



MANAGEMENT LETTER

December 12, 2025

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, 2025, and have issued our report dated December 12, 2025. 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, 2025, 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 can also 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 an entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity'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 an entity'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 did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

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.

Foard & Company, P.A.

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

Financial Statements

Year Ended August 31, 2025

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

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Providence Road Church of Christ, Charlotte, N.C., Inc. (the "Church" - a nonprofit organization), which comprises the statement of financial position - modified cash basis as of August 31, 2025, 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 financial statements.

In our opinion, the financial statements referred to above 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, 2025, and its support, revenue, and 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Providence Road Church of Christ, Charlotte, N.C., Inc. and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

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 this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of Providence Road Church of Christ, Charlotte, N.C., 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 Providence Road Church of Christ, Charlotte, N.C., 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.

Report on Summarized Comparative Information

We have previously audited the Church's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 1, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Foard & Company, P.A.

December 12, 2025

Providence Road Church of Christ, Charlotte, N.C., Inc.**Statement of Financial Position - Modified Cash Basis****August 31, 2025, with prior year comparative totals**

	August 31, 2025			Prior Year Comparative Totals
	Without Donor Restrictions	With Donor Restrictions	TOTALS	
<u>ASSETS</u>				
Operating Assets:				
Cash	\$ 112,037	\$ 168,917	\$ 280,954	\$ 315,126
Certificate of deposit	-	121,848	121,848	117,080
Receivables and other	12,618	-	12,618	7,949
Total Operating Assets	124,655	290,765	415,420	440,155
Fixed Assets	1,148,680	-	1,148,680	1,199,947
TOTAL	\$ 1,273,335	\$ 290,765	\$ 1,564,100	\$ 1,640,102

LIABILITIES AND NET ASSETS

Liabilities - credit card payable	\$ -	\$ -	\$ -	\$ -
Net Assets:				
Without Donor Restrictions:				
Undesignated	1,247,260	-	1,247,260	1,254,170
Designated	26,075	-	26,075	9,049
Total	1,273,335	-	1,273,335	1,263,219
With donor restrictions	-	290,765	290,765	376,883
Total Net Assets	1,273,335	290,765	1,564,100	1,640,102
TOTAL	\$ 1,273,335	\$ 290,765	\$ 1,564,100	\$ 1,640,102

Providence Road Church of Christ, Charlotte, N.C., Inc.**Statement of Activities - Modified Cash Basis****Year Ended August 31, 2025, with prior year comparative totals**

	Year Ended August 31, 2025			Prior Year Comparative Totals
	Without Donor Restrictions	With Donor Restrictions	TOTALS	
<u>SUPPORT AND REVENUE</u>				
Contributions	\$ 1,338,672	\$ 249,355	\$ 1,588,027	\$ 1,509,539
Other income	5,035	-	5,035	27,607
Total	1,343,707	249,355	1,593,062	1,537,146
<u>EXPENSES</u>				
Personnel	781,988	-	781,988	698,081
Facilities	252,499	-	252,499	265,203
Family needs	40,839	30,181	71,020	75,309
Outreach	23,789	296,243	320,032	290,683
Administrative	106,130	-	106,130	165,880
Depreciation	137,395	-	137,395	130,209
Total	1,342,640	326,424	1,669,064	1,625,365
CHANGE IN NET ASSETS	1,067	(77,069)	(76,002)	(88,219)
NET ASSETS, BEGINNING	1,272,268	367,834	1,640,102	1,728,321
NET ASSETS, ENDING	\$ 1,273,335	\$ 290,765	\$ 1,564,100	\$ 1,640,102

Providence Road Church of Christ, Charlotte, N.C., Inc.**Statement of Cash Flows - Modified Cash Basis****Year Ended August 31, 2025, with prior year comparative totals**

