Christian Community Action

Financial Statements with Supplementary Information
June 30, 2026 and 2025

SFC
Certified Public Accountants

Christian Community Action
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Independent Auditors' Report

To the Board of Directors of
Christian Community Action

Opinion

We have audited the accompanying financial statements of Christian Community Action (Organization) (a nonprofit organization) which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 financial statements, management is required to evaluate whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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.

In performing an audit in accordance with GAAS, 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 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of financial position by fund as of June 30, 2026 and the related statement of activities by fund for the year then ended are presented for purposes of additional analysis and are not a required part of the 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 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 records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Sutton Frost Cary

Limited Liability Partnership

Arlington, Texas
October 20, 2026

Christian Community Action
Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
Assets		
Current assets:		
Cash and cash equivalents	$ 1,715,992	$ 1,343,240
Certificates of deposit	317,605	481,248
Investments	13,012,613	13,107,545
Grants receivable	57,885	11,842
Accounts receivable	49,303	54,450
Accrued interest receivable	40,318	33,804
Inventory	386,925	448,746
Prepaid expenses	58,049	53,425
Total current assets	15,638,690	15,534,300
Noncurrent assets:		
Investments restricted for endowment	62,333	59,050
Property and equipment, net	3,303,733	2,740,115
Total noncurrent assets	3,366,066	2,799,165
Total assets	$ 19,004,756	$ 18,333,465
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 261,029	$ 95,708
Accrued expenses	164,047	152,456
Deferred revenue	29,500	44,500
Other liabilities	15,000	15,000
Total liabilities	469,576	307,664
Net assets:		
Without donor restrictions	18,291,372	17,897,437
With donor restrictions	243,808	128,364
Total net assets	18,535,180	18,025,801
Total liabilities and net assets	$ 19,004,756	$ 18,333,465

See notes to financial statements.

Christian Community Action
Statement of Activities
Year Ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions of financial assets	$ 1,849,950	$ 770,678	$ 2,620,628
Special event revenue, net of direct costs of $48,963	113,882	-	113,882
Contributions of nonfinancial assets	5,917,077	-	5,917,077
Grants	538,279	683,658	1,221,937
Rental income	180,842	-	180,842
Other income	19,302	-	19,302
Investment income, net	1,748,703	10,077	1,758,780
Thrift proceeds	612,868	-	612,868
Net assets released from restrictions	1,348,969	(1,348,969)	-
Total support and revenue	12,329,872	115,444	12,445,316
Expenses:			
Program services	10,008,843	-	10,008,843
Management and general	518,016	-	518,016
Fundraising	1,409,078	-	1,409,078
Total expenses	11,935,937	-	11,935,937
Change in net assets	393,935	115,444	509,379
Net assets at beginning of year	17,897,437	128,364	18,025,801
Net assets at end of year	$ 18,291,372	$ 243,808	$ 18,535,180

See notes to financial statements.

Christian Community Action
Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions of financial assets	$ 1,402,892	$ 787,369	$ 2,190,261
Special event revenue, net of direct costs of $15,770	133,707	-	133,707
Contributions of nonfinancial assets	5,858,931	-	5,858,931
Grants	3,888,298	227,837	4,116,135
Rental income	174,015	-	174,015
Other income	12,074	-	12,074
Investment income, net	1,269,919	6,441	1,276,360
Thrift proceeds	642,287	-	642,287
Net assets released from restrictions	1,090,025	(1,090,025)	-
Total support and revenue	14,472,148	(68,378)	14,403,770
Expenses:			
Program services	9,460,366	-	9,460,366
Management and general	450,358	-	450,358
Fundraising	1,118,046	-	1,118,046
Total expenses	11,028,770	-	11,028,770
Change in net assets	3,443,378	(68,378)	3,375,000
Net assets at beginning of year	14,454,059	196,742	14,650,801
Net assets at end of year	$ 17,897,437	$ 128,364	$ 18,025,801

See notes to financial statements.

