

Eblen Charities, Inc. and Affiliate

**Independent Auditor's Report,
Consolidated Financial
Statements, and
Supplementary
Consolidating Information**

December 31, 2022 and 2021

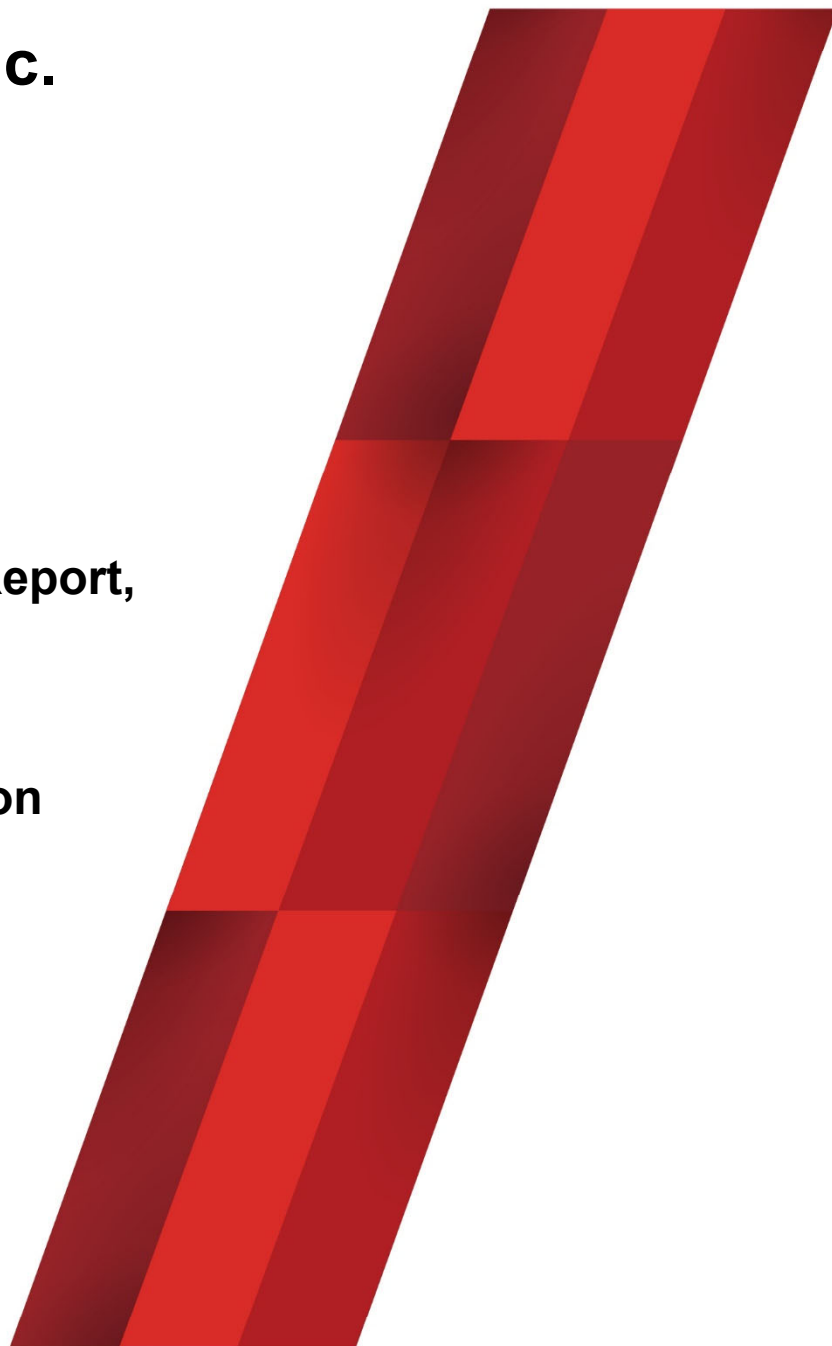


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Independent Auditor's Report

Board of Directors
Eblen Charities, Inc. and Affiliate
Asheville, NC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Eblen Charities, Inc. and Affiliate (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, the related consolidated statements of activities and functional expenses for the year ended December 31, 2022, the consolidated statements of cash flows for the years ended December 31, 2022 and 2021, and the related notes to the consolidated financial statements, (collectively, the "financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, the changes in its net assets and functional expenses for the year ended December 31, 2022, and its cash flows for the years ended December 31, 2022 and 2021 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 ("GAAS") 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 Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated 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 the Organization's ability to continue as a going concern for 12 months from the date of this report.

