STRATA CPAs

STRATA CPAs PC
2500 N. Pantano Road Suite 130, Tucson, AZ 85715
Main: (520) 849-9972 | Fax: (520) 849-1005 | stratacpas.com

July 17, 2026

To the Board of Directors
Ezekiel Ministries, Inc.
Columbia, South Carolina

We have audited the financial statements of Ezekiel Ministries, Inc. ("Ezekiel", or the "Organization") for the year ended December 31, 2025 and have issued our report thereon dated July 15, 2026. Professional standards require we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have previously communicated such information in our engagement letter to you dated January 13, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. During the year, the Organization adopted a new capitalization threshold policy. The application of other existing accounting policies was not changed. We noted no transactions entered into by the Organization for the year for which there was a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Certain financial statement disclosures can be particularly sensitive because of their significance to financial statement users, however we noted no such sensitive disclosures to the financial statements. The financial statement disclosures are neutral, consistent, and clear.

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

- Valuation and recognition of in-kind income
- Valuation and useful lives of PPE
- Functional allocation of expenses between programmatic, general and administrative, and fundraising.

We evaluated management's determinations of these estimates and found them to be reasonable in relation to the financial statements as a whole. We also evaluated the adequacy of footnote disclosures and found them to be comprehensive and meeting at least the minimum disclosure requirements of professional standards.

Difficulties Encountered During the Audit

We encountered no difficulties in dealing with Organization management, including the accounting management, in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were some adjustments proposed to management, which they agreed to and recorded to correct the misstatements.

Disagreements With Management

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

Management Representations

We have requested in writing certain standard representations from management and a Board representative that are included in the management representation letter dated July 15, 2026.

Other Audit Findings or Issues

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

Internal Control Matters

In planning and performing our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for

designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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. Auditing standards define significant deficiencies as deficiencies that are less severe than material weaknesses, yet important enough to merit the attention of those charged with governance. A material weakness is defined as a deficiency, or 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 that is important enough to merit communication to the board, but does not rise to the level of a material weakness.

During the course of our audit, we identified matters that we consider to be control deficiencies, as well as other matters we wish to call to your attention. Notably, the decision to address or not address any particular deficiency or recommendation is yours to make – our job is to make you aware of the control deficiencies we noted, but you must decide whether and how you respond to these risks.

We consider the following to be material weakness in internal control:

Material Weakness #1: Tracking Pledges

Generally Accepted Accounting Principles for non-profits require that pledges (promises to give) be recorded as revenues in the year they occur, with the remaining unpaid portion at year end as an asset (Pledge Receivable). The Organization had not been doing this, and auditors had to materially adjust net assets, revenues, and pledges receivable to correct the financial statements.

We recommend that Ezekiel familiarize its fundraising and accounting personnel with revenue recognition principles, have pledge cards that it uses if or when such promises occur, and maintain a schedule of promises to give.

Material Weakness #2: Tracking Gifts in Kind

Generally Accepted Accounting Principles for non-profits require that organizations track and record the fair value of goods, professional services, or privileges donated to them. The Organization has not maintained such a schedule, and auditors had to materially adjust donated rent (revenue) and occupancy costs (expense) for the value of the building usage of the ministry.

We recommend that Ezekiel maintain a record of all donated items (including food, donated professional services, event tickets, venue usage).

We consider the following to be significant deficiencies in internal control:

Significant Deficiency #1: Controls over cash and payment methods

We note that the Organization's executive director has access to incoming checks through the mail (physical assets). We noted the Organization's operations manager is an authorized signer (authorization), has access to check stock and incoming checks (physical assets), and has access to Quickbooks and CRM systems (recordkeeping). Old accounts and old account balances that are not likely to be closely monitored (including cash and credit cards) have not been closed out.

We discussed this extensively with management and understand that in small nonprofit organizations that staff frequently have to cover multiple areas of responsibility. We also noted that there are detective controls in place: if the Operations Director or the Development Director expects a check, it is likely that they would follow-up with a donor if the Executive Director took it. If the Operations Director took a check, if the Executive Director remembers receiving mail from the donor, or if the Development Director expects a check, then they could follow-up with the donor. If the Operations Manager were to write checks to themselves, the Executive Director could catch it in his reconciliation or viewing the check image in the bank reconciliation.

Still, we recommend reducing the access to physical assets of any personnel that has access to recordkeeping systems or authorization responsibilities in order to mitigate risks to perpetuation and concealment of fraud. For example, we recommend controls such as two employees open the mail, old accounts (including the farm bank account, petty cash accounts, and credit cards) are closed out, and two signatures are required to authorize checks (one from management, one from the board) as a preventative control.

Significant Deficiency #2: Fixed asset tracking
Ezekiel did not have a fixed asset inventory, a capitalization policy, or a useful life standard at the beginning of the audit. Management assisted auditors in re-creating an asset listing for testing and made an entry for depreciation.

We recommend that Ezekiel internally maintain a fixed asset inventory that shows the asset name and number, the date it was placed into service, the price (or value) of the asset upon acquisition, the useful life of the asset as dictated by the Organization's capitalization and useful life policy, and the accumulated depreciation by asset.

We consider the following to be deficiencies in internal control:

Deficiency #1: Contract and documentation retention & review
Ezekiel does not have documented agreements, leases, or memorandums of understanding with some of the locations that provide facility use for the after-school programs. Additionally, the insurance coverage reviewed by the auditors covered some properties that had discontinued operations (the farm) while not covering new locations (the most recent additional site). These create risks for the Organization.

We recommend that Ezekiel routinely review its relationships with key partners and consider retaining documentation of those relationships. Additionally, we would recommend that Ezekiel routinely assess its insurance coverage and key documents.

Deficiency #2: Tracking restrictions
While Ezekiel has adjusted from its previous policy of delaying recognition of contribution revenue until a donation's restriction had been met (this is not GAAP), it still utilized this account to release funds during the beginning of 2025, which artificially skewed revenues. Auditors made an entry that was not material.

We suggest that Ezekiel track restricted contributions through project codes using the Quickbooks project functionality, and that those project codes be maintained until those projects are completed. Ezekiel could consider tracking projects by project type (i.e. classifying projects by their restricted purpose: mentoring, location development, etc.) to provide better internal monitoring and clarity for management and governance.

This communication is intended solely for the information and use of the Board of Directors, the executive and audit committees, management and others within the

Organization and is not intended to be and should not be used by anyone other than these specified parties.

We would like to thank you and your staff for the cooperation and effort put forth during the conduct of our audit, and the hospitality shown us.

Sincerely,



Matthew V. Frey, CPA
For Strata CPAs PC