



**Asheville-Buncombe Community Christian
Ministry, Inc.
Consolidated Financial Statements
and Supplementary Information
December 31, 2025 and 2024**

Asheville-Buncombe Community Christian Ministry, Inc.

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December 31, 2025 and 2024

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Independent Auditor's Report

To the Board of Directors of
Asheville-Buncombe Community Christian Ministry, Inc.

Prager Metis CPAs, PLLC

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Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Asheville-Buncombe Community Christian Ministry, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Asheville-Buncombe Community Christian Ministry, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Asheville-Buncombe Community Christian 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Asheville-Buncombe Community Christian Ministry, Inc.'s ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 and *Government 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Asheville-Buncombe Community Christian 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 Asheville-Buncombe Community Christian 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.



Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 consolidated 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 schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2026, on our consideration of Asheville-Buncombe Community Christian Ministry, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Asheville-Buncombe Community Christian Ministry, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Asheville-Buncombe Community Christian Ministry, Inc.'s internal control over financial reporting and compliance.

Prager Metis CPAs, PLLC

Prager Metis CPAs, PLLC
Asheville, North Carolina
September 16, 2026

Asheville-Buncombe Community Christian Ministry, Inc.
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 3,635,368	\$ 3,335,631
Certificates of deposit	60,836	58,800
Receivables		
Grants	2,860,558	2,829,111
Other receivables	353,198	718,262
Prepaid expenses	203,697	322,614
Inventory	2,167,167	2,156,104
Other current assets	30,916	25,315
Total current assets	<u>9,311,740</u>	<u>9,445,837</u>
Property and equipment, net	<u>44,267,040</u>	<u>30,082,856</u>
Other assets		
Restricted cash	2,086,204	954,220
Other asset	200,000	200,000
Property held for resale	1,499,344	1,499,344
Operating lease right-of-use asset	302,380	477,426
Beneficial interests in assets held by others	1,957,359	1,819,056
Total other assets	<u>6,045,287</u>	<u>4,950,046</u>
Total assets	<u><u>\$ 59,624,067</u></u>	<u><u>\$ 44,478,739</u></u>
Liabilities and net assets		
Liabilities		
Current liabilities		
Current portion of long term debt	\$ 1,099,709	\$ 1,097,183
Current portion of operating lease liability	182,003	196,606
Accounts payable	866,162	816,128
Accrued expenses	709,921	627,857
Total current liabilities	<u>2,857,795</u>	<u>2,737,774</u>
Long-term liabilities		
Refundable advance	1,488,081	-
Long-term portion of debt	8,347,135	7,191,317
Operating lease liability, net of current portion	128,528	288,768
Total long-term liabilities	<u>9,963,744</u>	<u>7,480,085</u>
Total liabilities	<u>12,821,539</u>	<u>10,217,859</u>
Net assets		
Without donor restrictions	41,029,782	29,086,817
With donor restrictions	5,772,746	5,174,063
Total net assets	<u>46,802,528</u>	<u>34,260,880</u>
Total liabilities and net assets	<u><u>\$ 59,624,067</u></u>	<u><u>\$ 44,478,739</u></u>

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

Asheville-Buncombe Community Christian Ministry, Inc.
Consolidated Statement of Activities
Year Ended December 31, 2025

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support			
Public support and grants	\$ 3,082,474	\$ 9,639,399	\$ 12,721,873
In-kind support	5,203,568	-	5,203,568
Special events	540,187	-	540,187
Government grants	-	28,283,019	28,283,019
Program revenue	3,922,992	-	3,922,992
Investment income	134,036	79,460	213,496
Change in beneficial interest	-	138,303	138,303
Gain on sale of assets	106,356	-	106,356
Other	260,158	-	260,158
Total revenue, gains and other support	<u>13,249,771</u>	<u>38,140,181</u>	<u>51,389,952</u>
Net assets released from restrictions	<u>37,541,498</u>	<u>(37,541,498)</u>	<u>-</u>
Total revenue, gains and other support	<u>50,791,269</u>	<u>598,683</u>	<u>51,389,952</u>
Expenses			
Program services	37,119,180	-	37,119,180
Support services			
Management and general	594,923	-	594,923
Fundraising	1,134,201	-	1,134,201
Total expenses	<u>38,848,304</u>	<u>-</u>	<u>38,848,304</u>
Change in net assets	<u>11,942,965</u>	<u>598,683</u>	<u>12,541,648</u>
Net assets, beginning of year	<u>29,086,817</u>	<u>5,174,063</u>	<u>34,260,880</u>
Net assets, end of year	<u><u>\$ 41,029,782</u></u>	<u><u>\$ 5,772,746</u></u>	<u><u>\$ 46,802,528</u></u>

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

Asheville-Buncombe Community Christian Ministry, Inc.
Consolidated Statement of Activities
Year Ended December 31, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support			
Public support and grants	\$ 3,466,828	\$ 6,736,226	\$ 10,203,054
In-kind support	4,978,376	-	4,978,376
Special events	508,869	-	508,869
Government grants	-	16,169,172	16,169,172
Program revenue	5,666,786	-	5,666,786
Investment income	34,901	79,390	114,291
Change in beneficial interest	-	40,077	40,077
Loss on sale of assets	(109,794)	-	(109,794)
Loss on disposal of assets due to natural disaster	(1,455,170)	-	(1,455,170)
Other	310,883	-	310,883
Total revenue, gains and other support	13,401,679	23,024,865	36,426,544
Net assets released from restrictions	20,916,205	(20,916,205)	-
Total revenue, gains and other support	34,317,884	2,108,660	36,426,544
Expenses			
Program services	30,628,426	-	30,628,426
Support services			
Management and general	606,708	-	606,708
Fundraising	901,713	-	901,713
Total expenses	32,136,847	-	32,136,847
Change in net assets	2,181,037	2,108,660	4,289,697
Net assets, beginning of year	26,905,780	3,065,403	29,971,183
Net assets, end of year	\$ 29,086,817	\$ 5,174,063	\$ 34,260,880

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

Asheville-Buncombe Community Christian Ministry, Inc.
Consolidated Statement of Functional Expenses
Year Ended December 31, 2025

	2025				
	Crisis	Jail	Medical	Transformation Village	Veterans' Restoration Quarters
Salaries and contract labor	\$ 2,538,159	\$ 70,196	\$ 911,269	\$ 1,763,549	\$ 2,121,749
Payroll taxes	162,996	29	81,939	130,174	156,295
Group insurance	266,795	9,374	69,998	194,313	158,203
Retirement	64,719	1,497	27,857	42,228	46,373
Total salaries and related expenses	3,032,669	81,096	1,091,063	2,130,264	2,482,620
Food benevolence	1,251,298	-	-	184,714	172,654
Utility assistance benevolence	623,014	-	-	-	-
Medical benevolence	-	-	14,844	19,079	4,277
Dental benevolence	-	-	2,681	-	-
Pharmacy benevolence	-	-	3,912,143	-	-
Miscellaneous benevolence	155,505	7,046	-	71,684	15,936
Rent/mortgage benevolence	1,129,327	-	-	-	-
Disaster relief grant to other organizations	285,500	-	-	-	-
Contributed services - volunteers	-	-	974,321	-	-
Donated facility usage	-	-	60,500	-	-
Rent	52,314	-	-	-	1,228,549
Utilities	72,723	-	12,531	105,504	58,633
Meals	2,886	45	381	236	639
Auto and travel	78,974	2	32	9,841	31,433
Office supplies and equipment	20,692	222	17,088	16,145	55,270
IT support, maintenance and equipment	115,707	-	85,047	150,425	125,048
Postage and mailing	1,327	88	156	717	968
Advertising and promotion	5,414	24	869	1,738	-
Repairs and maintenance	200,905	-	8,504	79,496	97,229
Telephone	17,282	23	11,141	8,338	10,621
Housekeeping	3,758	-	1,331	18,702	13,478
Insurance	79,525	928	18,554	48,432	82,431
Professional fees	12,089	317	15,674	8,114	10,185
Dues and subscriptions	10,415	34	5,072	1,818	1,359
Bad debt expense	-	-	-	-	-
Miscellaneous	24,200	29	2,604	16,504	3,977
Total expenses before other expenses	7,175,524	89,854	6,234,536	2,871,751	4,395,307
Interest	235,837	-	-	-	60,025
Finance charges	60	-	-	-	26
Taxes	-	-	-	-	28,903
Amortization	-	-	-	-	175
Depreciation	341,008	-	38,884	387,555	220,668
Total other expenses	576,905	-	38,884	387,555	309,797
Total expenses	\$ 7,752,429	\$ 89,854	\$ 6,273,420	\$ 3,259,306	\$ 4,705,104

