

C. DEWITT FOARD & COMPANY, P.A.

*CERTIFIED PUBLIC ACCOUNTANTS
817 EAST MOREHEAD STREET SUITE 100
CHARLOTTE, NORTH CAROLINA 28202
TELEPHONE: 704-372-1515 WWW.CDFCO.COM*

AUDITORS' REPRESENTATIONS LETTER

November 10, 2021

To the Board of Elders of
Providence Road Church of Christ, Charlotte, N.C., Inc.
Charlotte, North Carolina

We have audited the financial statements of Providence Road Church of Christ, Charlotte, N.C., Inc. (the "Church") for the year ended August 31, 2021, and will issue our report thereon dated November 10, 2021. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 16, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Church are described in the notes of the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Church during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements is:

- Depreciation expense, which is based on the estimated useful lives of the fixed assets.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are

reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We did not identify any disclosures affecting the financial statements that we considered to be particularly sensitive.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit. We wish to express our appreciation to management and staff for their cooperation and assistance during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. A complete listing of all adjustments, if any, which we identified during our audit is attached to this letter. We have classified these entries as follows:

Closing Entries Management may provide certain information that has not already been incorporated into the financial statements or request that we propose entries based on our computations. We consider the computation and posting of these entries to be a normal part of our audit process and not a misstatement in the financial statements. Management has reviewed the information underlying these adjustments and takes full responsibility for the accuracy of these amounts.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 10, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Church's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Church's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a

Providence Road Church of Christ, Charlotte, N.C., Inc.

November 10, 2021

Page 3

condition to our retention.

This report is intended solely for the information and use of the management and staff within the Church and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

C. DeWitt Foard & Company, P.A.

C. DeWitt Foard and Company, PA

Certified Public Accountants

Providence Road Church of Christ, Charlotte, N.C., Inc.
Normal Closing Entries
August 31, 2021

<i>Description</i>	<i>Number</i>	<i>Debit</i>	<i>Credit</i>
1400 Pre-Paid Expenses	1400	2,553.98	
Capital Purchases:1610 Audio/Visual/Lighting Equ	1610		11,480.00
Capital Purchases:1620 Building Equipment/System	1620		21,803.34
Capital Purchases:1640 Furniture/Fixtures	1640		19,124.93
Capital Purchases:1650 Office/Computer Equipment	1650		35,365.19
Capital Purchases:1660 Vehicles	1660		12,734.51
Capital Purchases:1670 Founders Hall Renovation	1670		18,000.00
Depreciation - Accumulated:1710 ACCUM DEPR - Aud	1710	2,232.20	
Depreciation - Accumulated:1720 ACCUM DEPR - Bui	1720	2,513.44	
Depreciation - Accumulated:1740 ACCUM DEPR - Fur	1740	746.05	
Depreciation - Accumulated:1750 ACCUM DEPR - Off	1750	8,692.59	
Depreciation - Accumulated:1760 ACCUM DEPR - Veh	1760	320.86	
3900 Retained Earnings	3900	46,038.25	
Depreciation:5190 Depreciation Expense	5190		10,548.56
Personnel Expense:Staff Development:5520 Preache	5520		1,569.42
Facilities:Building & Maintenance:5850 Repairs/P	5850	67,528.58	
<i>To adjust various accounts to conform with modified cash basis of accounting</i>			
3900 Retained Earnings	3900		67,053.84
Personnel Expense:Salaries & Benefits:5400 Salar	5413	67,053.84	
<i>To reclassify utilization of designated funds</i>			
Campus:1500 FMV -Church Building & Fixtures	1500	128,101.69	
Capital Purchases:1610 Audio/Visual/Lighting Equ	1610	597,526.81	
Capital Purchases:1660 Vehicles	1660	19,251.46	
Land	1680	141,000.00	
Depreciation - Accumulated:1710 ACCUM DEPR - Aud	1710		3,576,802.77
3900 Retained Earnings	3900	2,696,391.36	
Depreciation:5190 Depreciation Expense	5190	67,913.24	
Facilities:Building & Maintenance:5850 Repairs/P	5850		67,528.58
Facilities:Vehicles:6270 Vehicle Purchase/Rent/E	6270		5,853.21
<i>TO reclassify presentation of property to historical cost less depreciation</i>			

