTAL ASSETS	\$ 2,160,751	\$ 345,942	\$ 2,506,693
 LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	\$ 9,509	\$ -	\$ 9,509
Sales Tax Payable	762	-	762
Payroll Taxes Payable	2,777	-	2,777
Lease Liability - Current Portion	1,935	-	1,935
Total Current Liabilities	14,983	-	14,983
Lease Liability - Non Current	5,092	-	5,092
Net assets:			
Without Donor Restrictions	2,140,676	-	2,140,676
With Donor Restriction	-	345,942	345,942
Total Net Assets	2,140,676	345,942	2,486,618
Total liabilities and net assets	\$ 2,160,751	\$ 345,942	\$ 2,506,693

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

ASHURE MINISTRY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total 2023</u>
Public support and revenue:			
Churches	112,350	-	112,350
Individuals	185,347	-	185,347
Memorials	34,373	-	34,373
Corporate	39,206	-	39,206
Clothing sales	150,194	-	150,194
Other sources	-	700	700
DSS Admin Fee	127,648	-	127,648
Fundraisers	88,454	-	88,454
Thrift Store Donation	5,693	-	5,693
Foundations	87,250	52,500	139,750
Services donated	2,473	-	2,473
Food and Goods donated	4,632,797	-	4,632,797
Equipment Donation	369,265	-	369,265
Crisis Donations	-	70,000	70,000
United Way grants	-	-	-
Duke Power Assistance	-	16,030	16,030
Duke - Special BPM Grant	-	-	-
Fema Funds	-	13,348	13,348
CACP	-	-	-
Endowment Contributions	-	9,812	9,812
Food Pantry	-	30,673	30,673
Individuals/Churches - Food Pantry	-	47,229	47,229
DSS General Assistance	-	18,011	18,011
Maiden/Newton Grant	-	120,975	120,975
Early Head Start Funds	-	-	-
Land Lease Contribution	-	1,618	1,618
Warehouse Lease Contribution	-	5,874	5,874
Net assets released from restriction:			-
Expiration of time restriction	-	-	-
Satisfaction of donor restriction	392,099	(392,099)	-
Total Support	<u>6,227,149</u>	<u>(5,329)</u>	<u>6,221,820</u>
Other Revenues			
Net Investment Income	97,870	-	97,870
Interest and Dividends	1,370	-	1,370
Gain (Loss) on disposal of assets	-	-	-
Total Other Revenues	<u>99,240</u>	<u>-</u>	<u>99,240</u>
Total support, revenue, and reclassification	<u>6,326,389</u>	<u>(5,329)</u>	<u>6,321,060</u>
Expenses:			
Program services	5,431,778	-	5,431,778
General and Administrative	145,837	-	145,837
Fundraising	93,640	-	93,640
Total Expenses	<u>5,671,255</u>	<u>-</u>	<u>5,671,255</u>
Change in net assets	655,134	(5,329)	649,805
Net assets:			
Beginning	1,485,542	351,271	1,836,813
Prior Period adjustment	-	-	-
Ending	<u>\$ 2,140,676</u>	<u>\$ 345,942</u>	<u>\$ 2,486,618</u>