Auditor's Responsibilities for the Audit of the Consolidated 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 GAAS 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 GAAS 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 Organization's 2021 consolidated financial statements, and our report dated August 8, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein for the year ended December 31, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The consolidating information presented in the supplemental schedules is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual organizations, and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management, 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 supplemental schedules are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

FORVIS

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 6, 2023, on our consideration of the Organization'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 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 internal control over financial reporting or on compliance. Accordingly, we express no such opinion. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

FORVIS, LLP

**High Point, NC
July 6, 2023**

Eblen Charities, Inc. and Affiliate
Consolidated Statements of Financial Position
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,026,686	\$ 978,583
Designated cash and cash equivalents	<u>2,038,778</u>	<u>1,850,050</u>
Total current assets	<u>3,065,464</u>	<u>2,828,633</u>
Long-term assets:		
Investments	594,411	690,490
Operating lease right of use assets, net	56,785	-
Property and equipment, net	<u>3,048,771</u>	<u>3,120,861</u>
Total long-term assets	<u>3,699,967</u>	<u>3,811,351</u>
Total assets	<u>\$ 6,765,431</u>	<u>\$ 6,639,984</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 30,693	\$ 72,127
Accrued salaries and payroll taxes	18,665	30,199
Operating lease liability, current	39,231	-
Notes payable, current	<u>189,000</u>	<u>189,000</u>
Total current liabilities	277,589	291,326
Long-term liabilities:		
Operating lease liability	17,554	-
Notes payable, net of unamortized discount and current portion	<u>1,284,420</u>	<u>1,393,793</u>
Total liabilities	<u>1,579,563</u>	<u>1,685,119</u>
Net assets:		
Net assets without donor restrictions	3,490,816	3,480,156
Net assets with donor restrictions	<u>1,695,052</u>	<u>1,474,709</u>
Total net assets	<u>5,185,868</u>	<u>4,954,865</u>
Total liabilities and net assets	<u>\$ 6,765,431</u>	<u>\$ 6,639,984</u>

See accompanying notes.

Eblen Charities, Inc. and Affiliate
Consolidated Statements of Activities
Year Ended December 31, 2022 (with Comparative Totals for 2021)

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	2022 Total	2021 Total Summarized Information
Support:				
Grants	\$ 48,225	\$ 3,994,396	\$ 4,042,621	\$ 2,588,631
Contributions	350,821	77,945	428,766	406,020
Program income	900,579	-	900,579	651,529
Investment income (losses), net	(91,079)	-	(91,079)	52,272
In-kind contributions	371,397	-	371,397	240,148
Rental income	267,101	-	267,101	246,940
Other income	10,840	-	10,840	14,637
Net assets released from restrictions	3,851,998	(3,851,998)	-	-
Total support	<u>5,709,882</u>	<u>220,343</u>	<u>5,930,225</u>	<u>4,200,177</u>
Expenses:				
Program services	5,473,274	-	5,473,274	3,602,466
Management and general	96,514	-	96,514	89,365
Fundraising	129,434	-	129,434	61,235
Total expenses	<u>5,699,222</u>	<u>-</u>	<u>5,699,222</u>	<u>3,753,066</u>
Change in net assets	10,660	220,343	231,003	447,111
Net assets, beginning of year	<u>3,480,156</u>	<u>1,474,709</u>	<u>4,954,865</u>	<u>4,507,754</u>
Net assets, end of year	<u>\$ 3,490,816</u>	<u>\$ 1,695,052</u>	<u>\$ 5,185,868</u>	<u>\$ 4,954,865</u>

See accompanying notes.

Eblen Charities, Inc. and Affiliate
Consolidated Statements of Functional Expenses
Year Ended December 31, 2022 (with Comparative Totals for 2021)

