

**COOPERATIVE DOWNTOWN MINISTRIES, INC.
(A NONPROFIT ORGANIZATION)
FINANCIAL STATEMENTS
DECEMBER 31, 2024**



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cooperative Downtown Ministries, Inc.
Birmingham, Alabama

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Cooperative Downtown Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cooperative Downtown Ministries, Inc. as of December 31, 2024, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Financial Statements section of our report. We are required to be independent of Cooperative Downtown Ministries, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Financial Statements

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement 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 Cooperative Downtown Ministries, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cooperative Downtown Ministries, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related 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 and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Cooperative Downtown Ministries, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2025 on our consideration of Cooperative Downtown Ministries, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cooperative Downtown Ministries, Inc.'s internal control over financial reporting and compliance.

Haynes Downard LLP

Haynes Downard LLP
Birmingham, Alabama

July 9, 2025



COOPERATIVE DOWNTOWN MINISTRIES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 1,439,195	\$ 1,388,583
Certificates of deposit	609,907	-
Grants receivable, net	386,432	612,044
Contributions receivable, net	-	201,500
Prepaid expenses and other assets	93,031	65,718
Property and equipment, net	5,933,856	6,483,671
Total Assets	\$ 8,462,421	\$ 8,751,516
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 73,584	\$ 91,449
Note payable	500,000	500,000
Total liabilities	573,584	591,449
Net Assets		
Without donor restrictions	7,750,643	8,015,630
With donor restrictions	138,194	144,437
Total net assets	7,888,837	8,160,067
Total Liabilities and Net Assets	\$ 8,462,421	\$ 8,751,516



COOPERATIVE DOWNTOWN MINISTRIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	2024			2023 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenues				
Grants	\$ 1,964,009	\$ -	\$ 1,964,009	\$ 2,418,310
Contributions	995,375	12,300	1,007,675	844,829
In-kind contributions	564,124	-	564,124	639,985
Fundraising revenue, net	241,200	-	241,200	276,417
Program revenue	170,801	-	170,801	150,059
Gain (loss) on sale of properties	(81,178)	-	(81,178)	531,747
Interest income	11,170	-	11,170	1,342
Other income	2,224	-	2,224	757
Released from restrictions	18,543	(18,543)	-	-
	<u>3,886,268</u>	<u>(6,243)</u>	<u>3,880,025</u>	<u>4,863,446</u>
Expenses				
Program services	3,745,940	-	3,745,940	3,834,414
Supportive services	405,315	-	405,315	455,069
	<u>4,151,255</u>	<u>-</u>	<u>4,151,255</u>	<u>4,289,483</u>
	(264,987)	(6,243)	(271,230)	573,963
Change in Net Assets				
Net assets, beginning of year	<u>8,015,630</u>	<u>144,437</u>	<u>8,160,067</u>	<u>7,586,104</u>
Net assets, end of year	<u>\$ 7,750,643</u>	<u>\$ 138,194</u>	<u>\$ 7,888,837</u>	<u>\$ 8,160,067</u>