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

Asheville-Buncombe Community Christian Ministry, Inc.
Consolidated Statement of Functional Expenses
Year Ended December 31, 2025

2025						
Recovery Living	Veterans Services of the Carolinas	Total Program Services	Management and General	Fundraising	Total Support Services	Total
\$ 778,613	\$ 6,214,701	\$ 14,398,236	\$ 279,365	\$ 621,459	\$ 900,824	\$ 15,299,060
56,774	402,905	991,112	22,230	32,397	54,627	1,045,739
97,263	573,986	1,369,932	31,917	37,649	69,566	1,439,498
21,132	145,466	349,272	11,715	13,686	25,401	374,673
953,782	7,337,058	17,108,552	345,227	705,191	1,050,418	18,158,970
27,675	714	1,637,055	-	-	-	1,637,055
-	265,427	888,441	-	-	-	888,441
2,286	-	40,486	-	-	-	40,486
-	-	2,681	-	-	-	2,681
-	-	3,912,143	-	-	-	3,912,143
1,904	719,437	971,512	-	-	-	971,512
-	3,904,161	5,033,488	-	-	-	5,033,488
-	-	285,500	-	-	-	285,500
-	-	974,321	-	-	-	974,321
195,000	-	255,500	-	-	-	255,500
57	165,004	1,445,924	4,750	31,478	36,228	1,482,152
26,981	5,970	282,342	5,435	2,140	7,575	289,917
117	22,148	26,452	8,282	57,827	66,109	92,561
4,009	373,249	497,540	4,985	1,364	6,349	503,889
6,955	64,114	180,486	3,484	4,767	8,251	188,737
27,996	322,500	826,723	49,038	48,495	97,533	924,256
296	23,591	27,143	142	12,278	12,420	39,563
747	10,373	19,165	143	162,745	162,888	182,053
27,341	6,709	420,184	6,345	5,259	11,604	431,788
3,198	11,645	62,248	3,574	4,710	8,284	70,532
5,997	474	43,740	201	201	402	44,142
18,805	66,241	314,916	6,008	7,715	13,723	328,639
3,366	22,759	72,504	12,399	6,760	19,159	91,663
365	242,747	261,810	252	1,603	1,855	263,665
-	-	-	58,430	-	58,430	58,430
2,813	106,909	157,036	803	40,976	41,779	198,815
1,309,690	13,671,230	35,747,892	509,498	1,093,509	1,603,007	37,350,899
-	24,826	320,688	24,827	24,815	49,642	370,330
-	120	206	18,881	-	18,881	19,087
-	-	28,903	18,571	-	18,571	47,474
-	-	175	1,500	-	1,500	1,675
1,444	31,757	1,021,316	21,646	15,877	37,523	1,058,839
1,444	56,703	1,371,288	85,425	40,692	126,117	1,497,405
\$ 1,311,134	\$ 13,727,933	\$ 37,119,180	\$ 594,923	\$ 1,134,201	\$ 1,729,124	\$ 38,848,304

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

Asheville-Buncombe Community Christian Ministry, Inc.
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	2024				
	Crisis	Jail	Medical	Transformation Village	Veterans' Restoration Quarters
Salaries and contract labor	\$ 1,854,464	\$ 72,714	\$ 811,843	\$ 1,493,857	\$ 2,234,755
Payroll taxes	110,836	178	74,327	109,429	165,340
Group insurance	147,602	9,138	75,735	158,596	153,689
Retirement	39,401	2,032	25,136	35,500	45,510
Total salaries and related expenses	2,152,303	84,062	987,041	1,797,382	2,599,294
Food benevolence	1,579,039	-	-	128,908	348,122
Utility assistance benevolence	394,810	-	-	-	-
Medical benevolence	-	-	8,297	10,579	10,560
Dental benevolence	-	-	5,068	-	-
Pharmacy benevolence	-	-	3,589,673	-	-
Miscellaneous benevolence	86,953	3,686	-	53,875	21,878
Rent/mortgage benevolence	649,428	-	-	-	-
Contributed services - volunteers	-	-	768,300	-	-
Donated facility usage	-	-	54,000	-	-
Rent	51,368	-	1	-	360,054
Utilities	51,992	-	11,851	86,016	170,924
Meals	1,074	2	44	170	608
Auto and travel	72,096	4	90	6,419	30,127
Office supplies and equipment	21,078	163	14,256	12,698	46,812
IT support, maintenance and equipment	71,300	-	63,412	107,220	104,178
Postage and mailing	1,602	74	300	1,691	2,224
Advertising and promotion	553	20	156	558	319
Repairs and maintenance	163,463	-	11,534	79,817	140,985
Telephone	15,935	18	12,392	8,099	10,354
Housekeeping	5,067	-	1,428	16,773	24,855
Insurance	46,984	681	16,514	30,070	54,797
Professional fees	14,738	805	-	15,295	26,380
Dues and subscriptions	9,442	392	4,782	1,245	1,336
Bad debt	-	-	-	-	-
Miscellaneous	21,199	129	4,189	5,084	8,908
Total expenses before other expenses	5,410,424	90,036	5,553,328	2,361,899	3,962,715
Interest	132,672	-	-	37,980	23,017
Finance charges	-	-	-	-	-
Taxes	6,618	-	-	-	-
Amortization	-	-	-	-	175
Depreciation	186,849	4	26,737	359,778	134,795
Total other expenses	326,139	4	26,737	397,758	157,987
Total expenses	\$ 5,736,563	\$ 90,040	\$ 5,580,065	\$ 2,759,657	\$ 4,120,702

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

Asheville-Buncombe Community Christian Ministry, Inc.
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