	Program Services			Supporting Services			2022 Total Expenses	2021 Total Expenses Summarized Information
	Eblen Charities	Asheville Buncombe Educational Housing LLC	Total	General and Administrative	Fundraising	Total		
Assistance payments direct:								
Utilities/telephone/heating	\$ 3,630,084	\$ -	\$ 3,630,084	\$ -	\$ -	\$ -	\$ 3,630,084	\$ 1,955,421
Medical	24,150	-	24,150	-	-	-	24,150	18,443
Dental	8,004	-	8,004	-	-	-	8,004	1,600
Housing	269,120	-	269,120	-	-	-	269,120	299,413
Travel	2,065	-	2,065	-	-	-	2,065	345
Insurance	2,845	-	2,845	-	-	-	2,845	1,077
Clothing	6,400	-	6,400	-	-	-	6,400	6,903
Other	131,635	-	131,635	-	-	-	131,635	92,293
In-kind	371,397	-	371,397	-	-	-	371,397	240,148
Total Assistance Payments	4,445,700	-	4,445,700	-	-	-	4,445,700	2,615,643
In-kind expenses	-	-	-	25,449	-	25,449	25,449	-
Salaries	498,987	-	498,987	46,054	42,157	88,211	587,198	556,399
Payroll taxes	38,730	-	38,730	3,534	3,245	6,779	45,509	43,012
Employee benefits	46,977	-	46,977	4,336	3,969	8,305	55,282	48,696
Fees & licenses	7,595	-	7,595	-	-	-	7,595	14,419
Fundraising	-	-	-	-	70,684	70,684	70,684	35,996
Office	35,098	86,234	121,332	3,239	2,965	6,204	127,536	76,067
Rent and utilities	75,924	-	75,924	7,007	6,414	13,421	89,345	76,962
Professional fees	-	-	-	6,895	-	6,895	6,895	42,165
Service charges	11,461	-	11,461	-	-	-	11,461	10,491
Travel	2,039	-	2,039	-	-	-	2,039	448
Postage	4,021	-	4,021	-	-	-	4,021	4,144
Telephone	11,111	-	11,111	-	-	-	11,111	10,326
Other	46,394	11,286	57,680	-	-	-	57,680	56,294
Interest	-	79,627	79,627	-	-	-	79,627	85,792
Depreciation	1,776	70,314	72,090	-	-	-	72,090	76,212
	<u>\$ 5,225,813</u>	<u>\$ 247,461</u>	<u>\$ 5,473,274</u>	<u>\$ 96,514</u>	<u>\$ 129,434</u>	<u>\$ 225,948</u>	<u>\$ 5,699,222</u>	<u>\$ 3,753,066</u>

See accompanying notes.

Eblen Charities, Inc. and Affiliate
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 231,003	\$ 447,111
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	72,090	76,212
Amortization of discount	79,627	85,792
Realized gains on investments	(1,950)	(33,145)
Unrealized loss (gain) on investments	102,713	(8,747)
Non-cash operating lease expense	52,923	-
Net change in:		
Contributions receivable, net	-	81,171
Accounts payable	(41,434)	28,130
Accrued salaries and payroll taxes	(11,534)	5,772
Operating lease liability	(52,923)	-
Net cash provided by operating activities	<u>430,515</u>	<u>682,296</u>
Cash flows from investing activities:		
Purchases of investments	(9,160)	(10,153)
Withdrawals from investment account	4,476	4,191
Purchase of property and equipment	-	(8,881)
Net cash used by investing activities	<u>(4,684)</u>	<u>(14,843)</u>
Cash flows from financing activities:		
Payments on notes payable	(189,000)	(189,000)
Net cash used by financing activities	<u>(189,000)</u>	<u>(189,000)</u>
Net change in cash, cash equivalents, and restricted cash and cash equivalents	236,831	478,453
Cash, cash equivalents, and restricted cash and cash equivalents beginning of year	<u>2,828,633</u>	<u>2,350,180</u>
Cash, cash equivalents, and restricted cash and cash equivalents, end of year	<u>\$ 3,065,464</u>	<u>\$ 2,828,633</u>
Reconciliation of cash and cash equivalents to the consolidated statements of financial position:		
Cash and cash equivalents	\$ 1,026,686	\$ 978,583
Designated cash and cash equivalents	2,038,778	1,850,050
Total cash and cash equivalents	<u>\$ 3,065,464</u>	<u>\$ 2,828,633</u>

See accompanying notes.

Notes to Consolidated Financial Statements

1. Nature of Organization and Summary of Significant Accounting Policies

Nature of organization

Eblen Charities, Inc. ("Eblen") is a not-for-profit corporation established under the laws of the State of North Carolina. The mission of Eblen is to provide aid and assistance to people and their families in Western North Carolina who suffer from the effects of chronic illness and disabilities. Through financial aid and other support, Eblen recognizes the unique physical, emotional, social, and spiritual needs of each person they serve.

Asheville Buncombe Education Housing, LLC is a not-for-profit organization with a mission to bring and retain quality teachers to the Buncombe County community by providing housing to teachers in the Buncombe County and Asheville City School Systems.

Principles of consolidation

The consolidated financial statements include the assets and liabilities and results of operations of Eblen Charities, Inc. and Asheville Buncombe Educational Housing, LLC, collectively referred to as the "Organization". All inter-entity transactions and balances have been eliminated in consolidation.

