

**NEIGHBORHOOD COOPERATIVE MINISTRY, INC.
AND SUBSIDIARY
(FORMERLY KNOWN AS NORCROSS COOPERATIVE MINISTRY, INC.)**

**CONSOLIDATED FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2019**

**with
INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

Board of Directors of Neighborhood Cooperative Ministry, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of Neighborhood Cooperative Ministry, Inc. and Subsidiary (the "Organization") (a nonprofit organization) (formerly known as, Norcross Cooperative Ministry, Inc.), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 the Organization'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Neighborhood Cooperative Ministry, Inc. and Subsidiary as of December 31, 2019, and the consolidated changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the consolidated financial statements as a whole.

Smith + Howard

November 16, 2020

**NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

ASSETS

| | |
|-----------------------------|---------------------|
| Cash and cash equivalents | \$ 564,539 |
| Accounts receivable, net | 30,598 |
| Pledges receivable, net | 539,344 |
| Prepaid expenses | 5,271 |
| Property and equipment, net | <u>2,744,582</u> |
| | <u>\$ 3,884,334</u> |

LIABILITIES AND NET ASSETS

| | |
|----------------------------|---------------------|
| Accounts payable | \$ 7,958 |
| Payroll taxes payable | 6,231 |
| Tenant security deposits | 6,550 |
| Note payable | <u>1,736,326</u> |
| Total Liabilities | <u>1,757,065</u> |
| Net Assets | |
| Without donor restrictions | 1,573,426 |
| With donor restrictions | <u>553,843</u> |
| Total Net Assets | <u>2,127,269</u> |
| | <u>\$ 3,884,334</u> |

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

NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

| | <u>Without Donor</u> | <u>With Donor</u> | <u>Total</u> |
|---|-----------------------------|----------------------------|----------------------|
| | <u>Restrictions</u> | <u>Restrictions</u> | |
| Revenues and Support | | | |
| In-kind donations | \$ 566,595 | \$ - | \$ 566,595 |
| Contributions, grants, and other | 753,123 | 175,000 | 928,123 |
| Governmental grant awards | 262,156 | - | 262,156 |
| Rental income | 102,409 | - | 102,409 |
| Net assets released from restriction | <u>191,333</u> | <u>(191,333)</u> | <u>-</u> |
| Total Revenues and Support | <u>1,875,616</u> | <u>(16,333)</u> | <u>1,859,283</u> |
| Expenses: | | | |
| Program services | 1,666,904 | - | 1,666,904 |
| Management and general | 182,755 | - | 182,755 |
| Fundraising | <u>69,577</u> | <u>-</u> | <u>69,577</u> |
| Total Expenses | <u>1,919,236</u> | <u>-</u> | <u>1,919,236</u> |
| Change in Net Assets | (43,620) | (16,333) | (59,953) |
| Net Assets, Beginning of Year | 1,750,155 | 437,067 | 2,187,222 |
| Reclassification of Net Assets (Note A) | <u>(133,109)</u> | <u>133,109</u> | <u>-</u> |
| Net Assets, End of Year | <u>\$ 1,573,426</u> | <u>\$ 553,843</u> | <u>\$ 2,127,269</u> |

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

NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|----------------------------|-----------------------------|-----------------------------------|---------------------------|---------------------------|
| Christmas programs | \$ 8,496 | \$ - | \$ - | \$ 8,496 |
| Food and clothing | 566,595 | - | - | 566,595 |
| Client assistance programs | 596,251 | - | - | 596,251 |
| Salaries | 364,196 | 49,944 | 31,154 | 445,294 |
| Payroll taxes | 27,222 | 5,810 | 1,021 | 34,053 |
| Advertising | 7,206 | - | - | 7,206 |
| Bank service charges | - | 2,615 | - | 2,615 |
| Dues and subscriptions | - | 3,218 | - | 3,218 |
| Insurance | 3,773 | 6,370 | 1,509 | 11,652 |
| Interest | - | 15,931 | - | 15,931 |
| Office expenses | 4,048 | 5,472 | 2,025 | 11,545 |
| Postage | 536 | 322 | 302 | 1,160 |
| Professional fees | 9,060 | 24,966 | 20,199 | 54,225 |
| Repairs and maintenance | 18,614 | 31,550 | - | 50,164 |
| Telephone | 2,956 | 1,773 | 1,182 | 5,911 |
| Utilities | 15,137 | 14,833 | 2,523 | 32,493 |
| Depreciation | 42,814 | 7,537 | - | 50,351 |
| Miscellaneous | - | 12,414 | 9,662 | 22,076 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Expenses | <u>\$ 1,666,904</u> | <u>\$ 182,755</u> | <u>\$ 69,577</u> | <u>\$ 1,919,236</u> |