2024						
Recovery Living	Veterans Services of the Carolinas	Total Program Services	Management and General	Fundraising	Total Support Services	Total
\$ 806,542	\$ 5,394,513	\$ 12,668,688	\$ 292,975	\$ 483,485	\$ 776,460	\$ 13,445,148
57,743	330,273	848,126	21,393	20,881	42,274	890,400
101,537	441,058	1,087,355	35,492	30,511	66,003	1,153,358
21,167	111,641	280,387	7,830	8,371	16,201	296,588
986,989	6,277,485	14,884,556	357,690	543,248	900,938	15,785,494
32,622	3,969	2,092,660	-	-	-	2,092,660
-	176,720	571,530	-	-	-	571,530
5,220	-	34,656	-	-	-	34,656
-	-	5,068	-	-	-	5,068
-	-	3,589,673	-	-	-	3,589,673
1,137	589,782	757,311	-	-	-	757,311
-	2,544,410	3,193,838	-	-	-	3,193,838
-	-	768,300	-	-	-	768,300
195,000	-	249,000	-	-	-	249,000
-	157,809	569,232	4,800	27,404	32,204	601,436
23,826	713	345,322	9,432	6,171	15,603	360,925
624	18,167	20,689	7,351	58,096	65,447	86,136
3,783	319,812	432,331	1,124	1,032	2,156	434,487
6,503	56,245	157,755	4,660	11,010	15,670	173,425
26,977	265,695	638,782	39,594	11,208	50,802	689,584
833	16,623	23,347	104	10,363	10,467	33,814
-	11,879	13,485	60	153,059	153,119	166,604
18,231	9,513	423,543	7,544	4,862	12,406	435,949
3,180	10,269	60,247	3,687	4,286	7,973	68,220
7,138	461	55,722	617	486	1,103	56,825
13,222	45,733	208,001	4,068	4,996	9,064	217,065
9,413	52,017	118,648	22,839	4,149	26,988	145,636
202	312,118	329,517	23	444	467	329,984
-	-	-	85,496	-	85,496	85,496
2,961	72,910	115,380	3,782	27,424	31,206	146,586
1,337,861	10,942,330	29,658,593	552,871	868,238	1,421,109	31,079,702
-	13,962	207,631	13,968	13,962	27,930	235,561
-	210	210	29,246	-	29,246	29,456
-	697	7,315	8,837	697	9,534	16,849
-	-	175	500	-	500	675
1,439	21,900	731,502	24,286	18,816	43,102	774,604
1,439	36,769	946,833	76,837	33,475	110,312	1,057,145
\$ 1,339,300	\$ 10,979,099	\$ 30,605,426	\$ 629,708	\$ 901,713	\$ 1,531,421	\$ 32,136,847

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

Asheville-Buncombe Community Christian Ministry, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 12,541,648	\$ 4,289,697
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	1,060,514	775,279
(Gain) loss on sale of assets	(106,356)	109,794
Loss on disposal of assets due to natural disaster	-	1,455,170
Non-cash contributions	(70,679)	-
Amortization of operating lease right-of-use asset	175,046	47,713
Contributions restricted for long-term purposes	(1,375,194)	(1,771,933)
Government grants restricted for long-term purposes	(10,202,500)	-
Present value adjustment on long-term promises to give	-	(5,259)
Provision for bad debt	58,430	52,532
Unamortized loan discount	(244,434)	-
Forgiveness of debt	(33,333)	(33,333)
Change in beneficial interest in assets held by others	(138,303)	(40,077)
Change in operating assets and liabilities		
Grants receivable	(31,447)	(1,492,949)
Other receivables	306,634	(459,684)
Bequests receivable	-	440,000
Prepaid expenses	118,917	(182,341)
Inventory	(11,063)	(391,641)
Other current assets	(5,601)	(1,695)
Accounts payable	50,034	134,590
Accrued expenses	82,064	(171,563)
Operating lease liability	(174,843)	(45,600)
Net cash provided by operating activities	<u>1,999,534</u>	<u>2,708,700</u>
Cash flows from investing activities		
Purchase of property and equipment	(12,675,663)	(4,221,545)
Proceeds from sale of property and equipment	100,000	2,277,028
Proceeds from sale of property held for resale	-	622,004
Government grant proceeds from loss of asset due to natural disaster	8,000	-
Insurance proceeds from loss on assets due to natural disaster	-	132,879
Purchase of certificates of deposit	(61,025)	(58,903)
Proceeds from certificates of deposit	58,989	56,959
Net cash used in investing activities	<u>(12,569,699)</u>	<u>(1,191,578)</u>

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

Asheville-Buncombe Community Christian Ministry, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from financing activities		
Collection of contributions for long-term purposes of investment in property and equipment	1,375,194	1,922,133
Proceeds from government grant for investment in property and equipment	11,690,581	-
Payments on long-term debt	<u>(1,063,889)</u>	<u>(1,148,100)</u>
Net cash provided by financing activities	<u>12,001,886</u>	<u>774,033</u>
 Change in cash, cash equivalents and restricted cash	 1,431,721	 2,291,155
Cash, cash equivalents and restricted cash, beginning of year	<u>4,289,851</u>	<u>1,998,696</u>
 Cash, cash equivalents and restricted cash, end of year	 <u><u>\$ 5,721,572</u></u>	 <u><u>\$ 4,289,851</u></u>
 Supplemental disclosure of cash flow information		
Cash paid during the year for interest	<u><u>\$ 336,583</u></u>	<u><u>\$ 232,226</u></u>
 Non-cash investing and financing activities		
Purchase of property and equipment through issuance of long-term debt	<u><u>\$ 2,500,000</u></u>	<u><u>\$ 7,350,000</u></u>
Disposal of fully depreciated property	<u><u>\$ 88,977</u></u>	<u><u>\$ 646,586</u></u>
Construction in progress capitalized	<u><u>\$ 643,895</u></u>	<u><u>\$ -</u></u>
Lease liabilities arising from obtaining right-of-use assets	<u><u>\$ 34,399</u></u>	<u><u>\$ 168,065</u></u>

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

Note 1 Nature of Operations

Organization

The consolidated financial statements include the activities of Asheville-Buncombe Community Christian Ministry, Inc. and its subsidiary, ABCCM Doctors' Medical Clinic, Inc. (collectively referred to as the "Ministry"). The Ministry is a nonprofit entity owned by 300 churches of all denominations and creates opportunities for over 6,000 volunteers annually to serve individuals and families experiencing a crisis. These volunteers feed the hungry, house the homeless, visit those incarcerated, care for the sick, and welcome the stranger with dignity, respect, diversity, equity and inclusion with non-discrimination for all. The Ministry is supported primarily through churches, donor contributions, and grants. Community donations of food, clothes, medicine, and volunteer time multiplies the impact.

Principal programs of the Ministry include:

Crisis Ministry operates from four locations across Buncombe County to fill the gaps for families who cannot make ends meet. Nutritious emergency food boxes/bags provided, along with clothing and blankets, help meet basic necessities. Emergency utility and rental assistance funds help keep the lights and water on and prevent families from eviction. The Daily Bread at SonRise soup kitchen provides weekday lunch meals. The Crisis Ministry participates in North Carolina's Healthy Opportunities Pilot program, which supports upstream social drivers of health related to nutrition, food delivery, and housing while reducing the need for more costly clinical interventions of high-needs Medicaid enrollees. In response to the community need after Hurricane Helene, the Crisis Ministry began a new initiative, the Faith360 WNC Recovery and Restoration Network ("Faith360"). Faith 360 is a collaborative network of churches, faith communities and community partners working together to meet the needs of western North Carolina through coordinated services, shared resources and volunteer engagement. By connecting congregations and faith-based organizations with opportunities to address issues such as housing, hunger, disaster response and family support, Faith360 helps transform compassion into meaningful community-wide impact.

Jail Ministry serves the Buncombe County Detention Center where detainees need hope and direction in order to re-enter the community responsibly. Chaplaincy services offer comfort, peace and hope to detainees and provide meaningful support to sheriff's staff and clergy in the community. Volunteers provide Bible studies and organize a library cart with Bibles, religious materials, and other books.