Program services

Eblen Charities, Inc., through over 70 outreach programs, assists children, adults, and families in Western North Carolina who are living with illnesses and disabilities with medication, travel, medical supplies, heat and utility assistance, food, and other emergency aid. The outreach programs are grouped into the following program groups:

- **Health** - In order to help stem the rising costs of medication, medical supplies and health care, Eblen Medical helps provide medical assistance to children, adults, and families living in our community by providing medication, medical supplies, physician and dental visits, eyeglasses and other health care needs.
- **Energy** - The Eblen Energy Project has delivered hundreds of thousands of gallons of oil, natural gas, and assisted with electric bills to families in our community living with illnesses and disabilities. By providing heating oil and assistance with funding for gas and electric bills, purchasing space heaters, fans and air conditioning window units we can help ensure that our neighbors are not left out in the cold during the winter or suffer through the heat of summer.
- **Education** - Through the outreach of the Eblen Charities Inc., the work of the Eblen Center for Social Enterprise, and partnerships with Buncombe County, Asheville City, and other local school systems, Eblen offers a number of programs to students, faculty and all involved in education. The program provides assistance ranging from breakfast, lunch, and snacks to shoes, clothing, school supplies and assists with programs that help ensure that students will not leave school before graduation.
- **Emergency Assistance** - Realizing that living with the effects of illnesses and disabilities reaches further than the need for medication; the Emergency Assistance Program reaches out to provide help in other areas that families may need.
- **Housing** - To help in assisting those in our community who have to decide between paying their rent or mortgage, purchasing medication, or paying for other needs, Eblen Charities, Inc. has worked in partnership with other organizations and has developed programs that respond quickly to the needs of families who are in danger of losing their homes.

Eblen Charities, Inc. and Affiliate
Notes to Consolidated Financial Statements

Basis of accounting

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

Basis of presentation

The Organization is required to report information regarding its consolidated statement of financial position and consolidated statement of activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

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

Use of estimates

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates.

Revenue and other support

Grants and other contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported on the consolidated statement of activities as net assets released from restrictions. Grants that are considered non-exchange transactions are reported as conditional or unconditional revenue when they are received. Rental income earned through Asheville Buncombe Educational Housing, LLC is recorded as unrestricted income.

Cash and cash equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

At times, the Organization may have balances in excess of the limits insured under the federal deposit insurance requirements at a certain institution. Management does not consider there to be any material credit risk related to this concentration.

Restricted cash and cash equivalents

Restricted cash is restricted by the terms of the contributions and the cash is intended for the Organization's various charitable programs. The Organization had restricted cash of \$2,038,778 and \$1,850,050 as of December 31, 2022 and 2021, respectively.

Eblen Charities, Inc. and Affiliate
Notes to Consolidated Financial Statements

Revenue recognition

The Organization derives its revenues primarily from contributions, grants, special events revenues, in-kind donations, and investment income.

Contributions and grants are recognized at a point in time when the contributions are received or promised. A purpose or time restriction may be imposed; however, the restriction is not considered an additional performance obligation.

Special event income consists of funds received from ticket purchases and auction items. Each item within special events income consists of one performance obligation that is recognized at a point in time. Recognition of revenues occurs when the special event has been held, when the sale of merchandise is completed, or when an auction item is delivered.

Investment revenue is recognized at a point in time as income is earned or realized.

In-kind donations are recognized at a point in time when items have been donated.

Investments

Investments consist of marketable securities with readily determinable fair values and all investments in debt securities are reported at fair market value based on quoted market prices on the consolidated statements of financial position. Unrealized gains and losses are included on the consolidated statement of activities as a component of the change in net assets.

Fair value measurements

Fair value as defined under GAAP is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization utilizes market data or assumptions that market participants would use in pricing the asset or liability. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used when measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The Organization has adopted the provisions of the fair value option for financial assets and financial liabilities, which permits entities to choose to measure eligible items at fair value at specified election dates. The fair value option (i) may be applied instrument by instrument, with certain exceptions, (ii) is irrevocable (unless a new election date occurs), and (iii) is applied only to entire instruments and not to portions of instruments. The Organization elected the fair value option for their investments, and as such these securities are treated as trading securities. Unrealized gains or losses are reported within the performance indicator, change in net assets.