Christian Community Action
Statement of Functional Expenses
Year Ended June 30, 2026

	Program Services	Management and General	Fundraising	Total
Direct family assistance:				
Direct program assistance	$ 933,811	$ -	$ -	$ 933,811
Food	5,788,088	-	-	5,788,088
Professional services	113,624	-	-	113,624
Supplies	556,101	-	-	556,101
Total direct family assistance	7,391,624	-	-	7,391,624
Operating expenses:				
Salaries and wages	2,010,253	294,301	1,076,025	3,380,579
Depreciation	167,608	26,878	-	194,486
Professional services	825	100,977	64,118	165,920
Information technology	85,533	28,310	46,293	160,136
Insurance	68,652	8,381	8,381	85,414
Facilities	152,980	26,104	19,654	198,738
Office supplies	123,742	29,154	99,532	252,428
Marketing and advertising	7,626	3,911	95,075	106,612
Special events	-	-	48,963	48,963
Total operating expenses	2,617,219	518,016	1,458,041	4,593,276
Less costs not included in expenses on the statement of activities				
Direct costs of special events	-	-	(48,963)	(48,963)
Total expenses included in the expenses section on the statement of activities	$ 10,008,843	$ 518,016	$ 1,409,078	$ 11,935,937

See notes to financial statements.

Christian Community Action
Statement of Functional Expenses
Year Ended June 30, 2025

	Program Services	Management and General	Fundraising	Total
Direct family assistance:				
Direct program assistance	$ 1,331,884	$ -	$ -	$ 1,331,884
Food	5,516,925	-	-	5,516,925
Professional services	103,145	-	-	103,145
Supplies	299,950	-	-	299,950
Total direct family assistance	7,251,904	-	-	7,251,904
Operating expenses:				
Salaries and wages	1,664,789	258,542	907,749	2,831,080
Depreciation	161,823	31,118	-	192,941
Professional services	-	84,031	2,377	86,408
Information technology	57,404	13,139	28,508	99,051
Insurance	72,365	9,011	8,875	90,251
Facilities	123,306	22,054	16,038	161,398
Office supplies	122,211	27,240	82,318	231,769
Marketing and advertising	6,564	5,223	72,181	83,968
Special events	-	-	15,770	15,770
Total operating expenses	2,208,462	450,358	1,133,816	3,792,636
Less costs not included in expenses on the statement of activities				
Direct costs of special events	-	-	(15,770)	(15,770)
Total expenses included in the expenses section on the statement of activities	$ 9,460,366	$ 450,358	$ 1,118,046	$ 11,028,770

See notes to financial statements.

Christian Community Action
Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Cash flows from operating activities:		
Change in net assets	$ 509,379	$ 3,375,000
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	194,486	192,941
Net realized and unrealized gains on investments	(1,285,618)	(933,194)
Donated stock	(20,562)	(83,415)
Contributions restricted for endowment	(3,283)	(3,656)
Changes in assets and liabilities:		
Grants receivable	(46,043)	63,992
Accounts receivable	5,147	1,765
Accrued interest receivable	(6,514)	(8,546)
Inventory	61,821	(71,376)
Prepaid expenses	(4,624)	(9,768)
Accounts payable	117,427	46,491
Accrued expenses	11,591	41,951
Refundable advance	-	(63,708)
Deferred revenue	(15,000)	(9,000)
Other liabilities	-	(500)
Net cash provided (used) by operating activities	(481,793)	2,538,977
Cash flows from investing activities:		
Purchases of property and equipment	(710,210)	(12,438)
Proceeds from sales of investments	7,609,268	3,136,727
Purchases of investments	(6,211,439)	(4,750,331)
Redemptions of certificates of deposit	184,639	-
Purchases of certificates of deposit	(20,996)	(117,296)
Net cash provided (used) by investing activities	851,262	(1,743,338)
Cash flows from financing activities:		
Collections of contributions restricted for endowment	3,283	3,656
Net change in cash and cash equivalents	372,752	799,295
Cash and cash equivalents at beginning of year	1,343,240	543,945
Cash and cash equivalents at end of year	$ 1,715,992	$ 1,343,240
Non-cash investing and financing activities:		
Purchases of property and equipment in accounts payable	$ 47,894	$ -

During the years ended June 30, 2026 and 2025, the Organization received donated stock with a fair market value of $20,562 and $83,415, respectively.

See notes to financial statements.

