

CARING TO LOVE MINISTRIES, INC.

Financial Statements

June 30, 2024

(With Independent Accountants' Compilation Report Thereon)

CARING TO LOVE MINISTRIES, INC.

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Stephen M. Griffin, CPA
Robert J. Furman, CPA

Howard P. Vollenweider, CPA
Jessica S. Benjamin
Racheal D. Alvey

Michael R. Choate, CPA

American Society of Certified Public Accountants
Society of Louisiana CPAs

Independent Accountants' Compilation Report

**To the Board of Directors
Caring to Love Ministries, Inc.
Baton Rouge, Louisiana**

Management is responsible for the accompanying financial statements of Caring to Love Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Griffin & Furman, LLC

October 24, 2024

Covington, Louisiana

205 E. Lockwood St.
Covington, LA 70433
Phone: (985) 727-9924
Fax: (985) 400-5026

2915 S. Sherwood Forest Blvd., Suite B
Baton Rouge, LA 70816
Phone: (225) 292-7434
Fax: (225) 293-3651

3711 Cypress St. #2
West Monroe, LA 71291
Phone: (318) 397-2472

CARING TO LOVE MINISTRIES, INC.

Statement of Financial Position

June 30, 2024

(See Independent Accountants' Compilation Report)

	<u>Assets</u>	
Current assets:		
Cash and cash equivalents	\$	366,700
Grants receivable		23,286
Prepaid expenses		19,012
Other current assets		8,632
		<hr/>
Total current assets		417,630
Property and equipment, net		403,215
		<hr/>
Total assets	\$	820,845
		<hr/> <hr/>
	<u>Liabilities and Net Assets</u>	
Current liabilities:		
Accounts payable	\$	4,508
Payroll liabilities		8,483
		<hr/>
Total current liabilities		12,991
Net assets:		
Without donor restrictions		807,854
		<hr/>
Total net assets		807,854
		<hr/>
Total liabilities and net assets	\$	820,845
		<hr/> <hr/>

CARING TO LOVE MINISTRIES, INC.

Statement of Activites

For the Year Ended June 30, 2024

(See Independent Accountants' Compilation Report)

Unrestricted revenues and support:		
Grant income - life choice	\$	100,800
Grant income - FEMA		2,148
Contributions		351,008
Special events		196,214
Other revenue		<u>8,695</u>
Total unrestricted revenues and support		<u>658,865</u>
Expenses:		
Program services		563,244
Supporting services		<u>135,322</u>
Total expenses		<u>698,566</u>
Decrease in net assets		(39,701)
Net assets at beginning of year		<u>847,555</u>
Net assets at end of year	\$	<u><u>807,854</u></u>

CARING TO LOVE MINISTRIES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2024

(See Independent Accountants' Compilation Report)

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Life Choice</u>	<u>CPC/ Other</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and payroll taxes:					
Salaries	\$ 75,030	133,173	9,267	-	217,470
Payroll taxes	-	10,119	684	-	10,803
Total salaries and payroll taxes	75,030	143,292	9,951	-	228,273
Other Expenses:					
FEMA expenses	-	2,617	-	-	2,617
Contract Labor	-	38,935	2,100	1,000	42,035
Executive Director	-	139,000	-	-	139,000
Special Events	-	-	-	75,448	75,448
Benevolence	-	595	-	-	595
Training	-	174	-	-	174
Travel	-	421	-	-	421
Employee benefits	-	4,393	-	-	4,393
Computer expense	-	38,396	1,326	215	39,937
Maintenance	-	7,522	-	144	7,666
Meals	-	1,198	-	-	1,198
Insurance	1,200	23,918	850	-	25,968
Interest	-	105	-	-	105
Advertising/media	-	6,342	-	99	6,441
Telephone/internet	4,823	7,029	-	-	11,852
Accounting	1,950	-	-	-	1,950
Legal/Professional	10,947	-	-	-	10,947
Miscellaneous	1,502	2,499	-	-	4,001
Printing/copy	1,536	14,816	-	6,553	22,905
Postage	117	7,725	-	-	7,842
Bank charges	-	3,491	852	-	4,343
Supplies	1,225	10,341	-	-	11,566
Licenses and fees	-	2,588	4,799	-	7,387
Repairs	-	1,194	1,147	-	2,341
Auto	-	3,427	-	-	3,427
Utilities	2,469	1,425	2,519	-	6,413
Donations	-	1,002	-	-	1,002
Total other expenses before depreciation	25,769	319,153	13,593	83,459	441,974
Depreciation	-	-	28,319	-	28,319
Total expenses	\$ 100,799	462,445	51,863	83,459	698,566
Percentage of total expenses	14%	66%	7%	12%	100%

