

# CARY CHRISTIAN CENTER



## FINANCIAL STATEMENTS

YEAR ENDED  
SEPTEMBER 30, 2021



**Drake**  
Certified  
Public  
Accountants

# CARY CHRISTIAN CENTER

*BREAKING THE CYCLE OF POVERTY THROUGH RELATIONSHIPS*

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## TABLE OF CONTENTS

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	Page
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flow	6
Notes to Financial Statements	7-10

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Cary Christian Center, Inc.  
Cary, Mississippi

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Cary Christian Center, Inc. (a nonprofit organization) which are comprised of the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flow for the year ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Cary Christian Center, Inc.'s preparations and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cary Christian Center, Inc.'s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cary Christian Center, Inc. as of September 30, 2021, and the results of its operations and its cash flow for the year then ended in accordance with United States generally accepted accounting principles.

A handwritten signature in black ink that reads "Karl Z. Drake".

Drake Certified Public Accountants, PC

November 5, 2021



# CARY CHRISTIAN CENTER

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## STATEMENT OF FINANCIAL POSITION

**SEPTEMBER 30, 2021**

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### **ASSETS**

#### CURRENT ASSETS

Cash	\$ 165,137
Investments	-
Accounts Receivable	2,140
TOTAL CURRENT ASSETS	<u>167,277</u>

#### FIXED ASSETS

Property and Equipment	1,778,898
Less Accumulated Depreciation	(1,407,131)
TOTAL FIXED ASSETS	<u>371,767</u>
TOTAL ASSETS	<u><u>\$ 539,044</u></u>

### **LIABILITIES AND NET ASSETS**

#### CURRENT LIABILITIES

Accounts Payable	\$ 4,039
Payroll Taxes Payable	5,359
Line of Credit	-
TOTAL CURRENT LIABILITIES	<u>9,398</u>

#### NET ASSETS

Without Donor Restrictions	438,900
With Donor Restrictions	90,746
TOTAL NET ASSETS	<u>529,646</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 539,044</u></u></b>

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## STATEMENT OF ACTIVITIES

**YEAR ENDED SEPTEMBER 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Support			
Public Donations	\$ 203,594	\$ 58,606	\$ 262,200
In-Kind Donations	90,361	-	90,361
Grant Revenue	<u>43,556</u>	<u>211,832</u>	<u>255,388</u>
Total Support	<u>337,511</u>	<u>270,438</u>	<u>607,949</u>
Revenue			
Rental Income	14,397	-	14,397
Thrift Shops	78,661	-	78,661
Interest	88	-	88
Other Income	<u>24,294</u>	<u>-</u>	<u>24,294</u>
Total Revenue	<u>117,440</u>	<u>-</u>	<u>117,440</u>
Net Assets Released from Restrictions	<u>220,178</u>	<u>(220,178)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<b><u>675,129</u></b>	<b><u>50,260</u></b>	<b><u>725,389</u></b>
<b>EXPENSES</b>			
Program Services	<u>440,035</u>	<u>-</u>	<u>440,035</u>
Supporting Activities			
Management and General	145,945	-	145,945
Fund Raising	<u>73,832</u>	<u>-</u>	<u>73,832</u>
Total Supporting Activities	<u>219,777</u>	<u>-</u>	<u>219,777</u>
<b>TOTAL EXPENSES</b>	<b><u>659,812</u></b>	<b><u>-</u></b>	<b><u>659,812</u></b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>15,317</b>	<b>50,260</b>	<b>65,577</b>
NET ASSETS - BEGINNING OF YEAR	<u>423,583</u>	<u>40,486</u>	<u>464,069</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 438,900</u></b>	<b><u>\$ 90,746</u></b>	<b><u>\$ 529,646</u></b>

See Accompanying Notes to Financial Statements



# CARY CHRISTIAN CENTER

BREAKING THE CYCLE OF POVERTY THROUGH RELATIONSHIPS

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## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2021

	Management				
	Program Services	and General	Fund Raising	Total	
Occupancy	\$ 45,092	\$ 19,325	\$ -	\$ 64,417	
Salaries and Wages	137,204	40,462	26,721	204,387	
Employee Benefits	13,660	4,028	1,889	19,577	
Payroll Taxes	10,497	3,095	2,044	15,636	
Office Expenses	13,158	12,608	12,599	38,365	
Depreciation	29,168	12,500	-	41,668	
Direct Program Expenses	139,148	-	-	139,148	
Insurance	28,438	12,187	-	40,625	
Professional Services	8,631	33,350	13,438	55,419	
Promotional Expenses	1,243	-	15,737	16,980	
Interest	-	767	-	767	
Travel	13,796	7,623	1,404	22,823	
<b>Total Expenses</b>	<b>\$ 440,035</b>	<b>\$ 145,945</b>	<b>\$ 73,832</b>	<b>\$ 659,812</b>	

See Accompanying Notes to Financial Statements

## STATEMENT OF CASH FLOW

**YEAR ENDED SEPTEMBER 30, 2021**

### **CASH FLOW FROM OPERATING ACTIVITIES**

Increase (Decrease) in Net Assets	\$ 65,577
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation	41,668
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(1,420)
Increase (Decrease) in Accounts Payable	<u>(11,634)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>94,191</u>

### **CASH FLOW FROM INVESTING ACTIVITIES**

Sale of Fixed Assets	-
Purchase of Fixed Assets	<u>(3,993)</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	
	<u>(3,993)</u>

### **CASH FLOW FROM FINANCING ACTIVITIES**

Increase in Notes Payable	-
Payments on Notes Payable	<u>-</u>
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	
	<u>-</u>

<b>NET INCREASE (DECREASE) IN CASH</b>	90,198
<b>CASH - BEGINNING OF YEAR</b>	<u>74,939</u>
<b>CASH - END OF YEAR</b>	<u>\$ 165,137</u>

Cash spent for:

Income Taxes	\$ -
Interest	\$ 767



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## NOTES TO FINANCIAL STATEMENTS

### 1. NATURE OF ORGANIZATION

Cary Christian Center, Inc.'s (the Organization) mission is to actively proclaim and demonstrate the Gospel of Jesus Christ in order to enable individuals to reach their full potential in Christ. They believe that God has called them to work with Him to break the cycle of poverty in the lives of those they serve. Poverty is a destructive lifestyle that sets limits and boundaries on an individual that prevents that individual from reaching their full potential.