1. Organization

Christian Community Action (Organization) was formed in 1973 in Lewisville, Texas. The Organization is a faith-based nonprofit agency dedicated to providing help to lower-income families by providing them with a wide range of programs and services that address their needs. Current programs include housing, financial assistance, food distribution, life-skills training, ESL classes, job placement and socialization services for elderly, independent, low-income people. The Organization receives cash donations from individuals, local churches, special events and grants from private corporations, foundations, and federal, state and local governments. The Organization also receives proceeds from the Thrift Giant resale operations of Donate 2 Impact (formerly R2S, Inc.) through an agreement for the collection of donated items in the Organization's service area.

The Organization's food distribution is primarily supported by contributions of nonfinancial assets. The cash-funded programs, management and fundraising are supported primarily by grants and contributions from individuals and other organizations, investment income and proceeds from Donate 2 Impact.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares the financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

Financial Statement Presentation

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

> *Net assets without donor restrictions* - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.
>
> *Net assets with donor restrictions* - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy.

Revenues are reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Financial Instruments and Credit Risk Concentrations

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents, certificates of deposit, grants receivable, accounts receivable, accrued interest receivable and investments in marketable securities.

To minimize risk, the Organization places cash and cash equivalents, which at times may exceed the federally insured limits, with financial institutions with high credit quality. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At June 30, 2026, the Organization's uninsured bank balances totaled $1,594,193. The Organization has not experienced any losses on such assets.

At June 30, 2026 and 2025, 93% and 100%, respectively, of total grants receivable was due from two donors.

At June 30, 2026 and 2025, the entirety of accounts receivable was due from one entity.

For the years ended June 30, 2026 and 2025, 30% and 88%, respectively, of grant revenue was from two grantors.

Marketable securities are subject to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of the investments will occur in the near term and such changes could materially affect the value of the Organization's portfolio.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with a maturity of three months or less when purchased. The Organization classifies money market funds held by external investment managers as investments as these funds are not readily available for operations. At June 30, 2026 and 2025, $1,245,359 and $1,046,323 respectively, were held in market rate interest bearing money market accounts.

Certificates of Deposit

At June 30, 2026, the Organization had three certificates of deposit totaling $317,605 with interest rates ranging from 3.50% to 4.00% and maturing between September 2026 and June 2027. At June 30, 2025, the Organization had three certificates of deposit totaling $481,248 with interest rates ranging from 4.00% to 4.40%, which matured between July 2025 and June 2026. The certificates of deposit are carried at cost plus reinvested interest, which approximates fair value.

Investments

Investments consist of money market funds, equities, mutual funds and fixed income securities and are stated at fair value in the statements of financial position. Interest, dividends and realized and unrealized gains and losses are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Grants Receivable

Grants receivable are stated at the amount of consideration from grantors of which the Organization has an unconditional right to receive. At June 30, 2026 and 2025, grants receivable are expected to be fully collected within one year. The Organization continually evaluates the collectability of all grants receivable and maintains allowances for potential losses, if considered necessary. No allowance for doubtful accounts was considered necessary at June 30, 2026 and 2025.

Accounts Receivable

Accounts receivable consists of the contingent portion of the sale of assets due from Donate 2 Impact. Management maintains an allowance for credit losses which is estimated based upon historical account write-off trends, facts about the current financial condition of the entities, forecasts of future operating results based upon current trends and macroeconomic factors. Credit quality is monitored through the timing of payments compared to the payment terms and known facts regarding the financial condition of entities. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. No allowance for credit losses was considered necessary as of June 30, 2026 and 2025.

Inventory

The Organization holds inventory consisting of toys, backpacks, clothing, food, etc. These items are obtained primarily from donations but also from purchases at discounted prices. The Organization values all food received at the fair market value per pound received as determined by the latest valuation study of Feeding America. The fair value of donated goods such as toys and supplies are estimated by using retail prices of identical or similar products.