C. DEWITT FOARD & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

817 EAST MOREHEAD STREET SUITE 100

CHARLOTTE, NORTH CAROLINA 28202

TELEPHONE: 704-372-1515 WWW.CDFCO.COM

MANAGEMENT LETTER

November 10, 2021

To the Board of Elders of
Providence Road Church of Christ, Charlotte, N.C., Inc.
Charlotte, North Carolina

We have audited the financial statements of Providence Road Church of Christ, Charlotte, N.C., Inc. (the "Church") for the year ended August 31, 2021, and have issued our report dated November 10, 2021. Professional standards require that we provide you with the following information related to our audit.

In planning and performing our audit of the financial statements of Providence Road Church of Christ, Charlotte, N.C., Inc., as of and for the year ended August 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Church's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Church's internal control. Accordingly, we do not express an opinion on the effectiveness of the Church's internal control.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Church's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Church's financial statements that is more than inconsequential will not be prevented or detected by the Church's internal control. A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Church's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We identified the following deficiency in internal control that we consider to be a material weakness, as defined above.

Counting of Contributions

We noted that during the year, primarily due to the COVID-19 pandemic, the Church offerings were frequently counted by only one person. It is a vital aspect of internal control for two or more unrelated persons to count the offerings to determine the complete amount collected, and that this count be documented. We recommend that counters be recruited or hired who can be available for this procedure.

Providence Road Church of Christ, Charlotte, N.C., Inc.

November 10, 2021

Page 2

This report is intended solely for the information and use of the management and staff within the Church and is not intended to be and should not be used by anyone other than these specified parties.

C. DeWitt Foard & Company, P.A.

C. DeWitt Foard & Company, PA
Certified Public Accountants

*PROVIDENCE ROAD CHURCH OF CHRIST,
CHARLOTTE, N.C., INC.*

*FINANCIAL STATEMENTS
AUGUST 31, 2021*

Providence Road Church of Christ, Charlotte, N.C., Inc.

Table of Contents

August 31, 2021

	Page
Independent Auditors' Report	1
Audited Financial Statements:	
Statement of Financial Position – Modified Cash Basis	2
Statement of Activities – Modified Cash Basis.....	3
Statement of Cash Flows – Modified Cash Basis	4
Notes to Financial Statements	5-9

C. DEWITT FOARD & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
817 EAST MOREHEAD STREET SUITE 100
CHARLOTTE, NORTH CAROLINA 28202
TELEPHONE: 704-372-1515 WWW.CDFCO.COM

INDEPENDENT AUDITORS' REPORT

To the Board of Elders of
Providence Road Church of Christ, Charlotte, N.C., Inc.
Charlotte, North Carolina

We have audited the accompanying financial statements of Providence Road Church of Christ, Charlotte, N.C., Inc. (the "Church" - a nonprofit corporation), which comprise the statement of financial position – modified cash basis as of August 31, 2021, and the related statements of activities – modified cash basis and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1 to the financial statements; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and net assets of Providence Road Church of Christ, Charlotte, N.C., Inc. as of August 31, 2021 and its support, revenue, expenses and changes in net assets and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

C. Dewitt Foard & Company, P.A.
November 10, 2021

Providence Road Church of Christ, Charlotte, N.C., Inc.**Statement of Financial Position - Modified Cash Basis****August 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>TOTALS</u>
<u>ASSETS</u>			
Operating Assets:			
Cash	\$ 111,746	\$ 313,932	\$ 425,678
Certificate of deposit	-	105,485	105,485
Receivables and other	2,643	-	2,643
<i>Total Operating Assets</i>	<i>114,389</i>	<i>419,417</i>	<i>533,806</i>
Fixed Assets	1,497,777	-	1,497,777
<i>TOTAL</i>	<i>\$ 1,612,166</i>	<i>\$ 419,417</i>	<i>\$ 2,031,583</i>

