

CRISIS CONTROL MINISTRY, INC.

Financial Statements

September 30, 2025

TABLE OF CONTENTS

Independent Auditors' Report	2 - 3
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis	4
Statement of Support and Revenue, Expenses, and Changes in Net Assets - Modified Cash Basis.....	5
Statement of Functional Expenses – Modified Cash Basis	6
Notes to Financial Statements.....	7 - 12

Board of Directors
Crisis Control Ministry, Inc.
Winston-Salem, North Carolina

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of Crisis Control Ministry, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of September 30, 2025, and the related statement of support and revenue, expenses, and changes in net assets – modified cash basis, and functional expenses – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above presented fairly, in all material respects, the assets, liabilities and net assets of Crisis Control Ministry, Inc. as of September 30, 2025, and the changes in its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting described in Note B.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Crisis Control Ministry, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note B, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditors' 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 auditors' 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, including omissions, 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 Crisis Control 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 Crisis Control 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.

Butler & Burke LLP

Winston-Salem, North Carolina
February 19, 2026

CRISIS CONTROL MINISTRY, INC.

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS

September 30, 2025

ASSETS

Cash and cash equivalents	\$	862,843
Short-term investments		2,900,100
Refundable sales tax		3,809
Property and equipment, net		<u>872,326</u>
<u>TOTAL ASSETS</u>	\$	<u>4,639,078</u>

NET ASSETS

Without Donor Restrictions		
Undesignated	\$	3,224,658
Net investment in property and equipment		<u>872,326</u>
		4,096,984
With Donor Restrictions		<u>542,094</u>
<u>TOTAL NET ASSETS</u>	\$	<u>4,639,078</u>

CRISIS CONTROL MINISTRY, INC.
STATEMENT OF SUPPORT AND REVENUE, EXPENSES, AND CHANGES IN
NET ASSETS - MODIFIED CASH BASIS
For the Year Ended September 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions, grants and other support	\$ 4,128,797	\$ 1,490,166	\$ 5,618,963
In-kind contributions	-	4,469,546	4,469,546
Interest income	<u>54,726</u>	<u>-</u>	<u>54,726</u>
	4,183,523	5,959,712	10,143,235
Net assets released from restrictions			
Satisfaction of purpose restrictions	<u>5,498,990</u>	<u>(5,498,990)</u>	<u>-</u>
<u>Total Support and Revenue</u>	<u>9,682,513</u>	<u>460,722</u>	<u>10,143,235</u>
EXPENSES AND LOSSES			
Program services	7,160,581	-	7,160,581
General and administrative	488,590	-	488,590
Fundraising	<u>357,749</u>	<u>-</u>	<u>357,749</u>
<u>Total Expenses</u>	<u>8,006,920</u>	<u>-</u>	<u>8,006,920</u>
Loss on disposal of property and equipment	<u>1,940</u>	<u>-</u>	<u>1,940</u>
<u>Total Expenses and Losses</u>	<u>8,008,860</u>	<u>-</u>	<u>8,008,860</u>
CHANGE IN NET ASSETS	1,673,653	460,722	2,134,375
Net Assets, Beginning	<u>2,423,331</u>	<u>81,372</u>	<u>2,504,703</u>
Net Assets, Ending	<u>\$ 4,096,984</u>	<u>\$ 542,094</u>	<u>\$ 4,639,078</u>

CRISIS CONTROL MINISTRY, INC.
STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS
For the Year Ended September 30, 2025

	Program Services	General and Administrative	Fundraising	Total
Salaries and temporary wages	\$ 664,618	\$ 282,884	\$ 138,110	\$ 1,085,612
Payroll taxes	52,593	18,007	8,726	79,326
Employee benefits	143,698	49,200	23,841	216,739
<u>Total Salaries and Related</u>	<u>860,909</u>	<u>350,091</u>	<u>170,677</u>	<u>1,381,677</u>
Client assistance				
Groceries	81,580	-	-	81,580
Groceries - In-kind	1,150,700	-	-	1,150,700
Fuel	5,811	-	-	5,811
Rent	588,933	-	-	588,933
Electricity	169,836	-	-	169,836
Gas	12,590	-	-	12,590
Water	25,958	-	-	25,958
Medication	649,211	-	-	649,211
Medication - In-kind	3,239,346	-	-	3,239,346
Rent - In-kind	71,550	7,950	-	79,500
Telephone	8,836	1,105	1,105	11,046
Utilities	24,477	2,985	2,388	29,850
Office supplies and equipment	23,043	17,283	17,283	57,609
Postage	1,690	1,690	13,524	16,904
Philanthropy	-	-	72,457	72,457
Insurance	20,339	5,811	2,905	29,055
Professional services	6,678	6,678	-	13,356
Repairs and maintenance	43,706	5,330	4,264	53,300
Janitorial	28,936	3,529	2,823	35,288
Continuing education	6,618	13,234	6,618	26,470
Ministry support	-	21,380	-	21,380
Technology	23,386	23,386	31,182	77,954
Volunteer support	9,001	-	-	9,001
Travel	5,591	-	-	5,591
Bank fees	-	11,124	-	11,124
Dues and subscriptions	-	7,660	-	7,660
Advertising and newsletter	3,477	3,477	27,821	34,775
Security	34,837	-	-	34,837
Miscellaneous	15,350	-	-	15,350
Depreciation	48,192	5,877	4,702	58,771
	<u>\$ 7,160,581</u>	<u>\$ 488,590</u>	<u>\$ 357,749</u>	<u>\$ 8,006,920</u>