Eblen Charities, Inc. and Affiliate
Notes to Consolidated Financial Statements

Property and equipment

Property and equipment, consisting primarily of buildings, land, office furniture and equipment, are stated at cost, or at fair value, if contributed. It is the Organization's policy to capitalize expenditures in excess of \$5,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Small tools, maintenance and repairs are charged against income as incurred, and additions, renewals and improvements that materially extend the life of the asset are capitalized and depreciated over their useful lives. Upon disposition of equipment, the asset and related accumulated depreciation accounts are relieved and any related gain or loss is credited or charged to general expenses. The following useful lives are assigned to the asset groups:

Office equipment	5 years
Furniture	7 years
Leasehold improvements	10 years
Buildings	40 years

Leases

At lease inception, the Organization determines whether an arrangement is or contains a lease. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in the consolidated financial statements. The Organization has not entered into any leases which were determined to be finance leases.

ROU assets represent the Organization's right to use leased assets over the term of the lease. Lease liabilities represent the Organization's contractual obligation to make lease payments over the lease term.

For operating leases, ROU assets and lease liabilities are recognized at the commencement date. The lease liability is measured as the present value of the lease payments over the lease term. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization uses the risk-free rate of return as the discount rate. Operating ROU assets are calculated as the present value of the lease payments plus initial direct costs, plus any prepayments less any lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. The assessment of whether renewal or extension options are reasonably certain to be exercised is made at lease commencement. Factors considered in determining whether an option is reasonably certain of exercise include, but are not limited to, the value of any leasehold improvements, the value of renewal rates compared to market rates, and the presence of factors that would cause a significant economic penalty to the Organization if the option were not exercised. Lease expense is recognized on a straight-line basis over the lease term. The Organization has elected not to recognize an ROU asset and obligation for leases with an initial term of twelve months or less.

To the extent a lease arrangement includes both lease and non-lease components, the Organization has elected the practical expedient to treat as a single lease component.

Income taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Continuance of such exemption is subject to compliance with regulations and review of activities by taxing authorities. The Organization is not aware of any transactions that would affect its tax-exempt status.

Functional expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their nature and expenditure classification. Other expenses that are common to several functions are allocated by statistical means.

Eblen Charities, Inc. and Affiliate
Notes to Consolidated Financial Statements

Donated services and materials

The Organization records various types of in-kind support, including services, materials, supplies, fundraising expenses and other tangible assets. GAAP requires recognition of professional services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Some services received by the Organization in providing service to clients do meet the criteria while other services provided in the office and at special events do not. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying consolidated financial statements as in-kind support are offset by like amounts included in expenses or assets.

The Organization received contributed materials, supplies, fundraising and other tangible assets during the years ended December 31, 2022 and 2021, with a fair value on the dates of donation of \$371,397 and \$240,148, respectively.

In addition, a number of volunteers have donated 4,702 and 4,733 hours to the Organization's program and support services at a total value of approximately \$141,000 and \$135,000 for the years ended December 31, 2022 and 2021, respectively. These in-kind contributions are not reflected in the consolidated financial statements since these services do not meet the criteria for recognition.

Subsequent events

Subsequent events have been evaluated through July 6, 2023, which is the date the consolidated financial statements were available to be issued.

2. Investments and Fair Value

Investments in marketable securities as of December 31, 2022 and 2021 is summarized as follows:

<u>As of December 31, 2022:</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Equities/Mutual Funds	\$ 283,958	\$ 276,236	\$ (7,722)
Fixed Income/Bonds	237,578	208,118	(29,460)
Cash	<u>110,057</u>	<u>110,057</u>	<u>-</u>
Total Investments	<u>\$ 631,593</u>	<u>\$ 594,411</u>	<u>\$ (37,182)</u>
<u>As of December 31, 2021:</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Equities/Mutual Funds	\$ 266,710	\$ 335,050	\$ 68,340
Fixed Income/Bonds	247,613	244,804	(2,809)
Cash	<u>110,636</u>	<u>110,636</u>	<u>-</u>
Total Investments	<u>\$ 624,959</u>	<u>\$ 690,490</u>	<u>\$ 65,531</u>

Eblen Charities, Inc. and Affiliate
Notes to Consolidated Financial Statements

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market.

Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Organization's own data.)

The following table represents the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis at December 31, 2022 and 2021.