COOPERATIVE DOWNTOWN MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	Program Services			Supportive Services			2024 Totals	2023 Totals
	Emergency Shelter Programs	Housing Programs	Total	Management and General	Fundraising	Total		
Salaries and related	\$ 598,958	\$ 705,336	\$ 1,304,294	\$ 98,475	\$ 85,001	\$ 183,476	\$ 1,487,770	\$ 1,621,090
Apartment lease expense	-	918,952	918,952	-	-	-	918,952	738,679
Program supplies	360,959	332,127	693,086	-	-	-	693,086	770,797
Depreciation	165,555	50,669	216,224	20,283	-	20,283	236,507	216,489
Repairs and maintenance	131,915	46,550	178,465	2,718	-	2,718	181,183	231,828
Professional services	108,614	4,860	113,474	50,981	-	50,981	164,455	164,093
Insurance	24,646	65,144	89,790	30,161	702	30,863	120,653	128,378
Utilities	111,676	1,577	113,253	1,877	-	1,877	115,130	190,430
Fundraising events	-	-	-	-	59,670	59,670	59,670	79,881
Office expense	17,079	10,821	27,900	11,472	79	11,551	39,451	44,891
Dues and subscriptions	36,298	-	36,298	98	-	98	36,396	31,718
Vehicles and travel	4,973	26,964	31,937	12	-	12	31,949	34,594
Bad debts	-	-	-	31,611	-	31,611	31,611	-
Telephone and internet	10,872	10,521	21,393	-	-	-	21,393	17,486
Other expenses	-	874	874	9,976	2,199	12,175	13,049	16,662
Interest	-	-	-	-	-	-	-	2,467
	<u>\$ 1,571,545</u>	<u>\$ 2,174,395</u>	<u>\$ 3,745,940</u>	<u>\$ 257,664</u>	<u>\$ 147,651</u>	<u>\$ 405,315</u>	<u>\$ 4,151,255</u>	<u>\$ 4,289,483</u>

See notes to financial statements.

COOPERATIVE DOWNTOWN MINISTRIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ (271,230)	\$ 573,963
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	236,507	216,489
(Decrease) in present value discount on contributions receivable	-	(10,221)
(Decrease) in allowance for uncollectible promises to give	(5,000)	(144,236)
Increase in allowance for doubtful accounts	24,991	-
Loss (gain) on sale of properties	81,178	(531,747)
Changes in assets and liabilities that provided (used) cash:		
Grants receivable	200,621	69,117
Contributions receivable	206,500	260,108
Prepaid expenses and other assets	(27,313)	(9,982)
Accounts payable	(17,865)	(67,699)
Refundable advance	-	(25,000)
	428,389	330,792
Net cash provided by operating activities		
Cash Flows from Investing Activities		
Interest reinvested in certificates of deposit	(9,907)	-
Purchase of certificates of deposit	(600,000)	-
Proceeds from certificate of deposit redemption	-	12,640
Purchase of property and equipment	(143,335)	(199,108)
Proceeds from sale of properties	375,465	847,588
	(377,777)	661,120
Net cash (used in) provided by investing activities		
Cash Flows from Financing Activities		
Principal payments on bond payable	-	(375,195)
	-	(375,195)
Net cash (used in) financing activities		
Net Change in Cash and Cash Equivalents	50,612	616,717
Cash and cash equivalents, beginning of year	1,388,583	771,866
Cash and cash equivalents, end of year	\$ 1,439,195	\$ 1,388,583
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ -	\$ 1,678



COOPERATIVE DOWNTOWN MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Cooperative Downtown Ministries, Inc., also known as “Firehouse Shelter” or “Firehouse Ministries” (“Firehouse”), is a non-profit organization, incorporated in 1985. Firehouse was formed to provide comprehensive support to those experiencing homelessness in the Birmingham and surrounding areas.

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“GAAP”). Resources are classified based on the existence and nature of any donor-imposed restrictions, and are classified into two net asset categories:

Net Assets Without Donor Restrictions – resources which are not subject to donor-imposed restrictions. This classification includes all revenues, gains, and losses, not restricted by donors. All expenses are reported as decreases in net assets without donor restrictions.

Net Assets With Donor Restrictions – resources which are subject to donor-imposed restrictions that limit the use of the donated assets and will be met either by actions of Firehouse or the passage of time. Expirations of restrictions on net assets are reported as net assets released from restrictions.

Use of Estimates

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, disclosures of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Certificates of Deposit

Certificates of deposit are recorded at cost plus accrued interest, which approximates fair value.

Grants Receivable

Grants receivable represent amounts primarily due under contractual agreements with various federal, state, and local government agencies. Management estimates the allowance for doubtful accounts based on historical collection experience and current economic conditions. The allowance for doubtful accounts was \$24,991 as of December 31, 2024.



