

CARING TO LOVE MINISTRIES, INC.

Financial Statements

June 30, 2023

(With Independent Accountants' Compilation Report Thereon)

CARING TO LOVE MINISTRIES, INC.

Notes to the Financial Statements

June 30, 2023

(See Independent Accountants' Compilation Report)

	<u>Page</u>
Independent Accountants' Compilation Report	1
Basic Financial Statements:	
Statement of Financial Condition	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 12



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

Jessica S. Benjamin, Director
Racheal D. Alvey, Director
Michael R. Choate, CPA, Director

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, 2023, 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

November 30, 2023

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

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

4900 Cypress St. #15
West Monroe, LA 71291
(318) 397-2472 Phone

CARING TO LOVE MINISTRIES, INC.

Statement of Financial Condition

June 30, 2023

(See Independent Accountants' Compilation Report)

	<u>Assets</u>	
Current Assets:		
Cash & cash equivalents	\$	398,861
Grant receivable		8,785
Prepaid expenses		17,466
Other current assets		<u>7,501</u>
Total current assets		432,613
Property and equipment, net		<u>431,534</u>
Total non-current assets		<u>431,534</u>
Total assets	\$	<u><u>864,147</u></u>
	<u>Liabilities & Net Assets</u>	
Liabilities:		
Accounts payable	\$	8,320
Payroll liabilities		<u>8,272</u>
Total liabilities		16,592
Net Assets:		
Unrestricted, without donor restrictions		<u>847,555</u>
Total net assets		<u>847,555</u>
Total liabilities & net assets	\$	<u><u>864,147</u></u>

CARING TO LOVE MINISTRIES, INC.

Statement of Activities

For the Year Ended June 30, 2023

(See Independent Accountants' Compilation Report)

Unrestricted Revenues and Support:

Grant income - life choice	\$	100,800
Grant income - FEMA		2,380
Contributions		422,486
Special events		233,812
Other revenue		17,194
Gain on sale of assets		5,718

Total unrestricted revenues and support **782,390**

Expenses:

Program services	590,164
Supporting services	190,121

Total expenses **780,285**

Increase in net assets **2,105**

Net assets at beginning of year **845,450**

Net assets at end of year **\$ 847,555**

CARING TO LOVE MINISTRIES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2023

(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	\$ 80,754	157,526	14,989	-	253,269
Payroll taxes	-	12,204	1,068	-	13,272
Total salaries and payroll taxes	80,754	169,730	16,057	-	266,541
Other Expenses:					
FEMA expenses	-	3,816	-	-	3,816
Contract Labor	-	34,172	1,100	-	35,272
Executive Director	-	78,600	39,300	13,100	131,000
Special Events	-	-	-	80,630	80,630
Benevolence	-	2,809	-	-	2,809
Travel	-	988	-	-	988
Employee benefits	-	5,756	-	-	5,756
Computer expense	-	37,408	1,082	-	38,490
Maintenance	-	5,296	-	-	5,296
Meals	-	1,118	-	-	1,118
Insurance	1,405	24,496	-	-	25,901
Advertising/media	-	11,302	-	-	11,302
Telephone/internet	3,579	8,233	-	-	11,812
Accounting	1,800	-	-	-	1,800
Legal/Professional	8,800	950	5,080	-	14,830
Miscellaneous	-	4,177	-	-	4,177
Printing/copy	600	20,201	-	1,650	22,451
Postage	115	6,274	-	4,056	10,445
Bank charges	-	5,022	2,526	-	7,548
Supplies	1,249	11,476	343	30	13,098
Licenses and fees	-	2,584	233	-	2,817
Repairs	-	5,704	-	-	5,704
Rent	-	5,900	-	-	5,900
Auto	-	3,856	-	-	3,856
Utilities	2,500	3,660	2,464	-	8,624
Donations	-	2,130	-	-	2,130
Total other expenses before depreciation	20,048	285,928	52,128	99,466	457,570
Depreciation	-	33,704	16,852	5,618	56,174
Total expenses	\$ 100,802	489,362	85,037	105,084	780,285
Percentage of total expenses	13%	63%	11%	13%	100%

CARING TO LOVE MINISTRIES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2023