	Assets at Fair Value as of December 31, 2022:		
	Level 1	Level 2	Level 3
Assets:			
Equities/Mutual Funds	\$ 276,236	\$ -	\$ -
Fixed Income/Bonds	<u>208,118</u>	<u>-</u>	<u>-</u>
	<u>\$ 484,354</u>	<u>\$ -</u>	<u>\$ -</u>
	Assets at Fair Value as of December 31, 2021:		
	Level 1	Level 2	Level 3
Assets:			
Equities/Mutual Funds	\$ 335,050	\$ -	\$ -
Fixed Income/Bonds	<u>244,804</u>	<u>-</u>	<u>-</u>
	<u>\$ 579,854</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2022 and 2021, do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying consolidated statements of financial position. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

Eblen Charities, Inc. and Affiliate
Notes to Consolidated Financial Statements

3. Property and Equipment

The following is a summary of property and equipment as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Land – Eblen Charities, Inc.	\$ 482,122	\$ 482,122
Land – Asheville Buncombe Educational Housing	64,300	64,300
Equipment and furniture	57,121	57,121
Leasehold improvements	57,368	57,368
Apartment Building – Asheville Buncombe Educational Housing	<u>2,895,000</u>	<u>2,895,000</u>
	3,555,911	3,555,911
Less: accumulated depreciation	<u>(507,140)</u>	<u>(435,050)</u>
Property and Equipment, Net	<u>\$ 3,048,771</u>	<u>\$ 3,120,861</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$72,090 and \$76,212, respectively.

4. Note Payable

A summary of the note payable at December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
State Employees Credit Union loan with monthly payments of \$15,750 beginning December 2017 through November 2032 at 0% interest. This debt was converted from a construction loan to permanent debt in December 2017. Proceeds were used to fund the Asheville Buncombe Educational Housing apartment building. This debt is secured by the apartment building.	\$ 1,874,184	\$ 2,063,184
Unamortized discount	(400,764)	(480,391)
Less: current portion	<u>(189,000)</u>	<u>(189,000)</u>
Note payable, net of discount	<u>\$ 1,284,420</u>	<u>\$ 1,393,793</u>

Annual principal maturities of the note payable is as follows:

2023	\$ 189,000
2024	189,000
2025	189,000
2026	189,000
2027	189,000
Thereafter	<u>929,184</u>
	<u>\$ 1,874,184</u>

5. Paycheck Protection Program Loan

The Organization received \$114,300 in the second round of PPP funding during the year ended December 31, 2021. The Organization believes that it was eligible under the PPP to receive the funds and has met the requirements under the program to have the loan forgiven. Therefore, management has concluded that the receipt of these funds represents a government grant. The Organization elected to account for the receipt of these funds as a government grant by analogy to ASC 958-605. These funds were recognized as a refundable advance when received and classified in accordance with the scheduled maturity outlined in the PPP loan agreement assuming a ten-month deferral of payments from the end of the Organization's covered period. Grant income under this method of accounting may only be recognized when the conditions attached to the grant have been substantially met. The Organization has fully utilized the proceeds of the loan for qualifying expenses under the PPP and the Organization's covered period was closed as of the consolidated statement of financial position date. A forgiveness calculation was prepared and submitted to the Organization's lender indicating that the full amount of the loan qualifies for forgiveness. The PPP loan was forgiven as of the December 31, 2021 consolidated statement of financial position date. Grant income has been recognized on the consolidated statement of activities in the Grants line item.

6. Pension Plan

The Organization established a SIMPLE individual retirement plan for the employees. The employees contribute a percentage of their gross payroll and the Organization matches that contribution dollar for dollar up to three percent. For the years ended December 31, 2022 and 2021, the Organization contributed \$2,167 and \$9,601 to the plan, respectively.

7. Grant Revenue

Grant revenue is recognized in the following program areas:

	<u>2022</u>	<u>2021</u>
Crisis Intervention Program	\$ 502,161	\$ 735,841
LIEAP	2,186,084	1,076,776
Project Share/Energy Neighbors	11,188	23,442
Relocation Housing	100,000	111,042
Low Income Water Assistance	552,045	-
Housing Stabilization Program	143,750	-
Emergency Assistance Program	395,500	309,394
Healthy Opportunities Pilot	100,250	-
Other	51,643	217,836
PPP Program Round 2	-	114,300
	<u>\$ 4,042,621</u>	<u>\$ 2,588,631</u>

8. Leases

Effective January 1, 2022, the Organization adopted the requirements of ASU 2016-02, *Leases (Topic 842)*. The objective of this ASU, along with several related ASUs issued subsequently, is to increase transparency and comparability between organizations that enter into lease agreements. For lessees, the key difference of the new standard from the previous guidance, (Topic 840), is the recognition of a right-of-use (“ROU”) asset and lease liability on the statement of financial position. The most significant change is the requirement to recognize ROU assets and lease liabilities for leases classified as operating leases. The standard requires disclosures to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

As part of the transition to the new standard, the Organization was required to measure and recognize leases that existed at January 1, 2022 using an alternative method approach. For leases existing at the effective date, the Organization elected the package of three transition practical expedients and therefore did not reassess whether an arrangement is or contains a lease, did not reassess lease classification and did not reassess what qualifies as an initial direct cost. The Organization also adopted the use of short-term leases, combined leases, and non-lease component practical expedients. The adoption of Topic 842 resulted in the recognition of operating ROU assets and lease liabilities of \$109,708. The accounting for finance leases remained substantially unchanged with the adoption of *Topic 842*.