ABCCM Doctors' Medical Clinic, Inc (the "Clinic") is a nonprofit entity whose sole member is Asheville-Buncombe Community Christian Ministry, Inc ("ABCCM"). The Clinic provides access to health care including medical, emergency dental, and pharmacy for the uninsured of Buncombe County and is a primary care home for those below 250% of the federal poverty level with no insurance. The Clinic is the trusted access point of entry for any low income and uninsured person in Buncombe County to receive high-quality clinic care, dental extractions, medications, and medical equipment. The Clinic provides referrals to community resources that

Note 1 Nature of Operations (continued)

bridge patients to a primary care home and address the social determinants of health. These services are accomplished through dedicated medical, dental, and pharmacy volunteers who are equipped by staff to fill these gaps in the community.

Transformation Village provides up to 100 beds of transitional housing for homeless women, mothers with children, and female Veterans. The campus also provides 36 beds of emergency shelter. Lives are transformed through four developmental phases called Steps to Success. These include: stabilization with all the basic necessities provided; life skills training with volunteer-led courses to choose from including Bible studies; education and professional training certifications that lead to living wage jobs; and reintegration that leads to permanent housing. The campus offers a model of intentional community where on average eight out of ten residents leave with stable jobs and a home of their own.

Veteran's Restoration Quarters provides 160 beds of transitional housing, 40 beds for emergency shelter, and 50 units for permanent supportive housing for a total of 250 beds. Lives are restored through four developmental phases called Steps to Success. These include stabilization, with all the basic necessities provided; life skills training with various volunteer-led courses to choose from including Bible studies; education and professional training with certifications that lead to living wage jobs; and reintegration that leads to permanent housing. The campus offers a model of intentional community where on average eight out of ten residents leave with stable jobs and a home of their own. Due to flooding caused by Hurricane Helene on September 27, 2024, operations of the Veteran's Restoration Quarters have been temporarily relocated to a nearby facility.

Recovery Living Ministry provides up to 30 beds for men exiting substance use disorder treatment. Lives are recovered through four developmental phases called Steps to Success. These include stabilization, with all basic necessities provided; life skills training including recovery living strategies with various volunteer-led courses to choose from including Bible studies; education and professional training with certifications that lead to living wages jobs; and reintegration that leads to permanent housing. These camps offer a model of intentional community that brings true life transformation through spiritual formation with best practices in healthy emotional and recovery processes.

Veterans Services of the Carolinas ("VSC") supports Veterans and their families by means of five programs across North Carolina. Through Housing, Employment, Outreach, Suicide Prevention, and Call Center Service Coordination, VSC collaborates with community partners and faith communities to engage with Veterans and meet their critical needs. Veterans are served with hope, healing, honor and a home.

Note 2 Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements of the Ministry have been prepared utilizing the accrual basis of accounting in accordance with accepted accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation

The consolidated financial statements are comprised of the Ministry's activities and the activities of its wholly owned subsidiary, ABCCM Doctors' Medical Clinic, Inc. All material intercompany accounts and transactions have been eliminated in consolidation.

Financial Statement Presentation

The financial statements of the Ministry have been prepared in accordance with GAAP, which require the Ministry to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions. These net assets may be used at the discretion of the Ministry's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Ministry or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Use of Estimates

Preparation of financial statements in accordance with GAAP requires the Ministry's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting the consolidated statements of cash flows, the Ministry includes all cash investments which are not subject to withdrawal restrictions or penalties and certificates of deposit with an original maturity at the date of purchase of three months or less in cash and cash equivalents.

Note 2 Summary of Significant Accounting Policies (continued)

The Ministry maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC"). Deposit accounts, at times, may exceed federally insured limits; however, the Ministry has not suffered any such losses as of December 31, 2025 and 2024.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give to be received in more than one year are estimated based on cash flows discounted at the incremental borrowing rate. Conditional promises to give, when received, are not recognized, as they do not meet the criteria for recognition. The Ministry uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Inventory

Inventory is composed of pharmaceuticals. Inventory purchased by and donated to the Clinic is stated at fair value. The fair value is based on Average Wholesale Price (AWP), a widely used benchmark for pricing and reimbursement of prescription drugs for both government and private payers. Values are continuously revalued through pharmaceutical industry database software to which the Clinic subscribes. Any changes in valuation are absorbed through the pharmacy expense account.

Property and Equipment

Expenditures for property and equipment are capitalized at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The useful lives range from 5 to 40 years. Leasehold improvements are amortized over the lesser of their estimated useful life or the remaining lease term. Expenditures for capital assets of less than \$10,000 are expensed in the year incurred. Donations of property and equipment are recorded as unrestricted support unless the donor has restricted the donated assets 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 restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Ministry reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Ministry reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Revenue Recognition

The Ministry recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Third party contracts and grants are conditioned upon certain performance requirements and the incurrence of

Note 2 Summary of Significant Accounting Policies (continued)

allowable qualifying expenses. Amounts received are recognized as revenue when the Ministry has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to meeting these specific conditions are recorded as refundable advances in the consolidated statements of financial position. The Ministry records special events revenue equal to the fair market value of direct benefits to donors, and contribution income for the excess received when the event takes place.

In-kind Contributions

The Ministry receives in-kind contributions from various organizations and individuals. These consist of services, property and equipment, materials, and use of facilities and are valued at the fair market value of the donated service or item at the time of the donation. Contributed services are recognized in the financial statements if they (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals with those skills, and would typically need to be purchased if not provided by donation. When recognized, contributed services are reported at fair value.

The Ministry's policy related to in-kind contributions is to utilize the asset given to carry out the mission of the Ministry. If an asset is provided that does not allow the Ministry to utilize it in its normal course of operations, the asset will be donated to another non-profit or sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Leases

The Ministry determines if an arrangement is a lease, or contains a lease, at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. For operating leases, the Ministry recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The discount rate is the implicit rate in the lease, if it is readily determinable, otherwise the Ministry uses its risk-free borrowing rate. Lease expense for lease payments are recognized on a straight-line basis over the lease term.

Variable payments that are not determinable at lease commencement are not included in the measurement of ROU asset and operating lease liability. The Ministry does not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, with lease expense for these leases recognized on a straight-line basis over the lease term. In addition, it is the Ministry's accounting policy to not separate lease and non-lease components.

Income Taxes

The Ministry is established as a not-for-profit entity and has been recognized as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Note 2 Summary of Significant Accounting Policies (continued)

The Ministry's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions and other evidence.

As of December 31, 2025 and 2024, the Ministry had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Ministry records interest and penalties related to uncertain tax positions as a component of other expenses. The Ministry's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2025, years subject to examination include 2022, 2023, and 2024.

Functional Expenses

The Ministry allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their nature and expenditure classification. Other expenses that are common to several functions are allocated between management and general or the appropriate program based on evaluations of the related benefits. Management and general 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.

Advertising and Promotion

The costs of advertising and promotion are shown as promotion expenses on the consolidated statements of functional expenses and are expensed as incurred. Advertising and promotion costs totaled \$182,053 and \$166,604 for the years ended December 31, 2025 and 2024, respectively.

Note 3 Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents as of December 31, 2025 and 2024, consists of the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 3,635,368	\$ 3,335,631
Restricted cash	<u>2,086,204</u>	<u>954,220</u>
Cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	<u><u>\$ 5,721,572</u></u>	<u><u>\$ 4,289,851</u></u>

Restricted cash represents cash received with a donor-imposed restriction that limits the use of that cash to the acquisition of property.

Note 4 Certificates of Deposit

Certificates of deposit with an original maturity in excess of three months are valued at cost plus accrued interest. The interest rates range from 3.40% to 3.50% with maturity dates from January 31, 2026 to April 8, 2026.

At December 31, 2025 and 2024, the Ministry had certificates of deposit totaling \$60,836 and \$58,800, respectively. Interest income for the years ended December 31, 2025 and 2024 totaled \$2,036 and \$1,944, respectively.