CRISIS CONTROL MINISTRY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A: ORGANIZATION AND NATURE OF ACTIVITIES

Crisis Control Ministry, Inc. (the "Ministry") is a nonprofit organization with locations in Winston-Salem and Kernersville, North Carolina. It is a Christian-based ministry whose mission is to assist people in crisis to meet essential life needs and to become self-sufficient.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared using the modified cash basis method of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under the modified cash basis method of accounting, support and revenue are recorded when collected, expenses are recorded when paid. The cash basis has been modified to record property and equipment and related depreciation, certain refundable items, and in-kind donations of distributed food and pharmaceuticals. Donated food, medication, and other donated goods are recorded as in-kind contribution revenue at their estimated fair value at the date of receipt and are included in program expenses in the period received. The Ministry does not capitalize donated goods as inventory. Accordingly, donated food and medication on hand at year end are not reported as assets in the accompanying statement of assets, liabilities, and net assets.

The Ministry reports 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.

Net assets without donor restrictions - net assets that are not restricted by donors or for which donor-imposed restrictions have expired. If the board specifies a purpose where none has been stated, such funds are classified as board designated assets without donor restrictions.

Net assets with donor restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e. donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

CRISIS CONTROL MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Ministry considers all highly-liquid temporary cash instruments purchased with an initial maturity of three months or less to be cash equivalents. The Ministry maintains its cash and cash equivalents in a bank account, the balance of which may at times exceed federally insured limits. The Ministry's cash and cash equivalents are placed with high-credit quality financial institutions and the Ministry has not experienced any losses in such accounts.

Short-Term Investments

Short-term investments primarily consist of certificates of deposit with various financial institutions with original maturities ranging from three to twelve months.

Property and Equipment

The Ministry capitalizes all expenditures for property and equipment in excess of \$5,000. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, generally 5 to 39 years. Expenditures for maintenance and repairs, which do not improve or extend the life of an asset, are charged to expense as incurred.

Contributions

All contributions are considered available for the Ministry's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as restricted support and increase net assets with donor restrictions.

Donated Services and In-Kind Contributions

Contributions of assets other than cash are recorded at their estimated fair value. The Ministry reports revenue for the fair value of contributed services received where the services require specialized skills, are provided by individuals possessing these skills, and represent services that would have been purchased had they not been donated. During the year ended September 30, 2025, the Ministry did not receive any donated services.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statement of support and revenue, expenses, and changes in net assets - modified cash basis. The statement of functional expenses - modified cash basis presents the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and personnel related expenses, which are allocated on the basis of time and effort, as well as depreciation and occupancy related expenses, which are allocated on a square footage basis. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Ministry.

CRISIS CONTROL MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Expenses

The Ministry expenses advertising costs as they are incurred. Advertising costs were \$34,775 for the year ended September 30, 2025.

Tax-Exempt Status

The Ministry is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income tax expense is limited to activities that are deemed by the Internal Revenue Service to be unrelated to their exempt purpose.

The Ministry's primary tax positions relate to its status as a not-for-profit entity exempt from income taxes and classification of activities related to its exempt purpose. It is the opinion of management that the Ministry has no uncertain tax positions that would be subject to change upon examination.

The Ministry is required to file a federal exempt organization tax return (Form 990) annually to retain its exempt status. The Ministry is also required to file an exempt organization business income tax return (Form 990-T) for any year gross unrelated business income exceeds \$1,000. The Ministry's Form 990 filings are generally subject to examination by the Internal Revenue Service for three years after they are filed.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

The Ministry has evaluated its subsequent events (events occurring after September 30, 2025) through the date of this report, which represents the date the financial statements were available to be issued and determined that all significant events and disclosures are included in the financial statements.