The Organization leases certain equipment under the terms of non-cancellable operating leases. For leases with terms greater than 12 months, the related ROU assets and lease obligations are recorded at the present value of lease payments over the term.

The components of lease expense (and related classification in the accompanying statements of activities) were as follows during 2022:

Operating lease cost (rent and utilities)	<u>\$ 56,339</u>
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Right-of-use assets obtained in exchange for new lease obligations for the year ended December 31, 2022 are as follows:

Right-of-use assets obtained in exchange for new operating lease liabilities as part of Topic 842 adoption	<u>\$ 109,708</u>
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Other information:

Weighted-average remaining lease term – operating leases	1.78 years
Weighted-average discount rate – operating leases	4.07%

Operating lease obligation maturities:

2023	\$ 40,352
2024	8,379
2025	8,379
2026	<u>1,396</u>
Total	<u>58,506</u>
Less: Interest	<u>(1,721)</u>
Operating lease obligations	<u>\$ 56,785</u>

Eblen Charities, Inc. and Affiliate
Notes to Consolidated Financial Statements

9. Net Assets with Donor Restrictions

As of December 31, 2022 and 2021, net assets with donor restrictions consisted of the following:

	<u>2022</u>	<u>2021</u>
Donor Designated	\$ 64,274	\$ 67,279
Governmental Programs & Contracts	661,068	410,814
Partnerships with Businesses for Employee Assistance	531,598	538,218
Private Individuals	55,766	65,173
Other	<u>382,346</u>	<u>393,225</u>
	<u>\$ 1,695,052</u>	<u>\$ 1,474,709</u>

10. Liquidity and Availability

The Organization is substantially supported by contributions from donors and grants. Because the donor's restrictions and grants require resources to be used for a particular purpose or in a future period, the Organization must maintain sufficient resources to meet those responsibilities. Thus the financial assets may not be available for general expenditure within one year. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenses, liabilities and other obligations come due.

The following reflects the Organization's financial assets as of December 31, 2022 and 2021 reduced by amounts not available for general expenditure because of contractual or donor-imposed restrictions:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 1,026,686	\$ 978,583
Investments	<u>594,411</u>	<u>690,490</u>
	<u>\$ 1,621,097</u>	<u>\$ 1,669,073</u>

Supplementary Information

Eblen Charities, Inc. and Affiliate
Consolidating Statement of Financial Position
December 31, 2022

	Eblen Charities, Inc.	Asheville Buncombe Educational Housing LLC	Consolidated
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 888,040	\$ 138,646	\$ 1,026,686
Designated cash and cash equivalents	2,038,778	-	2,038,778
Total current assets	2,926,818	138,646	3,065,464
Long-term assets:			
Investments	594,411	-	594,411
Operating lease right of use assets, net	56,785	-	56,785
Property and equipment, net	487,450	2,561,321	3,048,771
Total long-term assets	1,138,646	2,561,321	3,699,967
Total assets	\$ 4,065,464	\$ 2,699,967	\$ 6,765,431
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable	\$ 8,536	\$ 22,157	\$ 30,693
Accrued salaries and payroll taxes	18,665	-	18,665
Operating lease liability, current	39,231	-	39,231
Notes payable, current	-	189,000	189,000
Total current liabilities	66,432	211,157	277,589
Long-term liabilities:			
Operating lease liability	17,554	-	17,554
Notes payable, net of discount	-	1,284,420	1,284,420
Total liabilities	83,986	1,495,577	1,579,563
Net assets:			
Net assets without donor restriction	2,286,426	1,204,390	3,490,816
Net assets with donor restriction	1,695,052	-	1,695,052
Total net assets	3,981,478	1,204,390	5,185,868
Total liabilities and net assets	\$ 4,065,464	\$ 2,699,967	\$ 6,765,431

Eblen Charities, Inc. and Affiliate
Consolidating Statement of Activities
Year Ended December 31, 2022