Note 5 Inventory

At December 31, 2025 and 2024, the Ministry had inventory composed of pharmaceuticals totaling \$2,167,167 and \$2,156,104, respectively.

Note 6 Property and Equipment

Property and equipment balances at December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 8,847,721	\$ 6,019,121
Building	36,266,445	25,331,435
Furniture and fixtures	1,173,614	988,073
Vehicles	1,175,400	1,006,045
Construction in progress	2,829,578	1,796,281
Financing fees	1,750	1,750
Leasehold improvements	55,769	55,768
Total cost	<u>50,350,277</u>	<u>35,198,473</u>
Less: accumulated depreciation and amortization	<u>(6,083,237)</u>	<u>(5,115,617)</u>
Property and equipment, net	<u><u>\$ 44,267,040</u></u>	<u><u>\$ 30,082,856</u></u>

Depreciation and amortization expense was \$1,060,514 and \$775,279 for the years ended December 31, 2025 and 2024, respectively.

Note 7 Fair Value Measurement

GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives 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). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs that are derived principally from or corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Beneficial Interest

Beneficial interests are determined by the fair values of the assets held by the Community Foundation and charitable gift annuity trustee, which are determined by reference to quoted market prices and other relevant information generated by market transactions and are classified within Level 3 of the valuation hierarchy.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Asheville-Buncombe Community Christian Ministry, Inc.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 7 Fair Value Measurement (continued)

The following table sets forth by level, within the fair value hierarchy, the Ministry's assets at fair value as of December 31, 2025:

	Level 1	Level 2	Level 3	Fair Value
Beneficial interests	\$ -	\$ -	\$ 1,957,359	\$ 1,957,359
Total assets	\$ -	\$ -	\$ 1,957,359	\$ 1,957,359

The following table sets forth by level, within the fair value hierarchy, the Ministry's assets at fair value as of December 31, 2024:

	Level 1	Level 2	Level 3	Fair Value
Beneficial interests	\$ -	\$ -	\$ 1,819,056	\$ 1,819,056
Total assets	\$ -	\$ -	\$ 1,819,056	\$ 1,819,056

The following table sets forth a summary of changes in the fair value of the Ministry's Level 3 assets for the years ended December 31, 2025 and 2024:

	2025	2024
Balance, beginning of year	\$ 1,819,056	\$ 1,778,979
Change in beneficial interest	138,303	40,077
Balance, end of year	\$ 1,957,359	\$ 1,819,056

Note 8 Beneficial Interests in Assets Held by Others

The Ministry maintains a Charitable Fund with the Community Foundation of Western North Carolina (the "Foundation"). In accordance with GAAP, the Charitable Fund balance is recognized as an asset at fair market value on the financial statements of the Ministry. The Foundation has variance power over the funds. Amounts are distributed to the Ministry yearly based on the funds' average market value. Amounts subject to distributions are 4.5%. The balance in the Charitable Fund at December 31, 2025 and 2024 was \$1,918,003 and \$1,781,838, respectively.

The Ministry is a beneficiary of a charitable gift annuity held by a third-party trustee. In accordance with GAAP, the charitable gift annuity is recognized as an asset at fair market value on the financial statements of the Ministry. Upon the death of all annuitants, the remaining assets will be transferred to the Ministry. The balance of the charitable gift annuity at December 31, 2025 and 2024 was \$39,356 and \$37,218, respectively.

Asheville-Buncombe Community Christian Ministry, Inc.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 9 Line of Credit

The Ministry has an unsecured line of credit in the amount of \$2,500,000. Advances include interest at the bank's prime rate. The line of credit expires on August 25, 2026. The balance outstanding on the line of credit for each of the years ended December 31, 2025 and 2024 was \$0. No interest expense was incurred related to the line of credit for the years ended December 31, 2025 and 2024.

Note 10 Long-Term Debt

Long-term debt at December 31, 2025 and 2024 is described as follows:

	<u>2025</u>	<u>2024</u>
Seller-financed note payable dated July 3, 2024, payable in annual principal payments of \$1,000,000, due each anniversary date of the note with monthly interest payments at 4.75%, with any unpaid balance due July 3, 2027. This note is secured by real estate classified as land and buildings with a carrying value of \$8,603,782 and \$8,781,283 as of December 31, 2025 and 2024, respectively.	\$ 6,350,000	\$ 7,350,000
A programmatic loan agreement with a private foundation dated July 21, 2025, 0% interest with a single principal payment due July 21, 2028. Imputed market interest rate of 4.12% based on the July 2025 IRS Short-term applicable federal rate. The loan was recorded at the present value of \$2,214,815 at inception and the unamortized discount of \$285,185 was recognized as contribution revenue without donor restrictions on the statements of activities. The loan discount is amortized over the 36-month term of the loan using the effective interest method. For the year ended December 31, 2025, the Ministry recorded non-cash interest expense of \$40,750. The net carrying value is \$2,255,565 (net note payable liability) as of December 31, 2025. A 3% annual interest penalty will apply to all subsequent days elapsed until the full repayment is made if not paid in full by July 21, 2028.	2,255,565	-
Note payable to a bank, payable in monthly payments of \$7,004 with interest at 3.84%, due April 18, 2032. The note is secured by real estate classified as land and buildings with a carrying value of \$3,993,183 and \$4,058,089 as of December 31, 2025 and 2024, respectively.	480,168	544,056
Note payable to a bank, if not forgiven, due in one balloon payment with no interest in June 2037, secured by real estate classified as land with a carrying value of \$964,384 as of December 31, 2025 and 2024. (See Note 16)	361,111	394,444
	<u>9,446,844</u>	<u>8,288,500</u>
Less: current portion	<u>(1,099,709)</u>	<u>(1,097,183)</u>
Total long-term debt, net of current portion	<u>\$ 8,347,135</u>	<u>\$ 7,191,317</u>

Note 10 Long-Term Debt (continued)

Future minimum payments as of December 31, 2025 are as follows:

<u>Years Ended December 31,</u>	<u>Amount</u>
2026	\$ 1,099,709
2027	5,452,334
2028	2,360,629
2029	107,901
2030	110,851
Thereafter	<u>315,420</u>
Total	<u><u>\$ 9,446,844</u></u>

Interest expense was \$370,330 and \$235,561 for the years ended December 31, 2025 and 2024, respectively.

Note 11 Refundable Advances and Conditional Grants

During the year ended December 31, 2025, the Ministry received \$500,000 as a portion of a conditional grant dedicated specifically to the construction of a new residential building on the Transformational Village campus. Under the terms of the grant agreement, the funding is contingent on constructing the physical facility. Additionally, the Ministry received \$988,081 in funding for the replacement of property contents lost due to a federally declared natural disaster (see Note 20). The funding is contingent upon replacement of the contents which will take place after construction is completed at the affected facility. Because these grantor-imposed barriers have not been substantially achieved as of December 31, 2025, the entire amount received is recognized as a refundable advance liability. If the Ministry fails to fulfill the construction and content replacement obligations, the grant maintains an explicit right of return for the advanced funds.