	Year Ended August 31, 2025	Prior Year Comparative Totals
<i><u>OPERATING ACTIVITIES</u></i>		
Change in net assets	\$ (76,002)	\$ (88,219)
Adjustments to reconcile increase in net assets to cash flows from operating activities:		
Depreciation expense	137,395	130,209
Decrease in operating assets:		
Receivables	(4,669)	(292)
<i>Cash Flows from Operating Activities</i>	<i>56,724</i>	<i>41,698</i>
<i><u>INVESTING ACTIVITIES</u></i>		
Purchase of certificate of deposit	(4,768)	(4,684)
Purchase of fixed assets	(86,128)	(11,533)
<i>Cash Flows from Investing Activities</i>	<i>(90,896)</i>	<i>(16,217)</i>
<i>CHANGE IN CASH</i>	<i>(34,172)</i>	<i>25,481</i>
<i>CASH - BEGINNING</i>	<i>315,126</i>	<i>289,645</i>
<i>CASH - ENDING</i>	<i>\$ 280,954</i>	<i>\$ 315,126</i>

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

Notes to Financial Statements

August 31, 2025

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 are 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.
- Right of use assets and the related lease liabilities are not included in assets or liabilities.

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

Notes to Financial Statements

August 31, 2025

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, 2025 the Church had designated \$26,075 of funds for carryover and future expenditures.
- *Net assets with donor restrictions* - Net assets with donor restrictions will 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.

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 3.16% and matures in December 2025.

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, 2025:

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

Notes to Financial Statements

August 31, 2025

Buildings and improvements	\$ 4,359,824
Land and improvements	141,000
Furniture and equipment	706,304
Vehicles	19,251
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Total	5,226,379
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Less – accumulated depreciation	4,077,699
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TOTAL	\$ 1,148,680

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of August 31, 2025, consist of the following:

Missions	\$ 213,936
Community care	67,009
Ministries	9,820
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TOTAL	\$ 290,765

NOTE 5 - 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	\$ 781,988	\$ 646,830	\$ 101,780	\$ 33,378
Facilities	252,499	247,449	5,050	-
Family needs	71,020	71,020	-	-
Outreach	320,032	320,032	-	-
Administrative	106,130	57,848	44,078	4,204
Depreciation	137,395	134,647	2,748	-
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TOTAL	\$ 1,669,064	\$ 1,477,826	\$ 153,656	\$ 37,582

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

Notes to Financial Statements

August 31, 2025

NOTE 6 – 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, 2025, a total of \$27,856 was paid in retirement benefits.

NOTE 7 – CONCENTRATIONS OF RISK AND UNCERTAINTIES

Small geographic area

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

Uninsured cash

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

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Church has \$415,420 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure, consisting of cash of \$280,954, a certificate of deposit of \$121,848 and sales tax receivable of \$12,618, which is expected to be collected in the next fiscal year. Of this total, \$290,765 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 \$100,000. The Church has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 9 – SUBSEQUENT EVENTS

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

AUDITORS' REPRESENTATIONS LETTER

December 12, 2025

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, 2025, and will issue our report thereon dated December 12, 2025. 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 22, 2025, 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 to 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 Church's fixed assets.

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

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

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 December 12, 2025.

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.

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

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 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.

Foard & Company, P.A.

Providence Road Church of Christ, Charlotte, N.C., Inc.
Normal Closing Entry
Year Ended August 31, 2025

<i>Description</i>	<i>Number</i>	<i>Debit</i>	<i>Credit</i>
FMV -Church Building & Fixtures	1500		176,276.31
Audio/Visual/Lighting	1600	592,248.84	
Furniture/Fixtures	1605		19,074.93
Office/Computer Equipment	1610		36,699.59
Building Equipment/Systems	1620		63,514.91
Vehicles	1625	6,516.95	
Renovations	1630		61,022.00
Land	1680	141,000.00	
ACCUM DEPR - Audio/Visual/Light	1700		3,895,435.22
ACCUM DEPR - Furniture/Fixtures	1705	2,454.71	
ACCUM DEPR - Office/Computer	1710	17,793.09	
ACCUM DEPR - Building Equip/Sys	1720	4,390.36	
ACCUM DEPR - Vehicles	1725	2,459.86	
ACCUM DEPR - Renovations	1730	1,271.30	
Retained Earnings	3900	3,479,403.11	
Miscellaneous income	4400	4,484.74	

*To record prior year fixed asset adjustments, expense capitalized repairs
and record current year depreciation*