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

NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019

| | |
|--|-------------------|
| Cash Flows From Operating Activities: | |
| Decrease in Net Assets | \$ (59,953) |
| Adjustments to Reconcile Decrease in Net Assets to Cash Required by Operating Activities: | |
| Depreciation | 50,351 |
| Changes in assets and liabilities: | |
| Accounts receivable | (30,598) |
| Pledges receivable | 39,537 |
| Prepaid expenses | (5,271) |
| Accounts payable and accrued expenses | 5,345 |
| Net Cash Required by Operating Activities | <u>(589)</u> |
| Cash Flows From Investing Activities: | |
| Purchases of property and equipment | <u>(548,505)</u> |
| Net Cash Required by Investing Activities | <u>(548,505)</u> |
| Cash Flows From Financing Activities: | |
| Debt issuance costs | (29,078) |
| Proceeds from note payable | <u>365,404</u> |
| Net Cash Provided by Financing Activities | <u>336,326</u> |
| Net Decrease in Cash and Cash Equivalents | (212,768) |
| Cash and Cash Equivalents at Beginning of Year | <u>777,307</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 564,539</u> |
| <u>Supplemental Disclosure of Cash Flow Information:</u> | |
| Cash paid during the year for interest | <u>\$ 15,931</u> |

Non-cash Investing and Financing Activities:

The Organization purchased property through issuance of a note payable of \$1,400,000.

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

NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – DESCRIPTION OF ORGANIZATION

Neighborhood Cooperative Ministry, Inc., formerly known as Norcross Cooperative Ministry, Inc., (NCM), was organized in 1988 as a nonprofit corporation in Georgia. NCM is comprised of Christian churches of various denominations in the Norcross, Georgia area. NCM is governed by a Board of Directors composed of at least one voting member and one alternate from each member church. NCM receives funds and in-kind contributions from these churches as well as the general public, including businesses, civic groups, foundations and individuals. In addition, NCM also works with local governments to administer certain emergency housing funds. The daily administration is performed by management and by over two hundred volunteers. The primary service area for NCM encompasses the following Norcross zip codes: 30071, 30073, 30091, 30092, 30093, and the Gwinnett County portions of 30084, 30340, and 30360, and Greater Gwinnett County as funds allow. Qualified clients within the service area are eligible for assistance with basic needs such as food, clothing, financial assistance to prevent eviction and utility disconnection, temporary lodging for homelessness and medical services. In addition, NCM provides services to assist clients moving toward self-sufficiency, such as job search assistance, financial management classes, and referral services to clients within the community.

500 Pinnacle Court, LLC, a Georgia limited liability company (“Pinnacle”), was formed in 2019. Pinnacle holds and administers property that was purchased in 2019. NCM holds 100% of the member interest in Pinnacle.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization follows accounting standards set by the Financial Accounting Standards Board (“FASB”). The FASB sets accounting principal guidance in the United States of America (“GAAP”).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of NCM and Pinnacle. All significant inter-organization accounts and transactions have been eliminated in consolidation. NCM and Pinnacle are together referred to herein as the “Organization”.

NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standard

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update provide a framework for evaluating whether the transfer of assets constitutes a contribution or an exchange transaction. This amendment also provides additional clarification as to whether or not a contribution is conditional. The Organization adopted ASU 2018-08 in 2019. There was no material impact to the consolidated financial position, statement of activities, or net assets of the Organization as a result of implementation.

Financial Statement Presentation

Net assets, along with revenues, expenses, gains and losses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.
- 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 such resources be maintained in perpetuity. The Organization does not have any net assets that are perpetual in nature.

Contributions and Grant Revenue

Unconditional promises to give are recognized as revenues in the period received and as pledges receivable. Multi-year pledges are recorded net of a 4.5% net present value discount as of year-end. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Allowance is made for uncollectible pledges based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-Cash Contributions

Contributions of donated assets are recorded at their fair market value in the year received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased, if not provided by donation, are recorded at their fair values in the year received. The Organization records donated services if the fair market value of the donated services is readily available.

A substantial number of volunteers have donated significant amounts of their time to the Organization and its assistance programs. The Organization received over 17,000 volunteer hours as of December 31, 2019 and estimate the value provided was approximately \$175,000. These donated services, however, are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

The Organization reports the fair value of gifts of donated food and grocery products that it provides to customers. During the year ended December 31, 2019, the Organization distributed approximately 312,554 pounds of donated product. The approximate average wholesale value of one pound of donated product was determined to be \$1.60 based on research performed by the Organization. The Organization also provides donated clothing to individuals. The approximate average per piece of clothing is valued at \$1 per item. The Organization distributed 60,258 pieces of clothing. The Organization recorded in-kind donations for donated food and clothing in the amount of \$566,595 at December 31, 2019.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and pledges receivable. At times, cash and cash equivalent balances exceed federally insured amounts. The Organization believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash with major financial institutions with sound financial standing. Management continually monitors receivable balances and believes that its exposure to credit is limited. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying consolidated financial statements.

NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost if purchased. Major renewals and betterments are capitalized. Maintenance and repairs are charged to expense as incurred. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Estimated useful lives of the assets range from 3 to 30 years. Depreciation expense was \$50,351 for the year ended December 31, 2019.

Use of Estimates

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

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocated salaries costs based on estimates of time and effort.

Income Taxes

The Organization is recognized as an organization exempt from federal income tax under Internal Revenue Code Section 501(c)(3).

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Organization is subject to examination by federal and state taxing authorities. The Organization believes it is no longer subject to tax examinations for tax years ending before December 31, 2016.

Reclassification

The Organization reclassified \$133,109 of net assets from without restrictions to with donor restrictions for contributions with time restrictions.

NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE C – PLEDGES RECEIVABLE

At December 31, 2019, pledges receivable were as follows:

| | |
|--|-------------------|
| Pledges receivables due within one year | \$ 404,355 |
| Pledges receivables due in one to five years | 181,258 |
| Allowance for doubtful accounts | (8,000) |
| Less discount to net present value at rate of 4.5% | <u>(38,269)</u> |
| | <u>\$ 539,344</u> |

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2019:

| | |
|-------------------------------|---------------------|
| Buildings and improvements | \$ 2,482,355 |
| Land | 752,090 |
| Furniture and equipment | 158,663 |
| Cargo trailer | <u>1,231</u> |
| | 3,394,339 |
| Less accumulated depreciation | <u>(649,757)</u> |
| | <u>\$ 2,744,582</u> |

NOTE E – NOTE PAYABLE

During 2019, the Organization entered into a loan agreement for the purchase of a building in the amount of \$2,100,000, with \$1,400,000 funded at closing and \$700,000 available for the construction period. The note bears interest at a fixed rate of 4.25% and matures on September 2024. This note is secured by the building. Outstanding borrowings at December 31, 2019 was \$1,765,404. Debt issuance cost at December 31, 2019 was \$29,078.

Future maturities on note payable are as follows for years ending December 31:

| | |
|-------------------------|---------------------|
| 2020 | \$ - |
| 2021 | 9,231 |
| 2022 | 37,917 |
| 2023 | 39,560 |
| 2024 | <u>1,678,696</u> |
| | 1,765,404 |
| Less debt issuance cost | <u>(29,078)</u> |
| | <u>\$ 1,736,326</u> |

NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE F – RENTAL INCOME

The Organization has three agreements to lease commercial space. The lease agreement terms range from 1 to 5 years with various monthly rental rates which escalate annually. Future minimum rental income under the operating leases for years ending December 31 is as follows:

| | |
|------|-------------------|
| 2020 | \$ 331,210 |
| 2021 | 351,012 |
| 2022 | 20,922 |
| 2023 | 21,340 |
| 2024 | 14,452 |
| | <u>\$ 738,936</u> |

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for time as of December 31, 2019. When the time restriction has past, the Organization releases the funds to without donor restrictions.

NOTE H – CONTINGENCIES

Certain federally funded programs are routinely subject to special audit. The audit reports, which are prepared by the auditors for the Organization pursuant to specific regulatory requirements, are required to be submitted to both the Organization and various federal agencies. Such agencies have the authority to determine liabilities as well as to limit, suspend, or terminate the federal programs. Since the Organization does not expect claims to arise as a result of such audits, no provision for liabilities, if any, has been provided in the accompanying consolidated financial statements.

NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE I – LIQUIDITY

For purposes of analyzing resources available to meet general expenditures for 2019, The Organization considers cash and receivables that will be collected and available for activities that are ongoing and major to the Organization. The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Financial assets available for general expenditures, within one year are as follows:

| | |
|--|-------------------|
| Cash and cash equivalents | \$ 564,539 |
| Accounts receivable, net | 30,598 |
| Pledges receivable, net | 539,344 |
| Less: pledges receivable due greater than one year | <u>(404,355)</u> |
| | |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 730,126</u> |

NOTE J – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report, which is the date the consolidated financial statements were available to be issued.

The Organization has experienced a disruption of normal business operations caused from COVID-19 since December 31, 2019. The overall financial impact cannot be determined through the date of this report; however, it is reasonably possible that changes in risks in the near term could occur which could result in a material change to the consolidated financial statements.

In April 2020, the Organization obtained the Small Business Administration loan under the Paycheck Protection Program (“PPP”) in the amount of \$92,600. The PPP loan bears interest at 1% and beginning in November 2020, requires monthly payments of principal and interest through April 2022, at which time the outstanding balance is due in full. Under the terms of Coronavirus Aid, Relief, and Economic Securities Act (the “CARES Act”), the Organization may apply for PPP loan proceeds used within twenty-four weeks of funding receipt to be forgiven with the lending institution, provided the proceeds are used to cover certain payroll and other expenses as defined by the CARES Act.