Note 12 Restrictions on Net Assets

Net assets with donor restrictions as of December 31, 2025 are as follows:

	2025		
	Restricted by Program or Time	Perpetual Donor Restrictions	Total
Disaster relief assistance - post-Helene	\$ 388,479	\$ -	\$ 388,479
Faith360 WNC Recovery & Restoration Network	1,056,020	-	1,056,020
Veterans employment and training	45,903	-	45,903
Non-veteran employment and training	7,243	-	7,243
Women's employment and training	9,053	-	9,053
Transformation Village educational program	100,000	-	100,000
Transformation Village parenting program	14,130	-	14,130
Transformation Village Safe Haven	88,456	-	88,456
Transformation Village capital projects	498,123	-	498,123
Warehouse operations	195,939	-	195,939
Woodfin benevolence	19,410	-	19,410
Medical clinic	166,500	-	166,500
Medical clinic equipment needs	25,000	-	25,000
Veterans Services of the Carolinas	86,944	-	86,944
Veterans Restoration Quarters	450,000	-	450,000
VRQ special projects and programs	4,371	-	4,371
Veterans Village room renovations	100,000	-	100,000
VRQ kitchen equipment	21,575	-	21,575
Veteran Community Partnership	1,970	-	1,970
Church/volunteer engagement and development	536,271	-	536,271
Beneficial interest in charitable gift annuity	39,356	-	39,356
Beneficial interest in assets held by Community Foundation	-	1,918,003	1,918,003
	<u>\$ 3,854,743</u>	<u>\$ 1,918,003</u>	<u>\$ 5,772,746</u>

Note 12 Restrictions on Net Assets (continued)

Net assets with donor restrictions as of December 31, 2024 are as follows:

		2024	
	Restricted by Program or Time	Perpetual Donor Restrictions	Total
Disaster relief assistance - post Helene	\$ 1,339,879	\$ -	\$ 1,339,879
Faith360 WNC Recovery & Restoration Network	43,300	-	43,300
Veterans employment and training	45,903	-	45,903
Non-veteran employment and training	7,243	-	7,243
Women's employment and training	9,053	-	9,053
Transformation Village educational program	48,031	-	48,031
Transformation Village's Safe Haven	54,630	-	54,630
Transformation Village capital projects	17,300	-	17,300
Costello House	227,752	-	227,752
Crisis Ministry and emergency assistance benevolences	317,792	-	317,792
Woodfin benevolence	18,164	-	18,164
Holiday Angel program benevolences	11,177	-	11,177
Medicare social integrations	100,000	-	100,000
Medical clinic	100,000	-	100,000
Veterans Services of the Carolinas	96,522	-	96,522
VRQ special projects and programs	4,371	-	4,371
VRQ post Helene rebuild	911,920	-	911,920
Veteran Community Partnership	1,970	-	1,970
Beneficial interest in charitable gift annuity	37,218	-	37,218
Beneficial interest in assets held by Community Foundation	-	1,781,838	1,781,838
	<u>\$ 3,392,225</u>	<u>\$ 1,781,838</u>	<u>\$ 5,174,063</u>

The beneficial interest in assets held by the Community Foundation is donor restricted. The income from investments may be expended either for general purposes (not subject to donor restrictions) or for purposes specified by the donor (donor restricted).

At December 31, 2025 and 2024, net assets without donor restrictions include an operating reserve of \$1,000,000, for each of the years ended, which the Ministry's board has designated (see Note 19). In addition, the Clinic's board has designated an operating reserve equivalent to 75 days of the annual Clinic operating budget. The reserve level is adjusted as needed to align with the operating budget. The amount of the Clinic's reserve was \$361,438 and \$306,021 as of December 31, 2025 and 2024, respectively.

Note 13 In-Kind Contributions

A substantial number of volunteers have donated a significant amount of time to the Ministry's operations and program services. Contributed services of \$974,321 and \$768,300 (management's estimate of the fair value) have been reflected in the accompanying financial statements as in-kind contributions for services contributed by medical/dental/pharmacy professionals at the Ministry for the years ended December 31, 2025 and 2024, respectively.

Note 13 In-Kind Contributions (continued)

Other contributed services totaling \$51,537 and \$0 have also been included as part of in-kind support for the years ended December 31, 2025 and 2024, respectively. Numerous other volunteers have donated significant amounts of time to the Ministry for which no amounts have been reflected in these consolidated financial statements because they did not meet the criteria for recognition.

Donated materials, etc. are reflected as in-kind contributions in the accompanying consolidated financial statements. Contributed pharmacy drugs of \$3,903,068 and \$3,960,053 have been included in the consolidated financial statements as in-kind support, and as inventory and pharmacy expense for the years ended December 31, 2025 and 2024, respectively. Contributed food of \$0 and \$1,023 has been included as in-kind support and food expense for the years ended December 31, 2025 and 2024, respectively. Contributed construction materials and equipment of \$19,142 and \$0 has been included as in-kind support and property and equipment in the consolidated financial statements for the years ended December 31, 2025 and 2024, respectively.

A portion of ABCCM's medical ministry's pharmacy operates in a facility owned by Buncombe County, subject to annual review of the lease with rent of \$1 per year. The estimated fair value of the space for each of the years ended December 31, 2025 and 2024 was \$60,500 and \$54,000, respectively, and is reported as both in-kind support and rent expense in the financial statements.

ABCCM's Recovery Living Ministry operates in a facility owned by the Costello Family Foundation, Inc. subject to a lease beginning January 27, 2022 with rent of \$1 per year. The estimated fair value of the space for each of the years ended December 31, 2025 and 2024 was \$195,000 and is recorded as both in-kind support and rent expense in the consolidated financial statements.

Note 14 Leasing Activity

The Ministry has four operating leases for facilities at rates ranging from \$1,975 to \$5,917 per month. Expiration dates for the leases range from July 2026 to May 2028. The Ministry used its incremental borrowing rate at lease inception in determining the present value of lease payments.

The Ministry has two operating leases for office equipment at rates ranging from \$300 to \$3,120 per month. Expiration dates for the leases range from September 2027 to July 2030. An additional fee is charged quarterly for any excess images and is expensed as incurred. The Ministry used its incremental borrowing rate at lease inception in determining the present value of lease payments.

Total lease expense was \$209,445 and \$197,377, respectively, for the years ended December 31, 2025 and 2024, and is included as component of facility rent, office supplies and computer on the consolidated statements of functional expenses.

Note 14 Leasing Activity (continued)

Maturities of operating lease liabilities are as follows:

Years Ended December 31,	Amount
2026	\$ 194,242
2027	95,498
2028	26,119
2029	8,220
2030	4,795
Total lease payments	328,874
Less: imputed interest	(18,343)
Present value of lease liabilities	<u>\$ 310,531</u>

During the years ended December 31, 2025 and 2024, operating cash flows for operating leases totaled \$234,358 and \$221,539, respectively. At December 31, 2025, the weighted average of the remaining lease term of the Ministry's operating leases is 2.2 years, while the weighted average discount rate is 7.13%. At December 31, 2024, the weighted average of the remaining lease term of the Ministry's operating leases is 2.47 years, while the weighted average discount rate is 6.6%.

Note 15 Retirement Plan

At the discretion of the Board of Directors, the Ministry contributes a percentage of the gross salary of each eligible employee to the ABCCM Retirement Plan. The Ministry contributed 2% of the gross salary for all eligible employees and matched employee elective deferrals up to 1% of gross salary in the year ended December 31, 2025. The Ministry contributed 3% of gross salary for all eligible employees in the year ended December 31, 2024. Eligibility is based on certain minimum service and age requirements. For the years ended December 31, 2025 and 2024, the retirement expense was \$374,673 and \$296,588, respectively.

Note 16 Contingency

In 2007, a VA Homeless Providers Grant was awarded for \$1,600,000 for the acquisition of the Veterans Restoration Quarters located at 1329 Tunnel Road. Under the terms of the grant, the property must be used for the originally authorized purpose as long as needed for that purpose, during which time the Ministry may not dispose of or encumber its title or other interests. When the property is no longer needed for the originally authorized purpose, the Ministry must compensate the VA for its percentage of participation in the cost of the original purchase to the fair market value of the property (in the case of retaining the property) or to the proceeds of the

Note 16 Contingency (continued)

sale of the property (in the case of a sale of the property); otherwise, title may transfer to the VA and the Ministry would be entitled to be paid a percentage of participation in the purchase and costs of improvements of the property to the fair market value of the property.