**COOPERATIVE DOWNTOWN MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Firehouse follows the practice of capitalizing all expenditures for fixed assets greater than \$5,000 with a useful life of greater than one year. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets which are as follows:

<u>Description</u>	<u>Useful Life (Years)</u>
Land improvements	10 - 40
Buildings and improvements	10 - 40
Furniture and equipment	3 -10
Vehicles	3 -5

Property and equipment acquired under grant agreements are considered to be owned by Firehouse. However, funding sources may maintain equitable interest in the property purchased with grant funds as well as the right to determine the use of any proceeds from the sale of those assets.

Impairment of Long-Lived Assets

Impairment losses on long-lived assets used in operations are recognized when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the carrying values. No such losses have been recognized for the periods presented.

Revenue Recognition

Revenue from nonreciprocal grants and contributions are recognized upon receipt of an unconditional commitment from the donor. Grants and contributions may also be considered conditional if (a) there is both a measurable barrier that must be overcome before Firehouse is entitled to receive the funds and (b) there is a right of return to the resource provider. Revenues from conditional awards are not recognized until such conditions have been satisfied. Amounts received prior to satisfying such conditions are reported as a refundable advance until earned.

In-kind contributions of goods are recognized at the time of the donation and are valued at the estimated purchase price to acquire identical or similar assets in the United States. Firehouse’s policy is to utilize the assets to carry out its mission. If a donated asset is unable to be used in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

In-kind contributions of services are recognized as revenue if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased if not donated. Contributed services are valued based on current rates for similar services.

Program revenue consists of rental and occupancy income from Housing Programs and is recognized as the related services are provided. Revenues from fundraising events are recognized upon completion of the related event.



COOPERATIVE DOWNTOWN MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Functional Expense Allocation

The costs of providing program services and other activities have been presented on a functional basis in the statement of functional expenses. Certain costs attributable to more than one function have been allocated among the program services and supporting services benefited, primarily based on time estimates.

Compensated Absences

Employees are entitled to paid vacations, sick days, and personal days off, depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. Firehouse's policy is to recognize the cost of compensated absence when actually paid.

Income Taxes

Cooperative Downtown Ministries, Inc. is a tax-exempt entity under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements. The Organization has no uncertain tax positions that qualify for recognition or disclosure as of December 31, 2024. Information returns are subject to examination, generally for three years after the filing date.

Leases

Firehouse determines if an arrangement is or contains a lease at inception. Management has elected the short-term lease exception for all leases, and therefore, leases with an initial term of one year or less are not included in the statement of financial position.

Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the financial statements as of and for the year ended December 31, 2023, from which the information was derived.

Evaluation of Subsequent Events

Firehouse evaluates events occurring subsequent to the statement of financial position date to determine if recognition in the financial statements or disclosure is appropriate. Subsequent events have been evaluated through July 9, 2025, which is the date the financial statements were available to be issued.



COOPERATIVE DOWNTOWN MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. CONCENTRATIONS AND CREDIT RISKS

Firehouse receives a substantial portion of its revenue from grants provided by federal agencies, both directly and indirectly. Reductions in funding from these sources would have a significant impact on Firehouse. Grants receivable from these sources totaled approximately 85% as of December 31, 2024.

Firehouse maintains its cash in accounts with financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits. The total uninsured balance was approximately \$930,000 as of December 31, 2024.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2024:

Land	\$ 66,040
Buildings and improvements	6,488,013
Equipment and furniture	35,049
Vehicles	<u>267,116</u>
	6,856,218
Less: accumulated depreciation	<u>(922,362)</u>
Property and equipment, net	<u><u>\$ 5,933,856</u></u>

NOTE 4. NOTE PAYABLE

In March 2021, Firehouse entered into a note payable agreement in the amount of \$500,000 with the Federal Home Loan Bank of Atlanta to finance construction costs of the emergency shelter facility under the Affordable Housing Program (AHP). Under the AHP, the constructed facility must be used for emergency shelter services and cannot be sold or transferred for a period of 15 years. The note does not require payments of principal and interest so long as Firehouse remains in compliance with the terms of the agreement, which expires in March 2036.