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

ASHURE MINISTRY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	General and Administrative	Fund Raising	Total Expenses
Salaries and Director Costs	\$ 411,957	\$ 85,758	\$ 36,058	533,773
Employee Benefits	31,252	7,331	-	38,583
Payroll taxes	32,048	6,659	2,913	41,620
Professional and other services	7,302	7,302	7,302	21,906
Office Supplies	20,300	5,648	3,165	29,113
Postage	1,584	-	-	1,584
Office equipment leases	3,979	1,530	612	6,121
Utilities	15,198	5,845	2,338	23,381
Repairs and maintenance	15,761	4,778	1,911	22,450
Contributed Services	1,607	618	247	2,472
Vehicle Expense	9,708	-	-	9,708
Dues and Subscriptions	3,879	1,492	597	5,968
Training expenses	-	-	-	-
Travel	1,800	1,500	300	3,600
Hunger Prevention Program	83,568	-	-	83,568
Distributed Food and Goods	4,370,322	-	-	4,370,322
Miscellaneous	783	301	120	1,204
Property Taxes	-	-	-	-
Insurance	11,427	4,395	1,758	17,580
Volunteer	2,188	-	-	2,188
Advertising	-	-	-	-
Duke Energy	27,704	-	-	27,704
United Way	-	-	-	-
DSS General Assistance	17,511	-	-	17,511
FEMA Programs	13,348	-	-	13,348
Crisis Program	273,143	-	-	273,143
Fundraisers	-	-	15,338	15,338
Christmas Bureau	-	-	-	-
COVID Response	-	-	-	-
Hunger Walk	16,503	-	-	16,503
Transportation Program	565	-	-	565
Foundations	-	-	-	-
Funds Development	-	-	16,500	16,500
Thrift Store Expenses	4,217	-	-	4,217
Warehouse utilities	3,352	-	-	3,352
Community Outreach Expenses	-	-	522	522
Land and Warehouse Lease	25,038	2,782	-	27,820
Total expenses before depreciation	<u>5,406,044</u>	<u>135,939</u>	<u>89,681</u>	<u>5,631,664</u>
Depreciation	25,734	9,898	3,959	39,591
Total expenses	<u>\$ 5,431,778</u>	<u>\$ 145,837</u>	<u>\$ 93,640</u>	<u>\$ 5,671,255</u>

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

Ashure Ministry, Inc.
 Statements of Cash Flows
 December 31, 2023

Years Ended December 31,	2023
Cash Flows from operating activities	
Cash received from donors	1,141,458
Cash received from thrift store sales	150,194
Interest and dividends received	1,370
Other Cash Received	1,825
Cash Paid to vendors	(613,086)
Cash paid for payroll and benefits	(614,584)
Net cash flows provided by (used in) operating activities	67,177
Cash flows from investing activities	
Purchase of Property and Equipment	-
Purchase of Endowment Investments	(4,805)
Net cash flows provided by (used in) operating activities	(4,805)
Cash flow from financing activities	
Contributions received with permanent donor restriction	9,812
Net cash flows provided by (used in) financing activities	9,812
Net increase (decrease) in cash, cash equivalents, and restricted cash	72,184
Cash, Cash Equivalents, and Restricted Cash	
Beginning of Year	\$ 231,001
End of Year	\$ 303,185

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

ASHURE MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1. SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ACTIVITIES

Reporting Entity

Ashure 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, 2023. 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 (3.6%) and church (2.1%) contributions. The Organization also operates a thrift store which represents 2.9% of revenue. 6.1% of revenue is received from various restricted grants and foundations. Contributed food and household goods represent 76.6% of the Organizations support.

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 to 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) 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 ASHURE which provides additional funding beyond the funds available through our Crisis Assistance Program.

ASHURE MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, inventory valuation, 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

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.

ASHURE MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023.

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 \$5,000 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. Repairs and maintenance which do not extend the useful lives of the related assets are expensed as incurred.

ASHURE MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

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.

Revenue Recognition

The Organization adopted the requirements of Financial Accounting Standards Board's Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers" (ASU 2014-09), during a prior fiscal year. The core principle of this standard is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Contributions are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of cash and other assets are considered to be available for undesignated use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the 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.

A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local grants, which are conditioned upon certain performance requirements and or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization

ASHURE MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. No funds have been received in advance that have not been utilized and meet the requirements to be considered conditional and therefore recorded as refundable advances.

Contributed Goods and Services

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. During the year the Organization recorded donated services in the amount of \$2,473.

The Organization received a donation of a walk-in freezer including installation. The value of this gift in kind was recorded as \$369,265 which is the value the donor paid for the project.

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 15,712 volunteer hours from 376 volunteers in fiscal year ending December 31, 2023, to assist the organization in achieving the goals of its programs. The value of this contributed time is not reflected in these financial statements since it does not meet the above recognition criteria.