In November 2021, the Ministry received a \$500,000 subsidy as part of a Federal Home Loan Bank Affordable Housing Program (the “Program”) for the purpose of constructing Transformation Village at 30 Olin Haven Way in Asheville, North Carolina.

As part of the Program, the Ministry was required to execute a promissory note and deed of trust on the related property as collateral. The note carries zero interest and does not amortize. It will be forgiven at the end of fifteen years as long as the Ministry remains in compliance with the Program requirements. If at any time prior to maturity, the Ministry falls out of compliance with the Program regulations or sells, transfers or refinances the project, they may be required to repay a portion or the entire amount of the initial award.

Management believes that the possibility of repayment occurring is remote and that the appropriate treatment of the note is to recognize it as long-term debt that is amortized into revenue over the life of the agreement. At December 31, 2025 and 2024, \$361,111 and \$394,444, respectively (see Note 10), was reflected on the consolidated statements of financial position as long-term debt. For each of the years ended December 31, 2025 and 2024, \$33,333 was reflected as forgiveness of debt and included on the consolidated statements of activities.

During 2025, the Ministry acquired property at 1430 Tunnel Road using \$10 million received under a U.S. Department of Housing and Urban Development (“HUD”) Community Project Funding award. The property is subject to the terms and conditions of the grant agreement, including restrictions on the use and disposition of the property. Under the terms of the grant, the property must be used for the originally, authorized purpose as long as needed for that purpose, during which time the Ministry may not dispose of or encumber its title or other interest except as provided by HUD. When the property is no longer needed for the originally authorized purpose, the Ministry must follow disposition of property regulations found at 2 CFR 200.311(d). The award has not been fully closed out by HUD and the Ministry remains subject to compliance with the applicable grant requirements. Management believes the Ministry is in compliance with all material grant requirements as of December 31, 2025.

Note 17 Concentration of Support

Three granting agencies and participation in a Medicaid pilot program provided more than 10% of the Ministry’s total revenue and support for the years ended December 31, 2025 and 2024. Revenue and support from the U.S. Department of Veterans Affairs totaled \$10,625,480 or 21% and \$9,129,908 or 25% for the years ended December 31, 2025 and 2024, respectively. Revenue and support from the U.S. Department of Health and Human Services totaled \$4,861,593 or 9% and \$3,980,512 or 11% for the years ended December 31, 2025 and 2024, respectively. Revenue and support through North Carolina’s Healthy Opportunities Pilot

Note 17 Concentration of Support (continued)

Program totaled \$3,922,992 or 8% and \$5,666,786 or 16% for the years ended December 31, 2025 and 2024, respectively. Revenue and support from the U.S. Department of Housing and Urban Development totaled \$10,000,000 or 19% for the year ended December 31, 2025.

Three grantors made up more than 10% of the Ministry's total grants receivable for the years ended December 31, 2025 and 2024. At December 31, 2025, grants receivable from one federal government agency totaled \$458,230 or 16%, grants receivable from one state government agency totaled \$499,751 or 17%, and grants receivable from a public local management entity/managed care organization (LME/MCO) totaled \$1,627,499 or 57%. At December 31, 2024, grants receivable from one federal government agency totaled \$654,409 or 23%, grants receivable from one state government agency totaled \$549,457 or 19%, and grants receivable from a public local management entity/managed care organization (LME/MCO) totaled \$855,533 or 31%.

Note 18 Commitments

The Ministry constructed a 43,000 square foot multi-use facility for operations on land owned in Asheville, North Carolina. The facility and program, called Transformation Village, replaces Steadfast House and has significantly increased capacity for the homeless ministry for abused and disadvantaged women and children. As part of this construction, the Ministry entered commitments as follows:

A cash bond for \$200,000, included as part of other assets in the consolidated financial statement of position at December 31, 2025 and 2024, with Buncombe County as the beneficiary. The funds are available upon successful completion of the approved storm water management system affiliated with Transformation Village.

In May 2025, the Ministry entered into a contractual agreement with a building contractor for the construction of a new residential building on the Transformational Village campus to be used for permanent supportive housing. The total contract value is presently \$6,029,782. As of December 31, 2025, no costs have been incurred related to this contract; which is to be funded through a blend of government grants, affordable housing program loans, and ongoing capital campaign contributions. Construction will begin with the approval of all permits and is expected to be completed over twelve months.

In November 2025, the Ministry entered into a contractual agreement with a construction manager as a contractor for the rebuilding of Veterans Restoration Quarters. The contract value is estimated at \$22,000,000 for the initial phase. As of December 31, 2025, no costs have been incurred related to this contract, which is expected to be funded through reimbursements from the Federal Emergency Management Agency ("FEMA") and capital campaign contributions. A revolving line of credit from a bank will be utilized to bridge the gaps in project expenses and funding drawdowns. Construction is expected to begin in the summer of 2026 and to be completed over 18 months.

Note 19 Availability and Liquidity

The Ministry's financial assets available at December 31, 2025 and 2024 within one year of the consolidated statement of financial position date for general expenditures are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 3,635,368	\$ 3,335,631
Restricted cash	2,086,204	954,220
Other asset	200,000	200,000
Certificates of deposit	60,836	58,800
Grants receivable	2,860,558	2,829,111
Other receivables	353,198	718,262
Other current assets	<u>30,916</u>	<u>25,315</u>
Total financial assets	9,227,080	8,121,339
Less amounts unavailable for general expenditures within one year:		
Contractual or donor-imposed restrictions:		
Restricted by donors for capital projects	(2,086,204)	(954,220)
Assets subject to contractual restriction	(200,000)	(200,000)
Board designation for liquidity reserve	(1,000,000)	(1,000,000)
Clinic board designation for liquidity reserve	<u>(361,438)</u>	<u>(306,021)</u>
	<u>\$ 5,579,438</u>	<u>\$ 5,661,098</u>

The Ministry is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Ministry must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. The Ministry monitors levels of available financial assets to meet its operating needs, liabilities and other obligations as they come due. The Board designates a portion of any operating surplus to its liquidity reserve, which was \$1,000,000 for each of the years ended December 31, 2025 and 2024 (see Note 12). The objective of this reserve is to provide an internal source of funds during seasonal deficits. In addition, the Ministry maintains a line of credit with a bank (see Note 9), from which it can draw upon in the event of a liquidity need.

The Clinic's board has designated 75 days of expenses based on the current annual operating budget as an operating liquidity reserve, which was \$361,438 and \$306,021 as of December 31, 2025 and 2024, respectively. The objective of this reserve is to provide a source of funds to cover costs that are unplanned or unexpected. The board designated assets can be made available for current operations, if necessary.

Note 20 Loss on Disposal of Assets Due to Natural Disaster

On September 27, 2024, the effects of Hurricane Helene caused significant damage to one of the Ministry's program facilities and related assets, including vehicles, equipment and furnishings. The property used for the Veterans Restoration Quarters ("VRQ") was flooded, which resulted in the relocation of the program to a nearby facility, until repairs are completed. The VRQ is structurally sound and will be rebuilt. The adjacent ACTs building was damaged beyond repair. Multiple vehicles, furniture, fixtures and equipment were destroyed. Construction in progress for room renovations at the VRQ and for the design and engineering fees of the newly planned Veterans Village were impaired and/or abandoned.