NOTE 5. NET ASSETS

Net assets with donor restrictions were restricted for the following purposes as of December 31, 2024:

Capital projects and improvements	\$ 127,879
Emergency shelter programs	<u>10,315</u>
Net assets with donor restrictions	<u><u>\$ 138,194</u></u>



COOPERATIVE DOWNTOWN MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5. NET ASSETS - Continued

Net assets were released from donor restrictions in satisfaction of the following purposes during the year ended December 31, 2024:

Capital expenditures	\$	18,193
Emergency shelter program expenditures		350
Released from restrictions	\$	18,543

NOTE 6. IN-KIND CONTRIBUTIONS

Revenue from in-kind contributions, all of which were utilized in program services, consisted of the following during the year ended December 31, 2024:

	Housing Programs	Shelter Programs	Total
Food	\$ 168,233	\$ 171,252	\$ 339,485
Clothing	85,892	79,284	165,176
Supplies	30,921	28,542	59,463
Total in-kind contributions	\$ 285,046	\$ 279,078	\$ 564,124

Food, clothing, and supplies donated to Firehouse were valued at the estimated price to acquire identical or similar assets in the United States. The utilization of these items is included in program supplies expense in the accompanying statement of functional expenses.

A substantial number of unpaid volunteers have made significant contributions of their time to operate the programs of the Organization. The value of this contributed time is not reflected in the accompanying financial statements as the criteria for recognition has not been met.

NOTE 7. FUNDRAISING EVENTS

Revenue from fundraising events consist of the following for the year ended December 31, 2024:

Fundraising revenue	\$	263,440
Less: cost of direct benefits to donors		(22,240)
Fundraising revenue, net	\$	241,200

NOTE 8. OPERATING LEASES

Firehouse leases apartment space under operating leases under short-term rental agreements. Under the agreements, monthly payments are due in an amount based on Fair Market Rent as published by the United States Department of Housing and Urban Development. Total lease expense was \$918,952 for the year ended December 31, 2024.



**COOPERATIVE DOWNTOWN MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9. RETIREMENT PLAN

Firehouse has a defined contribution plan qualifying under Section 403(b) of the Internal Revenue Code. Under the plan, Firehouse contributes an amount equal to a certain percentage of salary to the accounts of all employees who are at least twenty-one years old, have one year service, and work at least one thousand hours per year. Expenses related to the plan totaled \$13,824 for the year ended December 31, 2024.

NOTE 10. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

Financial assets and liquidity resources available for general expenditure within one year of the statement of financial position date were as follows as of December 31, 2024:

<u>Financial assets:</u>	
Cash and cash equivalents	\$ 1,439,195
Certificates of deposit	609,907
Grants receivable, net	<u>386,432</u>
 Total financial assets at year end	 2,435,534
 <u>Less: amounts unavailable for general expenditure due to:</u>	
Donor-imposed purpose restrictions	<u>(138,194)</u>
 Financial assets available for general expenditure	 <u><u>\$ 2,297,340</u></u>