CRISIS CONTROL MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE C: LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	\$ 862,843
Short-term investments	2,900,100
Refundable sales tax	<u>3,809</u>
Total financial assets	3,766,752
Less those unavailable for general expenditure within one year due to:	
Purpose restrictions	<u>(542,094)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 3,224,658</u>

The Ministry has a goal to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. A significant portion of the Ministry's revenue comes from donations received throughout the year, providing steady, consistent cash flow to the Ministry.

NOTE D: PROPERTY AND EQUIPMENT

Property and equipment at September 30, 2025 is summarized as follows:

Land	\$ 63,406
Building	1,871,620
Furniture and equipment	373,248
Construction in process	<u>68,808</u>
	2,377,082
Less accumulated depreciation	<u>(1,504,756)</u>
	<u>\$ 872,326</u>

Depreciation expense for the year ended September 30, 2025 was \$58,771.

CRISIS CONTROL MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE E: ENDOWMENT FUNDS

The Ministry is the sole beneficiary of support received from six endowment funds administered under irrevocable trust agreements with The Winston-Salem Foundation (the "Foundation") which do not meet the recognition requirements of the modified cash basis of accounting. The principal of these funds is not the property of the Ministry and is only available to the Ministry to the extent as authorized by the Foundation. The funds are as follows: the Crisis Control Ministry, Inc. Endowment Fund, the Hope Trust of Crisis Control Ministry, the Gordon Hanes Memorial Endowment for Crisis Control Ministry, J. Kirk Glenn, Jr. Endowment, the Orpha Marie Leonard Pope Fund, and the Mary Neil Henderson Rice Designated Fund. The Ministry is also a co-beneficiary of several other endowment funds at the Winston-Salem Foundation.

The endowment funds are irrevocable and are controlled and administered by the Foundation with Wells Fargo as Trustee and to whom variance power has been granted under these trust agreements. Contributions made directly to these trusts, including contributions made to the trust by the Ministry as a donor, contributions received by the Ministry designated for transfer to these trusts by unrelated third parties, as well as any undistributed investment earnings accumulated in these trusts, including any changes in fair value of trusted assets, have not been included as assets of the Ministry in these statements. Management of the Ministry is not aware of any instances or matters that would jeopardize its status as beneficiary to the income produced from these trust assets of the Foundation.

NOTE F: LEASES

The Ministry's Kernersville facility is leased for \$1 annually under a 10-year, non-cancellable lease with its owner. This lease is currently set to expire in May 2033. Under this agreement, the Ministry is required to pay maintenance and utilities for the building. The value of this donated rent was \$79,500 for the year ended September 30, 2025.

The Ministry also leases certain office equipment under operating leases expiring through December 2030. Future minimum payments under non-cancelable leases with initial or remaining terms of one year or more are \$10,728 in 2026, \$10,728 in 2027, \$10,728 in 2028, \$10,728 in 2029 and \$7,548 in 2030. Expenses related to these leases totaled \$8,975 for the year ended September 30, 2025.

CRISIS CONTROL MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE G: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at September 30, 2025:

Subject to expenditure for specified purposes:	
Praise project	\$ 930
Uber rides for clients	105
Duke Energy capital improvements grant	25,664
CROP Walk	15,406
Kernersville renovations	<u>499,989</u>
	<u>\$ 542,094</u>

NOTE H: RETIREMENT BENEFITS

The Ministry has established a defined contribution pension plan for the benefit of its employees, who become eligible after one year of service. Eligible participants may make elective deferrals to the Plan up to 18% of eligible compensation, subject to limitations prescribed by the Internal Revenue Service. Employer contributions to the Plan are at the discretion of the Ministry’s Board. Pension costs recorded by the Ministry during the year ended September 30, 2025, totaled \$48,069.

NOTE I: IN-KIND CONTRIBUTIONS

The Ministry received the following in-kind contributions for the year ended September 30, 2025:

Groceries	\$ 1,150,700
Medication	3,239,346
Rent	<u>79,500</u>
	<u>\$ 4,469,546</u>

The Ministry receives donated groceries and medication at no cost for the purpose of assisting people in crisis to meet essential life needs and to become self-sufficient. The groceries and medication supplies are valued based on current prices for similar items. These donations are considered with donor restrictions.

The Ministry requires the use of facility space for its programs in Kernersville, North Carolina. This space was provided essentially at no cost to the Ministry (see Note F). The value of the donated rent is based on current market rates for the use of this space and is considered without donor restrictions.