	Eblen Charities, Inc.			Asheville Buncombe Educational Housing LLC	Consolidated
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	
Support:					
Grants	\$ 48,225	\$ 3,994,396	\$ 4,042,621	\$ -	\$ 4,042,621
Contributions	350,821	77,945	428,766	-	428,766
Program income	900,579	-	900,579	-	900,579
Investment income	(91,079)	-	(91,079)	-	(91,079)
In-kind contributions	371,397	-	371,397	-	371,397
Rental income	-	-	-	267,101	267,101
Other income	7,800	-	7,800	3,040	10,840
Net assets released from restrictions	3,851,998	(3,851,998)	-	-	-
Total support	5,439,741	220,343	5,660,084	270,141	5,930,225
Expenses:					
Program services	5,225,813	-	5,225,813	247,461	5,473,274
Management and general	96,514	-	96,514	-	96,514
Fundraising	129,434	-	129,434	-	129,434
Total expenses	5,451,761	-	5,451,761	247,461	5,699,222
Change in net assets	(12,020)	220,343	208,323	22,680	231,003
Net assets, beginning of year	2,298,446	1,474,709	3,773,155	1,181,710	4,954,865
Net assets, end of year	\$ 2,286,426	\$ 1,695,052	\$ 3,981,478	\$ 1,204,390	\$ 5,185,868

See independent auditor's report.

Eblen Charities, Inc. and Affiliate

Compliance Reports

December 31, 2022



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Eblen Charities, Inc. and Affiliate
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>
Federal Awards:			
<u>U.S. Department of Housing and Urban Development</u>			
Passed-through Buncombe County:			
HOME Investment Partnership Program:			
Buncombe County Adult Housing	14.239		\$ 96,777
<u>U.S. Department of Health and Human Services</u>			
Administration for Children and Families:			
Passed through N.C. Department of Health and Human Services:			
Passed through Buncombe County:			
Buncombe County Health and Human Services:			
Temporary Assistance for Needy Families:			
Emergency Assistance Program	93.558	1864	114,555
Emergency Assistance Program	93.558	2236	<u>134,486</u>
Total Temporary Assistance for Needy Families			<u>249,041</u>
Low Income Home Energy Assistance Program:			
Crisis Intervention Program	93.568	1863	182,106
Crisis Intervention Program	93.568	2192	501,777
Crisis Intervention Program	93.568	1869	84,810
Crisis Intervention Program	93.568	2196	163,322
Low Income Home Energy Assistance	93.568	1868	16,010
Low Income Home Energy Assistance	93.568	2195	<u>2,388,017</u>
Total Low-Income Home Energy Assistance Program			<u>3,336,042</u>
Total Department of Health and Human Services			<u>3,585,083</u>
Total Expenditures of Federal Awards			<u>\$ 3,681,860</u>

Notes to the Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards ("SEFA") includes the federal grant activity of Eblen Charities, Inc. and Affiliate (the "Organization") under the programs of the federal government for the year ended December 31, 2022. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Information Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the SEFA presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net position or cash flows of the Organization.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFA 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 reimbursements.

3. Indirect Cost Rate

The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

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

Eblen Charities, Inc. and Affiliate
Board of Directors
Asheville, NC

We have audited, 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, the consolidated financial statements of Eblen Charities, Inc. and Affiliate (the “Organization”), which comprise the consolidated statement of financial position as of December 31, 2022 and the related consolidated statements of operations, functional expenses and cash flows for the year then ended, and the related notes to the consolidated statements, and have issued our report thereon dated July 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization’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 the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’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 Organization’s consolidated 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

FORVIS

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 instance of non-compliance 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.

FORVIS, LLP

**High Point, NC
July 6, 2023**

Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Eblen Charities, Inc. and Affiliate
Board of Directors
Asheville, NC

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Eblen Charities, Inc. and Affiliate (the "Organization") 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 the Organization's major federal program for the year ended December 31, 2022. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the 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 the Organization 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 the major federal program. Our audit does not provide a legal determination of the Organization'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 the Organization's major federal program.

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 the Organization'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 the Organization's compliance with the requirements of the 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 the Organization'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 the Organization'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 the Organization'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.

FORVIS

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 solely 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of the Organization as of and for the year ended December 31, 2022, and have issued our report thereon dated July 6, 2023. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the 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 awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

FORVIS,LLP

**High Point, NC
July 6, 2023**

**Eblen Charities, Inc. and Affiliate
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2022**

1. Summary of Auditor’s Results

Consolidated Financial Statements

Type of auditor’s report issued on whether the consolidated financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses yes none reported
- Noncompliance material to consolidated financial statements noted yes no

Federal Awards

Internal control over major federal program:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses yes none reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) yes no

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.568	Low-Income Home Energy Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee? yes no

2. Financial Statement Findings

None reported

3. Federal Award Findings and Questioned Costs

None reported