The vision of the Organization states that to begin breaking the cycles of poverty, they must build serious and significant relationships that are based on biblical principles. They build relationships with individuals through the various ministries by becoming involved in their lives which ultimately leads them to making healthy choices.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

#### ESTIMATES

The preparation of financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenue and expenses during the reporting period. Actual results could differ from estimates.

#### INCOME TAXES

The Organization is exempt from Federal income taxes under Code Section 501(c)(3) of the Internal Revenue Service Code. Contributions to the Organization qualify for the charitable contribution deduction under Code Section 170(b)(1)(A). The Organization has been determined not to be a private foundation under Code Section 509.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking and savings accounts. These accounts, at times, may exceed federally insured limits. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk.

#### INVESTMENTS

Investments are carried at fair market value, with realized and unrealized gains and losses reported as unrestricted revenue in the statement of activities. Donated investments are recorded at fair market value on the date of donation and are thereafter carried in accordance with the above provisions.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, or if donated, at the estimated fair value at the date of donation. Property donated with restrictions regarding its use and contributions of cash to acquire property are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from temporarily restricted net assets to unrestricted net assets at that time. Purchases on long-lived assets in excess of \$1,000 with a useful life in excess of one year are capitalized. Depreciation is recorded using the straight-line method.

### CLASSES OF NET ASSETS

The net assets of the Organization have been reported in the following classes:

*Net assets without donor restrictions* consist of amounts currently available for use in the Organization's operations and those resources invested in property and equipment.

*Net assets with donor restrictions* consist of all funds that have donor-restrictions for various reasons.

### SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash and other assets are received or unconditionally promised. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amount. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Program revenue and other income is recorded when earned.

### CONTRIBUTED SERVICES

During the year ended September 30, 2021, the value of contributed services meeting the requirements of recognition in the financial statements was not material and has not been recorded.

### ALLOCATION OF EXPENSES

The costs of providing various program services and supporting activities of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting activities benefited. Salaries and wages, benefits, and payroll taxes are allocated based upon time and effort; building depreciation and occupancy costs are allocated based on square footage; furniture and equipment depreciation is allocated based on program usage. All remaining costs are allocated based on the purpose of the expense. The detailed schedule of the allocation of expenses can be found at the Statement of Functional Expenses.



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## Notes to Financial Statements

### 3. RETIREMENT PLAN

All full-time employees of the Cary Christian Center, Inc. are eligible to participate in a tax shelter annuity program. The Cary Christian Center matches up to \$1,000 in individual employee contributions. The total contributed by Cary Christian Center, Inc. for the year ended September 30, 2021, was \$1,158.

### 4. ACCOUNTS RECEIVABLE

Accounts receivable consist of an amount due from employees of \$2,140.

### 5. FIXED ASSETS

Fixed assets as of September 30, 2021, consists of the following:

	\$
Land	41,094
Building and Improvements	1,195,155
Electronic Equipment	80,414
Dental Equipment	143,604
Delta Children's PTR Equipment	27,873
Vehicles	168,706
Other Equipment	<u>122,052</u>
	1,778,898
Less Accumulated Depreciation	<u>(1,407,131)</u>
	<u>\$ 371,767</u>

### 6. NET ASSET RESTRICTIONS

Net assets with donor restrictions as of September 30, 2021, consist of the following:

	\$
Parent Child Ministry	<u>90,746</u>
	<u>\$ 90,746</u>

### 7. PAYCHECK PROTECTION PROGRAM

During the year ended September 30, 2020, the Organization received \$40,000 under the Paycheck Protection Program Round 1 (PPP1) from the Small Business Administration (SBA). As of September 30, 2020, all of the PPP1 funds had been used for expenses that qualify for forgiveness and were recognized as grant revenue in the year then ended. All of the funds were forgiven by the SBA during the year ended September 30, 2021.

**7. PAYCHECK PROTECTION PROGRAM (CONTINUED)**

During the year ended September 30, 2021, the Organization received \$39,082 under the Paycheck Protection Program Round 2 (PPP2) from the SBA. As of September 30, 2021, the PPP2 funds had been fully forgiven by the SBA as all of the funds had been used for expenses that qualify for forgiveness. The PPP2 funds were therefore recognized as restricted grant revenue in the year then ended.

**8. PROGRAM SERVICES**

Expenses for program services during the year ended September 30, 2021, consist of the following:

	\$	
Volunteer Ministry	51,449	
Parent Child Ministry	54,554	
The Village Ministry	72,197	
Thrift Stores	189,723	
Other Ministries	<u>72,112</u>	
	<u>\$ 440,035</u>	

Included in these expenses are thrift store contributed in-kind cost of goods sold of \$90,361.

**9. LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization has \$76,531 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and accounts receivable. \$90,746 of the financial assets are subject to donor or other contractual restrictions that would make them unavailable for general expenditures within one year of the statement of financial position.

**10. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the report date, November 5, 2021. Subsequent events after that date have not been evaluated.