During January 2020, the Organization sold building and land that was used as their previous place of operations. The selling price was \$850,000.

SUPPLEMENTARY INFORMATION

NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

| | <u>NCM</u> | <u>PINNACLE</u> | <u>ELIMINATIONS</u> | <u>CONSOLIDATED</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| Cash and cash equivalents | \$ 490,835 | \$ 73,704 | \$ - | \$ 564,539 |
| Accounts receivable, net | 30,598 | - | - | 30,598 |
| Pledges receivable, net | 539,344 | - | - | 539,344 |
| Prepaid expenses | 5,271 | - | - | 5,271 |
| Property and equipment, net | 800,881 | 1,943,701 | - | 2,744,582 |
| Due from Neighborhood Cooperative Ministries | <u>239,176</u> | <u>-</u> | <u>(239,176)</u> | <u>-</u> |
| | <u>\$ 2,106,105</u> | <u>\$ 2,017,405</u> | <u>\$ (239,176)</u> | <u>\$ 3,884,334</u> |

LIABILITIES AND NET ASSETS

| | | | | |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| Accounts payable | \$ 7,958 | \$ - | \$ - | \$ 7,958 |
| Payroll taxes payable | 6,231 | - | - | 6,231 |
| Tenant security deposits | - | 6,550 | - | 6,550 |
| Note payable | - | 1,736,326 | - | 1,736,326 |
| Due to Pinnacle | <u>-</u> | <u>239,176</u> | <u>(239,176)</u> | <u>-</u> |
| Total Liabilities | <u>14,189</u> | <u>1,982,052</u> | <u>(239,176)</u> | <u>1,757,065</u> |
| Net Assets | | | | |
| Without donor restrictions | 1,538,073 | 35,353 | - | 1,573,426 |
| With donor restrictions | <u>553,843</u> | <u>-</u> | <u>-</u> | <u>553,843</u> |
| Total Net Assets | <u>2,091,916</u> | <u>35,353</u> | <u>-</u> | <u>2,127,269</u> |
| | <u>\$ 2,106,105</u> | <u>\$ 2,017,405</u> | <u>\$ (239,176)</u> | <u>\$ 3,884,334</u> |

NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

| | <u>NCM</u> | <u>PINNACLE</u> | <u>ELIMINATIONS</u> | <u>CONSOLIDATED</u> |
|----------------------------------|---------------------|------------------|---------------------|---------------------|
| Revenues and Support | | | | |
| In-kind donations | \$ 566,595 | \$ - | \$ - | \$ 566,595 |
| Contributions, grants, and other | 928,123 | - | - | 928,123 |
| Governmental grant awards | 262,156 | - | - | 262,156 |
| Rental income | - | 102,409 | - | 102,409 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Revenues and Support | 1,756,874 | 102,409 | - | 1,859,283 |
| Expenses: | | | | |
| Program services | 1,666,904 | - | - | 1,666,904 |
| Management and general | 115,699 | 67,056 | - | 182,755 |
| Fundraising | 69,577 | - | - | 69,577 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Expenses | 1,852,180 | 67,056 | - | 1,919,236 |
| Change in Net Assets | (95,306) | 35,353 | - | (59,953) |
| Net Assets, Beginning of Year | <hr/> 2,187,222 | <hr/> - | <hr/> - | <hr/> 2,187,222 |
| Net Assets, End of Year | <u>\$ 2,091,916</u> | <u>\$ 35,353</u> | <u>\$ -</u> | <u>\$ 2,127,269</u> |

**NEIGHBORHOOD COOPERATIVE MINISTRY, INC. AND SUBSIDIARY
ITEMIZATION OF EXPENSES FOR PROGRAM SERVICES
YEAR ENDED DECEMBER 31, 2019**

Christmas Program Service Expenses

| <u>Expense Category</u> | <u>Amount</u> |
|--------------------------------|----------------------|
| Christmas toys | \$ 7,323 |
| Warm Hands, Warm Hearts | <u>1,173</u> |
| Total Expenses | <u>\$ 8,496</u> |

Client Assistance Program Service Expenses

| <u>Expense Category</u> | <u>Amount</u> |
|--|----------------------|
| Food and non-food assistance | \$ 50,923 |
| Lodging aid | 173,853 |
| Rent assistance | 223,868 |
| Utility assistance | 101,376 |
| Medical | 36,369 |
| Transportation | 4,900 |
| Children's services | 1,410 |
| Job ministry | 2,288 |
| Miscellaneous | <u>1,264</u> |
| Total client assistance prior to salaries | <u>596,251</u> |
| Salaries associated with client assistance program | <u>209,111</u> |
| | <u>\$ 805,362</u> |