During the year ended December 31, 2024, assets with a net book value of \$1,588,049 were written off. The Ministry received \$132,879 in insurance proceeds specifically related to the loss of vehicles. A corresponding loss of disposal of assets, net of insurance proceeds, has been recognized in the accompanying consolidated statements of activities.

During the year ended December 31, 2025, the Ministry received funding through FEMA in the amount of \$202,500 for emergency measures to protect the property, \$8,000 to reimburse insurance deductibles and \$988,081 for replacement of property contents. Accordingly, these have been recorded as government grant revenues, gain of asset disposal and refundable advance, respectively in the accompanying consolidated statements of financial position and consolidated statements of activities.

Note 21 Subsequent Events

The Ministry evaluated the effect that all subsequent events would have on the consolidated financial statements through September 16, 2026, which is the date the financial statements were available to be issued.

The Healthy Opportunities Pilot ("HOP") program, a component of the Ministry's Crisis Ministry, was suspended July 1, 2025 due to a lack of funding in the state's proposed budget. The HOP program was a time-limited pilot initiative using federal and state Medicaid funding to address the social determinants of health through coordinated community interventions, primarily food and housing assistance. The Ministry has continued its food and rent/utility assistance at reduced levels, carrying on its critical services for those in greatest need as supported by contributions from the churches and community. The program was partially funded with the budget enacted July 7, 2026. The Ministry is operationally ready and awaits instruction on restored implementation.

Subsequent to year end, the Ministry received additional funding and obligations from FEMA including reimbursement of temporary facility costs and funding for architectural and engineering costs. These funds were not received or obligated until 2026; therefore they are not recorded in these accompanying consolidated financial statements.

The Ministry continues to actively work with FEMA to obtain public assistance funding for eligible recovery costs. In addition, the Ministry has launched a capital campaign to support rebuilding and mitigation efforts, and long-term facility needs along with other capital projects of the Ministry.



**Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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The Board of Directors of
Asheville-Buncombe Community Christian Ministry, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Asheville-Buncombe Community Christian Ministry, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Asheville-Buncombe Community Christian Ministry, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Asheville-Buncombe Community Christian Ministry, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Asheville-Buncombe Community Christian Ministry, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.





Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Asheville-Buncombe Community Christian Ministry, Inc.'s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Prager Metis CPAs, PLLC

Prager Metis CPAs, PLLC
Asheville, North Carolina
September 16, 2026

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

The Board of Directors of
Asheville-Buncombe Community Christian Ministry, Inc.

Prager Metis CPAs, PLLC

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Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Asheville-Buncombe Community Christian Ministry, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Asheville-Buncombe Community Christian Ministry, Inc.'s major federal programs for the years ended December 31, 2025 and 2024. Asheville-Buncombe Community Christian Ministry, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Asheville-Buncombe Community Christian Ministry, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2025 and 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Asheville-Buncombe Community Christian Ministry, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Asheville-Buncombe Community Christian Ministry, Inc.'s compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Asheville-Buncombe Community Christian Ministry, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Asheville-Buncombe Community Christian Ministry, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Asheville-Buncombe Community Christian Ministry, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Asheville-Buncombe Community Christian Ministry, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Asheville-Buncombe Community Christian Ministry, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Asheville-Buncombe Community Christian Ministry, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Prager Metis CPAs, PLLC

Prager Metis CPAs, PLLC
Asheville, North Carolina
September 16, 2026

Asheville-Buncombe Community Christian Ministry, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2025

A. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no
2. Significant deficiency(s) identified that are
not considered to be material weaknesses? yes X none reported

Noncompliance material to financial
statements noted? yes X no

Federal Awards

Internal control over major federal program:

1. Material weakness(es) identified? yes X no
2. Significant deficiency(s) identified that are
not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major federal program: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with Section
2CFR200.516(a) yes X no

Identification of major federal programs:

AL Numbers

93.150

14.251

Names of Federal Program or Cluster

Projects for Assistance in Transition from Homelessness
Economic Development Initiative, Community Project
Funding, and Miscellaneous Grant

Dollar threshold used to distinguish between Type A
and Type B Programs: \$ 1,000,000

Auditee qualified as low-risk auditee? X yes no

State Awards

There were no major state awards.

B. Findings – Financial Statement Audit:

None.

C. Findings and Questioned Costs – Major Federal Awards Program Audit:

None.

Asheville-Buncombe Community Christian Ministry, Inc.
Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2025

Federal Grantor/ Pass-through Grantor/ Program Title	Federal AL Number	Federal Expenditures	State Expenditures
Federal Awards:			
<u>U.S. Department of Health and Human Services</u>			
Substance Abuse and Mental Health Services Administration			
Passed-through N.C Department of Health and Human Services:			
Block Grants for Community Mental Health Services	93.958	\$ 214,486	\$ -
Projects for Assistance in Transition from Homelessness	93.150	1,071,094	-
Passed-through Impact Health:			
Medical Assistance Program	93.778	80,157	-
Passed-through Vaya Health:			
Block Grants for Community Mental Health Services	93.958	3,408,590	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	60,000	-
Passed-through Governor's Institute on Substance Abuse:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1,025	-
Passed-through Onslow County:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	26,241	-
Total U.S. Department of Health and Human Services		4,861,593	-
<u>U.S. Department of Housing and Urban Development</u>			
Economic Development Initiative, Community Project Funding, and Miscellaneous Grant	14.251	10,000,000	-
<u>U.S. Department of Homeland Security</u>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	209,700	-
<u>U.S. Department of Labor</u>			
Homeless Veterans Reintegration Project	17.805	729,734	-
<u>U.S. Department of Treasury</u>			
Passed-through City of Asheville:			
Coronavirus State and Local Fiscal Recovery Fund	21.027	150,000	-
<u>U.S. Department of Veterans Affairs</u>			
VA Homeless Providers Grant and Per Diem Program	64.024	2,127,276	-
VA Supportive Services for Veteran Families Program	64.033	7,658,731	-
Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program	64.055	839,473	-
Total U.S. Department of Veterans Affairs		10,625,480	-
Total federal awards		26,576,507	-

Asheville-Buncombe Community Christian Ministry, Inc.
Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2025

Federal Grantor/ Pass-through Grantor/ Program Title	Federal AL Number	Federal Expenditures	State Expenditures
State Awards:			
<u>N.C. Department of Health and Human Services</u>			
Passed-through North Carolina Association of Free and Charitable Clinics:			
Office of Rural Health		\$ -	\$ 98,100
Passed-through Buncombe County Sheriff's Office:			
Chaplaincy Program		-	39,995
Division of Mental Health, Developmental Disabilities and Substance Abuse Services			
Trillium Health Resources		-	105,995
Vaya Health		-	879,064
Pass-through Impact Health:			
Healthy Opportunities Pilot		-	80,157
Office of Rural Health and Community Care		-	30,113
Total N.C. Department of Health and Human Services		-	1,233,424
<u>N.C. Department of Public Safety</u>			
Division of Emergency Management		-	800
Total state awards		-	1,234,224
Total expenditures of federal and state awards		<u>\$ 26,576,507</u>	<u>\$ 1,234,224</u>

Notes to the Schedule of Expenditures of Federal and State Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of Asheville-Buncombe Community Christian Ministry, Inc. under programs of the federal and state governments for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Asheville-Buncombe Community Christian Ministry, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Asheville-Buncombe Community Christian Ministry, Inc.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Asheville-Buncombe Community Christian Ministry, Inc. has elected to use the 15-percent de minimis indirect cost rate for awards allowed under the Uniform Guidance.

Findings – Financial Statement Audit:

None.

Findings and Questioned Costs – Major Federal Awards Program Audit:

None.