LIABILITIES AND NET ASSETS

Liabilities - credit card payable	\$ 6,315	\$ -	\$ 6,315
Net Assets:			
Without donor restrictions:			
Undesignated	1,357,604	-	1,357,604
Designated as a reserve	248,247	-	248,247
<i>Total Without Donor Restrictions</i>	<i>1,605,851</i>	<i>-</i>	<i>1,605,851</i>
With donor restrictions	-	419,417	419,417
<i>Total Net Assets</i>	<i>1,605,851</i>	<i>419,417</i>	<i>2,025,268</i>
<i>TOTAL</i>	<i>\$ 1,612,166</i>	<i>\$ 419,417</i>	<i>\$ 2,031,583</i>

Providence Road Church of Christ, Charlotte, N.C., Inc.**Statement of Activities - Modified Cash Basis****Year Ended August 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>TOTALS</u>
<i><u>SUPPORT AND REVENUE</u></i>			
Contributions	\$ 1,194,566	\$ 233,902	\$ 1,428,468
Other income	25,051	671	25,722
<i>Total</i>	<i>1,219,617</i>	<i>234,573</i>	<i>1,454,190</i>
<i><u>EXPENSES</u></i>			
Personnel	750,455	109	750,564
Facilities	174,080	-	174,080
Family needs	24,052	11,569	35,621
Outreach	43,069	158,584	201,653
Administrative	136,637	169	136,806
Depreciation	67,913	-	67,913
<i>Total</i>	<i>1,196,206</i>	<i>170,431</i>	<i>1,366,637</i>
<i>CHANGE IN NET ASSETS</i>	<i>23,411</i>	<i>64,142</i>	<i>87,553</i>
<i>NET ASSETS, BEGINNING</i>	<i>1,582,440</i>	<i>355,275</i>	<i>1,937,715</i>
<i>NET ASSETS, ENDING</i>	<i>\$ 1,605,851</i>	<i>\$ 419,417</i>	<i>\$ 2,025,268</i>

Providence Road Church of Christ, Charlotte, N.C., Inc.**Statement of Cash Flows - Modified Cash Basis****Year Ended August 31, 2021**

OPERATING ACTIVITIES

Change in net assets	\$ 87,553
Adjustments to reconcile increase in net assets to cash flows from operating activities:	
Depreciation expense	67,913
Decrease in operating assets:	
Receivables	487
Increase (decrease) in operating liabilities:	
Credit card payable	6,315
Payroll withholdings	(396)
<i>Cash Flows from Operating Activities</i>	<i>161,872</i>

INVESTING ACTIVITIES

Purchase of fixed assets	(73,382)
<i>Cash Flows from Investing Activities</i>	<i>(73,382)</i>

<i>CHANGE IN CASH</i>	<i>88,490</i>
<i>CASH - BEGINNING</i>	<i>337,188</i>
<i>CASH - ENDING</i>	<i>\$ 425,678</i>

Providence Road Church of Christ, Charlotte, N.C., Inc.

Notes to Financial Statements

August 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Providence Road Church of Christ, Charlotte, N.C., Inc., (the Church) was organized in 1938. The Church was incorporated in 1955 under the laws of the state of North Carolina, is located at 4900 Providence Road, Charlotte, North Carolina, and is supported primarily by voluntary contributions from its members.

Scope

All funds over which the Church exercises discretionary control are included in these financial statements, except for Action for Community Transformation, Inc., a separate corporation. This report also does not include the activities of any choir or Church school accounts that would not be material to these financial statements.

Basis of accounting

These financial statements have been prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Pursuant to the cash basis of accounting, revenue and the related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. In addition, all other amounts received are recorded as cash receipts and all other amounts expended are recorded as cash disbursements. The Church has elected to adopt the following modifications to the cash basis of accounting:

- Sales tax, which will be later, refunded and certain amounts paid that are expected to be reimbursed are shown as increases and decreases in an asset account, rather than as receipts and disbursements.
- Purchases and sales of certificates of deposit are shown as increases and decreases in an asset account, rather than as receipts and disbursements. Certificates of deposit are carried on the books at cost.
- Fixed assets are recorded at cost and depreciation is recorded over the estimated useful lives of the assets.
- Amounts charged on credit cards is shown as an expense and a liability when the charge is incurred, rather than when paid.