Property and Equipment

Property and equipment are stated at cost, or estimated fair value, if donated, at the date the equipment is donated, less accumulated depreciation and amortization. The Organization capitalizes such assets with a cost exceeding $1,000 and useful life of one year or more, except computers purchased for individual employee use, which are expensed regardless of cost. Maintenance, repairs, and replacement, which do not improve or extend the lives of the respective assets, are expensed when incurred. When property and equipment are sold or otherwise disposed, the asset and related accumulated depreciation and amortization are removed, and any gain or loss is included in income. Interest incurred to finance assets under construction is capitalized as construction cost until the assets are placed in service.

Depreciation and amortization are calculated over the estimated useful lives of the assets using the straight-line method as follows:

Buildings and improvements	25 to 40 years
Furniture and equipment	3 to 5 years
Software	5 to 10 years
Vehicles	5 years

Impairment of Long-Lived Assets

Management of the Organization periodically reviews the carrying value of its long-lived assets, including property and equipment, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized to the extent fair value of a long-lived asset is less than the carrying amount. Fair value is determined based on the estimated future cash inflows attributable to the asset less estimated future cash outflows. No such loss was recognized during the years ended June 30, 2026 and 2025.

Revenue Recognition

The Organization recognizes contributions of financial assets when cash, securities, other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Conditional promises to give, that is, those with measurable performance or other barrier and a right to return are not recognized until the conditions on which they depend have been met. At June 30, 2026 and 2025, there were no unconditional contributions that had not been recognized or received by the Organization.

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. The Organization was awarded cost reimbursable grants of $513,411 and $727,138 that have not been recognized as revenue at June 30, 2026 and 2025, respectively, because qualifying expenditures had not yet been incurred. The Organization's costs incurred under its government grants and contracts are subject to audit by government agencies. Management believes that disallowance of costs, if any, would not be material to the financial position or changes in net assets of the Organization.

The Organization receives donated food and grocery products from the general public, the North Texas Food Bank, the Tarrant Area Food Bank and local area merchants. These donations are valued as of the latest valuation study of Feeding America. Undistributed food is kept in controlled environments and held as inventory until distributed. The Organization recognizes the fair value of donated food and grocery products as noncash contributions upon receipt of goods and as noncash assistance expense when provided to the Organization's clients. During the year ended June 30, 2025, the Tarrant Area Food Bank replaced the North Texas Food Bank as the Organization's main food bank. The Organization has not experienced and does not anticipate any material changes in the amount of food received as a result of this change.

Donated goods are recognized as revenue at their estimated fair value during the period received. Donated services are recognized as revenue at their estimated fair value, if both of the following criteria are met: the services require special skills and the services are provided by individuals possessing those skills; and the services would typically need to be purchased, if not donated. Although the Organization may use the services of outside volunteers for services that do not meet the qualification listed above, the fair value of these services has not been recognized in the accompanying financial statements because they do not meet the criteria for recognition under GAAP.

Special events revenue is recognized when the event occurs. Amounts received in advance of the event are recorded as deferred revenue. At June 30, 2026 and 2025, deferred revenue related to special events totaled $29,500 and $44,500, respectively.

Rental income is recognized over the life of the lease.

Pursuant to an agreement with R2S, Inc. dba Donate 2 Impact/Thrift Giant (Donate 2 Impact), the Organization receives funding for goods donated by individuals to Donate 2 Impact's resale stores. Per the agreement, the Organization will receive funding from Donate 2 Impact for each pound of nonfurniture items donated and a percentage of the revenue for furniture sales in the Organization's operating area. Donation revenue is recognized during the month that Donate 2 Impact receives and reports the nonfurniture donated goods from individuals. Donation revenue for furniture items is recognized during the month that Donate 2 Impact sells and reports the donated furniture. When the donation revenue is recorded, the Organization records a receivable from Donate 2 Impact. Cash is received in the month subsequent to the recording of revenue.

Federal Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and has not been classified as a private foundation as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization had no unrelated business income for the years ended June 30, 2026 and 2025. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax return and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2026 and 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Marketing and Advertising

The Organization expenses marketing and advertising costs as they are incurred. Marketing and advertising costs totaled $106,612 and $83,968 for the years ended June 30, 2026 and 2025, respectively.

Allocation of Functional Expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates of time and effort, and utilization of facilities.

Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

3. Investments

Fair Value Measurements

Under ASC 820, Fair Value Measurements and Disclosures, entities are required to disclose how fair value is determined for assets and liabilities. The standard also establishes a hierarchy that categorizes these assets and liabilities based on the significance of the inputs used in the valuation, as follows:

Level 1	Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;
Level 2	Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies;
Level 3	Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

As of June 30, 2026 and 2025, the Organization's investments were measured using Level 1 and Level 2 inputs.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Money Market Funds

Valued at the dollar value of funds placed and held in the account as reported by the financial institution, without accrued interest, which is reported separately on the statements of financial position.

Mutual Funds

Valued at the net asset value (NAV) of shares held by the Organization at year end. The NAV is a quoted price in an active market.

Equities

Equities are valued at the closing price reported on the active market on which the individual securities are traded. Equities include common stock, preferred stock, stock mutual funds, exchange traded funds and index funds, including both domestic and foreign.

Fixed Income Funds

Fixed income funds consist of corporate bonds. The fair value of the corporate bonds is based on the market price quotes corroborated by recently executed transactions observable in the market.

The following table presents the Organization's investments at fair value as of June 30, 2026:

	Level 1	Level 2	Total
Money market funds	$ 435,718	$ -	$ 435,718
Equities	5,472,847	-	5,472,847
Mutual funds	2,646,476	-	2,646,476
Fixed income funds	-	4,519,905	4,519,905
	$ 8,555,041	$ 4,519,905	$ 13,074,946

The following table presents the Organization's investments at fair value as of June 30, 2025:

	Level 1	Level 2	Total
Money market funds	$ 760,036	$ -	$ 760,036
Equities	5,503,213	-	5,503,213
Mutual funds	2,694,620	-	2,694,620
Fixed income funds	-	4,208,726	4,208,726
	$ 8,957,869	$ 4,208,726	$ 13,166,595

Net investment income consists of the following for the years ended June 30:

	2026	2025
Interest and dividends	$ 596,776	$ 449,591
Realized gains	1,320,522	256,502
Unrealized gains (losses)	(34,904)	676,692
Fees	(123,614)	(106,425)
	$ 1,758,780	$ 1,276,360

4. Property and Equipment

Property and equipment consist of the following at June 30:

	2026	2025
Land	$ 326,619	$ 326,619
Buildings and improvements	5,446,268	5,257,269
Furniture and equipment	716,288	454,806
Software	12,305	12,305
Vehicles	184,750	184,750
Construction in progress	307,623	-
	6,993,853	6,235,749
Less accumulated depreciation	(3,690,120)	(3,495,634)
	$ 3,303,733	$ 2,740,115

Depreciation expense for the years ended June 30, 2026 and 2025 totaled $194,486 and $192,941, respectively.

5. Endowment Funds

The Organization's endowment funds consist of donor-restricted endowment funds established for food market-related expenses. The donor-restricted endowment funds are subject to the State of Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA). As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Relevant Law

The Organization has interpreted TUPMIFA as requiring "ordinary business care and prudence" regarding the preservation of donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with TUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration of preservation of the funds
- The purposes of the Organization and the endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The Organization's investment policy

Changes in endowment funds with donor restrictions are as follows:

	Accumulated gains (losses) and other	Restricted in perpetuity	Total with donor restrictions
Endowment net assets, June 30, 2024	$ -	$ 55,394	$ 55,394
Contributions	-	3,656	3,656
Interest and dividends	2,463	-	2,463
Unrealized and realized gains on investments	3,978	-	3,978
Appropriation of assets for expenditure	(6,441)	-	(6,441)
Endowment net assets, June 30, 2025	-	59,050	59,050
Contributions	-	3,283	3,283
Interest and dividends	2,753	-	2,753
Unrealized and realized gains on investments	7,324	-	7,324
Appropriation of assets for expenditure	(10,077)	-	(10,077)
Endowment net assets, June 30, 2026	$ -	$ 62,333	$ 62,333

Return Objectives and Risk Parameters

The Organization has adopted an investment policy for the current endowment assets that prioritizes preserving the funds received and fully distributes over time interest and dividends, and realized and unrealized gains on investments to support the food market operation. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a rate of return that enables making annual distributions and provides a high degree of confidence for sustaining the initial investment for perpetuity while accepting that temporary market declines may occur. The Organization acknowledges that actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Strategies Employed for Achieving Objectives

The Organization's approved spending policy was created to comply with the intent of the donor to contribute annually to food market operations and preserve the initial donation. The objectives of this spending policy are to (a) generate real total return over the long term in conjunction with acceptable levels of risk, (b) decouple investment decision from immediate income needs, thus increasing investment flexibility and improving investment performance by allowing investment managers to invest for maximum total return, and (c) provide income for the Organization which is used for food market operations.