Inventories

The Organization maintains a substantial quantity of food items in inventory at all times. The Inventory consists primarily of USDA donated commodities and other foods and goods donated by third party suppliers . Inventories are determined by the first in, first out method. Donated inventory items were valued at \$1.93 per pound which is the approximate average wholesale value of one pound of donated product at the national level as outlined in the Product Valuation Survey Methodology, June 2022 prepared by Feeding America, a national food bank network non-profit corporation RSM US LLP, an international accounting firm, has performed certain agreed-upon procedures in accordance with standards established by the American Institute of Certified Public Accountants solely to assist Feeding America with respect to determining the approximate average wholesale value of one pound of donated product at the national level. Their report is available upon request. The average per pound valuation of food provided by government agencies during the year ended December 31, 2023 was \$1.57. During the year ended December 31, 2023 the pounds of food and household products distributed were 2,410,412.

The Organization receives support in the form of in-kind donations of personal and household goods. It operates a thrift store in order to liquidate these items. These contributions are valued at the amount of cash received for the items. The in-kind contributions are recorded as thrift store revenue once their fair market values can be determined (i.e. when the items are sold). Accordingly, no inventory of these items is recorded at year-end.

Advertising

The Organization expenses advertising costs as incurred.

ASHURE MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

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, 2023 the deposits had a carrying value of \$302,985 and a bank balance of \$334,980, of this amount \$36,466 was covered by FDIC and \$298,514 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.

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

ASHURE MINISTRY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Funds
Donor Designated as Permanent Endowment	\$ -	\$ 98,461	\$ 98,461
Board Designated as Quasi-Endowment	764,908	30,000	794,908
	<u>\$ 764,908</u>	<u>\$ 128,461</u>	<u>\$ 893,369</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, 2023 is summarized below:

	Without Donor Restrictions	With Donor Restrictions
Endowment net assets, January 1, 2023	\$ 667,036	\$ 123,656
Contributions	-	4,805
Investment income	26,451	-
Unrealized gain (loss) on investments	76,701	-
Released by Board	-	-
Amounts appropriated for expenditure	(5,280)	-
Endowment net assets, December 31, 2023	<u>\$ 764,908</u>	<u>\$ 128,461</u>

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, 2023 are as follows:

Investments:	Fair Value	Level 1
Mutual Funds:	354,234	354,234
Exchange-Traded Products:	282,483	282,483
Equities	0	0
Cash and Cash Alternatives:	<u>256,652</u>	<u>256,652</u>
	<u>893,369</u>	<u>893,369</u>

ASHURE MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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>12/31/2023</u>
Financial Assets at Year-End	\$ 1,245,248
Less those available for general expenditure within one year, due to:	
Donor Restricted:	
To maintain as an Endowment	(128,461)
Restricted Cash	(176,844)
Unavailable to management without Board approval	
Board designated Quasi-Endowment	(764,908)
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 175,035</u>

Note 5. ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable as of December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions
Sales Tax Receivable	\$2,102	\$ -
DSS General Assistance	7,540	-
DSS Admin Fee	32,848	-
Other	70	-
City of Newton	5,510	-
Town of Maiden	<u>624</u>	<u>-</u>
	<u>\$ 48,694</u>	<u>\$ -</u>

Accounts receivable are for reimbursement grants. The funds have already been expended and therefore the receivable is recorded as Without Donor Restrictions.

Note 6. INVENTORIES

December 31, 2022	\$ 110,580
Contributed Food and Goods	4,632,797
Distributed Food and Goods	<u>(4,370,322)</u>
December 31, 2023	<u>\$ 373,055</u>

ASHURE MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	12/31/2023
Land	\$ -
Building	829,624
Machinery and equipment	70,355
Office Equipment	18,707
Vehicle	99,749
Construction in Process	369,265
Less Accumulated Depreciation	(547,170)
Net Property and Equipment	\$ 840,530

Depreciation Expense for December 31, 2023 was \$39,590.

The Organization built its building on land leased from the County (see note 8). 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.

Note 8. 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.