(See Independent Accountants' Compilation Report)

Cash flows from operating activities:

**Adjustments to reconcile the change in net assets
to net cash provided by operating activities:**

Increase in net assets	\$	2,105	
Gain on sale of assets		(5,718)	
Depreciation expense		56,174	
(Increase) decrease in assets:			
Grants receivable		13,763	
Prepaid expenses		10,404	
Other assets		(5,756)	
Increase (decrease) in liabilities:			
Accounts payable		825	
Accrued expenses		(3,314)	

Net cash provided by operating activities **68,483**

Cash flows from investing activities:

Proceeds from sale of stock donation		5,718	
Purchase of property and equipment		(25,690)	

Net cash used by investing activities **(19,972)**

Net increase in cash and cash equivalents **48,511**

Cash and cash equivalents at beginning of year **350,350**

Cash and cash equivalents at end of year **\$ 398,861**

CARING TO LOVE MINISTRIES, INC.

Notes to the Financial Statements

June 30, 2023

(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 nature - 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 follow:

- 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, 2023

(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 assignment.

(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 (FIN48), *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 2020 - 2022 are subject to examination by the IRS, generally for 3 years after they were filed.

CARING TO LOVE MINISTRIES, INC.

Notes to the Financial Statements

June 30, 2023

(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 relate 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, 2023

(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. 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.

(n) Adoption of Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The standard was adopted effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 using a modified retrospective approach, with certain practical expedients available.

The Organization elected the available practical expedients to account for any existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

Because of the extended term of the Organization's lease agreement, the effects of implementing this standard were not material to the Organization's financial statements and thus no ROU asset or liability was recorded in the financial statements. See footnote 4 for more information regarding the Organization's lease.

(2) Grants Receivable

Grant receivable of \$8,785 at June 30, 2023 is comprised of grants receivable from the State of Louisiana and FEMA.

CARING TO LOVE MINISTRIES, INC.

Notes to the Financial Statements

June 30, 2023

(See Independent Accountants' Compilation Report)

(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>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2023</u>
Capital assets being depreciated				
Vehicle	\$ 35,359	-	-	35,359
Building and improvements	570,048	-	-	570,048
Equipment	202,992	25,690	-	228,682
Furniture and Fixtures	27,065	-	-	27,065
	<hr/>			<hr/>
Total capital assets being depreciated and amortized	835,463	25,690	-	861,154
	<hr/>			<hr/>
Less accumulated depreciation	(373,446)	(56,174)	-	(429,620)
	<hr/>			<hr/>
Total capital assets being depreciated, net	\$ 462,017	(30,484)	-	431,534
	<hr/>			<hr/>

The District recorded \$56,174 of depreciation expense on its capital assets for the year ended June 30, 2023.

(4) Lease Commitments

On March 16, 1992, the Organization entered into a ninety-nine (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.

The future minimum lease payments are as follows:

2024	\$ 1,200
2025	1,200
2026	1,200
2027	1,200
2028-2091	<hr/> 75,600
Total	<hr/> \$ 80,400

CARING TO LOVE MINISTRIES, INC.

Notes to the Financial Statements

June 30, 2023

(See Independent Accountants' Compilation Report)

(5) Concentration of Grant Income

During the year ended June 30, 2023, approximately 13% of revenues were from the Department of Social Services, Department of Children and Family Services, Temporary Assistance for Needy Families 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 \$423,828 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 \$398,861, receivables of \$8,785, and other financial assets of \$7,501.

(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.

(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% (10.25% at June 30, 2023). The line is secured by equipment. There was no balance outstanding on this line at June 30, 2023. The loan maturity date is July 2023 and was renewed through June 30, 2024.

CARING TO LOVE MINISTRIES, INC.

Notes to the Financial Statements

June 30, 2023

(See Independent Accountants' Compilation Report)

(10) Related Party Transactions

The Organization has the following transactions with related organizations and related persons receiving funding for services rendered during the year ended June 30, 2023:

Hope Group, Inc. (a nonprofit organization)	<u>\$ 1,200</u>
--	------------------------

(11) Subsequent Events

The Organization has evaluated subsequent events through November 30, 2023, which is the date the financial statements were available to be released. No additional disclosures were necessary.