CARING TO LOVE MINISTRIES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2024

(See Independent Accountants' Compilation Report)

Cash flows from operating activities:

**Adjustments to reconcile the decrease in net assets
to net cash used by operating activities:**

Decrease in net assets	\$	(39,701)
Contribution of stock		(1,077)
Depreciation expense		28,319
(Increase) decrease in assets:		
Grants receivable		(14,501)
Prepaid expenses		(1,546)
Other assets		(54)
Increase (decrease) in liabilities:		
Accounts payable		(3,812)
Accrued expenses		211

Net cash used by operating activities **(32,161)**

Cash and cash equivalents at beginning of year **398,861**

Cash and cash equivalents at end of year **\$ 366,700**

Non-cash investing activities:

Stock donation received **\$ 1,077**

CARING TO LOVE MINISTRIES, INC.

Notes to the Financial Statements

June 30, 2024

(See Independent Accountants' Compilation Report)

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

Caring to Love Ministries, Inc. (a nonprofit organization) (the "Organization") was established in 1983 and is a 501(c)(3) non-profit, non-discriminatory organization with a voluntary Board of Directors. The Organization originated to assist and educate teens in various life-changing issues. This assistance is practical in mature-adult women helping teenage women to extend a loving hand to teens, offering them real hope out of unplanned pregnancy, chemical dependency, and poverty.

(b) Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

(c) Basis of Presentation

Financial statement presentation follows the reporting requirements of the Not-For-Profit Entities Topic of FASB, ASC, which establishes external financial reporting for not-for profit organizations that include basic financial statement classifications of resources into two separate classes of net assets, as follows:

- Without donor restrictions – Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- With donor Restrictions – Net assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled and removed by the actions of the Organization pursuant to such situations. Net assets whose use by the Organization is limited by donor-imposed stipulation that neither expire with the passage of time nor can be fulfilled and removed by the actions of the Organization.

The classification of net assets into two separate groupings described above is based on criteria established by the Financial Accounting Standards Board, which are not necessarily consistent with regulations of the Internal Revenue Service concerning restrictions on donations.

CARING TO LOVE MINISTRIES, INC.

Notes to the Financial Statements

June 30, 2024

(See Independent Accountants' Compilation Report)

(d) Donated Services

No amounts have been reflected in the financial statements for donated services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and assignments.

(e) Contributions

In accordance with the *Accounting for Contributions Received and Contributions Made* Topic of FASB ASC (FASB ASC 958), contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of any donor restrictions. If donor restrictions are met in the same accounting period, then assets are listed as unrestricted.

(f) Other Revenue

The Organization receives other revenue from miscellaneous events and presentations that are held periodically. There are no restrictions on this income and is disclosed as other revenue under unrestricted revenue in the financial statements.

(g) Functional Allocation of Expenses

The costs of providing the Organization's programs and services have been summarized on a functional basis in the Statement of Functional Expenses. Management and general expenses include those expenses that are not directly identifiable with any other specific functions but provide for the overall support and direction of the Organization.

(h) Federal Income Tax

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 (FIN 48), *Accounting for the Uncertainty in Income Taxes*, which clarifies the accounting for income taxes recognized in the financial statements in accordance with Statements of Financial Accounting Standard ("SFAS 109"), *Accounting for Income Taxes* (FASB Accounting Standards Codification (ASC 740, Income Taxes). FIN 48 provides that a tax benefit from an uncertain tax position may be recognized when it is more-likely-than-not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits.

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2021 - 2023 are subject to examination by the IRS, generally for three years after they were filed.

CARING TO LOVE MINISTRIES, INC.

Notes to the Financial Statements

June 30, 2024

(See Independent Accountants' Compilation Report)

(i) Public Support and Revenue

The Organization receives its support primarily from contributions and special events revenue.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States.

Promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. If the expenses related to temporarily restricted revenues occur in the same year the revenues are received, these revenues are recorded as unrestricted.

(j) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(k) Property and Equipment

The purchase of property and equipment is recorded at cost. It is the Organization's policy to capitalize expenditures for these items in excess of \$2,000. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment are depreciated using the straight-line method over their estimated useful lives of 5 to 30 years.

Generally, when items of property are retired or disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the Statement of Activities. Expenditures for repairs and maintenance are charged to expense.

CARING TO LOVE MINISTRIES, INC.

Notes to the Financial Statements

June 30, 2024

(See Independent Accountants' Compilation Report)

(l) Advertising

Advertising costs are expensed as incurred.

(m) Estimates

The preparation of financial statements in conformity with U.S.'s generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(2) Grants Receivable

Grants receivable of \$23,286 at June 30, 2024 is comprised of grants receivable from the State of Louisiana and FEMA.

(3) Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2023 are as follows:

	Balance July 1, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2024</u>
Capital assets being depreciated				
Vehicle	\$ 35,359	-	-	35,359
Building and improvements	570,048	-	-	570,048
Equipment	228,682	-	-	228,682
Furniture and Fixtures	27,064	-	-	27,064
Total capital assets being depreciated and amortized	<u>861,154</u>	-	-	<u>861,153</u>
Less accumulated depreciation	<u>(429,620)</u>	<u>(28,319)</u>	-	<u>(457,938)</u>
Total capital assets being depreciated, net	<u>\$ 431,534</u>	<u>(28,319)</u>	-	<u>403,215</u>

The Organization recorded \$28,319 of depreciation expense on its capital assets for the year ended June 30, 2024.

(4) Lease Commitments and Related Party Transactions

On March 16, 1992, the Organization entered into a 99-year land lease with a nonprofit organization. A Board member of the Organization is an authorized agent for the leasing nonprofit organization. The rent to be paid by the Organization is \$1,200 per year.

CARING TO LOVE MINISTRIES, INC.

Notes to the Financial Statements

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(See Independent Accountants' Compilation Report)

The future minimum lease payments are as follows:

2025	\$	1,200
2026		1,200
2027		1,200
2028		1,200
2029-2091		<u>74,400</u>
Total	\$	<u>79,200</u>

For the year ended June 30, 2024, the Organization received contributions of \$8,400 from the leasing nonprofit organization.

(5) Concentration of Grant Income

During the year ended June 30, 2024, approximately 16% of revenues were from the Department of Social Services, Department of Children and Family Services, Temporary Assistance for Needy Families (TANF) grant and the Federal Emergency Management Administration. The grant amounts are appropriated each year by the federal and state governments.

If budget cuts or program changes are made at the federal or state level, the amount of grant income the Organization receives could be reduced significantly and have an adverse impact on its operations. The current TANF grant expired June 30, 2022 with auto renewals through June 30, 2025.

The Organization has \$398,618 of financial assets available within one year of the statement of financial position date to meet the needs for general expenditure consisting of cash and cash equivalents of \$366,700, receivables of \$23,286, and other financial assets of \$8,632.

(6) Contingencies

The Organization receives a significant portion of its revenue from government grants and contracts, all of which are subject to audit by the government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from any such audit.

(7) Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage of, and destruction of assets; errors and omissions, and natural disasters for which the Organization carries commercial insurance. There have been no significant reductions in coverage from prior years.

CARING TO LOVE MINISTRIES, INC.

Notes to the Financial Statements

June 30, 2024

(See Independent Accountants' Compilation Report)

(8) Board of Directors

The Board of Directors serves and directs the Organization on a voluntary basis. The Board does not receive compensation.

(9) Note Payable

The Organization has a line of credit with a local bank. The maximum loan amount is \$175,000 with interest due monthly at the Wall Street Journal prime rate plus 2% (10.50% at June 30, 2024). The line is secured by equipment. There was no balance outstanding on this line at June 30, 2024. The loan maturity date is July 2024 and was renewed through June 30, 2025.

(10) Subsequent Events

The Organization has evaluated subsequent events through October 24, 2024, which is the date the financial statements were available to be released. No additional disclosures were necessary.