	Land	Warehouse
Beneficial Use	\$ 43,666	\$ 111,679
Less amortization	(30,500)	(63,880)
Beneficial Use at 1/1/2023	13,166	47,799
2023 Amortization	(6,202)	(14,126)
Beneficial Use at 12/31/23	\$ 6,964	\$ 33,673
Beneficial Use Contribution	\$ 1,618	\$ 5,874
Lease Expense	\$ 7,820	\$ 20,000

ASHURE MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 9. OPERATING LEASE

Beginning in March 2023 the Organization is leasing copier equipment under a 60 month lease term. The lease period is 3/1/22 through 3/31/27. The monthly payment relating to the lease of equipment is \$210. Total lease expense under this contract was \$2,524 for the year ending December 31, 2023. The right of use assets and lease liability were calculated based on the present value of future lease payments over the lease term. The Organization has elected to use the interest rate implicit in the lease which is 9.571%.

Future maturities of the lease liability is as follows:

December 31, 2024	\$	2,524
December 31, 2025		2,524
December 31, 2026		2,524
December 31, 2027		633
December 31, 2028		-
Total Lease Payments		8,205
Less Present Value Discount		(1,178)
Total Lease Obligations	\$	7,027

Note 10. CONTRIBUTED NONFINANCIAL ASSETS AND SERVICES

The Organization receives various supplies and services to assist in events held. The estimated fair value of these donated supplies and services is based on information provided by third parties and independent agencies. Donated event supplies and services were utilized for program services. The Organization received \$2,473 in donated event supplies and other services during the year ended December 31, 2023.

The Organization receives support in the form of in-kind donations of personal and household goods. It operates a thrift store in order to liquidate these items. These contributions are valued at the amount of cash received for the items. The in-kind contributions are recorded as thrift store revenue once their fair market values can be determined (i.e. when the items are sold). When items are distributed to crisis clients it is recorded as revenue and expense for the amount it would have been sold for in the thrift store. The Organization provided clothing vouchers to 691 individuals for a total of \$8,511.

The majority of food distributed by the Organization is received by contributions from the general public, grocery stores, and Second Harvest Food Bank, which includes amounts from USDA. The estimated value of these contributions is recognized in the financial statements as food donated and program expenses if distributed during the year. The pounds collected are recorded by the Organization at the time of receipt based on actual weight.

The total value of contributed food for the year ended December 31, 2023 is as follows:

	Pounds	Value Per Pound	Amount
Non-government donations	2,006,399	\$ 1.93	\$ 3,872,350
Government donations	484,361	1.57	760,447
	2,490,760		\$ 4,632,797

ASHURE MINISTRY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Note 11. LONG TERM DEBT

As of December 31, 2023 the Organization did not have any long term debt.

Note 12. 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, 2023:

	12/31/2023
Undesignated	\$ 535,238
Fixed Assets	840,530
Board Designated for Quasi-Endowment	764,908
Total net assets without donor restrictions	\$ 2,140,676

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 13. NET ASSETS WITH DONOR RESTRICTIONS

	12/31/2023
Donor restricted to:	
Permanent Endowment	\$ 98,461
Quasi-Endowment using Restricted Food Funds	30,000
Beneficial Land and Warehouse Use	40,637
Crisis Assistance	90,322
Food Pantry	80,278
Endowment	-
Capital Account	6,244
	\$ 345,942

Note 14. 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.

ASHURE MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 15. DSS ADMINISTRATIVE CONTRACT

ASHURE 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 ASHURE case workers. The applications are then forwarded to the county for payment. Through these programs, ASHURE assisted an additional 7,092 individuals with financial assistance in the amount of \$1,024,308. ASHURE received \$127,648 in administrative fees to cover salaries and other expenses related to processing these applications.

Note 16. SUBSEQUENT EVENTS

The Organization has evaluated its financial statements for subsequent events through July 1, 2024, 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.

Effective February 3, 2024 the Organization changed its name from Eastern Catawba Cooperative Christian Ministry, Inc. to Ashure Ministry, Inc. The Organization is referred to by Ashure Ministry, Inc. in these financial statements as they are issued after the name change.

Note 17. ACCOUNTING STANDARDS ADOPTION

Allowance for Credit Losses – In June 2016, the FASB issued guidance (FASB ASC 326) effective for years beginning after December 15, 2022, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable. The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.