The significant differences between the basis of accounting employed by the Church and U.S. generally accepted accounting principles, in addition to the timing of the recognition of revenue and expenses, are as follows:

- No amounts have been reflected in the financial statements for services or property contributed to the Church.
- Amounts received which are restricted to be paid to another organization are shown as receipts and disbursements, rather than as increases and decreases in a liability account.

Providence Road Church of Christ, Charlotte, N.C., Inc.

Notes to Financial Statements

August 31, 2021

Contributions

The net assets of the Church are classified and reported as follows:

- *Net assets without donor restrictions* - Net assets that are not subject to any donor-imposed stipulations. Designated net assets represent funds designated by the Church for specific purposes. However, these funds have not been restricted by donors and are available for any purpose at the Church's discretion. At August 31, 2021, the Church had designated \$248,247 as an operating reserve.
- *Net assets with donor restrictions* - Net assets with donor restrictions consist of spendable and non-spendable amounts. Spendable amounts are subject to donor-imposed stipulations that may or will be met, either by actions of the Church or the passage of time. Non-spendable amounts are subject to donor-imposed stipulations that they be maintained permanently by the Church. During the year, the Church had no non-spendable net assets with donor restrictions.

Fixed assets

During the year, the Church elected to re-state the value of its fixed assets from estimated fair value to cost less depreciation in conformity with the modified cash basis of accounting. As a result of this restatement, beginning net fixed assets and net assets decreased by \$2,696,392.

Federal income tax status

The Church is exempt from Federal income tax under Internal Revenue Code Section 501(c)(3) and is classified as other than a private foundation as defined by Section 509(a) of the Internal Revenue Code.

Use of estimates

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

NOTE 2 – CASH AND CERTIFICATE OF DEPOSIT

Cash

Cash consists of cash on hand, cash in checking accounts, and money market funds.

Certificate of deposit

The Church's certificate of deposit is carried at cost, which approximates fair value. The certificate bears interest at an annual rate of 1.95% and matures in November 2021.

Providence Road Church of Christ, Charlotte, N.C., Inc.

Notes to Financial Statements

August 31, 2021

NOTE 3 – PROPERTY

Basis of accounting

Property balances are maintained in the unrestricted fund. The Church capitalizes all property and equipment expenditures greater than \$2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years. Property at year-end consisted of the following amounts at August 31, 2021:

Buildings and improvements	\$ 4,316,802
Land and improvements	141,000
Furniture and equipment	597,527
Vehicles	<u>19,251</u>
Total	5,074,580
Less – accumulated depreciation	<u>3,576,803</u>
TOTAL	<u>\$ 1,497,777</u>

NOTE 4 – LEASES

Operating leases - equipment

The Church leases a copier under a non-cancelable operating agreement. Lease payments made during the year ended August 31, 2021, were \$16,181. Future minimum obligations under the terms of the leases are as follows:

2022	\$ 16,181
2023	<u>12,136</u>
TOTAL	<u>\$ 28,317</u>

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of August 31, 2021, consist of the following:

Missions	\$ 355,400
Community care	48,918
Ministries	14,317
Other	<u>782</u>
TOTAL	<u>\$ 419,417</u>

Providence Road Church of Christ, Charlotte, N.C., Inc.

Notes to Financial Statements

August 31, 2021

NOTE 6 - FUNCTIONAL EXPENSES

The Church's activities are focused in three functional areas. Program services represent the primary focus of the Church's activities. Supporting services are general and administrative activities and fundraising activities. Personnel costs are allocated on the basis of estimates of time and effort. Facility costs and depreciation expenses are allocated on an estimated square footage basis. Administrative costs are based on an analysis of the various expenses that comprise those costs. The costs of providing the various programs and other activities are summarized on a functional basis below.