SUPPLEMENTARY INFORMATION



**COOPERATIVE DOWNTOWN MINISTRIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Federal Grantor / Cluster Title / Program Title	Pass-through Grantor	Assistance Listing No.	Award Identifier	Federal Expenditures
U.S. Department of Housing and Urban Development				
Continuum of Care Program	Direct	14.267	AL0001L4C002215	\$ 712,656
Continuum of Care Program	Direct	14.267	AL0001L4C002316	76,300
Continuum of Care Program	Direct	14.267	AL0195L4C002201	350,452
Continuum of Care Program	Direct	14.267	AL0195L4C002302	147,735
Continuum of Care Program	Direct	14.267	AL0205T4C002200	220,355
Continuum of Care Program	Direct	14.267	AL0205T4C002301	14,758
Total Continuum of Care Program				<u>1,522,256</u>
<i>CDBG - Entitlement Grants Cluster:</i>				
Community Development Block Grants/Entitlement Grants	City of Birmingham	14.218	PY49	23,295
Community Development Block Grants/Entitlement Grants	City of Birmingham	14.218	PY50	10,830
Community Development Block Grants/Entitlement Grants	Jefferson County	14.218	CD22-03T-CW-FHES	35,000
Community Development Block Grants/Entitlement Grants	Jefferson County	14.218	CD23-03T-CW-FHES	39,149
Total CDBG - Entitlement Grants Cluster				<u>108,274</u>
Emergency Solutions Grants Program	City of Birmingham	14.231	PY49	3,803
Emergency Solutions Grants Program	City of Birmingham	14.231	PY50	7,878
Emergency Solutions Grants Program	Jefferson County	14.231	HESG2022-ES-CDM	31,657
Total Emergency Solutions Grant Program				<u>43,338</u>
Total U.S. Department of Housing and Urban Development				1,673,868
U.S. Department of Treasury				
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	Jefferson County	21.027	ARPA-052	83,848
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	Jefferson County	21.027	ARPA-054	69,809
Total U.S. Department of Treasury				<u>153,657</u>
Total Federal Expenditures				<u><u>\$ 1,827,525</u></u>

See notes to schedule of expenditures of federal awards.

**COOPERATIVE DOWNTOWN MINISTRIES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal expenditures of Cooperative Downtown Ministries, Inc. (the "Organization") under programs of the federal government for the year ended December 31, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule 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 assets, or cash flows of Cooperative Downtown Ministries, Inc.

For the purposes of the Schedule, federal award expenditures include all grants, contracts, and similar agreements entered into directly between the Organization and agencies and departments of the federal government and all subawards provided to the Organization by nonfederal organizations pursuant to federal grants, contracts, and similar agreements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Organization has elected to use the 10-percent de minimis cost rate as allowed under the Uniform Guidance.

NOTE 3. AWARDS TO SUBRECIPIENTS

The Organization did not provide any federal awards to subrecipients from the federal expenditures reported in the Schedule.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Cooperative Downtown Ministries, Inc.
Birmingham, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Cooperative Downtown Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 9, 2025.

Report on Internal Control over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of this Report

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

Haynes Downard LLP

Haynes Downard LLP
Birmingham, Alabama

July 9, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Cooperative Downtown Ministries, Inc.
Birmingham, Alabama

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cooperative Downtown Ministries, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Cooperative Downtown Ministries, Inc.'s major federal program for the year ended December 31, 2024. Cooperative Downtown Ministries, Inc.'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, Cooperative Downtown Ministries, Inc. 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, 2024.

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 Cooperative Downtown Ministries, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cooperative Downtown Ministries, Inc.'s compliance with the compliance requirements referred to above.

Management's Responsibilities 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 Cooperative Downtown Ministries, Inc.'s federal programs.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cooperative Downtown Ministries, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Cooperative Downtown Ministries, Inc.'s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement 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 Cooperative Downtown Ministries, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cooperative Downtown Ministries, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cooperative Downtown Ministries, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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



Purpose of this Report

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.

Haynes Downard LLP
Haynes Downard LLP
Birmingham, Alabama

July 9, 2025



**COOPERATIVE DOWNTOWN MINISTRIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2024**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified: ___ Yes No

Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ Yes None reported

Noncompliance material to financial statements noted? ___ Yes No

Federal Awards

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

Internal control over major programs:

Material weakness(es) identified? ___ Yes No

Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ Yes None reported

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)? ___ Yes No

Identification of major program:

Name of Federal Program or Cluster

Assistance Listing No.

Continuum of Care Program

14.267

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as a low-risk auditee?

Yes ___ No

SECTION II - FINANCIAL STATEMENT AUDIT FINDINGS

None reported.

SECTION III - MAJOR FEDERAL AWARD PROGRAMS AUDIT FINDINGS AND QUESTIONED COSTS

None reported.



**COOPERATIVE DOWNTOWN MINISTRIES, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024**

SECTION I – FINANCIAL STATEMENT AUDIT FINDINGS

None reported.

SECTION II – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported.