6. Contributions of Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets during the year ended June 30, 2026:

	Program Services	General and Administrative	Total
Food	$ 5,417,383	$ -	$ 5,417,383
Goods	388,428	-	388,428
Services	99,293	11,973	111,266
Total	$ 5,905,104	$ 11,973	$ 5,917,077

The Organization received the following contributions of nonfinancial assets during the year ended June 30, 2025:

	Program Services	General and Administrative	Total
Food	$ 5,470,541	$ -	$ 5,470,541
Goods	280,858	-	280,858
Services	103,145	4,387	107,532
Total	$ 5,854,544	$ 4,387	$ 5,858,931

Food

Contributed food is reported at the prices of $1.72 and $1.74 per pound per the latest valuation studies of Feeding America for the years ended June 30, 2026 and 2025, respectively.

Goods

Donated goods are valued at the estimated fair value based on sales prices of similar items.

Services

Contributed services are valued at the estimated fair value based on current rates for similar services.

There were no donor restrictions on the contributions of nonfinancial assets received during the years ended June 30, 2026 and 2025.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30:

	2026	2025
Family assistance	$ 54,850	$ 53,657
Food market	110,270	-
Seasonal programs	16,355	15,657
Restricted in perpetuity	62,333	59,050
	$ 243,808	$ 128,364

8. Net Assets Without Donor Restrictions

Net assets without donor restrictions include a board designated operating reserve fund totaling $2,130,370 and $2,285,500 at June 30, 2026 and 2025, respectively. The reserve is designated to help ensure long-term financial stability and position the Organization to respond to varying economic conditions and changes affecting the financial position and the ability to continuously carry out the Organization's mission, as well as to have funds available.

9. Leases

The Organization has a non-cancelable operating lease for office equipment expiring in December 2028. The following schedule summarizes minimum payments required under this lease agreement for the years ending June 30:

2027	$ 14,398
2028	14,398
2029	6,600
	$ 35,396

Lease expense totaled $22,082 and $20,005 for the years ended June 30, 2026 and June 30, 2025, respectively.

10. Related Party Transactions

The Organization received contributions from board members, employees and other related parties during the years ended June 30, 2026 and 2025 totaling $58,886 and $29,781, respectively.

11. Retirement Plans

The Organization has adopted a retirement arrangement under Section 403(b) of the IRC of 1986, as amended. Under the plan, participating employees may contribute a portion of their compensation, pretax or after-tax, limited by an annual deferral limit prescribed by the IRC. The Organization contributes 3% of eligible employees' wages and matches the employee contributions, up to 2% of wages. The Organization's contributions are subject to a vesting schedule which entitles the employee to a percentage of the contributions depending on the years of service. For the years ended June 30, 2026 and 2025, the Organization's contributions to this retirement plan totaled $81,118 and $70,524, respectively.

12. Commitments

The Organization has noncancelable service agreements for technology and consulting services. The following are the total noncancelable service agreement payments for the years ending June 30:

2027	$ 70,871
2028	21,590
2029	22,668
2030	21,727
	$ 136,856

13. Rental Income

The Organization owns the office building in which the administrative offices are located. The remaining office space is leased to a third party tenant with the lease expiring in November 2027. Future minimum lease revenues required under this agreement are as follows for the years ending June 30:

2027	$ 183,597
2028	77,129
	$ 260,726

Rental income for the years ending June 30, 2026 and 2025 totaled $180,842 and $174,015, respectively.

14. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows as of June 30:

	2026	2025
Cash and cash equivalents	$ 1,715,992	$ 1,343,240
Certificates of deposit	317,605	481,248
Investments	13,012,613	13,107,545
Grants receivable	57,885	11,842
Accounts receivable	49,303	54,450
Accrued interest receivable	40,318	33,804
	15,193,716	15,032,129
Less amounts not available for general expenditure within one year:		
Donor restricted for other purposes	181,475	69,314
Board-designated funds	2,130,370	2,285,500
	2,311,845	2,354,814
Total financial assets available to meet cash needs for general expenditures within one year	$ 12,881,871	$ 12,677,315

The board of directors applies the following practices to manage liquid assets and ensure ability to satisfy operating expenses planned for years ended June 30, 2026 and 2025:

- The board of directors approves the annual operating plan, including expected revenues, program costs and operating expenses.
- The board of directors designates net asset amounts for an operating reserve based on historical fluctuations and risk of revenue collection, as well as minimum expenses necessary to sustain operations. The amount of reserve approximates six months of core essential operating expenses.
- The board of directors approved an investment policy. Investment funds are managed by a licensed investment advisor. The policy specifies asset allocation guidelines with an acceptable range of 31% to 61% of investments in low-risk asset categories and a target of 46%.
    - As of June 30, 2026, cash plus fixed income investment assets amount to $4,954,527 which significantly exceeds the reserve policy requirement of $2,130,370.

- As of June 30, 2025, cash plus fixed income investment assets amount to $4,967,758 which significantly exceeded the reserve policy requirement of $2,285,500.

15. Subsequent Events

Management has evaluated subsequent events through October 20, 2026, the date the financial statements were available to be issued, and concluded that no additional disclosures are required.

Supplementary Information

Christian Community Action
Statement of Financial Position by Fund
June 30, 2026

	Operating	Investment	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 1,715,992	$ -	$ 1,715,992
Certificates of deposit	317,605	-	317,605
Investments	-	13,012,613	13,012,613
Grants receivable	57,885	-	57,885
Accounts receivable	49,303	-	49,303
Accrued interest receivable	40,318	-	40,318
Inventory	386,925	-	386,925
Prepaid expenses	58,049	-	58,049
Due to/from investment fund	(433,540)	433,540	-
Total current assets	2,192,537	13,446,153	15,638,690
Noncurrent assets:			
Investments restricted for endowment	-	62,333	62,333
Property and equipment, net	3,303,733	-	3,303,733
Total noncurrent assets	3,303,733	62,333	3,366,066
Total assets	$ 5,496,270	$ 13,508,486	$ 19,004,756
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	$ 261,029	$ -	$ 261,029
Accrued expenses	164,047	-	164,047
Deferred revenue	29,500	-	29,500
Other liabilities	15,000	-	15,000
Total current liabilities	469,576	-	469,576
Net assets:			
Without donor restrictions	4,845,219	13,446,153	18,291,372
With donor restrictions	181,475	62,333	243,808
Total net assets	5,026,694	13,508,486	18,535,180
Total liabilities and net assets	$ 5,496,270	$ 13,508,486	$ 19,004,756

Christian Community Action
Statement of Activities by Fund
Year Ended June 30, 2026

	Operating	Investment	Total
Support and revenue:			
Contributions of financial assets	$ 2,620,628	$ -	$ 2,620,628
Special event revenue, net of direct costs of $48,963	113,882	-	113,882
Contributions of nonfinancial assets	5,917,077	-	5,917,077
Grants	1,221,937	-	1,221,937
Rental income	180,842	-	180,842
Other income	19,302	-	19,302
Investment income, net	50,429	1,708,351	1,758,780
Thrift proceeds	612,868	-	612,868
Contributions to (from) investment fund	1,366,460	(1,366,460)	-
Total support and revenue	12,103,425	341,891	12,445,316
Expenses:			
Program services	10,008,843	-	10,008,843
Management and general	518,016	-	518,016
Fundraising	1,409,078	-	1,409,078
Total expenses	11,935,937	-	11,935,937
Change in net assets	167,488	341,891	509,379
Net assets at beginning of year	4,859,206	13,166,595	18,025,801
Net assets at end of year	$ 5,026,694	$ 13,508,486	$ 18,535,180

See independent auditors' report.