	<u>TOTAL</u>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>
Personnel	\$ 750,564	\$ 635,421	\$ 92,114	\$ 23,029
Facilities	174,080	167,117	6,963	-
Family needs	35,621	35,621	-	-
Outreach	201,653	201,653	-	-
Administrative	136,806	93,655	40,282	2,869
Depreciation	67,913	65,197	2,716	-
TOTAL	\$ 1,366,637	\$ 1,198,664	\$ 142,075	\$ 25,898

NOTE 7 – RETIREMENT PLAN

The Church maintains the Providence Road Church of Christ 403(b) Plan (the Plan) for the benefit of its employees. Eligible employees may make pre-tax or Roth contributions up to limits established annually by the Internal Revenue Service. The Church does not contribute to the Plan but matches employee contributions based on years of service. The Church's matching contributions are immediately 100% vested. The maximum matching contribution ranges from 3% for employees with less than one year of service to 6% for employees with three or more years of service. Participating employees have discretionary control as to how their funds are invested. During the year ended August 31, 2021, a total of \$29,781 was paid in retirement benefits.

NOTE 8 – CONCENTRATIONS OF RISK AND UNCERTAINTIES

Covid-19

The COVID-19 pandemic has resulted in major changes in the local economy. At this point, the full impact of this pandemic on the Church is unknown, but management believes that it could negatively impact its support and revenue for the foreseeable future.

Small geographic area

The Church operates in a small geographic area and is therefore sensitive to changes in the local economy.

Providence Road Church of Christ, Charlotte, N.C., Inc.

Notes to Financial Statements

August 31, 2021

Uninsured cash

Cash held in bank accounts is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The Church occasionally has cash balances in excess of insured limits.

NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Church has \$533,806 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$425,678, a certificate of deposit of \$105,485 and sales tax receivable of \$2,643, which is expected to be collected in the next fiscal year. Of this total, \$419,417 of the financial assets are subject to donor restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Church has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 30 days of normal operating expenses, which are, on average, approximately \$98,000. The Church has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 10 – SUBSEQUENT EVENTS

The Church has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditor's report, which is the date the financial statements are available to be issued. During this period, no material recognizable subsequent events were identified.

Providence Road Church of Christ, Charlotte, N.C., Inc.

November 10, 2021

C. DeWitt Foard and Company, PA, CPAs
817 East Morehead Street, Suite 100
Charlotte, North Carolina 28202

This representation letter is provided in connection with your audit of the financial statements of Providence Road Church of Christ, Charlotte, N.C., Inc., which comprise the statements of financial position - modified cash basis as of August 31, 2021, and the related statements of activities - modified cash basis and cash flows - modified cash basis for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the modified cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 10, 2021, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 16, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting.
2. The financial statements referred to above are fairly presented in conformity with the modified cash basis of accounting.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the modified cash basis of accounting.
7. All events subsequent to the date of the financial statements and for which accounting standards

require adjustment or disclosure have been adjusted or disclosed.

8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A list of the uncorrected misstatements, if any, is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the Church's accounts. We are in agreement with those adjustments.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. accounting standards.
10. Material concentrations have been appropriately disclosed in accordance with U.S. accounting standards.
11. Guarantees, whether written or oral, under which the Church is contingently liable, have been properly recorded or disclosed in accordance with U.S. accounting standards.
12. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of assets might not be recoverable and have appropriately recorded the adjustment.

Information Provided

13. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the Church from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
14. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
15. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
16. We have no knowledge of any fraud or suspected fraud that affects the Church and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
17. We have no knowledge of any allegations of fraud or suspected fraud affecting the Church's financial statements communicated by employees, former employees, grantors, regulators, or others.
18. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

19. We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
20. We have disclosed to you the identity of the Church's related parties and all the related party relationships and transactions of which we are aware.
21. The Church has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
23. We acknowledge that in connection with your audit, you assisted in the preparation of the draft financial statements and notes. We confirm that we have reviewed and approved the financial statements referred to above, we confirm that we are responsible for their fair presentation in conformity with the modified cash basis of accounting, with all material exceptions described in the notes to the financial statements, and we acknowledge your role as auditors in connection with the financial statements. We have overseen the process of performing such services and have made all related management decisions.
24. Providence Road Church of Christ, Charlotte, N.C., Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Church's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.




Elder & Treasurer